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## COMMISSION STAFF WORKING DOCUMENT

# 2025 Environmental Implementation Review Country Report - MALTA

## Accompanying the document

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

2025 Environmental Implementation Review for prosperity and security

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## **Executive summary**

In May 2016, the European Commission launched the Environmental Implementation Review (EIR), a regular reporting tool based on analysis, dialogue and collaboration with EU Member States to improve the implementation of existing EU environmental policy and legislation (1). Following previous cycles in 2017, 2019 and 2022, this report assesses the progress made while describing the main outstanding challenges opportunities regarding environmental legal implementation in Malta. The purpose of this report is to provide information on the implementation performance and highlight the most effective ways to address the implementation gaps that impact human health and the environment and hamper the economic development and competitiveness of the country. The report relies on detailed sectoral implementation reports collected or issued by the Commission under specific environmental legislation.

The main challenges set out below have been selected from Part I of this report, 'Thematic areas', taking into consideration factors such as the gravity of the environmental implementation issue in light of the impact on the quality of life of citizens, the distance to target and financial implications. In Malta such challenges have lingered since the first Environmental Implementation Review in 2017 and require urgent action.

Urgent reforms and investments in waste management and the circular economy are needed to move away from Malta's reliance on landfills for waste disposal, which remains significant. In particular, Malta relies greatly on landfills for municipal waste and construction and demolition waste. Malta missed by a large margin the 2020 target to recycle 50 % of its municipal waste and is on a course to miss the 2025 targets to recycle 55 % of municipal waste and 65 % of all packaging waste.

There has been a general deterioration of **biodiversity and nature** in Malta. Illegal trapping and hunting of protected bird species continues to be a matter of serious concern in Malta in spite of two rulings of the Court of Justice of the European Union in 2018 and 2024 on this matter. Furthermore, sealed, artificially modified and/or degraded soil continues to increase in Malta due to excessive construction. This, together with the environmental pressures on the relatively small number of forested areas on the islands – only 17 % have a favourable conservation status – makes the situation of nature in Malta unsustainable.

**Urban wastewater** collected in Malta is not being properly treated as required by EU law. In 2024, the Court of Justice of the European Union condemned Malta for failure to ensure compliance with the relevant EU directive in the Malta North and Malta South agglomerations.

The overall **environmental investment need** to enable Malta to meet its objectives in the main environmental areas is EUR 370 million per year, broken down as follows: circular economy (EUR 248 million); pollution prevention and control (EUR 60 million); water (EUR 60 million); and biodiversity and ecosystems (EUR 5 million). To meet these four environmental objectives beyond climate change, the additional investment need over the current levels — **the investment gap** — reaches an estimated EUR 90 million per year in Malta, representing around 0.53 % of the national gross domestic product, being lower than the EU average (0.77 %).

Regarding **environmental governance**, Malta needs ensure that strategic environmental assessment decisions, and plans and programmes in other environmental fields, can be challenged by interested parties under the fundamental right of access to justice. In addition, where authorisations (e.g. development consent) take the form of legislation, Malta needs to provide the opportunity for administrative review or judicial review.

**On the positive side**, Malta continues to implement properly the Inspire Directive, thus providing relevant environmental spatial information for good governance. Malta also has an excellent record when it comes to the Bathing Water Directive: 92 % of Maltese bathing waters are excellent.

environmental implementation review, COM(2016) 316 final of 27 May 2016, <a href="http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2016%3A316%3AFIN">http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2016%3A316%3AFIN</a>.

<sup>(1)</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – Delivering the benefits of EU environmental policies through a regular

## Part I: Thematic areas

## 1. Circular economy and waste management

## Transitioning to a circular economy

Advancing the transition to a circular economy in the EU will reduce the environmental and climate impact of our industrial systems by reducing input materials, keeping products and\_materials in the loop for longer and reducing waste generation, thus decoupling economic growth from resource consumption. A circular economy has considerable potential to increase competitiveness and job creation and will also promote innovation and provide access to new markets. With the 2020 circular economy action plan (CEAP) (²) measures either in place or legislatively advanced, EU Member States will now have to focus on a swift and effective implementation.

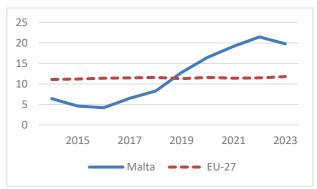
The 2020 CEAP launched the legislative process for a set of initiatives that will now have to be implemented by national governments across the EU. These initiatives were all introduced following a holistic life-cycle approach, with measures addressing the different stages of a product's life cycle, from design through use to end of life

In the CEAP, the EU sets as its overarching objective the doubling of its circular material use rate (CMUR) by 2030.

The CMUR is a measure of one aspect of circularity: the share of the total amount of material used in the economy that is accounted for by recycled waste. A higher CMUR value means that more secondary materials were used as a substitute for raw materials, thus reducing the environmental impacts of extracting primary material.

Malta's circular use of materials has been steadily increasing since 2016, with a significant rise in 2022, reaching 21.5 %. Although the rate decreased slightly to 19.8 % in 2023, it remains well above the EU average of 11.8 % (Figure 1).

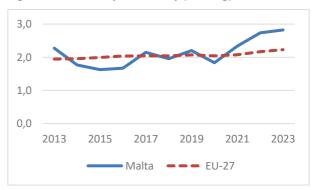
Figure 1: CMUR (%), 2013-2023



Source: Eurostat, 'Circular material use rate', env\_ac\_cur, last updated 13 November 2024, accessed 10 December 2024, <a href="https://ec.europa.eu/eurostat/databrowser/product/view/env">https://ec.europa.eu/eurostat/databrowser/product/view/env</a> ac cu r.

Resource productivity measures the total amount of materials directly used by an economy in relation to gross domestic product (GDP). Improving resource productivity can help to minimise negative impacts on the environment and reduce dependency on volatile raw material markets. In 2023, after a steady increase since 2018 (Figure 2), Malta generated EUR 2.82 per kg of material consumed, above the EU average of EUR 2.23.

Figure 2: Resource productivity (EUR/kg), 2013-2023



NB: The unit of measurement used is EUR/kg chain-linked volume (2015). Chain-linked volumes focus on changes on quantities and prices of commodities in previous years, taking account of inflation, and are indexed to the nearest appropriate year, in this case 2015.

Source: Eurostat, 'Resource productivity', env\_ac\_rp, last updated 7 August 2024, accessed 10 December 2024, <a href="https://ec.europa.eu/eurostat/databrowser/product/view/env\_ac\_rp">https://ec.europa.eu/eurostat/databrowser/product/view/env\_ac\_rp</a>.

COM(2020) 98 final of 11 March 2020, <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2020%3A98%3AFIN">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2020%3A98%3AFIN</a>.

<sup>(2)</sup> Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions – A new circular economy action plan for a cleaner and more competitive Europe,

#### **Policies and measures**

In parallel with European initiatives under the CEAP, Member States are encouraged to adopt and implement circular strategies at the national, regional and city levels. These should be tailored to each national and local reality, to harness the proximity economy's (3) potential, while following the principles of a holistic whole-value-chain approach.

Since the launch of the online European Circular Economy Stakeholder Platform in 2017 (4) national, regional and local authorities have used the platform to share their strategies, roadmaps, and good practices, for example alternative business models and innovative technologies.

In 2020, the Maltese Ministry for the Environment, Climate Change and Planning (MECP) published, together with Circular Economy Malta and the Environment and Resources Authority (ERA), its national strategic vision 2020–2030 – towards a circular economy (5). With this, Malta introduced a series of measures to reduce waste generation and, in particular, landfilling. Malta has implemented the beverage container refund scheme to promote the return and recycling of single-use beverage containers. This has achieved collection rates of 83 % for polyethylene terephthalate containers, 82 % for aluminium cans and 74 % for glass bottles (6). The strategic vision also introduced plans for financial incentives for the donation of products, extended producer responsibility (EPR) schemes for various types of waste, and support for research and innovation on recycling and remanufacturing.

Malta has introduced sectoral legislation for single-use plastics and the construction sector. The single-use plastics strategy 2021–2030 – rethink plastics introduces 24 measures aiming at reducing the consumption of certain single-use plastic products through bans on the import and production of some products and on the sale and distribution of others.

In April 2024, Circular Economy Malta launched the bring your own container initiative to reduce single-use packaging waste in line with Malta's long-term waste management plan 2021–2030 and the EU's CEAP. The initiative encourages consumers to use reusable containers for food, beverages, cleaning and personal care products through financial incentives such as

discounts or loyalty rewards offered by the registered providers of these products. Businesses participating in the bring your own container initiative are distinguished with a logo and listed on an interactive map. By November 2024, 300 establishments had joined, fostering collaboration between consumers, businesses and the government to promote sustainable practices. Looking ahead, Circular Economy Malta plans to expand the initiative, intensifying public awareness campaigns and maintaining compliance through inspections to support Malta's transition to a circular economy.

Malta is currently working on a national strategy for the environment 2050, which will set the framework for a longer-term transition to increased sustainability. Circular economy is mentioned throughout the text, which includes more upstream measures on the sustainable design of products and initiatives empowering consumers, reflecting the measures of the EU's 2020 CEAP.

Malta is among the 26 Member States that are subject to an infringement proceeding for failing to meet waste collection and recycling targets (7). Malta has not developed circular action plans at the local or regional level.

#### **Green public procurement**

Public procurement accounts for a large proportion of European consumption, with public authorities' purchasing power representing around 14 % of EU GDP. Public procurement using green or circular criteria (lifecycle analysis, platform as a service, second hand) can help drive the demand for sustainable products that meet reparability and recyclability standards.

Malta's current plan, the green public procurement (GPP) national action plan 2022–2027, incorporates the requirements of the Clean Vehicles Directive and aims to be both ambitious and realistic. This plan sets targets for 17 product and service groups, including new areas such as street lighting and traffic signals, healthcare electrical and electronic equipment, transport, paints, varnishes, road markings, computers and monitors, office building design and management, road design and maintenance, toilets and urinals, and hospitality and catering services. Malta's target is to progressively increase the share of greener products and services in government

<sup>(3)</sup> European Commission, 'Proximity and social economy ecosystem', European Commission website, <a href="https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy.en">https://single-market-economy.ec.europa.eu/sectors/proximity-and-social-economy.en</a>.

<sup>(4)</sup> Circular Economy Stakeholder Platform (https://circulareconomy.europa.eu/platform/en/strategies).

<sup>(5) &</sup>lt;a href="https://www.cemalta.gov.mt/wp-content/uploads/2021/09/email-version-fin..pdf">https://www.cemalta.gov.mt/wp-content/uploads/2021/09/email-version-fin..pdf</a>.

<sup>(6)</sup> See the website of the beverage container refund scheme (https://bcrsmalta.mt/).

<sup>(7)</sup> European Commission, 'July infringement package', Brussels, 25 July 2024, <a href="https://ec.europa.eu/commission/presscorner/detail/en/inf\_24">https://ec.europa.eu/commission/presscorner/detail/en/inf\_24</a> 3228.

procurement so that 90 % of tenders fall under the scope of GPP by 2027.

Several initiatives are being pursued to improve GPP implementation. These include the enhancement of GPP training courses offered by the Institute for the Public Services and the development of a new GPP platform to assist with queries and provide easy access to information (8).

This platform has now been integrated into the national electronic procurement system to allow for collection of data at the pre-publication phase in digital format. In addition to this form of data collection, the Ministry for the Environment, Energy and Public Cleanliness also undertakes a quality assurance exercise that compares the data collected in each ministry's weekly GPP reports post-publication with the tenders published on the electronic procurement system.

Malta has not reported any other measures to the Commission since the 2022 Environmental Implementation Review (EIR).

# The EU Ecolabel and the eco-management and audit scheme

The number of EU Ecolabel product groups and the number of eco-management and audit scheme (EMAS)-licensed organisations in each country provide some indication of the extent to which the private sector and national stakeholders in that country are actively engaged in the transition to a circular economy. The EU Ecolabel is awarded to products with best-in-class environmental performance. EMAS is a voluntary environment management scheme aimed at reducing the environmental impacts of organisations.

As of September 2024, Malta had 18 products (most of them cleaning products) out of 98 977 in the EU, and 6 licences out of 2 983 registered in the EU Ecolabel scheme. This shows a very low take-up of the products and licences. Moreover, only one organisation in Malta is currently registered in EMAS, the same as in October 2021. For such voluntary schemes, granting national or regional regulatory or legislative incentives as well as further promoting the schemes is crucial for securing uptake.

The CMUR of Malta decreased by 1.7 percentage points in 2023. However, it remains above the EU average.

No progress has been made on the priority action delivered in the 2022 EIR to strengthen the policy

framework to speed up the transition to a circular economy.

### 2025 priority action

 Speed up the transition to a circular economy by implementing an updated national strategy and the EU framework and recommendations, in particular to complement it with upstream circularity measures

## Waste management

Turning waste into a resource is supported by:

- addressing the full life cycle of products, from conception to end of life, by setting requirements on the design of products to ensure that they are more sustainable;
- (ii) fully implementing EU waste legislation, which includes the waste hierarchy, the obligation to ensure separate collection of waste, landfill diversion targets, etc.;
- (iii) reducing waste generation per capita and in absolute terms;
- (iv) increasing the recycling rates of waste containing critical raw materials (CRMs), with a view to reducing dependencies and building resilient value chains, and stimulating demand for recycled content in all products;
- (v) limiting energy recovery to non-recyclable materials;and
- (vi) phasing out landfilling of recyclable or recoverable waste

One of the main objectives of EU waste law is to decouple economic growth from its environmental impacts.

The EU's approach to waste management is based on the waste treatment hierarchy: prevention, preparing for reuse, recycling, recovery and, as the least preferred option, disposal (which includes landfilling and incineration without energy recovery).

All legislative proposals in the field of waste management put forward by the Commission since 2021 are intended to encourage Member States to promote better product design, to require producers to cover the costs of managing the waste resulting from their products and to ensure that waste is managed at the higher levels of the waste hierarchy.

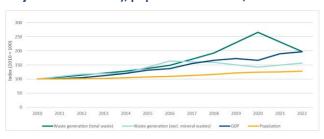
The total amount of waste generated in Malta has doubled over the last 12 years (Figure 3), and it seems

(https://sustainabledevelopment.gov.mt/wp-content/uploads/2024/10/Green-Public-Procurement-National-Action-Plan-2022-2027.pdf).

<sup>(</sup>Green public procurement second national action plan' is a course offered to members of the public service outlining the values of green public procurement and the duty of the public service to uphold them

that both economic growth and population growth could have triggered this development. This trend is primarily driven by the largest waste category, namely mineral waste from construction and demolition due to excessive construction on the islands. Ferrous metal waste is another primary driver of the increase in total waste once major mineral waste is excluded. Malta's GDP showed a steady growth until 2019 but dropped in 2020, probably due to the COVID-19 outbreak. There are no clear indications of decoupling of waste generation from economic growth.

Figure 3: Generation of waste (total and excluding major mineral waste), population and GDP, 2010–2022



NB: Waste generation data for odd years are interpolated.

Sources: Eurostat, 'GDP and main components (output, expenditure income)', nama\_10\_gdp, accessed 15 October https://ec.europa.eu/eurostat/databrowser/view/nama 10 gdp cu stom 9301905/default/table; Eurostat, 'Generation of waste by waste category, hazardousness and NACE Rev. 2 activity', env wasgen, last updated 30 September 2024, accessed 22 October https://ec.europa.eu/eurostat/databrowser/view/env wasgen/defaul <u>t/table?lang=en</u>; Eurostat, 'Population change – Demographic balance and crude rates at national level', demo\_grind, accessed 15 October 2024.

https://ec.europa.eu/eurostat/databrowser/view/demo\_gind/default /table?lang=en&category=demo.demo ind.

## **Critical raw materials**

Currently, Malta's waste management plan lacks a CRM strategy. Malta has not provided to the Commission any information on policies to increase the recycling rates of waste containing CRMs.

#### Construction and demolition waste

Construction and demolition waste accounts for almost 40 % of all waste generated in the EU. A recent study (9) by the Joint Research Centre shows that preparing for reuse and recycling operations are preferred over incineration and landfilling from an environmental perspective for most of the different streams of construction and demolition waste. However, the economics are often unfavourable for preparing for reuse and recycling compared with incineration and landfilling. If available technology were to be applied, it is estimated that the increase in preparing for reuse and recycling would lead to an additional 33 Mt of greenhouse gas (GHG) emission savings annually (more than, for example, the combined annual GHG emissions of Estonia, Latvia and Luxembourg).

The preparing for reuse and recycling rate of mineral construction and demolition waste in Malta in 2022 was 67.3 %, compared with the EU average of 79.8 %. Measures to further increase the preparing for reuse and recycling rate of construction and demolition waste include separate collection at source, for instance through digitalised pre-demolition audits (10) ('resource assessments'); EPR and other economic instruments; and upstream measures such as increasing the recycled content in construction products and the circular design (11) of construction works.

The construction and demolition waste strategy for Malta 2021–2030 (12) includes standards for the construction industry to reduce the amount of waste and encourage better separation of waste streams, thus boosting the secondary materials market.

## Boosting implementation - the 2023 Waste Early **Warning Report**

This section focuses on the management of municipal waste and packaging waste (13), for which EU law sets mandatory recycling targets. In June 2023, the Commission published the Waste Early Warning

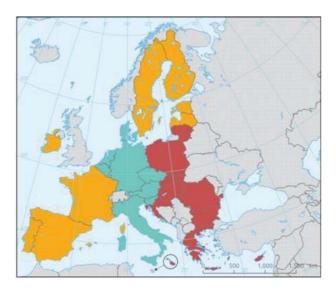
- $(^{11})$ European Commission, Circular Economy - Principles for buildings design, Brussels, 2020, https://ec.europa.eu/docsroom/documents/39984.
- https://era.org.mt/construction-and-demolition-wastestrategy-for-malta-2021-2030-managing-constructiondemolition-resources/.
- Municipal waste consists of (i) mixed waste and separately collected waste from households, including paper and cardboard, glass, metals, plastics, biowaste, wood, textiles, packaging, waste electrical and electronic equipment, waste batteries and accumulators, and bulky waste, including mattresses and furniture; and (ii) mixed waste and separately collected waste from other sources, where such waste is similar in nature and composition to waste from households (Directive 2008/98/EC, Article 3.2b).

European Commission: Joint Research Centre, Cristóbal García, J., Caro, D. et al., Techno-economic and environmental assessment of construction and demolition waste management in the European Union, Publications Office of the European Luxembourg, Union. 2024. https://publications.jrc.ec.europa.eu/repository/handle/JRC135 470.

European Commission: Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs, EU Construction & Demolition Waste Management Protocol including guidelines for pre-demolition and pre-renovation audits of construction works - Updated edition 2024, Publications Office of the Union, 2024. European Luxembourg, https://op.europa.eu/en/publication-detail/-/publication/d63d5a8f-64e8-11ef-a8ba-01aa75ed71a1/language-en.

Report (14) identifying the general trends in waste management and the Member States at risk of missing 2025 waste targets (see Figure 4). Malta is at risk of missing both the municipal waste and the packaging waste targets. Malta is also at risk of not meeting the 2035 target of a maximum of 10 % of municipal waste being landfilled (15).

Figure 4: Member States' prospects of meeting the preparing for reuse and recycling targets for municipal waste and packaging waste



- Member States not at risk of missing the 55 % preparing for reuse and recycling target for municipal waste and the 65 % recycling target for packaging waste
- Member States at risk of missing the preparing for reuse and recycling target for municipal waste but not at risk of missing the recycling target for packaging waste
- Member States at risk of missing both targets
- Outside coverage

Source: European Environment Agency (EEA), 'Many EU Member States not on track to meet recycling targets for municipal waste and packaging waste', briefing No 28/2022, Copenhagen, 2023. Reference data © ESRI.

Under certain conditions, EU waste legislation allows Member States to postpone the deadlines for reaching certain waste management targets for municipal and packaging waste. Member States that want to use this possibility must notify the Commission 24 months in advance of the deadline and submit an implementation plan laying down the steps they envisage to reach the postponed targets within a new time frame. Regarding the 2025 targets, 11 Member States, not including Malta, have used this prerogative.

In December 2023, Malta notified the Commission of its intention to postpone the municipal waste and packaging waste targets for plastic and paper/cardboard. The Commission found that the preconditions to postpone the packaging targets were not complied with and did not accept the postponement. As regards municipal waste, the main measures in Malta's implementation plan are the setting up of separation of organic and recyclable waste and the introduction of deposit-return and pay-as-you-throw schemes. In November 2024, Malta notified the Commission of its intention to renounce to its right of postponement, thereby confirming its commitment to achieving the targets laid down in article 11.2 of the Waste Framework Directive and article 6.1 of the Packaging and Packaging Waste Directive.

In the Waste Early Warning Report, the Commission recommended that Member States accelerate their efforts to improve their recycling performance. The Commission is, on one hand, working together with the national authorities and stakeholders to speed up the implementation of measures necessary to meet the targets, including through dedicated financing. On the other hand, the Commission is pursuing enforcement actions against those Member States that, based on data submitted to the Commission, do not achieve the targets of the Waste Framework Directive (16), the Packaging and Packaging Waste Directive (17) and the Directive on Waste Electrical and Electronic Equipment (18).

Malta set up new infrastructures to enhance recycling capabilities, such as the Multi-Material Recovery Facility (inaugurated in June 2023) and the Material Recovery Facility (inaugurated in March 2023). Furthermore, a new automated glass-sorting line also started operating in 2024, leading to an increased operational capacity and better glass output material. At the heart of the government's long-term vision is the ambitious Ecohive complex, which includes a 190 00 t waste-to-energy

<sup>(14) &</sup>lt;a href="https://environment.ec.europa.eu/publications/waste-early-warning-report en.">https://environment.ec.europa.eu/publications/waste-early-warning-report en.</a>

<sup>(15)</sup> European Topic Centre on Circular Economy and Resource Use (ETC/CE), 2022. ETC Circular economy and resource use (ETC CE)

— Eionet Portal

<sup>(16)</sup> Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 on waste and repealing certain Directives, <u>Directive - 2008/98 - EN - Waste framework directive</u> - EUR-Lex.

<sup>(17)</sup> European Parliament and Council Directive 94/62/EC of 20 December 1994 on packaging and packaging waste (OJ L 365, 31/12/1994, p. 10–23), <u>Directive - 94/62 - EN - EUR-Lex</u>.

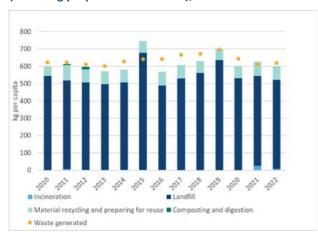
Oirective 2012/19/EU of the European Parliament and of the Council of 4 July 2012 on waste electrical and electronic equipment (WEEE) (OJ L 197, 24.7.2012, p. 38), Directive - 2012/19 - EN - EUR-Lexhttps://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:32012L0019.

plant, a 74 000 t organic processing plant and a 47 000 t skip management facility to divert bulky waste from landfilling ( $^{19}$ ).

### **Municipal** waste

Municipal waste generation in Malta has stagnated over the past few years (Figure 5). In 2022, the country generated 618 kg per capita of municipal waste, which is significantly above the estimated EU-27 average of 513 kg per capita in the same year.

Figure 5: Municipal waste management and recycling (including preparation for reuse), 2010–2022



NB: From reference year 2020, new reporting rules apply for calculating recycled municipal waste pursuant to the targets set out in Article 11.2(c–e) of Directive 2008/98/EC. Despite its efforts to implement the new reporting rules, Malta is finding it particularly challenging to obtain accurate data on the actual amount of waste entering the recycling process due to its reliance on exporting waste for recycling

Source: Eurostat, 'Municipal waste by waste management operations', env\_wasmun, accessed 22 October 2024, https://ec.europa.eu/eurostat/databrowser/view/ENV WASMUN/default/table.

Figure 6: Recycling (including preparation for reuse) and landfill rates (%), 2010–2022



NB: From reference year 2020, new reporting rules apply for calculating recycled municipal waste pursuant to the targets set out in Article 11.2(c–e) of Directive 2008/98/EC. Despite its efforts to implement the new reporting rules, Malta is finding it particularly challenging to obtain accurate data on the actual amount of waste entering the recycling process due to its reliance on exporting waste for recycling.

Source: Eurostat, 'Municipal waste by waste management operations', env\_wasmun, accessed 22 October 2024, https://ec.europa.eu/eurostat/databrowser/view/ENV WASMUN/def ault/table.

Malta has shown very low rates of preparing for reuse and recycling of municipal waste over the past few years (Figure 6). In 2022, the preparing for reuse and recycling rate for municipal waste was 13 %, which is significantly below the estimated EU-27 average of 49 % in the same year, and which has not improved in the last decade. This recycling rate is entirely driven by materials recycling, as biowaste after treatment is used for landscaping and landfill remediation (20) and is consequently reported as landfilled.

Incineration of municipal waste plays a minor role in Malta; only 1.3 % of the municipal waste generated was incinerated in 2022. Landfilling is the dominant treatment method in Malta and the landfilling rate has remained relatively stable.

## **Packaging waste**

Malta's packaging waste generation increased between 2010 and 2022 (Figure 7). In 2022, the country generated 167 kg per capita of packaging waste, which is slightly below the estimated European average of 186 kg per capita in the same year (21).

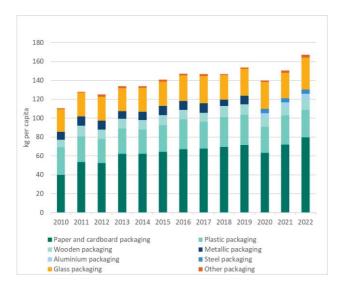
Figure 7: Packaging waste generation, 2010–2022

<sup>(19)</sup> ERA, 2024. ERA - Environment and Resources Authority

<sup>(20)</sup> Wasteserv, 2022; EEA, Early warning assessment related to the 2025 targets for municipal waste and packaging waste – Malta, Copenhagen, 2022,

https://www.eea.europa.eu/publications/many-eu-member-states/malta/view.

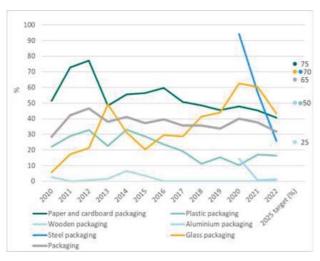
<sup>(21)</sup> The EU average might have been influenced by not all Member States fully applying the reporting rules for packaging waste set out in Commission Implementing Decision (EU) 2019/665.



NB: From reference year 2020, the rules for calculating recycled packaging waste have changed, pursuant to Article 6a of Directive 94/62/EC. Malta has applied the new reporting rules since reference year 2020 (Eurostat, 2024a). However, despite its efforts to implement the new reporting rules, Malta is finding it particularly challenging to obtain accurate data on the actual amount of waste entering the recycling process due to its reliance on exporting waste for recycling.

Source: Eurostat, 'Packaging waste by waste management operations', env\_waspac, last updated 23 October 2024, accessed 28 October 2024, <a href="https://ec.europa.eu/eurostat/databrowser/view/ENV">https://ec.europa.eu/eurostat/databrowser/view/ENV</a> WASPAC cus tom 842634/default/table?lang=en.

Figure 8: Packaging waste recycling rates (%), 2010–2022



NB: From reference year 2020, the rules for calculating recycled packaging waste have changed, pursuant to Article 6a of Directive 94/62/EC. Malta has applied the new reporting rules since reference year 2020 (Eurostat, 2024a). However, despite its efforts to implement the new reporting rules, Malta is finding it particularly challenging to obtain accurate data on the actual amount of waste entering the recycling process due to its reliance on exporting waste for recycling.

Source: Eurostat, 'Packaging waste by waste management operations', env\_waspac, last updated 23 October 2024, accessed 28 October 2024,

https://ec.europa.eu/eurostat/databrowser/view/ENV WASPAC custom 842634/default/table?lang=en.

Malta's overall packaging waste recycling rate has fluctuated over the years. In 2022 it was 32 % (Figure 8), and overall it has not improved in the past decade. These annual fluctuations are influenced by the fact that Malta relies on exports for recycling and keeps sorted waste in temporary storage until there is enough to export. The overall packaging waste recycling rate is mainly driven by paper and cardboard packaging waste, as this constitutes the largest stream of all packaging waste generated. However, the recycling rate for paper and cardboard has decreased over the past few years, although this has been countered by a significant increase in glass packaging waste recycling. From the reference year 2020 onwards, it is mandatory to report steel and aluminium packaging separately. In 2022, the recycling rates of both types of packaging were below the 2025 target.

#### Policies to encourage waste prevention

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

The national waste management plan of Malta, called the long-term waste management plan 2021–2030 (22), covers the territory of Malta and includes the new waste prevention programme. It was published in September 2021. The objectives of the new waste prevention programme and the MECP are to:

- promote resource efficiency and reduce waste generation across sectors;
- create circular opportunities through repair services and secondary markets;
- provide economic incentives to encourage waste prevention and reuse initiatives.

The priority waste streams for prevention are food waste, packaging waste, paper waste, single-use plastics, textile waste, waste electrical and electronic equipment, and construction and demolition waste (23). Waste prevention measures for priority waste streams will focus on public awareness campaigns and the introduction of economic incentives (24).

<sup>(&</sup>lt;sup>22</sup>) MECP, 2021.

<sup>(&</sup>lt;sup>23</sup>) EEA, 2023.

<sup>(&</sup>lt;sup>24</sup>) MECP, 2021.

#### Policies to encourage separate collection and recycling

From 1 January 2023 waste collection has been organised at the regional level rather than at the local council level. Regional councils have to make information on their recycling performance, the selection procedures for waste operators and the costs charged to producer responsibility organisations publicly available. Producer responsibility organisations also offer a specific collection service to producers that put transport packaging on the market (25). Malta has a high coverage of door-to-door separate collection complemented by low-density recycling points and civic amenity sites mainly targeted towards municipal packaging waste. Even though biowaste has been separately collected door to door since 2018 (26) and garden waste can be dropped off at civic amenity sites, the treatment of organic waste in Malta does not qualify as recycling (27).

In November 2022, Malta launched a nationwide deposit-return system for certain beverage containers made of polyethylene terephthalate, aluminium, steel and glass in line with the national Beverage Containers Recycling Regulations (28). Data for 2023 indicate that 78 % of the beverage containers placed on the market were collected through the deposit-return system, while the recycling rate was 74 % relative to the total number of containers placed on the market (29).

In Malta, there is an EPR system covering packaging waste from both household and non-household sources for all packaging materials without advanced fee modulation based on recyclability. There is no packaging tax in place (30).

#### Policies to discourage landfilling or incineration

Malta has neither a landfill tax nor a tax on incineration (31), as it chose to establish differentiated gate fees for different waste streams. The landfill gate fee for 1 t of mixed waste deposited in landfills is progressively increasing from EUR 40 to EUR 120 between 2023 and 2027.

Malta has not made progress in developing sufficient infrastructure for the recycling of waste, particularly biowaste. Therefore, the recommendations from the 2023 *Waste Early Warning Report* are reiterated.

#### 2025 priority actions

- Improve separate collection at source e.g. through economic instruments, investing in infrastructure for separate collection, sorting and recycling, and increasing public awareness.
- Improve municipal waste preparation for reuse and recycling. Increase the recycling rates of packaging waste.
- Increase the collection and recycling rate of waste electronic and electric equipment (WEEE).
- Invest in waste prevention measures to reduce the total amount of waste generated.
- Implement and expand the pay-as-you-throw system for businesses and households. Ensure the achievement of the 2025 waste targets, following the recommendations made by the Commission in the Early Warning Reports where applicable.

<sup>&</sup>lt;sup>(25)</sup> ETC/CE, 2022.

<sup>(26)</sup> EC, 2022.

<sup>(&</sup>lt;sup>27</sup>) ETC/CE, 2022.

<sup>(28)</sup> Subsidiary Legislation 549.134, 3 July 2020, https://legislation.mt/eli/sl/549.134/20211231/eng.

<sup>(&</sup>lt;sup>29</sup>) ERA, 2024.

<sup>(30)</sup> ETC/CE, 2022.

<sup>(31)</sup> ETC/CE, 2022.

## 2. Biodiversity and natural capital

## Global and EU biodiversity frameworks

Biological diversity and healthy ecosystems are critical for our societies, underpin our economies and well-being and are essential for climate change adaptation and mitigation. The Kunming-Montreal global biodiversity framework (GBF), adopted in December 2022, sets comprehensive and measurable targets to tackle biodiversity loss by 2030. To implement this global framework and integrate biodiversity considerations into national decision-making, the EU – as well as all Member States – had to submit national biodiversity strategies and action plans (NBSAPs), or to communicate national targets aligned with the global targets, by the end of 2024. The EU biodiversity strategy for 2030 (BDS) aims to put EU biodiversity on a path to recovery by 2030. It sets quantified targets intended to protect and restore nature and manage ecosystems in a sustainable manner, as well measures to enable implementation and commitments to support global biodiversity. A BDS actions tracker (32) and a dashboard of indicators (33) provide information on implementation progress. The recently adopted EU Nature Restoration Regulation (34) is the first EU-wide, comprehensive law of its kind and a key instrument for the EU to deliver on the global biodiversity targets for 2030. It lays down an overarching objective at the EU level to put in place effective restoration measures on 20 % of EU land and sea by 2030 and for all ecosystems in need of restoration by 2050. To achieve this, it sets binding targets for Member States to restore and maintain ecosystems, as well as an effective implementation framework based on national restoration plans.

The BDS is the main instrument used by the EU to deliver on its obligation under the GBF. The Commission has submitted to the Convention on Biological Diversity its report on GBF-aligned EU targets that stem from the BDS and from other policy instruments under the European Green Deal.

Member States' NBSAPs need to provide coherent frameworks for national delivery on the global and EU

2030 biodiversity targets. In line with the global obligations, NBSAPs should also include a biodiversity financing plan and a capacity-building plan, based on needs assessments, as well as an overview of the national indicators used to measure progress.

Drawing on a review of its first NBSAP to 2020, the EU and global biodiversity targets for 2030 and a whole-ofsociety and whole-of-government approach, Malta adopted its revised NBSAP to 2030 (35) on 19 September 2024. It establishes a strategic framework of 22 targets and 79 actions to be delivered by 2030 in five policy areas: (i) conserving and restoring nature; (ii) addressing the drivers of biodiversity loss; (iii) using biodiversity sustainably; (iv) mainstreaming and awareness raising; and (v) enhancing implementation and cooperation. National targets are set in relation to protected areas, ecosystem restoration, genetic diversity, invasive alien species (IAS), climate change, pollution, sustainable agriculture and fisheries, biotechnology, mainstreaming of biodiversity in the public and private sectors, and education and public awareness, amongst other things. Malta has also uploaded its national targets into the Convention on Biological Diversity's online reporting tool (36).

The EU aims to allocate to biodiversity objectives at least 7.5 % of annual spending under the EU budget in 2024, rising to 10 % in 2026 and 2027. For details on biodiversity financing and investments in Malta, see Chapter 5.

At the international level, Malta has neither signed nor ratified the Nagoya-Kuala Lumpur Supplementary Protocol to the Cartagena Protocol on Biosafety. Neither has it ratified the International Convention for the Regulation of Whaling.

# Nature protection and restoration – Natura 2000

Natura 2000 (37), the largest coordinated network of

- (32) EU Biodiversity Strategy Actions Tracker (https://dopa.jrc.ec.europa.eu/kcbd/actions-tracker/).
- (33) EU Biodiversity Strategy Dashboard (https://dopa.jrc.ec.europa.eu/kcbd/EUBDS2030-dashboard/?version=1).
- (34) Regulation (EU) 2024/1991 of the European Parliament and of the Council of 24 June 2024 on nature restoration and amending Regulation (EU) 2022/869 (OJ L, 2024/1991, 29.7.2024), http://data.europa.eu/eli/reg/2024/1991/oj; see also the Commission web page on the law
- (https://environment.ec.europa.eu/topics/nature-and-biodiversity/nature-restoration-law en).
- (35) Environment and Resources Authority, National Biodiversity Strategy and Action Plan to 2030, 2024, https://era.org.mt/wp-content/uploads/2024/09/NBSAP-to-2030 final compressed.pdf.
- (36) https://ort.cbd.int/national-targets?countries=mt.
- (37) Natura 2000 comprises sites of community importance (SCIs),

protected areas in the world, is key to the achievement of the objectives set out in the Birds and Habitats Directives. These objectives are to ensure the long-term protection, conservation and survival of Europe's most valuable and threatened species and habitats and the ecosystems they underpin. Key milestones towards meeting the objectives of the Birds and Habitats Directives are (i) the setting up of a complete and coherent Natura 2000 network; (ii) the designation of sites of community importance (SCIs) as special areas of conservation (SACs) (38); and (iii) effective management of all Natura 2000 sites through the setting of site-specific conservation objectives and measures.

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

The setting up of a complete and coherent network of Natura 2000 sites is a cornerstone of the EU's international commitments, under the BDS and GBF, to legally protect a minimum of 30 % of its land area and 30 % of its sea area.

Meeting these commitments requires the full implementation of Article 3 of the Habitats Directive. The Natura 2000 network should represent a complete and coherent ecological network composed of sites hosting natural habitat types and species of community interest. The Natura 2000 network enables the natural habitat types and the species' habitats concerned to be maintained or, where appropriate, restored to a favourable conservation status in their natural range.

Malta hosts 29 habitat types and 66 species covered by the Habitats Directive. The country also hosts populations of 31 bird taxa listed in the Birds Directive Annex I (39).

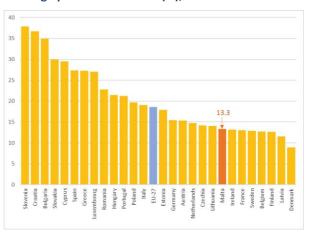
As shown in Figure 9, in 2023, 13.3 % of the terrestrial territory of Malta was covered by Natura 2000 sites (EU average: 18.6 %), with special protection areas (SPAs) classified under the Birds Directive covering 5.1 % (EU average: 12.8 %), and SCIs under the Habitats Directive covering 13 % (EU average: 14.3 %) of Malta's territory.

The latest assessment of the SCI part of the Natura 2000 network shows that there are insufficiencies in the Maltese designation of protected sites for marine habitat

types. Further scientific studies need to be undertaken on at least two habitat types (40) to yield the relevant scientific information – including on the continental shelf extending more than 25 NM from the Maltese coast. This would enable an informed choice to be made as to whether Malta should propose additional SCIs. Malta has reported that the required scientific studies are under way, with public calls in progress. Meanwhile, an infringement case is open on this matter.

Considering both areas covered by Natura 2000 and other nationally designated protected areas, Malta legally protects 28.7 % of its terrestrial areas (EU-27 average: 26.1 %) and 5.5 % of marine areas (EU-27: average 12.3 %) (<sup>41</sup>). In 2020, the Commission initiated infringement proceedings against Malta for failure to complete the designation of Natura 2000 sites on its islands.

Figure 9: Natura 2000 terrestrial protected area coverage per Member State (%), 2023



Source: European Environment Agency (EEA), 'Natura 2000 Barometer', 2023 data, accessed March 2025, <a href="https://www.eea.europa.eu/data-and-maps/dashboards/natura-2000-barometer">https://www.eea.europa.eu/data-and-maps/dashboards/natura-2000-barometer</a>.

# Designating special areas of conservation and setting site-specific conservation objectives and measures

To ensure that SCIs contribute to the objectives of the Habitats Directive, Member States must designate them as SACs, setting site-specific conservation objectives based on the ecological needs of the species and habitats present on the sites. Such site-specific conservation

Eurostat dataset env bio4, 12 March 2025

designated pursuant to the Habitats Directive, as well as special protection areas (SPAs), classified pursuant to the Birds Directive. Numbers of protected areas in Figure 9 do not add up to the total of SCIs plus SPAs, because some SCIs and SPAs overlap. A special area of conservation (SAC) is an SCI designated by a Member State.

<sup>(38)</sup> SCIs are designated pursuant to the Habitats Directive, whereas SPAs are designated pursuant to the Birds Directive. Figures of coverage do not add up because some SCIs and SPAs overlap.

<sup>(39)</sup> European Environment Agency (EEA), 'Number of habitats and species per Member State', Article 17 dashboard, 19 December

<sup>2019, &</sup>lt;a href="https://www.eea.europa.eu/themes/biodiversity/state-of-nature-in-the-eu/article-17-national-summary-dashboards/general-information-on-habitats-and-species">https://www.eea.europa.eu/themes/biodiversity/state-of-nature-in-the-eu/article-17-national-summary-dashboards/general-information-on-habitats-and-species</a>.

<sup>(40) 1170 &#</sup>x27;reefs' and 8330 'submerged or partially submerged sea caves'.

objectives should define attributes and targets that describe the habitats' or species' condition as favourable or unfavourable. Under Article 6 of the Habitats Directive Member States must establish and implement measures to achieve these objectives.

All sites subject to the six-year deadline set by the Habitats Directive to designate SCIs as SACs and draw up conservation objectives and measures have been designated. Site-specific conservation objectives and measures have been drawn up for 34 terrestrial and 18 marine Natura 2000 sites (27 terrestrial SACs and 14 SPAs with management plans / conservation orders, and 10 marine SACs and 8 marine SPAs established in a document named 'Conservation objectives and measures for Malta's marine Natura 2000 sites'). Some SACs and SCIs overlap completely or partially with SPAs.

For the terrestrial Natura 2000 sites, the quality of the set conservation objectives is insufficient. The conservation objectives that have been drawn up appear too generic and are therefore not suitable to serve as the required conservation measures. These conservation measures are sometimes not described with a sufficient level of detail, and do not cover all habitats and species for which the sites have been designated. The management plans for 19 of the terrestrial sites were adopted in 2016 and had a timeframe of five years. Malta is currently in the process of reviewing the existing objectives and measures, ensuring that they are based on the 'specific, measurable, achievable, relevant and time-bound' model in accordance with the guidance provided by the Commission.

Site-specific conservation objectives and measures have been set for marine Natura 2000 sites. The Commission is currently assessing the conservation objectives and measures for the marine SACs and SPAs.

#### 2025 priority actions

- Complete the Natura 2000 site designation process.
- Ensure the effective implementation of Natura 2000 management plans and sufficient administrative capacity and financing both for Natura 2000 and the implementation of the Nature Restoration Regulation. Ensure implementation of Prioritised Actions Framework 2021-2027 (PAFs).

## **Recovery of species**

One objective set by the BDS is that, by 2030, there should be no further deterioration in conservation trends or the status of any protected species. The BDS also

states that Member States should ensure that at least 30 % of species not currently in favourable conservation status achieve that status or show progress towards doing so (e.g. by exhibiting positive population dynamics or stable or increasing range and habitat size), by 2030. According to the European Environment Agency (EEA), based on reporting required under Article 17 of the Habitats Directive, a quarter of species in the EU were of good conservation status as of 2018 (<sup>42</sup>).

One of the primary objectives of the Habitats Directive is the maintenance of or restoration to favourable conservation status of all species of community interest. Moreover, the Birds Directive also aims to ensure that all wild birds in the EU enjoy a secure status. To achieve these objectives, it will be necessary to address key pressures and threats. The Birds Directive and the Habitats Directive lay down a framework of species protection rules and rules on the conservation of habitats and species to combat these threats.

According to the 2019 Directive report submitted by Malta on the conservation status of habitats and species covered by the Habitats Directive in accordance with its Article 17, the share of species assessed as having good conservation status in 2019 was 53.33 %, compared with 40.38 % in the previous 2013 report covering 2007–2012. For birds, 74 % of the breeding species showed short-term increasing or stable population trends (for wintering species this figure was 50 %). 85 % of the breeding species showed long-term increasing or stable population trends (for wintering species this figure was 56 %).

At the same time, the share of species assessed as having bad conservation status has slightly increased from 7.69% to 8.89%.

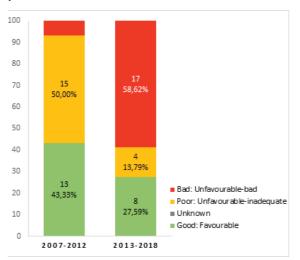
The main pressures causing this bad status for species are (i) development, construction and the use of residential, commercial, industrial and recreational infrastructure; and (ii) alien and problematic species.

Under Article 17 of the Habitats Directive, Member States are required to report on the conservation status of habitats and species every six years. The current reporting cycle, covering the years 2019 to 2024, is due for submission in July 2025.

https://www.eea.europa.eu/publications/state-of-nature-in-the-eu-2020.

<sup>(42)</sup> EEA, State of Nature in the EU: Results from reporting under the Nature Directives 2013–2018, Publications Office of the European Union, Luxembourg, 2020,

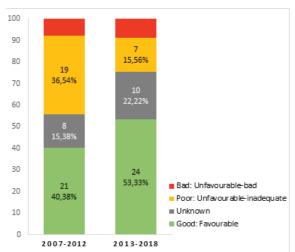
Figure 10: Assessments of conservation status of habitats for the 2007–2012 and 2013–2018 reporting periods



NB: The values shown for 2007–2012 and 2013–2018 are not necessarily directly comparable because changes in area conservation status in a Member State may result from changes to methods or use of better data, rather than reflecting genuine changes.

EEA, 'Conservation status and trends of habitats and species', 19 December 2019, accessed December 2021, <a href="https://www.eea.europa.eu/en/analysis/maps-and-charts/conservation-status-and-trends-article-17-national-summary-dashboards-archived">https://www.eea.europa.eu/en/analysis/maps-and-charts/conservation-status-and-trends-article-17-national-summary-dashboards-archived</a>.

Figure 11: Assessments of conservation status of species for the 2007–2012 and 2013–2018 periods



NB: The values shown for 2007–2012 and 2013–2018 are not necessarily directly comparable because changes in area conservation

status in a Member State may result from changes to methods or use of better data, rather than reflecting genuine changes.

EEA, 'Conservation status and trends of habitats and species', 19 December 2019, accessed December 2021, https://www.eea.europa.eu/en/analysis/maps-and-charts/conservation-status-and-trends-article-17-national-summary-dashboards-archived.

Regarding species, there has been an increase in the number of species with a favourable conservation status and a decrease in the number of species with an unfavourable status (43).

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

Illegal trapping and killing of protected species remains one of the main challenges in Malta and a matter of concern. In 2018, the Court of Justice of the European Union ruled against Malta's finch-trapping derogation (44), and Malta consequently ended the trapping of finches. However, in 2020 and 2021, Malta introduced new finch-trapping practices under a research derogation scheme. In November 2021, the Commission decided (45) to continue the infringement proceedings for failure to correctly apply the Birds Directive (46). Nevertheless, Malta launched finchtrapping derogations for 2022 and 2023 as well. The Court delivered its judgment on 19 September 2024 condemning the derogation. The Commission remains very concerned by the decision of the Maltese government to authorise a new derogation scheme for 2024 and calls on Malta to discontinue its finch-trapping practices, which are not justified under the Birds Directive.

In 2020, the Commission launched another infringement proceeding against Malta for its derogations from the Birds Directive with regard to the spring hunting of quail and the autumn live-capturing of song thrushes and

(44)

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

https://curia.europa.eu/juris/document/document.jsf?text =&docid=203222&pageIndex=0&doclang=fr&mode=lst&dir=&oc=first&part=1&cid=40300853.

<sup>(43)</sup> EEA, 'National summary dashboards – Habitats Directive – Art. 17', 11 May 2023,

<sup>(45)</sup> European Commission, 'Nature: Commission decides to refer Malta to the Court of Justice of the European Union over finch trapping', press release, Brussels, 12 November 2021, <a href="https://ec.europa.eu/commission/presscorner/detail/en/IP-21">https://ec.europa.eu/commission/presscorner/detail/en/IP-21</a> \_\_5666.

<sup>(46)</sup> Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds (OJ L 20, 26.1.2010, p. 7), <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32009L0147">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32009L0147</a>.

golden plovers (47). These derogations fall short systematically of the requirements set out in the Birds Directive, due to Malta's poor supervision of the conditions set out in the derogations, which results in species other than those targeted being affected. In 2022, Malta re-enacted (after a temporary suspension) a derogation allowing the recreational hunting of turtle doves during their spring migration period. The Commission considers it apparent from the latest available data that the population of this species is currently below a satisfactory level and that consequently, no spring hunting derogation can be lawfully authorised. Therefore, the derogation decision cannot constitute a 'judicious use' in terms of Article 9(1)(c) of the Habitats Directive. For this reason, in 2023 the Commission extended the infringement proceeding against Malta to cover the spring hunting of turtle doves.

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

In the 2022 EIR, the Commission delivered the following priority actions to Malta, urging the country to step up efforts on (i) the process of designating Natura 2000 sites; (ii) completing the management plans for marine sites with clearly defined conservation objectives; (iii) implementing the necessary conservation measures for all Natura 2000 sites; and (iv) providing appropriate resources for implementing the Nature Directives in the fields of species and habitats of community interest. Finally, the Commission exhorted Malta to take urgent action on combating illegal bird-hunting and trapping practices.

The Commission notes very limited progress in all these areas. In fact, implementation results in some of these areas have deteriorated since the last report. For this reason, the Commission urges Malta to implement similar priority actions for 2025 and beyond.

## 2025 priority actions

- Strengthen the implementation of national antipoaching measures.
- Reinforce action for habitats and species in unfavourable conservation status, for example through restoration measures, increased connectivity, better policy coordination and integration, and increased funding.

## **Recovery of ecosystems**

#### **Agricultural ecosystems**

The BDS works alongside the common agricultural policy (CAP) to support the transition to sustainable agriculture.

The strategy has set five common agriculture-related targets for 2030, namely to:

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

The "Vision for agriculture and food" (<sup>48</sup>), adopted by the European Commission in February 2025, sets a roadmap to an agri-food system that is attractive, competitive, sustainable and fair for current and future generations. To ensure a sustainable future for EU agriculture, it is crucial that these four priority areas are pursued together, and that public and private support are adequately targeted toward this objective.

The CAP and national CAP strategic plans (SPs) are key instruments to facilitate and strengthen the efforts of European farmers to protect biodiversity and the environment at large. The Commission approved Member States' CAP SPs in 2022 for the programming period 2023–2027. CAP is the largest source of funding for the implementation of EU environment policy, and this is particularly true with regard to biodiversity. SPs should continue playing a key role in the protection of soil, water, air quality and biodiversity.

While certain result indicators focus on a range of interventions favouring sustainable agriculture practices that regenerate ecosystems, the impact of these measures is difficult to assess. The uptake of the ecoschemes is voluntary for farmers.

The utilised agricultural area in Malta increased from 10 250 ha in 2005 to 11 580 ha in 2016 and decreased to

<sup>(47)</sup> European Commission, 'December infringements package: Key decisions', Brussels, 3 December 2020, <a href="https://ec.europa.eu/commission/presscorner/detail/en/inf-20-2142">https://ec.europa.eu/commission/presscorner/detail/en/inf-20-2142</a>.

<sup>48)</sup> https://agriculture.ec.europa.eu/overview-vision-agriculturefood/vision-agriculture-and-food\_en

10 730 ha in 2022 (<sup>49</sup>). Most agricultural holdings in the country cover less than 1 ha.

Landscape features are fragments of non-productive and typically – but not exclusively – semi-natural vegetation present in or adjacent to agricultural land. They provide ecosystem services and support for biodiversity. The indicator 'share of agricultural land covered with landscape features' is the ratio between the area covered by non-productive landscape features and the area covered by agricultural land. Based on the Land Use/Cover Area Frame Survey landscape features estimates, the share of agricultural land covered by non-productive landscape features in Malta is 27.7 %, above the EU average. At the EU level, landscape features cover 5.6 % of agricultural land.

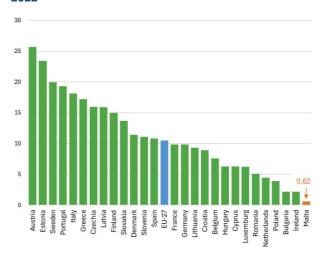
In 2024, the CAP basic regulations were amended (<sup>50</sup>) to simplify certain rules, inter alia, the standards for good agricultural and environmental condition (GAEC) of land. These changes removed the obligation for farmers benefiting from CAP area-related support to have a minimum share of 3–4% of non-productive area or landscape features in their farms. However, the amended regulation does not remove the obligation under GAEC 8 to maintain existing landscape features. It also sets out an obligation for Member States to establish and provide support for eco-schemes covering practices for the maintenance of non-productive areas, such as land lying fallow, and for the establishment of new landscape features on arable land.

The recently adopted Nature Restoration Regulation (<sup>51</sup>) focuses on the restoration of agricultural ecosystems and requires Member States to put in place measures that aim to achieve an increasing trend at the national level of at least two out of three indicators for agricultural ecosystems (<sup>52</sup>). One of these indicators is the 'share of agricultural land with high-diversity landscape features'.

Organic farming practices are highly beneficial to biodiversity. As shown in Figure 12, it is estimated that 0.62 % of Malta's land area is used for organic farming.

This is the worst result in the EU and far from the EU average of 10.50 % ( $^{53}$ ). Malta is contributing below average to achieving the target of 25 % of the EU's agricultural land being used for organic farming by 2030. Malta's action plan for organic food 2023–2030 specifies a national target of 5 % of utilised agricultural area being converted to organic production by 2030 and aims to increase organic aquaculture by the same year. One of the current challenges that could become an opportunity is that organic farming in Malta is characterised by land holdings that are small, fragmented and scattered.

Figure 12: Share of total utilised agricultural area occupied by organic farming per Member State (%), 2022



Source: Eurostat, 'Area under organic farming', sdg\_02\_40, accessed 5 December 2024, https://ec.europa.eu/eurostat/databrowser/view/sdg 02 40/default/table?lang=en.

## 2025 priority actions

- Implement eco-schemes and agri-environmental measures and practices to address the environmental needs of Malta.
- Implement and scale up the uptake of organic farming practices.

https://agriculture.ec.europa.eu/document/download/c67458ed-ec50-4762-ae68-341763ab93c2 fr?filename=factsheet-organic-farning fr.pdf&prefLang=en.

<sup>(49)</sup> Eurostat, 'Utilised agricultural area by categories', tag00025, accessed 5 December 2024, https://ec.europa.eu/eurostat/databrowser/view/tag00025/de fault/table?lang=en.

<sup>(50)</sup> Regulation (EU) 2024/1468 of the European Parliament and of the Council of 14 May 2024 amending Regulations (EU) 2021/2115 and (EU) 2021/2116 as regards good agricultural and environmental condition standards, schemes for climate, environment and animal welfare, amendment of the CAP strategic plans, review of the CAP strategic plans and exemptions from controls and penalties (OJ L, 2024/1468, 24.5.2024), http://data.europa.eu/eli/reg/2024/1468/oj.

<sup>(51)</sup> Regulation (EU) 2024/1991of the European Parliament and of the Council of 24 June 2024 on nature restoration and amending

Regulation (EU) 2022/869 (OJ L, 2024/1991, 29.7.2024), http://data.europa.eu/eli/reg/2024/1991/oj.

<sup>(52)</sup> The three indicators are 'grassland butterfly index', 'stock of organic carbon in cropland mineral soils' and 'share of agricultural land with high-diversity landscape features'.

<sup>(53)</sup> This is based on the latest available information from Eurostat, which is currently under review; European Commission, Agriculture biologique au sein de l'union européenne, factsheet, Brussels, 2024, https://agriculture.ec.europa.eu/document/download/c67458e

#### Soil ecosystems

Soil is an essential, finite and extremely fragile resource. Its increasing degradation poses a threat to EU food security and climate resilience, adaptation and mitigation.

The EU soil strategy, adopted in November 2021, aims to support soil protection, sustainable soil management and the restoration of degraded soils to achieve the Green Deal objectives as well as land degradation neutrality by 2030.

#### This entails:

- preventing further soil degradation;
- making sustainable soil management the new normal;
- taking action for ecosystem restoration.

The proposed directive on soil monitoring and resilience (<sup>54</sup>) aims to introduce the first comprehensive legislation on the protection of all soils in the EU. Should the Directive be adopted, Member States will have to transpose it into national legislation and implement it, starting with putting in place the governance systems and a sound monitoring framework building on existing national soil monitoring frameworks. The objective of the proposed directive is to provide better and more comparable soil health data with the view of attaining healthy soils by 2050.

Degradation of soil ecosystems encompasses several aspects. The proposed directive requires Member States to assess soil health according to a set of common indicators and to define the necessary regeneration measures. The area of soil that is sealed is an important factor in monitoring land-use change and represents an important pressure on nature and biodiversity. Other soil issues related to land degradation are soil erosion, soil compaction, loss of soil organic carbon, soil contamination, soil salinisation and the presence in soil of nitrogen and phosphorus in excess. The impact assessment accompanying the proposal, which builds on the data available in the EU Soil Observatory, points to the following soil degradation issues in Malta (55).

The data uncertainty for Malta is high due to low data availability. Based on the data available, the greatest contributor to Malta's unhealthy soils is unsustainable soil erosion by water, wind, tillage and harvest, which affects 97 % of cropland area. 18 % of the country experiences soil sealing above 50 % imperviousness<sup>56</sup>.

In the 2022 EIR, Malta was delivered a priority action on sealed and artificially modified soil. No progress has been recorded since. Hence the priority action is reiterated in this report.

## 2025 priority action

 Reduce the excessive area of sealed and artificialised soil and remediate degraded areas of soil. If appropriate, consider formally committing to targets for land-degradation neutrality under the relevant United Nations Convention to Combat Desertification agreement.

#### Grasslands

Grasslands are among the most diverse ecosystems in the EU; they can contain as many as 80 different plant species per square metre and are home to a large variety of animals, ranging from small insects, birds and rodents to large herbivores. Grasslands are essential for agriculture and livestock herding. Natural grasslands also play an important role in storing carbon. However, changes in agricultural practices and land uses have caused grasslands to disappear at an alarming rate, making them one of Europe's most threatened ecosystems. Extensively managed grasslands include meadows, mountain pastures, dry calcareous grasslands and steppic grasslands.

According to the most recent Article 17 report by Malta (57), 100 % of grassland habitat types have worsened to an unfavourable – bad (U2) conservation status, also showing a prospective negative trend. The main pressures are extraction of resources; development and operation of transport systems; development, construction and use of residential, commercial, industrial and recreational infrastructure; and alien and problematic species (58).

<sup>(54)</sup> Proposal for a directive of the European Parliament and of the Council on soil monitoring and resilience (Soil Monitoring Law), COM(2023) 416 final of 5 July 2023, <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52023PC0416">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52023PC0416</a>.

<sup>(55)</sup> Commission staff working document – Impact assessment report: Annexes – Accompanying the proposal for a directive of the European Parliament and of the Council on soil monitoring and resilience (Soil Monitoring Law), SWD(2023) 417 final of 5 July 2023, https://environment.ec.europa.eu/system/files/2023-

<sup>07/</sup>IMPACT ASSESSMENT REPORT ANNEXES SWD 2023 417 part4.pdf.

<sup>&</sup>lt;sup>56</sup> <u>resource.html</u>

<sup>(57) &</sup>lt;a href="https://cdr.eionet.europa.eu/mt/eu/art17/envxngv\_g">https://cdr.eionet.europa.eu/mt/eu/art17/envxngv\_g</a>.

<sup>(58)</sup> EEA, 'Main pressures and threats', Article 17 dashboard, last updated 22 August 2023, <a href="https://www.eea.europa.eu/en/analysis/maps-and-charts/main-pressures-and-threats-article-17-national-summary-dashboards-archived">https://www.eea.europa.eu/en/analysis/maps-and-charts/main-pressures-and-threats-article-17-national-summary-dashboards-archived</a>.

#### Forest ecosystems

Forests are important carbon sinks and conserving them is vital if the EU is to achieve climate neutrality by 2050. The EU forest strategy for 2030, adopted in July 2021, is a plan of actions to promote the many services that forests provide. Its key objective is to ensure healthy, diverse and resilient EU forests that contribute significantly to the achievement of the EU's biodiversity and climate ambitions. About 27 % of the forest area in the EU is covered by habitat types listed in Annex I to the Habitats Directive. Moreover, forests host several species protected under the Birds and Habitats Directives, including those for which there is a requirement to designate Natura 2000 sites and to protect breeding sites and resting places.

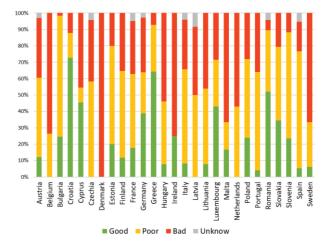
Several Commission guidelines on forestry management were published in 2023. They covered biodiversity-friendly afforestation, reforestation, and tree planting; closer-to-nature forest management; and defining, mapping, monitoring and strictly protecting primary and old-growth forests. Further guidance on payment schemes for ecosystems services has also been published.

In 2023, the Commission proposed a new forest monitoring law (59) that aims to create a comprehensive forest knowledge base, address information gaps, and enable a better response to growing pressures on forests.

Forests covered only 1.4 % of Malta's territory in 2020 (<sup>60</sup>) (EU average: 36.44 %), and their situation is particularly worrying, as only a minority (17 %) of them show favourable conservation status, while the rest continue to show inadequate or bad status, in some cases even deteriorating (<sup>61</sup>). Malta's status as a small low-lying exposed insular area, geoclimatic considerations, and the dry semi-arid climate all contribute to this situation, which favours more drought-resistant low-lying xeric habitats. The main pressures and threats for forest

habitats are by far alien and problematic species, followed by agriculture and natural processes. Minor pressures are exerted by development, construction and use of residential, commercial, industrial and recreational infrastructure and human-induced changes in water regimes (62).

Figure 13: Conservation status of forests protected under the Habitats Directive per Member State (% of assessments), 2013–2018



Source:

Commission staff working document – New EU forest strategy for 2030, SWD(2021) 652 final of 16 July 2021, p. 24, <u>eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52021SC0652</u>.

The EU Timber Regulation (EUTR) (63) prohibits the placing on the EU market of illegally harvested timber.

On 29 June 2023, the Regulation on Deforestation-free Products (EUDR) (64) entered into force (65). The regulation seeks to guarantee that products in the EU that are made using any of seven listed commodities have no links to deforestation. The EUDR repeals the EUTR.

- (59) Proposal for a Regulation of the European Parliament and of the Council on a monitoring framework for resilient European forests, COM(2023)728, 22 November 2023, https://ec.europa.eu/transparency/documents-register/detail?ref=COM(2023)728&lang=en
- (60) EEA, forest information system for Europe, 'Countries FISE country factsheets', forest information system for Europe website, <a href="https://forest.eea.europa.eu/countries">https://forest.eea.europa.eu/countries</a>.
- (61) EEA, 'Conservation status and trends of habitats and species', 19 December 2019, accessed December 2021, https://www.eea.europa.eu/en/analysis/maps-and-charts/conservation-status-and-trends-article-17-national-summary-dashboards-archived.
- (62) EEA, 'Main pressures and threats', Article 17 dashboard, last updated 22 August 2023, https://www.eea.europa.eu/en/analysis/maps-and-charts/main-pressures-and-threats-article-17-national-summary-dashboards-archived.
- (63) Regulation (EU) No 995/2010 of the European Parliament and of the Council of 20 October 2010 laying down the obligations of operators who place timber and timber products on the market (OJ L 295, 12.11.2010, p. 23), <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32010R0995">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32010R0995</a>.
- (64) Regulation (EU) 2023/1115 of the European Parliament and of the Council of 31 May 2023 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010 (OJ L 150, 9.6.2023, p. 206), <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023R1115&qid=1687867231">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023R1115&qid=1687867231</a> 461.
- (65) The law will apply to large and medium-sized companies starting on December 30, 2025, and to micro and small enterprises starting on June 30, 2026.

Malta has not fulfilled the obligations set out in Article 14(1) and (2) of the EUDR to 'designate one or more competent authorities responsible for fulfilling the obligations arising from this regulation and inform the Commission thereof at the latest by 30 December 2023'. This date remains unchanged, and no additional time is envisaged, as it is a key element to prepare the EUDR's smooth entry into application.

#### 2025 priority actions

- Designate the competent authority responsible for fulfilling the obligations arising from the EUDR and inform the Commission of the names, addresses, and contact details of said competent authority.
- Improve conservation status of forests by promoting sustainable forest managment and ensuring compliance with the Habitats Directive before granting/renewing permits for forest logging.

#### Marine ecosystems

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

Since the 2022 EIR report, no additional data regarding Member States' set of GES characteristics for each descriptor in the MSFD have become available. Nevertheless, Member States had to report updates by October 2024, and these are being assessed by the Commission. In the context of this round of reporting, in accordance with the MSFD and the Commission GES decision (66), Member States must include as part of their set of GES characteristics any threshold values for the descriptors in the MSFD that may have been established in cooperation with other Member States at the EU or regional level (67).

The Commission assessed the updated monitoring programme reported by Member States in 2020 (68). At

that time their updates on the elements, features and parameters identified monitoring gaps. The Commission recommended that Member States should prioritise work to address those gaps at all levels of implementation of the MSFD.

Member States also reported their updated programmes of measures, which are required under Article 13 of the MSFD and which must be updated every six years. The Commission has assessed Member States' programmes of measures.

However, Malta reported its programme of measures with too much delay to be included in the Commission's general assessment of the programmes of measures of the Member States.

Malta has not ratified the Protocol for the Protection of the Mediterranean Sea against Pollution Resulting from Exploration and Exploitation of the Continental Shelf and the Seabed and Its Subsoil (Offshore Protocol to the Barcelona Convention).

### 2025 priority action

 Report its updates on the state of its marine waters, its targets and its determinations of GES (<sup>69</sup>) which are expected to include any threshold values for the descriptors in the MSFD that may have been established in cooperation with other Member States at the EU or regional level.

# Prevention and management of invasive alien species

IAS are a major cause of biodiversity loss in the EU. Besides inflicting direct and indirect damage on nature and the economy, some IAS also carry and spread infectious diseases, posing a threat to humans and wildlife. Regulation (EU) No 1143/2014 (the IAS Regulation) aims to prevent, minimise and mitigate the adverse impacts of IAS on biodiversity. It focuses action on a list of IAS of EU concern (the 'Union list'), which is regularly updated (70).

<u>content/EN/TXT/PDF/?uri=CELEX:02016R1141-</u>20220802&from=EN.

<sup>(66)</sup> Commission Decision (EU) 2017/848 of 17 May 2017 laying down criteria and methodological standards on good environmental status of marine waters and specifications and standardised methods for monitoring and assessment, and repealing Decision 2010/477/EU (OJ L 125, 18.5.2017, p. 43), <a href="https://eurlex.europa.eu/eli/dec/2017/848/oj/eng">https://eurlex.europa.eu/eli/dec/2017/848/oj/eng</a>.

<sup>(67)</sup> Communication from the Commission of 11 March 2024 – Commission notice on the threshold values set under the Marine Strategy Framework Directive (Directive 2008/56/EC) and Commission Decision (EU) 2017/848 (OJ C, C/2024/2078, 11.3.2024), http://data.europa.eu/eli/C/2024/2078/oj.

<sup>(68)</sup> https://environment.ec.europa.eu/system/files/2023-04/C 2023 2203 F1 COMMUNICATION FROM COMMISSION EN V5 P1 2532109.PDF.

<sup>(69)</sup> In accordance with Article 17 of Directive 2008/56/EC.

<sup>(70)</sup> Commission Implementing Regulation (EU) 2016/1141 of 13 July 2016 adopting a list of invasive alien species of Union concern pursuant to Regulation (EU) No 1143/2014 of the European Parliament and of the Council (OJ L 189, 14.7.2016, p. 4), as amended by Commission Implementing Regulations (EU) 2017/1263, (EU) 2019/1262 and (EU) 2022/1203, <a href="https://eurlex.europa.eu/legal-">https://eurlex.europa.eu/legal-</a>

The third update of the Union list  $(^{71})$  entered into force on 2 August 2022. The fourth update is in preparation.

The IAS Regulation (72) currently lists 88 species subject to restrictions on keeping, importing, selling, breeding, growing and releasing into the environment. Member States are required to take measures to (i) prevent the introduction of IAS, (ii) ensure early detection and rapid eradication of IAS and (iii) manage species that are already widespread on their territory.

This aligns with target 6 of the GBF to reduce the introduction of IAS by at least 50 % by 2030 and minimise their impact.

Preventing the introduction and spread of IAS, and managing them, including through eradication and control, can result in a substantial cost saving. Studies estimate that the total cost of IAS in Europe (damages and management) amounted to EUR 116.61 billion between 1960 and 2020 (73). More recent studies have put this cost at USD 28 billion per year in the EU, increasing to USD 148.2 billion by 2040 (74), and at USD 423 billion annually at the global level (75).

Through successful control measures, the total number of IAS of Union concern in Malta has been maintained at nine. This includes species recorded in the previous EIR (2021) with no new additions. The spread of IAS can be seen in Figure 14.

Mapping IAS is considered the first important step to tackle the pressures of IAS on natural habitats. In this regard, a number of initiatives were taken, including detailed mapping of Natura 2000 sites using on-site surveys and drone surveys where access was limited, and Citizen Science, which includes a smartphone-based application through which to report sightings (76).

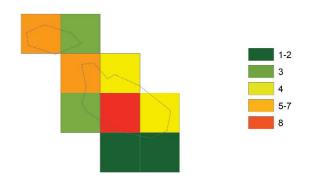
Implementation of management measures for the control or eradication of IAS is being coordinated by the ERA through collaboration with other government entities, site managers and non-governmental organisations (NGOs). The methodologies used are varied and include manual, mechanic and chemical interventions, but these are decided following careful assessment of the site context and species involved to

ensure that surrounding habitats are safeguarded accordingly.

The ERA together with other entities embarked on an awareness campaign that included events such as school visits, the publication and distribution of booklets on local habitats and IAS of Union concern, numerous public activities, social media posts and television programmes.

The ERA issued a statement of intent and objectives for the publication of an action plan for the management of IAS of Union concern in 2024 (77). The ERA intends for the remit of the action plan to include the management of five additional IAS of Union concern, and, inter alia, to seek the removal, control or containment of populations of IAS of Union concern and promote and enhance collaboration between relevant stakeholders.

Figure 14: Total IAS of EU concern, based on available georeferenced information for Malta, 2024



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

In 2022, there was a priority action addressed to Malta on stepping up implementation of the IAS Regulation and taking further measures to combat IAS. Some progress has been achieved in this respect; however, these new initiatives need to be solidified into implementation and

<sup>(71)</sup> Commission Implementing Regulation (EU) 2022/1203 of 12 July 2022 amending Implementing Regulation (EU) 2016/1141 to update the list of invasive alien species of Union concern (OJ L 186, 13.7.2022, p. 10), <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32022R1203">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32022R1203</a>.

<sup>(72)</sup> Regulation (EU) No 1143/2014 of the European Parliament and of the Council of 22 October 2014 on the prevention and management of the introduction and spread of invasive alien species (OJ L 317, 4.11.2014, p. 35).

<sup>(73)</sup> Haubrock, P. J., Turbelin, A. J., Cuthbert, R. N. et al., 'Economic costs of invasive alien species across Europe', NeoBiota, Vol. 63, 2021, pp. 153–190.

<sup>(74)</sup> Henry, M., Leung, B., Cuthbert, R. N. et al., 'Unveiling the hidden economic toll of biological invasions in the European Union', Environmental Sciences Europe, Vol. 35, No 1, 2023, p. 43.

<sup>(75)</sup> IPBES (Intergovernmental Science-Policy Platform on Biodiversity and Ecosystem Services), Summary for Policymakers – Invasive alien species assessment, Bonn, 2023, https://www.ipbes.net/document-library-catalogue/summary-policymakers-invasive-alien-species-assessment.

https://survey123.arcgis.com/share/0e0e5eec6f324ce6a86 88b93068780ae.

<sup>(&</sup>lt;sup>77</sup>) https://era.org.mt/intent-and-objectives-extension-of-the-action-plan-for-the-management-of-invasive-alien-species-of-union-concern-to-include-five-additional-species/.

enforcement.

### 2025 priority action

 Step up implementation of the IAS Regulation, including with regard to enforcement and capacity of inspection authorities.

## **Ecosystem assessment and accounting**

The BDS calls on Member States to better integrate biodiversity considerations into public and business decision-making at all levels and to develop natural capital accounting.

Similarly, target 14 of the GBF ( $^{78}$ ) aims to ensure the full integration of biodiversity and its multiple values into policy and planning and, as appropriate, national accounting. This requires effective and coherent biodiversity observation and reporting on ecosystem condition in the EU ( $^{79}$ ).

The amended regulation (EU) No 691/2011 on European environmental economic accounts (80) introduces new requirements for Member States to report on the condition of ecosystems including urban ecosystems, croplands, grasslands, forest and woodlands, coastal beaches, dunes and wetlands. Data reported by the Member States will feed into the second European ecosystem assessment, due in 2027, and can also be used to support policy decisions.

An ecosystem assessment is an analysis of the condition of ecosystems and the pressures acting on them, as well as the benefits that they provide to people, either directly or indirectly through the economy.

Malta's national mapping and assessment of ecosystems and their services is based on the ecosystem type classification. To further enhance skills in the mapping of ecosystems, Malta has invested in dedicated geographic information system training to build its capacity. Through this, Malta has attained further knowledge in areas related to the identification of ecosystem services, including through national projects (e.g. Esmeralda (81), EnRoute (82) and ReNature (83)).

An increasing number of platforms, networks and communities of practice involve businesses in protecting biodiversity, including the EU Business & Biodiversity Platform (84). These platforms and communities are key tools for promoting and facilitating natural capital assessments among businesses and financial services providers.

Natural capital assessments help private businesses to better understand both the negative and positive impacts that they have on nature, and to appreciate how nature contributes to their success. Such understanding contributes to the implementation of the EU's BDS.

There is no Maltese business and biodiversity network member of the EU Business & Biodiversity Platform.

In the 2022 EIR, Malta was delivered the following priority actions: (i) continue supporting the mapping and assessment of ecosystems and their services, and development, ecosystem accounting through appropriate indicators for integrating information on ecosystem extent, condition and services (including some monetary values) into national accounts; and (ii) continue supporting the development of national business and biodiversity platforms, including natural capital accounting systems to monitor and value the impact of business on biodiversity. No progress was recorded on the development of a Maltese business and biodiversity network, hence it is reiterated in this report.

### 2025 priority action

 Support the development of the national business and biodiversity network.

<sup>(78)</sup> Decision 15/4 adopted by the Conference of the Parties to the Convention on Biological Diversity: Kunming–Montreal global biodiversity framework (https://www.cbd.int/doc/decisions/cop-15/cop-15-dec-04en.pdf).

<sup>(79)</sup> European Commission: Joint Research Centre and EEA, EU Ecosystem Assessment – Summary for policymakers, Publications Office of the European Union, Luxembourg, 2021, <a href="https://op.europa.eu/en/publication-detail/-/publication/81ff1498-b91d-11eb-8aca-01aa75ed71a1/language-en">https://op.europa.eu/en/publication-detail/-/publication/81ff1498-b91d-11eb-8aca-01aa75ed71a1/language-en</a>.

<sup>(80)</sup> Proposal for a regulation of the European Parliament and of the Council amending Regulation (EU) No 691/2011 as regards

introducing new environmental economic accounts modules, COM(2022) 329 final of 11 July 2022, <a href="https://eurlex.europa.eu/legal-content/EN/TXT/?uri=COM:2022:329:FIN.">https://eurlex.europa.eu/legal-content/EN/TXT/?uri=COM:2022:329:FIN.</a>

<sup>81) &</sup>lt;a href="http://www.esmeralda-project.eu/">http://www.esmeralda-project.eu/</a>.

<sup>82)</sup> See the Joint Research Centre Publications Repository (https://publications.jrc.ec.europa.eu/repository/search?query

<sup>(83) &</sup>lt;a href="http://www.renature-project.eu/">http://www.renature-project.eu/</a>.

The EU Business & Biodiversity Platform (https://green-business.ec.europa.eu/business-and-biodiversity en) aims to promote the business case for biodiversity to businesses and financial institutions through workshops, seminars, reports and a cross-media communication strategy.

## 3. Zero pollution

#### Clean air

EU clean air policies and legislation have successfully reduced emissions of key air pollutants and significantly improved air quality, which is now moving towards the levels recommended by the World Health Organization (WHO). This has resulted in clear health benefits and reduced adverse impacts on ecosystems and biodiversity. However, to achieve the WHO-recommended levels, more efforts are needed, including full compliance with EU legislation. To guide these efforts, the EU zero pollution action plan sets targets for 2030 relative to 2005. These are to reduce the health impacts of air pollution by 55 % and to reduce the EU ecosystems threatened by air pollution by 25 %.

The EU has developed a comprehensive suite of air quality policies (85). These set health-based EU air quality standards (86) and stipulate Member States' national emission reduction commitments (87) for several air pollutants.

The air quality in Malta is generally good, with some exceptions.

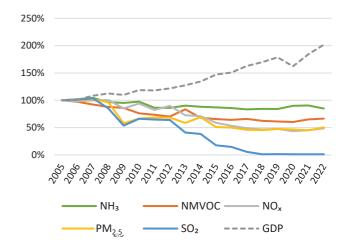
The latest available annual estimates (for 2022) by the EEA ( $^{88}$ ) for Malta attribute 170 deaths each year (or 1 900 years of life lost (YLL)) to fine particulate matter (PM<sub>2.5</sub>) ( $^{89}$ ); 20 deaths each year (or 190 YLL) to nitrogen dioxide (NO<sub>2</sub>) ( $^{90}$ ); and 60 deaths each year (or 710 YLL) to ozone ( $^{91}$ ).

The emissions of several air pollutants have decreased significantly in Malta since 2005, while GDP growth has continued (see Figure 15). According to the inventories submitted under Article 10(2) of the National Emission Reduction Commitments Directive (NECD) (92) in 2024, Malta has met its emission reduction commitments for

2020–2029 for air pollutants nitrogen oxides ( $NO_x$ ), nonmethane volatile organic compounds (NMVOC), sulphur dioxide ( $SO_2$ ), ammonia ( $NH_3$ ) and  $PM_{2.5}$ . According to the latest projections submitted under Article 10(2) of the NECD, Malta is projected to meet its emission reduction commitments for 2030 onwards for NMVOC,  $SO_2$  and  $PM_{2.5}$ , but not for  $NO_x$  and  $NH_3$ .

Malta submitted its first national air pollution control programme (NAPCP) to the Commission on 18 March 2020. An update was due four years afterwards. Malta also has to update its policies and measures to reduce air emissions.

Figure 15: Emission trends of main pollutants / GDP in Malta (%), 2005–2022



Source: EEA, 'National air pollutant emissions data viewer 2005–2022', 25 June 2024, <a href="https://www.eea.europa.eu/en/topics/in-depth/air-pollution/national-air-pollutant-emissions-data-viewer-2005-2022">https://www.eea.europa.eu/en/topics/in-depth/air-pollution/national-air-pollutant-emissions-data-viewer-2005-2022</a>.

<sup>(85)</sup> European Commission, 'Air', European Commission website, https://environment.ec.europa.eu/topics/air en.

<sup>(86)</sup> European Commission, 'EU air quality standards', European Commission website, <a href="https://environment.ec.europa.eu/topics/air/air-quality/eu-air-quality-standards">https://environment.ec.europa.eu/topics/air/air-quality/eu-air-quality-standards</a> en.

<sup>(87)</sup> European Commission, 'Reducing emissions of air pollutants', European Commission website, <a href="https://environment.ec.europa.eu/topics/air/reducing-emissions-air-pollutants">https://environment.ec.europa.eu/topics/air/reducing-emissions-air-pollutants</a> en.

<sup>(88)</sup> EEA, Harm to human health from air pollution in Europe: Burden of disease 2024, briefing No 21/2024, Copenhagen, 2024, https://www.eea.europa.eu/en/analysis/publications/harm-tohuman-health-from-air-pollution-2024.

<sup>(89)</sup> Particulate matter (PM) is a mixture of aerosol particles (solid and liquid) covering a wide range of sizes and chemical compositions.  $PM_{10}$  refers to particles with a diameter of 10  $\mu$ m or less.  $PM_{2.5}$ 

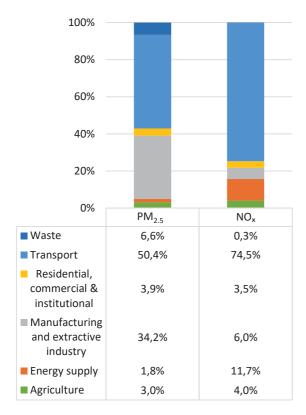
refers to particles with a diameter of 2.5  $\,\mu m$  or less. PM is emitted from many human sources, including combustion.

Nitrogen dioxide (NO<sub>2</sub>) here pertains to a group of gases called NO<sub>x</sub>, which also comprises nitrogen monoxide (NO). NO<sub>x</sub> is emitted during fuel combustion – for example, from industrial facilities and the road transport sector.

<sup>(91)</sup> Low-level ozone is produced by photochemical action on pollution. This year, for the first time, the impact of long-term exposure to ozone has also been taken into account. In previous analysis by the EEA, only the impact of short-term exposure was estimated.

<sup>(92)</sup> Directive (EU) 2016/2284 of the European Parliament and of the Council of 14 December 2016 on the reduction of national emissions of certain atmospheric pollutants, amending Directive 2003/35/EC and repealing Directive 2001/81/EC (OJ L 344, 17.12.2016, p. 1), <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L..2016.344.01.0001.01.ENG">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv:OJ.L...2016.344.01.0001.01.ENG</a>.

Figure 16:  $PM_{2.5}$  and  $NO_x$  emissions by sector in Malta (%), 2022



Source: EEA, 'National air pollutant emissions data viewer 2005–2022', 25 June 2024, <a href="https://www.eea.europa.eu/en/topics/in-depth/air-pollution/national-air-pollutant-emissions-data-viewer-2005-2022">https://www.eea.europa.eu/en/topics/in-depth/air-pollution/national-air-pollutant-emissions-data-viewer-2005-2022</a>.

In 2023, exceedances above the limit values set by the Ambient Air Quality Directive (AAQD) ( $^{93}$ ) were registered for PM<sub>10</sub> in one air quality zone ( $^{94}$ ) in Malta. Furthermore, in one air quality zone, the target values for ozone concentrations have also not been met ( $^{95}$ ).

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

In the 2022 EIR, Malta received three priority actions. The first was to further reduce emissions in the context of the NAPCP. Malta has made some progress on this. While the latest data show compliance with the 2020–2029 emission reduction commitments, Malta is still projected not to reach the emission reduction commitment for 2030 onwards for  $NO_{x}$  and  $NH_{3}$ . The second priority action was

to ensure full compliance with EU air quality standards and maintain downward emission trends. Based on the latest data, Malta has made some progress in this regard. However, exceedances above limit values and target values remain for PM<sub>10</sub> and ozone, requiring further action. Additionally, since 2019, downward emission trends have been reported only for SO<sub>2</sub>, requiring further action for pollutants NO<sub>x</sub>, NH<sub>3</sub>, PM<sub>2.5</sub> and NMVOC. The third priority action received by Malta was to ratify the Heavy Metals Protocol and the Persistent Organic Pollutants Protocol. Malta has made some progress, but still has not ratified the two protocols mentioned.

#### 2025 priority actions

- As part of the NAPCP, take action to reduce emissions of air pollutants.
- Ensure full compliance with the current AAQD standards, also in light of future stricter requirements under the revised AAQD.
- Accelerate the ratification of relevant international conventions and protocols.

#### **Industrial emissions**

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

- (i) protect air, water and soil and to prevent harmful effects on human health and the environment;
- (ii) prevent and manage waste;
- (iii) improve energy and resource efficiency, including water;
- (iv) contribute to decarbonisation.

The cornerstone of the policy is the Industrial Emissions Directive (IED), which was revised in 2024 (96). The revision improves the directive's contribution to the zero pollution objective. It has a strong focus on innovation, and builds solid links between depollution, decarbonisation and circularity, making it a key regulatory tool to accompany the green transformation of EU industry by 2050.

The overview of industrial activities regulated by the IED below is based on data reported to the EU Registry in 2022 (97).

<sup>(93)</sup> Directive 2008/50/EU of the European Parliament and of the Council of 21 May 2008 on ambient air quality and cleaner air for Europe (OJ L 152, 11.6.2008, p. 1), <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32008L0050">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32008L0050</a>.

<sup>(94)</sup> The Maltese agglomeration.

<sup>(95)</sup> EEA, Eionet Central Data Repository (https://cdr.eionet.europa.eu/).

<sup>(96)</sup> Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial and livestock rearing

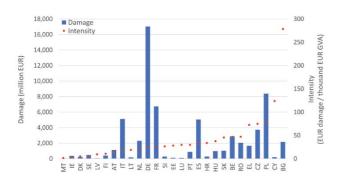
emissions (integrated pollution prevention and control) (OJ L 334, 17.12.2010, p. 17), as amended by Directive (EU) 2024/1785 of the European Parliament and of the Council of 24 April 2024, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A02010L0075-20240804&gid=1725983863299.

<sup>7)</sup> EEA, European Industrial Emissions Portal, https://industry.eea.europa.eu/, 2022 being the baseline year for all reports.

In Malta, there were 20 installations covered by the IED in 2022, more than half of them (12) being installations for waste management. The other sectors are the energy sector (4) and the chemical sector (4).

Figure 17 shows the damage to health and the environment due to the main industrial air pollutants. As this depends on, among other factors, the size of the industrial sector in each Member State, the figure also shows the ratio between the damage and the industrial activity (expressed in gross value added (GVA)), which gives an indication of the emissions 'intensity'. Malta has the lowest damage in the EU and the lowest emissions intensity (EUR 1.7/EUR 1 000 GVA), well below the EU average of EUR 27.5/EUR 1 000 GVA. The energy sector is the main industrial contributor to emissions to air (98) (NOx, SO2, dust and emissions of heavy metals).

Figure 17: Industrial air pollution damage and intensity per Member State, 2021



Source: EEA, 'Industrial pollution intensity indicators – EU large industry air pollution damage costs intensity', European Industrial Emissions Portal, 2024, <a href="https://industry.eea.europa.eu/analyse/industrial-emissions-indicator">https://industry.eea.europa.eu/analyse/industrial-emissions-indicator</a>.

Overall, the industrial emissions to water in the EU have decreased over time for all the main pollutants. On average in the EU, they appear to be decoupled from the industrial activity which has increased over the same period (expressed in GVA), as shown in Figure 18.

Figure 18: Industrial releases of pollutants to water and industrial activity in the EU-27

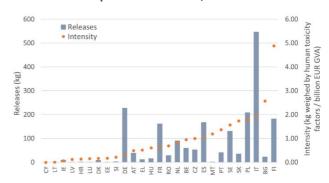


NB: Cd, cadmium; Hg, mercury; Ni, nickel; Pb, lead; total N, total nitrogen; total P, total phosphorous.

Source: EEA, 'Industrial pollutant releases to water in Europe', 30 May 2024, <a href="https://www.eea.europa.eu/en/analysis/indicators/industrial-pollutant-releases-to-water">https://www.eea.europa.eu/en/analysis/indicators/industrial-pollutant-releases-to-water</a>.

Concerning Malta in particular, Figure 19 shows the industrial emissions of heavy metals to water, taking into account the human toxicity of each metal, as well as the emissions intensity, based on its ratio with the industrial activity (expressed in GVA). Malta has one of the lowest amounts of emissions of heavy metals to water in the EU (weighted by human toxicity factors) but ranks eighth for emissions intensity (above the EU average intensity of 0.864 kg/EUR 1 billion GVA). As shown in Figure 20, the main industrial contributors to emissions to water in Malta are the energy sector for heavy metals, and livestock (installations not covered by the IED) for nitrogen, total organic carbon and phosphorous.

Figure 19: Industrial releases and intensity of heavy metals to water per Member State, 2022

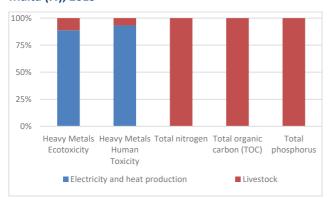


Source: EEA, 'Industrial pollution intensity indicators – EU large industry water pollution intensity', European Industrial Emissions Portal, 2024, <a href="https://industry.eea.europa.eu/analyse/industrial-emissions-indicator">https://industry.eea.europa.eu/analyse/industrial-emissions-indicator</a>.

https://www.eea.europa.eu/en/topics/in-depth/air-pollution/air-pollutant-emissions-data-viewer-1990-2022.

<sup>(98)</sup> European Environment Agency, LRTAP, Air pollutant emissions data viewer (Gothenburg Protocol, LRTAP Convention) 1990-2022,

Figure 20: Relative releases to water from industry in Malta (%), 2019



Source: EEA, 'Industrial reporting under the Industrial Emissions Directive 2010/75/EU and European Pollutant Release and Transfer Register Regulation (EC) No 166/2006 – ver. 12.0 Sep. 2024 (tabular data)', EEA Geospatial Data Catalogue, 13 September 2024, https://doi.org/10.2909/cf5e54c1-be99-4426-bcad-baa26c4f27a0.

IED provisions on public information and participation require Member States to adopt transposition legislation enabling members of the public to have access to relevant information and participate in the approval process for potentially polluting installations. Thus, the public and NGOs, alongside competent authorities, play a role in ensuring compliance of these permits with EU legislation. The IED contains mandatory requirements environmental inspections, requiring a site visit to take place at least every 1-3 years, using risk-based criteria. In addition, IED enforcement provisions require Member States to determine effective, proportionate, and dissuasive penalties applicable to infringements of IEDbased national provisions. In the revised directive, the provisions set that worst infringements can be sanctioned by fines of at least 3% of the annual EU turnover of the legal person. The revised IED also introduces a right to compensation for people whose health has been harmed by such infringements.

The development of best available techniques (BATs), BAT reference documents and BAT conclusions ensures effective collaboration between stakeholders and enables better implementation of the IED.

Since the 2022 EIR, the Commission has adopted BAT conclusions on (i) ferrous metal processing, (ii) the textiles industry, (iii) common waste gas management and treatment systems in the chemical sector and (iv) smitheries and foundries.

The Commission relies on the efforts of national competent authorities to implement the legally binding

BAT conclusions and associated BAT emission levels in environmental permits. This should result in considerable and continuous reductions in pollution.

In 2022, Malta received a priority action to sign and ratify the Kyiv Protocol on Pollutant Release and Transfer Registers. Malta has fulfilled this action.

#### 2025 priority actions

- Ensure compliance with reporting obligations under the IED for 2021–2023 and under the European Pollutant Release and Transfer Register for 2020– 2022.
- Reduce industrial releases to water and their intensity.
- Engage with industry and environmental NGOs to ensure proper contribution to and implementation of BAT conclusions and ensure timely updates to permits following the publication of BAT conclusions.
- Ensure effective public participation and access to justice in relation to the IED.

## Major industrial accidents prevention – Seveso

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

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

The cornerstone of the policy is Directive 2012/18/EU (the Seveso III Directive (99)).

The overview below of industrial plants regulated by the Seveso III Directive ('Seveso establishments') is based on data reported on eSPIRS (e-Seveso Plants Information Retrieval System) for 2022–2024 (100) and the report by Malta on the implementation of the Seveso III Directive for 2019–2022 (101).

In 2024, of the nine Seveso establishments in Malta, three are categorised as lower-tier establishments and six as upper-tier establishments (UTEs), based on the quantity of hazardous substances likely to be present. UTEs are subject to more stringent requirements. The change in the number of Seveso establishments is presented in Figure 21.

<sup>(99)</sup> Directive 2012/18/EU of the European Parliament and of the Council of 4 July 2012 on the control of major-accident hazards involving dangerous substances, amending and subsequently repealing Council Directive 96/82/EC (OJ L 197, 24.7.2012, p. 1), https://eur-lex.europa.eu/eli/dir/2012/18/oj.

<sup>(100) &</sup>lt;a href="https://espirs.jrc.ec.europa.eu/en/espirs/content">https://espirs.jrc.ec.europa.eu/en/espirs/content</a>; data extracted in September 2024 .

<sup>(</sup> $^{101}$ ) As provided for by Article 21(2) of the Seveso III Directive.

Figure 21: Number of Seveso establishments in Malta, 2018, 2022 and 2024

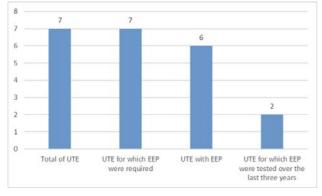


NB: LTE, lower-tier establishment.

Sources: European Commission: Directorate-General for Environment, Assessment and summary of Member States' implementation reports for Implementing Decision 2014/896/EU (implementing 2012/18/EU on the control of major accident hazards involving dangerous substances), Publications Office of the European Union, 2022, https://op.europa.eu/en/publication-detail/-Luxembourg. /publication/94d57d74-735b-11ec-9136-01aa75ed71a1/languageen/format-PDF/source-search; eSPIRS data, extractions from 2022 and 2024; Analysis and summary of Member States' reports on implementation of Directive 2012/18/EU on the control of major accident hazards involving dangerous substances according to the format established by Commission Implementing Decision 2014/896/EU -Publications Office of the EU, <a href="https://op.europa.eu/en/publication-">https://op.europa.eu/en/publication-</a> detail/-/publication/9bd73087-e9b8-11ef-b5e9-01aa75ed71a1/language-en.

Member States are required to draw up external emergency plans (EEPs). These EEPs are essential to allow proper preparation and effective implementation of the necessary actions to protect the environment and the population should a major industrial accident occur at a Seveso establishment. According to Malta, in 2022, an EEP was required for all seven UTEs. In that same year, six UTEs had an EEP and two of these EEPs had been tested within the last three years. The summary is shown in Figure 22.

Figure 22: Situation regarding EEPs in Malta, 2022



Sources: European Commission: Directorate-General for Environment, Assessment and summary of Member States' implementation reports for Implementing Decision 2014/896/EU (implementing Directive 2012/18/EU on the control of major accident hazards involving

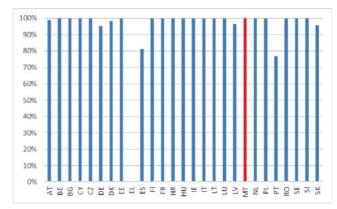
dangerous substances), Publications Office of the European Union, Luxembourg, 2022, <a href="https://op.europa.eu/en/publication-detail/-/publication/94d57d74-735b-11ec-9136-01aa75ed71a1/language-en/format-PDF/source-search;">https://op.europa.eu/en/publication-detail/-/publication/94d57d74-735b-11ec-9136-01aa75ed71a1/language-en/format-PDF/source-search;</a> eSPIRS data, extractions from 2022 and 2024; Analysis and summary of Member States' reports on implementation of Directive 2012/18/EU on the control of major accident hazards involving dangerous substances according to the format established by Commission Implementing Decision 2014/896/EU - Publications Office of the EU, <a href="https://op.europa.eu/en/publication-detail/-/publication/9bd73087-e9b8-11ef-b5e9-01aa75ed71a1/language-en.">https://op.europa.eu/en/publication-detail/-/publication/9bd73087-e9b8-11ef-b5e9-01aa75ed71a1/language-en.</a>

The following types of information are permanently available for all UTEs in Malta: (i) information for the public referred to in Annex V to the Seveso III Directive, especially about how the public concerned will be warned if there is a major accident; (ii) information about appropriate behaviour in the event of a major accident; and (iii) the date of the last site visit.

The shares of UTEs for which information on safety measures and requisite behaviours was actively made available to the public in 2022 in the EU-27 are presented in Figure 23. This provision on knowledge is an important provision of the Seveso III Directive, as awareness by the public of this information may ameliorate the consequences of a major industrial accident.

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

Figure 23: Share of UTE for which information on safety measures and requisite behaviours was actively made available to the public per Member State (%), 2022



NB: No data available for Greece.

Sources: European Commission: Directorate-General for Environment, Assessment and summary of Member States' implementation reports for Implementing Decision 2014/896/EU (implementing Directive 2012/18/EU on the control of major accident hazards involving dangerous substances), Publications Office of the European Union, Luxembourg, 2022, <a href="https://op.europa.eu/en/publication-detail/publication/94d57d74-735b-11ec-9136-01aa75ed71a1/language-">https://op.europa.eu/en/publication-detail/-/publication/94d57d74-735b-11ec-9136-01aa75ed71a1/language-</a>

en/format-PDF/source-search; eSPIRS data, extractions from 2022 and 2024; Analysis and summary of Member States' reports on implementation of Directive 2012/18/EU on the control of major accident hazards involving dangerous substances according to the format established by Commission Implementing Decision 2014/896/EU - Publications Office of the EU, <a href="https://op.europa.eu/en/publication-detail/-/publication/9bd73087-e9b8-11ef-b5e9-01aa75ed71a1/language-en">https://op.europa.eu/en/publication-detail/-/publication/9bd73087-e9b8-11ef-b5e9-01aa75ed71a1/language-en</a>.

In the 2022 EIR, the following priority actions were delivered to Malta: (i) strengthen control and enforcement to ensure compliance with the Seveso III Directive rules, especially those on the provision of information to the public and on EEPs; and (ii) sign and ratify the Convention on the Transboundary Effects of Industrial Accidents. There has been some progress made on establishing EEPs for UTEs as required and on making information available to the public. However, no progress has been made on the signature and ratification of the convention, hence this action is reiterated in this report.

#### 2025 priority action

 Sign and ratify the Convention on the Transboundary Effects of Industrial Accidents.

## **Mercury Regulation**

The Mercury Regulation establishes measures and conditions concerning the use and storage of and trade in mercury, mercury compounds and mixtures of mercury, the manufacture and use of and trade in mercury-added products and the management of mercury waste, in order to ensure a high level of protection of human health and the environment from anthropogenic emissions and releases of mercury and mercury compounds. The revision of the Mercury Regulation adopted in 2024 sets out rules to address the last intentional uses of mercury in the EU by phasing out the use of dental amalgam by 1 January 2025 except when deemed strictly necessary by the dental practitioner based on the specific medical needs of the patient, and prohibiting the manufacture and export of additional mercury-containing lamps from 1 January 2026 or 1 January 2027 (depending on the lamp category).

In 2019, 43 % of dental treatments were still using dental amalgam, which represented a challenge for Malta to phase out its use by 1 January 2025. However, measures should have been put in place to ensure a socially and economically sound phase-out, including an adequate reimbursement of the alternatives to dental amalgam through the health insurance scheme and the training of dental practitioners. The Commission is monitoring whether the phase-out has taken place under the terms and conditions of the regulation. Malta will also need to ensure that the manufacture and export of mercury-containing lamps are prohibited by the deadlines set out in the Mercury Regulation.

### **Noise**

The Environmental Noise Directive (102) requires a common approach to avoid, prevent and reduce the harmful effects of noise. The designated authorities are responsible for making and approving noise maps and action plans for agglomerations, major roads, major railways and major airports. Member States decide on noise limits that are not set at the EU level. Nevertheless, the zero pollution action plan sets as a 2030 target a 30 % reduction compared with 2017 in the share of people chronically disturbed by transport noise.

Excessive noise from aircraft, railways and roads is one of the main causes of environmental health-related issues in the EU. It can cause ischaemic heart disease, stroke, interrupted sleep, cognitive impairment and stress (103).

In Malta, environmental noise is estimated to cause at least around 5 cases of ischaemic heart disease annually ( $^{104}$ ) and some 2 100 people to suffer from disturbed sleep ( $^{105}$ ).

Based on the latest set of information analysed, Malta has completed its noise mapping of agglomerations, roads and airports.

Action plans for noise management for agglomerations, roads, railways and airports must be updated and submitted to the Commission every five years. The

<sup>(102)</sup> Directive 2002/49/EC of the European Parliament and of the Council of 25 June 2002 relating to the assessment and management of environmental noise — Declaration by the Commission in the Conciliation Committee on the directive relating to the assessment and management of environmental noise (OJ L 189, 18.7.2002, p. 12), <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32002L0049">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32002L0049</a>.

<sup>(103)</sup> WHO, Environmental Noise Guidelines for the European Region, Copenhagen, 2018, https://www.who.int/europe/publications/i/item/978928905356
3.

<sup>(104)</sup> These figures are an estimation by the EEA based on (i) the data reported by Member States on noise exposure covered by Directive 2002/49/EC for the round of noise mapping of 2022; (ii)

European Topic Centre on Air Pollution, Transport, Noise and Industrial Pollution (ETC/ATNI), Noise Indicators under the Environmental Noise Directive 2021: Methodology for estimating missing data, Eionet report ETC/ATNI No 2021/06, Kjeller, 2021; and (iii) the methodology for health impact calculations in European Topic Centre on Air Pollution and Climate Change Mitigation (ETC/ACM), Implications of environmental noise on health and wellbeing in Europe, Eionet report ETC/ACM No 2018/10, Bilthoven, 2018, https://www.eionet.europa.eu/etcs/etc-atni/products/etc-atni-reports/eionet rep etcacm 2018 10 healthimplicationsnoise.

<sup>(105)</sup> More information on the adverse health effects of noise pollution is available at:

https://www.eea.europa.eu/themes/human/noise/noise-2

deadline for reporting noise action plans under the most recent reporting cycle was 18 January 2025; these plans have not been assessed yet.

#### 2025 priority action

Complete and implement action plans on noise management.

## Water quality and management

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

#### **Water Framework Directive**

The Water Framework Directive (106) is the cornerstone of EU water policy in the 21st century (107). The Water Framework Directive and other water-related directives (108) form the basis of sustainable and integrated water management in the EU. They aim to achieve a high level of protection of water resources, prevention of further deterioration and restoration to good status. These objectives are very important for the EU's competitiveness, strategic autonomy and security, yet have become even more challenging in the face of climate change affecting our precious water resources.

The Water Framework Directive establishes a procedural framework for reaching good surface water ecological and chemical status and good groundwater quantitative and chemical status. This implies monitoring and classification of all waterbodies, assessment of pressures and impacts and identification of the most cost-effective measures to achieve the objectives of the directive. The directive dates from 2000 and set an initial deadline of 2015 for achieving

its objectives, with the option to extend the deadline to the end of 2027. Every six years, Member States must report their river basin management plans (RBMPs) to the Commission. They should cover river basin districts in their countries, some of which may be shared with other countries. The Commission has assessed the third cycle of RBMPs, which were to be submitted by March 2022, and reported its findings to the European Parliament and to the Council on 4th February 2025<sup>109</sup>.

Malta is facing water scarcity, as evidenced by the Seasonal Water Exploitation Index +110. In 2022, this index reaches 60.8 % which is much above the 20% generally considered as a sign of scarcity in the third quarter of the year. Above 40%, it would be a sign of severe scarcity.

#### **Floods Directive**

Every six years, following the same reporting cycle as the RBMPs, all Member States also report their flood risk management plans (FRMPs), based on the flood hazard and risk maps and the preliminary flood risk assessments drawn up during the second cycle (2016–2021).

Malta did not submit the third RBMPs and second FRMPs by March 2022, as required under the Water Framework Directive and the Floods Directive. The Commission opened an infringement procedure for late reporting. Malta finally reported its second FRMP in February 2024 and its third RBMP in March 2024. However, because of this late reporting, the Commission has not been able to assess the plans and include the assessment in its report to the European Parliament and to the Council.

Consequently, this report cannot be updated for Malta and reference is made to the 2022 EIR for the latest state of play  $(^{111})$ .

#### **Drinking Water Directive**

The objectives of the Drinking Water Directive are to protect human health by ensuring the quality intended for human consumption, and to improve access to drinking water. The recast Drinking Water Directive is now

<sup>(106) &</sup>lt;a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32000L0060">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32000L0060</a>.

<sup>(107) &</sup>lt;a href="https://environment.ec.europa.eu/topics/water-en.">https://environment.ec.europa.eu/topics/water-en.</a>

<sup>(108)</sup> These include the Groundwater Directive (https://eurlex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32006L0118), the Environmental Quality Standards Directive (https://eurlex.europa.eu/eli/dir/2008/105/oj), the Floods (https://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=CELEX%3A32007L0060), the Bathing Water Directive (https://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=celex%3A32006L0007), the Urban Wastewater Treatment Directive (https://eurlex.europa.eu/legal-content/EN/TXT/?uri=celex%3A31991L0271), Water Drinking Directive (https://eurnew lex.europa.eu/legal-

content/EN/TXT/?uri=CELEX%3A32020L2184), the Directive (https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=celex%3A31991L0676), the MSFD (https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX%3A32008L0056) and the IED (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32010L0075).

<sup>109</sup> ENV - Library

Water scarcity conditions in Europe | European Environment Agency's home page

<sup>(111) &</sup>lt;a href="https://environment.ec.europa.eu/law-and-governance/environmental-implementation-review en#country-reports">https://environment.ec.europa.eu/law-and-governance/environmental-implementation-review en#country-reports</a>.

applicable, and Member States were required to transpose its provisions into their national legal systems by 12 January 2023. Since the entry into force of the recast directive, the Commission has adopted several delegated and implementing acts establishing (i) a watch list of substances and compounds of concern for drinking water (112), (ii) a methodology for measuring microplastics in drinking water (113) and (iii) an EU system for testing and approving materials that will be allowed to be in contact with drinking water (114). Member States will have to take these various Commission acts into account when implementing the recast directive.

Finally, the Commission has now received data from Member States on the quality of drinking water in 2017–2019. The quality of drinking water (supplied by large water suppliers) in Malta does not give rise to concern (115).

From January 2026, the European quality standards for per- and polyfluoroalkyl substances (PFAS) in drinking water will apply, ensuring harmonised Member States' reporting of PFAS monitoring data in the future.

## **Bathing Water Directive**

The Bathing Water Directive requires Member States to monitor and assess bathing water. It requires that, during the bathing season, Member States disseminate to the public information on bathing water quality actively and promptly. Notices banning or advising against bathing should be rapidly and easily identifiable.

Figure 24 shows that in 2023, out of the 87 Maltese bathing waters, 80 (92%) were of excellent quality, 3 (3.4%) were of good quality and 4 (4.6%) were of sufficient quality. No bathing waters were found to be of poor quality.

Figure 24: Bathing water quality per Member State, Albania and Switzerland (%), 2023.



Source: EEA, European Bathing Water Quality in 2023, briefing No 04/2024, Copenhagen, 2024, https://www.eea.europa.eu/publications/european-bathing-water-quality-in-2023/.

#### **Nitrates Directive**

The Nitrates Directive (116) aims to protect water quality across Europe by preventing nitrates from agricultural sources that can pollute groundwater and surface waters and by promoting the use of good farming practices.

The latest Commission report on the implementation of the Nitrates Directive (117), dating back to 2021, warns that nitrates are still causing harmful pollution to water in the EU. Excessive nitrates in water are harmful to both human health and ecosystems, causing oxygen depletion and eutrophication. Cleaning of waters by national authorities or farmers, where it has been undertaken, has had a positive impact on the drinking water supply and on biodiversity. It has also benefited the sectors – such as fisheries and tourism – that depend on biodiversity and on a good supply of drinking water. Nevertheless, excessive fertilisation remains a problem in many parts of the EU. The report on the implementation of the Nitrates Directive covering 2020–2023 will be available in 2025.

The analysis of Malta's RBMPs has identified nutrients from agriculture as an important pressure on groundwater / surface waters that is affecting these waters' good status and as one of the main factors in not meeting the Water Framework Directive objectives.

<sup>(112) &</sup>lt;a href="https://environment.ec.europa.eu/publications/implementing-decision-drinking-water-directive-watch-list">https://environment.ec.europa.eu/publications/implementing-decision-drinking-water-directive-watch-list</a> en.

<sup>(113)</sup> Commission Delegated Decision (EU) 2024/1441 of 21 March 2024 supplementing Directive (EU) 2020/2184 of the European Parliament and of the Council by laying down a methodology to measure microplastics in water intended for human consumption (notified under document C(2024) 1459) (OJ L, 2024/1441, 21.5.2024), http://data.europa.eu/eli/dec\_del/2024/1441/oj.

<sup>(114)</sup> http://data.europa.eu/eli/dec impl/2024/365/oj; OJ L, 2024/367, 23.4.2024, http://data.europa.eu/eli/dec impl/2024/367/oj; OJ L, 2024/369, 23.4.2024, http://data.europa.eu/eli/dec impl/2024/368/oj; OJ L, 2024/368, 23.4.2024, http://data.europa.eu/eli/dec impl/2024/368/oj; OJ L, 2024/368/oj; OJ L, 2024/368/oj;

<sup>2024/370, 23.4.2024,</sup> http://data.europa.eu/eli/reg\_del/2024/370/oj; OJ L, 2024/371, 23.4.2024, http://data.europa.eu/eli/reg\_del/2024/371/oj; see the Commission web page on all six delegated acts for more information

<sup>(</sup>https://environment.ec.europa.eu/publications/delegated-acts-drinking-water-directive en).

<sup>(115)</sup> In summary, the compliance for all parameter groups in Malta was at least 86.31 % in 2017, 87.38 % in 2018 and 87.49 % in 2019.

<sup>(116)</sup> https://eur-lex.europa.eu/legalcontent/EN/TXT/?qid=1561542776070&uri=CELEX:01991L0676-20081211.

<sup>(117)</sup> https://environment.ec.europa.eu/topics/water/nitrates\_en.

### 2025 priority action

 Tackle nutrient pollution, especially nitrates from agriculture, through the implementation of the Nitrates Directive.

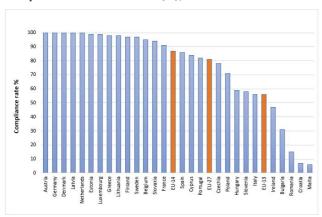
#### **Urban Wastewater Treatment Directive**

The Urban Wastewater Treatment Directive (UWWTD) aims to protect human health and the environment from the effects of untreated urban wastewater. It therefore requires Member States to collect and treat (secondary or biological treatment) waste water in all urban areas of more than 2 000 people, and to apply a more stringent treatment than secondary, with nitrogen and/or phosphorus removal, to the waste water generated in urban areas, also known as agglomerations, of more than 10 000 people, before they are discharged into waters and their catchments, when they are sensitive to nitrogen and/or phosphorus (i.e. eutrophic or tending to become eutrophic).

Malta has three agglomerations covered by the UWWTD, two of which still have compliance issues:

- one agglomeration (Gozo Main) generating 6 % of urban wastewater, compliant with the requirements of the directive;
- 2 agglomerations (Malta North and Malta South) generating the remainder of urban wastewater, not compliant with the requirements of the directive (secondary and more stringent treatment).

Figure 25: Proportion of urban wastewater that fully complies with the UWWTD (%), 2020



Source: European Commission: Directorate-General for Environment, Fribourg-Blanc, B., Dhuygelaere, N., Berland, J. and Imbert, F., 12th technical assessment of UWWTD implementation – Final version,

Publications Office of the European Union, 2024, https://data.europa.eu/doi/10.2779/318637

On 17 October 2024, the Court of Justice of the European Union condemned Malta (118) for failure to ensure compliance with the UWWTD in the Malta North and Malta South agglomerations. It is essential that Malta take the necessary measures to fully comply with the requirements of the directive.

The directive has been revised (119). The revised directive builds on the current *acquis*, strengthens existing treatment standards and establishes an additional treatment of micropollutants in urban wastewater. Other new requirements relate to moving towards the energy neutrality of the sector, establishing an EPR system to ensure sustainable financing of micropollutant treatment by the most polluting industries and ensuring access to sanitation, especially for vulnerable and marginalised groups. Malta has until 31 July 2027 to transpose the new directive into its national legal system.

In the 2022 EIR, Malta received priority actions to (i) assess new physical modifications of waterbodies in line with Article 4(7) of the Water Framework Directive and consider in these assessments alternative options and adequate mitigation measures to complete the monitoring of the quantitative status of groundwater; (ii) enforce measures to prevent and reduce nitrate pollution; and (iii) complete the implementation of the UWWTD for all agglomerations, by building up the necessary infrastructure to ensure the separation of farmyard waste. The Commission has noted limited progress in these areas. In particular, the implementation of the UWWTD raises serious concern. Hence, these priority actions are reiterated in this report.

## 2025 priority actions

 Take the necessary measures to ensure full implementation of the current urban wastewater treatment directive, taking into account the new requirements of the recast directive.

#### **Chemicals**

The EU seeks to ensure that chemicals are produced and used in a way that minimises any significant adverse effects on human health and the environment. In October 2020, the Commission published its chemicals strategy for

<sup>(118)</sup> Judgment of 17 October 2024, European Commission v Republic of Malta, C-304/23, EU:C:2024:906, <a href="https://curia.europa.eu/juris/liste.jsf?language=en&num=C-304/23">https://curia.europa.eu/juris/liste.jsf?language=en&num=C-304/23</a>.

<sup>(119)</sup> Directive (EU) 2024/3019 of the European Parliament and of the Council of 27 November 2024 concerning urban wastewater treatment (OJ L, 2024/3019, 12.12.2024), <a href="https://eur-lex.europa.eu/eli/dir/2024/3019/oj/eng">https://eur-lex.europa.eu/eli/dir/2024/3019/oj/eng</a>.

sustainability towards a toxic-free environment (120), which led to some systemic changes in EU chemicals legislation. The strategy is part of the EU's zero pollution ambition — a key commitment of the European Green Deal.

The EU's chemicals legislation (121) provides a baseline protection for human health and the environment. It also ensures stability and predictability for businesses operating in the internal market.

Since 2007, the Commission has gathered information on the enforcement of the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) Regulation and the Classification, Labelling and Packaging (CLP) Regulation. In December 2020, the Commission assessed the Member States' reports (122) on the implementation and enforcement these regulations (123). It is apparent from the Commission's report that there are still many disparities in the implementation of the REACH and CLP Regulations, notably in the area of law enforcement. Recorded compliance levels in Member States, generally quite stable over time, appear to be getting slightly worse. This may be because (i) enforcement authorities are becoming more effective in detecting non-compliant products/companies; and (ii) more non-compliant products are being placed on the EU market.

In August 2021, the Commission published a measurable assessment of the enforcement ( $^{124}$ ) of the two main EU regulations on chemicals using a set of indicators on different aspects of enforcement. Since 2021, the list of chemicals subject to restrictions has been expanded as new entries have been added to Annex XVII to the REACH Regulation ( $^{125}$ ).

In 2023, new hazard classes were added to the CLP Regulation, and the revision of the regulation was tabled (published on 20 November 2024) (126). The new hazard classes cover endocrine disruptors and persistence-related hazards while the revision of the regulation encompasses new rules on online sales to better tackle non-compliances observed over the years. Also in 2023, the Conference of the Parties of the Stockholm Convention (COP) decided to include, in its Annex A (which lists banned substances), three new chemicals (127). The Commission is working on the delegated acts to include these substances in Annex I to the Persistent Organic Pollutants Regulation by 2025 at the latest.

In Malta, responsibility for checking compliance with both the REACH and CLP Regulations lies with the Competition and Consumer Affairs Authority (128).

In 2020, an EU-coordinated enforcement project on products sold online, called the REACH-EN-FORCE (REF)-8

- (120) Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions Chemicals strategy for sustainability: Towards a toxic-free environment, COM(2020) 667 final of 14 October 2020, <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2020%3A667%3AFIN">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=COM%3A2020%3A667%3AFIN</a>; Regulation (EC) No 1272/2008 of the European Parliament and of the Council of 16 December 2008 on classification, Isballing and packaging of
  - (EC) No 1272/2008 of the European Parliament and of the Council of 16 December 2008 on classification, labelling and packaging of substances and mixtures, amending and repealing Directives 67/548/EEC and 1999/45/EC, and amending Regulation (EC) No 1907/2006 (OJ L 353, 31.12.2008, p. 1), https://publications.europa.eu/resource/cellar/c6b6a31d-8359-11ee-99ba-01aa75ed71a1.0004.02/DOC 2.
- ( $^{121}$ ) Namely, Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the registration, evaluation, authorisation and restriction of chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC (OJ L 396, p. 1), 30/12/2006, https://eur-lex.europa.eu/legalcontent/en/TXT/?uri=CELEX%3A32006R1907; and Regulation (EC) No 1272/2008 of the European Parliament and of the Council of 16 December 2008 on classification, labelling and packaging of substances and mixtures, amending and repealing Directives 67/548/EEC and 1999/45/EC, and amending Regulation (EC) No 1907/2006 (OJ L 353, 31.12.2008, p. 1), https://eurlex.europa.eu/legalcontent/EN/TXT/?uri=CELEX%3A02008R1272-20221217.
- (122) European Commission, Technical assistance to review the existing Member States reporting questionnaire under Articles 117(1) of REACH and 46(2) of CLP Final report, Publications Office of the

- European Union, Luxembourg, 2020, https://circabc.europa.eu/ui/group/8ee3c69a-bccb-4f22-89ca-277e35de7c63/library/a4abce8c-8425-455f-b7e6-0ead917bde6b/details.
- (123) In line with Article 117(1) of the REACH Regulation and Article 46(2) of the CLP Regulation.
- (124) European Commission, Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs, *REACH and CLP Enforcement: EU-level enforcement indicators*, Publications Office of the European Union, Luxembourg, 2021, <a href="https://op.europa.eu/en/publication-detail/-/publication/e5c3e461-0f85-11ec-9151-01aa75ed71a1/">https://op.europa.eu/en/publication-detail/-/publication/e5c3e461-0f85-11ec-9151-01aa75ed71a1/</a>.
- (125) These are substances in tattoo inks and permanent make-up, *N,N*-dimethylformamide, formaldehyde (and formaldehyde releasers), lead in PVC (polyvinyl chloride), siloxanes (D4, D5, D6) and, finally, microplastics.
- (126) Regulation (EU) 2024/2865 of the European Parliament and of the Council of 23 October 2024 amending Regulation (EC) No 1272/2008 on classification, labelling and packaging of substances and mixtures, OJ L, 2024/2865, 20.11.2024, p.1 (Regulation EU 2024/2865 EN EUR-Lex).
- (127) These are methoxychlor, dechlorane plus and UV-328. In the case of the pesticide methoxychlor, there are no exemptions from the ban. However, for the two plastic additives, dechlorane plus and UV-328, the COP decision lists some time-limited specific exemptions.
- (128) Technical assistance to review the existing Member States reporting questionnaire under Articles 117(1) of REACH and 46(2) of CLP Final report, Publications Office of the European Union, Luxembourg, 2020, p. 70, https://circabc.europa.eu/ui/group/8ee3c69a-bccb-4f22-89ca-277e35de7c63/library/a4abce8c-8425-455f-b7e6-0ead917bde6b/details.

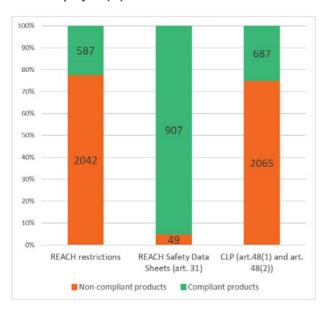
project (129), was conducted. The project report was released in November 2021, so it could not be considered in the 2022 EIR.

In 2022, the EIR mentioned that only two staff members from the Competition and Consumer Affairs Authority were allocated to REACH and CLP Regulations enforcement. Malta had partially implemented a REACH Regulation enforcement strategy but had not indicated whether it followed the strategy devised by the Forum for Exchange of Information on Enforcement (130).

In 2023, a Digital Investigations Unit was established in Malta. Through this unit, recalled chemicals and chemical-related products published on RAPEX (Rapid Exchange of Information System) and still offered for sale on online platforms are identified, and the necessary actions are then taken to withdraw those products from the market.

Since the Member States' reporting exercise set out in Article 117 of the REACH Regulation and Article 46 of the CLP Regulation is conducted every five years and the results of the coming one are expected in 2025, no progress has been reported.

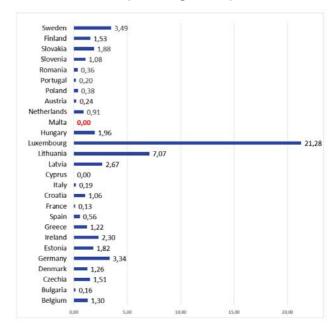
Figure 26: Compliance of imported products – results of the REF-8 project (%)



A risk approach was used for the targeting of control measures to maximise the chances of identifying non-compliance. Therefore, the non-compliance rates presented above cannot be considered the average non-compliance rates of products in the EU. However, the

proportion of non-compliance cases found in the REF-8 project are of concern.

Figure 27: Number of REF-8 checks performed per 100 000 inhabitants (EU average = 1.24)



Malta did not participate to the REF-8 coordinated enforcement project, although online sales have been proven to correspond consistently to higher non-compliance rates in checks performed across the EU, in particular when related to imported products.

In 2022, the following priority actions were delivered to Malta: (i) upgrade administrative capacities in implementation and enforcement to move towards a policy of zero tolerance of non-compliance; and (ii) devise and implement strategies to enforce the REACH and CLP Regulations. Since then, Malta has participated in coordinated enforcement projects run by the Forum for Exchange of Information on Enforcement.

#### 2025 priority actions

- Upgrade the administrative capacities in implementation and enforcement towards a policy of zero tolerance for non-compliance.
- Increase involvement in the activities of the Forum for Exchange of Information on Enforcement of the European Chemicals Agency, including in the coordinated enforcement projects, called REFs.

<sup>(129)</sup> European Chemicals Agency, REF-8 project report on enforcement of the CLP, REACH and BPR duties related to substances, mixtures and articles sold online, Helsinki, 2021, p. 20, https://echa.europa.eu/documents/10162/17088/project report ref-8 en.pdf/ccf2c453-da0e-c185-908e-3a0343b25802?t=1638885422475.

European Chemicals Agency, REF-8 project report on enforcement of the CLP, REACH and BPR duties related to substances, mixtures and articles sold online, Helsinki, 2021, p. 76, <a href="https://echa.europa.eu/documents/10162/17088/project report\_ref-8\_en.pdf/ccf2c453-da0e-c185-908e-3a0343b25802?t=1638885422475">https://echa.europa.eu/documents/10162/17088/project report\_ref-8\_en.pdf/ccf2c453-da0e-c185-908e-3a0343b25802?t=1638885422475</a>.

Increase customs controls and controls of products sold online with regard to compliance with chemicals legislations.

## 4. Climate action

The impacts of climate change have continued to increase in recent years, inflicting damage and suffering in the EU and around the world. Globally, 2023 was the hottest year on record, while Europe has been warming twice as quickly as the global average, and is now the fastest-warming continent. The frequency and severity of extreme climate events are also increasing. Against this backdrop, the EU has demonstrated its determination to implement the European Green Deal and to become climate neutral and resilient by 2050, ensuring sustainable competitiveness and supporting EU industry in the net-zero transition. The European Climate Law is the EU's response to the need for action. It sets the objective of achieving climate neutrality by 2050 and a midterm target of a reduction in GHG emissions of at least 55 % by 2030, and outlines the adaptation efforts necessary to adjust to climate change's present and future impacts. Almost all the 'Fit for 55' proposals set out in the European Green Deal have been agreed in law and the European Commission recommended a new intermediate climate target of a 90 % reduction in emissions by 2040. In 2024, the Member States submitted updated national energy and climate plans for 2021-2030, reflecting the increased ambition of the revised EU legislation. In 2024, the European Commission also released, jointly with the EEA, the first-ever European climate risk assessment.

Over the last three decades, since 1990, the EU has achieved steady decreases in its emissions, reaching a running total in 2022 of –32.5 % (<sup>131</sup>). However, the EU and its Member States need to step up their implementation efforts and accelerate emissions reduction to stay on track to reach their targets of a 55 % reduction in net GHG emissions by 2030 and climate neutrality by 2050. Between 1990 and 2022, net GHG emissions of Malta decreased by 13 %, making it one of the countries with below-average decrease.

The 'Fit for 55' legislative package reflects the need to speed up the green transition. It includes (i) strengthening and expanding the EU emissions trading system (ETS), with the creation of a new, second, ETS for transport and buildings together with a dedicated Social Climate Fund to help citizens during the transition; (ii) increasing targets under the effort sharing regulation; and (iii) a revised regulation for Land Use, Land Use Change and Forestry (132). The package has been fully

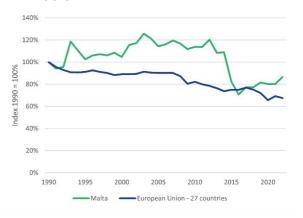
adopted, and the Member States have been implementing the legislation.

The key strategic document at country level is the National Energy and Climate Plan (NECP) (133). Malta submitted its updated plan in January 2025 after the deadline set by the Regulation on the Governance of the Energy Union and Climate Action134. The European Commission assessed the plan and the extent to which Malta has followed the recommendations for the draft version. The findings from the assessment are:

- Emissions under the Effort Sharing Regulation (ESR) will increase by 29% in 2030 compared to 2005. This means that Malta in on the opposite trajectory and is not able to achieve its target without additional measures. Malta is the only Member State projecting the increase of ESR emissions.
- The latest projections show a gap to the Land Use, Land-Use Change and Forestry (LULUCF) Regulation target, meaning that current levels of removals have been insufficient.
- There are still gaps in the target for the share of renewable energy and energy efficiency targets that must be closed.

To minimise the impacts of climate policies on vulnerable people and sectors, Malta is using the Just Transition Fund and will use Social Climate Fund from 2026 (for more information, see Chapter 5 below).

Figure 28: Total GHG emissions (excluding international aviation) (%), 1990–2022



<sup>(131)</sup> EU net domestic emissions, including the land use, land-use change and forestry (LULUCF) sector and excluding international aviation.

<sup>(132)</sup> A full overview of the Fit for 55 package is available at https://commission.europa.eu/strategy-and-policy/priorities-2019-2024/european-green-deal/delivering-european-greendeal/fit-55-delivering-proposals\_en.

More information about NECP is on the dedicated website https://energy.ec.europa.eu/topics/energy-strategy/nationalenergy-and-climate-plans-necps\_en

<sup>&</sup>lt;sup>134</sup> Article 14 of regulation 2018/1999 on the Governance of the Energy Union and Climate Action

## The EU emissions trading system

The EU ETS is the key tool for reducing GHG emissions cost-effectively across all Member States. It is the world's biggest carbon market, covering around 40 % of the EU's total GHG emissions from electricity and heat generation, the manufacturing industry, aviation within Europe (135) and, from 2024, maritime transport also.

The system sets a limit or cap on the total amount of GHGs that can be emitted at the EU level. Within this limit, companies buy emissions allowances (one allowance gives the right to emit 1 tonne of CO2 eq (carbon dioxide equivalent)), in auctions or through trading allowances with others. The cap is reduced annually to ensure that overall emissions in the sectors covered decrease over time.

The emissions under the ETS increased by 6 % from 2005 to 2023.

The increase is caused by the sharp rise in aviation emissions, which plays a crucial role in Malta's emissions.

Disregarding air transport, all of Malta's greenhouse gas emissions covered by the EU emissions trading system (ETS) come from power generation. Malta's power sector registered significant greenhouse gas reductions in 2013–2018, by 59 %, but its emissions have been slightly increasing thereafter. In 2023, Malta's greenhouse gas emissions from power generation were 8 % above 2018 levels

From 2027, a new emissions trading system, called ETS2, for buildings, road transport and additional sectors (mainly industry not covered by the current ETS) will become fully operational (136). Member States should have notified full transposition the provisions of the revised EU ETS directive related to the new ETS2 into national law by 30 June 2024. Malta did not communicate full transposition into national law by this deadline. For this reason, on 25 July 2024, the Commission opened infringement proceedings against Malta

Malta has since notified transposition of the relevant provisions of the ETS2 Directive to the Commission. The monitoring and reporting requirements and the obligation to hold a permit to carry out activities under ETS2 commenced on 1 January 2025.

The Commission also opened infringement procedures against Malta on 25 January 2024, by sending a letter of formal notice for failing to fully transpose previous revisions of ETS directive (137) into national law. Malta

has since notified full transpositions of the abovementioned directives to the Commission.

## **Effort sharing**

The Effort Sharing Regulation (ESR) ( $^{138}$ ) covers GHG emissions from domestic transport (excluding CO<sub>2</sub> emissions from aviation), buildings, agriculture, small industry and waste. Emissions from these sectors account for around 60 % of the EU's domestic emissions. The regulation sets the EU-wide target to reduce emissions from the effort sharing sectors by 40 % by 2030 compared to 2005 levels. This overall target for the EU translates to binding national emission reduction targets for each Member State. Malta's target is -19 %.

In addition to the 2030 targets, Member States have annual GHG emissions limits (annual emission allocations), reducing every year until 2030.

There is some flexibility to take account of annual fluctuations in emissions, by trading emissions and transfers from the ETS and LULUCF.

Based on historical emissions and the most updated projections Malta will need to implement new measures and/or use available flexibilities to achieve its 2030 ESR target. Projections show a total increase of emissions by 29.4 %. That means that gap to the target is 48.4 percentage points. It is the biggest gap in the EU.

The largest contributor is the domestic transport sector, which accounted for 49 % of all effort sharing emissions in 2022. While projections show a steady decline in the future, transport emissions increased by 37 % from 2005 levels and Malta's actions to curb rising emissions have not been sufficient. Passenger cars account for 86 % of distance travelled and take up of battery vehicles is still slow.

The buildings sector is a significant concern for Malta as well. Its emissions increased by 30 % from 2005.

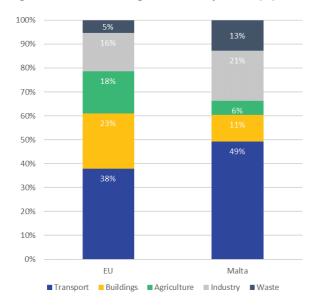
<sup>(135)</sup> Flights between the EU Member States including departing flights to Norway, Iceland, Switzerland and the United Kingdom.

Directive (EU) 2023/959 (https://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=uriserv:OJ.L .2023.130.01.0134.01.ENG)

<sup>(137) &</sup>lt;u>Directive - 2023/959 - EN - EUR-Lex</u> and <u>Directive - 2023/958 - EN - EUR-Lex</u>

<sup>(138)</sup> Regulation (EU) 2018/842 (https://eurlex.europa.eu/eli/reg/2018/842).

Figure 29: Effort-sharing emissions by sector (%), 2022



#### Land use, land-use change and forestry

The Land Use, Land-Use Change and Forestry (LULUCF) sector plays a significant role in achieving the EU's climate neutrality goal. In the EU, this sector absorbs more GHGs than it emits, removing significant volumes of carbon from the atmosphere. Thus, it is the only sector with negative emissions.

However, it is not the case in Malta. LULUCF emission are slightly above zero without any clear trend in the last five years.

Malta's target in 2030 is to enhance land removals by additional -2 kt of  $CO_2$  equivalent compared to the yearly average of the period 2016–2018. The latest available projections show a gap to target of 3 kt of  $CO_2$  equivalent in 2030. Therefore, Malta needs to apply additional measures to reach its 2030 target.

#### Adaptation to climate change

Halting all greenhouse gas emissions would still not prevent climate impacts that are already occurring. Therefore, adaptation to climate change is also a key component of climate policy.

Malta is in two out of three regions identified as a hotspots of climate risks most affected by climate change — Southern Europe and low-lying coastal regions (139). Malta remains vulnerable to flash urban floods, water scarcity and heatwaves, with a low but improvable climate protection gap. Malta has identified several critical sectors that require adaptation. These

include water management, infrastructures and transport, land use and buildings, agriculture, and fisheries.

Malta updated its national adaptation strategy in 2021 and is currently drawing up a vulnerability risk assessment, to lay the ground for integrating climate resilience into sectoral policies.

Despite recent progress, significant work remains to be done to bring Malta's adaptation frameworks, policies, planning and implementation up to the required level of maturity.

Malta received six priority actions regarding climate action in the 2022 EIR. There is no progress in car fleet electrification and public transport usage. The overall share of renewable energy is second lowest in the EU and the progress is very limited. Emissions from waste and agriculture are growing. Finally, Malta's adaptation framework needs significant work despite recent progress.

#### 2025 priority action

 Implement all polices and measures that are needed to achieve targets laid down in the Effort Sharing Regulation (ESR) and the Land Use and Land-Use Change and Forestry (LULUCF) Regulation. More detailed priority actions are set out in the assessment of the final National Energy and Climate Plan (NECP)(140).

<sup>(139)</sup> European Climate Risk Assessment (EUCRA). 2024. Available at European Climate Risk Assessment (europa.eu)

<sup>(140)</sup> National energy and climate plans.

# Part II: Enabling framework – implementation tools

# 5. Financing

The EU budget supports climate investment in Malta with significant amounts in the 2021–2027 period, with revenues from the ETS also feeding into the national budget. During 2020–2022, Malta's revenues from auctioning reached EUR 87 million in total, with all of it spent on climate and energy.

In addition, the annual investment needed to meet its environmental objectives in the areas of pollution prevention and control, the circular economy and waste, water protection and management, and biodiversity and ecosystems is estimated to be EUR 370 million per year in Malta.

While these four environmental areas currently receive total funding of around EUR 357 million per year, the gap, due to some mismatch with the needs, range up to EUR 90 million per year.

The annual environmental investment gap is mostly related to pollution prevention and control and circular economy.

#### Climate finance landmarks

#### **EU** funding for climate action

The EU budget supports climate action in the EU-27 with EUR 657.8 billion in the 2021–2027 budgetary period across the various programmes and funds, representing an overall 34.3 % contribution level. Of this, cohesion policy provides EUR 120 billion (over half of it through the European Regional Development Fund (ERDF)), the Recovery and Resilience Facility (RRF) EUR 275.7 billion CAP EUR 145.9 billion (<sup>141</sup>).

In Malta, the EU cohesion policy (considering the EU contribution amount) provides EUR 243 million for

climate action in 2021–2027 (with around half of this via the ERDF), with a further EUR 13.6 million from the European Maritime, Fisheries and Aquaculture Fund (142).

The RRF contributes to climate finance in Malta with EUR 0.23 billion up to 2026, representing 68.8 % of the recovery and resilience plan (143).

The European Investment Bank (EIB) provided EUR 109.9 billion financing across the EU-27 between 2021 and mid-2024 to support energy, transport and industry projects that are aligned with the EU's climate objectives (144).

# National financing, including EU emissions trading system revenues

Revenues from the auctioning of emission allowances under the EU ETS, which feed directly into national budgets, amounted to EUR 16 million in 2020, EUR 31 million in 2021 and EUR 40 million in 2022 in Malta, totalling EUR 87 million in the three-year period. In Malta, all revenues go to a fund for climate and energy projects, which is additionally co-funded from the general budget (145).

From the remaining part of the EU ETS revenues that feed into the Innovation Fund and the Modernisation Fund, further support is available to climate action at the EU level (146).

It should be noted that investment in climate action also supports the environment and, therefore, the environmental investments described in the following sections cannot be regarded as entirely additional to climate investment (147).

- (141) European Commission, Statement of Estimates of the European Commission For the financial year 2025, Publications Office of the European Union, Luxembourg, 2024, pp. 94–96, https://commission.europa.eu/document/download/7a0420e1 \_-599e-4246-9131-ccb7d505d6d9 en?filename=DB2025-Statement-of-Estimates 1.pdf.
- (142) See the Cohesion Open Data Platform (https://cohesiondata.ec.europa.eu/).
- (143) EU Commission datasets and the Recovery and Resilience Scoreboard (https://ec.europa.eu/economy finance/recoveryand-resilience-scoreboard/index.html).
- (144) A list of financed projects is provided by the EIB (https://www.eib.org/en/projects/loans/index.htm).
- (145) European Commission: Directorate-General for Climate Action, Progress Report 2023 – Climate action, Publications Office of the European Union, Luxembourg, 2023, https://climate.ec.europa.eu/news-your-voice/news/climateaction-progress-report-2023-2023-10-24 en.
- (146) European Commission: Directorate-General for Climate Action, Progress Report 2023 – Climate action, Publications Office of the European Union, Luxembourg, 2023, https://climate.ec.europa.eu/news-your-voice/news/climateaction-progress-report-2023-2023-10-24 en.
- (147) NB: Indirect investments (from climate and other policies) in support of the environment are accounted for via the tracking.

#### **Environmental financing and investments**

This section describes Malta's investment needs, current financing and gaps as they relate to the four environmental objectives beyond climate objectives, namely tackling pollution, the circular economy and waste, water protection and management, and biodiversity and ecosystems (148).

#### The environment overall

#### Investment needs

The overall environmental investment needs to be sufficient to enable Malta to meet its objectives in the areas of pollution prevention and control, the circular economy and waste, water protection and management, and biodiversity and ecosystems. The required investment is estimated to be EUR 370 million per year (in 2022 prices).

A significant part of the estimated requirement, around EUR 248 million per year, can be attributed to the need to support circular economy. For pollution prevention and control and water, the annual needs are around EUR 60 million a year (each), and for biodiversity and ecosystems they are at least EUR 5 million per year (in 2022 prices).

#### **Current investments**

To implement the environmental investments needed, the available financing is estimated to currently reach an annual EUR 357 million in Malta from EU and national sources combined (in 2022 prices).

Total environmental funding from the multiannual financial framework (MFF) is estimated to reach around EUR 313.1 million for Malta in total, during 2021-2027 (or EUR 44.7 million per year).

Table 1: Key environmental allocations from EU funds to Malta (million FUR) 2021-2027

Instrument	Allocations		
Cohesion policy	<b>219.5</b> (a)		
ERDF	104.9		
Cohesion Fund	105.3		
Just Transition Fund	9.3		
CAP	<b>38.4</b> (b)		

<sup>(148)</sup> Research, development and innovation is accounted for under each environmental objective. The financing needs, baselines and gaps estimates are based on the Directorate-General for Environment's internal analysis (of 2024). Throughout this chapter, specific references are provided to the most important data sources used.

European Agricultural	11.0
Guarantee Fund	27.4
European Agricultural Fund for Rural Development	
European Maritime, Fisheries and Aquaculture Fund	8.6
Other MFF sources	46.6 (°)
RRF ( <sup>d</sup> ) (2021–2026)	93.7

- European Commission, 2021-2027 cohesion policy (planned) allocations in EU amount excluding national co-financing, based on the tracking in the Common Provisions Regulation (CPR, 2021) Annex I. Please note potential data changes that may have arisen between the EIR preparation cut-off date (31 October 2024) and its publication date. Source and further information: https://cohesiondata.ec.europa.eu/2021-2027-Categorisation/2021-2027-Planned-finances-detailed
  - categorisation/hgyj-gyin/about data.
- Regulation (EU) 2021/2115 of the European Parliament and of the (b) Council of 2 December 2021 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP strategic plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) No 1305/2013 and (EU) No 1307/2013 6.12.2021. (OJ L 435 p. 1), Annex XI, https://eurlex.europa.eu/eli/reg/2021/2115.

Note that 2021-2027 combines factual data for 2021 and 2022 and expenditure under the relevant specific objectives (SOs) of the CAP strategic plans from 2023, using the EU biodiversity tracking methodology (https://commission.europa.eu/system/files/2023-06/Biodiversity%20tracking%20methodology%20for%20each%20 programme%202023.pdf). Source: European Commission.

- Space Fund, Horizon Europe, financial instrument for the environment and the Connecting Europe Facility.
- Outside the MFF. Note that the RRF applies a similar environmental tracking scheme (set in the RRF Regulation, Annex VI) as the EU's cohesion policy. RRF dataset version used: July 2024, prior to 2025 revisions. Data source: European Commission.

Malta, in addition to receiving EU funds earmarked specifically for it in 2021-2027, can also benefit from funding programmes that can be accessed at the EU level and which are open to all Member States. These include the financial instrument for the environment (LIFE) (EUR 5.4 billion) (149), programme Horizon (EUR 95.5 billion) (150), the Connecting Europe Facility (EUR 33.7 billion) (151) and funds that can be mobilised through the InvestEU programme (152).

- (151) The Connecting Europe Facility (Transport) also includes EUR 11.3 billion transferred from the Cohesion Fund, of which 30 % will be made available, on a competitive basis, to all Member States eligible for the Cohesion Fund. The remaining 70 % will respect the national envelopes until 31 December 2023.
- (152) The InvestEU Fund is set to mobilise over EUR 372 billion of investment through an EU budget guarantee of EUR 26.2 billion to back the investment of financial partners such as the EIB group and others.

https://cinea.ec.europa.eu/programmes/life en.

<sup>(150)</sup> European Commission, Horizon Europe, https://research-andinnovation.ec.europa.eu/funding/funding-opportunities/fundingprogrammes-and-open-calls/horizon-europe\_en.

Malta's recovery and resilience plan supports climate objectives through funding of EUR 0.23 billion (68.8 % of total), with no additional amount for the environment.

The EU's total national expenditure on environmental protection (operating plus capital expenditure) was EUR 298 billion in 2020 and EUR 321 billion in 2021, representing around 2.2 % of EU-27 GDP. In Malta, the total national environmental protection expenditure was EUR 331 million in 2020 and EUR 327 million in 2021, representing 2.5 % and 2.1 % of GDP, respectively.

The national capital expenditure (investment) on environmental protection in the EU-27 amounted to EUR 54.5 billion in 2020 and EUR 59.9 billion in 2021, representing around 0.4 % of the EU's GDP. In Malta, the national environmental protection investment reached EUR 58 million in 2020, decreasing to EUR 49 million in 2021, representing around 0.3–0.4 % of GDP.

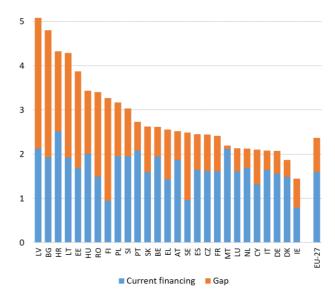
Broken down by institutional sector, 19 % of Malta's national environmental protection investment (capital expenditure) comes from the general government budget, with 72 % coming from specialist private-sector producers (of environmental protection services, such as waste and water companies) and 9 % from the business sector, whose environmental activities are usually ancillary to its main activities. At the EU level, 38 % of environmental protection investment comes from governments, 40 % from specialist private-sector producers and 22 % from the general business sector (153).

Malta's total financing for environmental investment reaches an estimated EUR 357 million per year (in 2022 prices), including EU funding and national public and national private expenditure. Of the total, the share of EU funds (including EIB funds) reaches 15 %, with around 85 % national financing. The total public financing (EU plus national public) represents 31 % of the total.

#### The gap

To meet its four environmental objectives beyond climate change, the additional investment need over the current levels (i.e. the gap) reaches up to an estimated EUR 90 million per yearin Malta<sup>154</sup>, representing around 0.53 % of the national GDP, being lower than the EU-average (0.77 %).

Figure 30: Environmental financing, needs and gaps per Member State (% of GDP)



Source: Analysis of Directorate-General for Environment.

The following table provides the distributions of Malta's environmental investment gap (expressed in various forms) by environmental objective.

Table 2: Summary of environmental investment gaps in Malta per year, 2021–2027

Environmental	Investment gap per year		
objective	Million EUR (2022 prices)	% of total	% of GDP
Pollution prevention and control	32	36.1	0.2
Circular economy and waste	31	34.6	0.2
Water management and water industries	26	29.3	0.2
Biodiversity and ecosystems	-	-	-
Total	90	100.0	0.53

NB: For Biodiversity, data consistency is to be further verified.

Source: Directorate-General for Environment analysis.

fact the current financing has some mismatches to the needs, which results in a higher gap.

<sup>(153)</sup> Eurostat, 'Environmental protection expenditure accounts', env\_ac\_epea.

<sup>154</sup> NB. While a simple difference of the total needs and the total financing would suggest a lower (EUR 13 million per year) gap, in

#### Pollution prevention and control

#### Investment needs

In pollution prevention and control, Malta's investment needs are estimated to reach EUR 57 million per year (including baseline investments) in 2021–2027. Most of this, EUR 49 million, relates to air pollution control, to comply with the clean air requirements for the five main air pollutants under the NECD by 2030. The estimated needs to reduce environmental noise reach EUR 26 million per year, most of which is delivered by the (same) sustainable energy and transport investments that also benefit clean air (155). Industrial site remediation requires an estimated EUR 3 million per year. Microplastics pollution and the chemicals strategy require around EUR 2 million per year (each) (156).

#### **Current investments**

The current investment levels supporting pollution prevention and control reach an estimated EUR 24 million per year in Malta in 2021–2027. Most of the financing benefits clean air and noise.

In Malta, the EU MFF provides an estimated 46 % of the clean air financing (mostly via cohesion policy), with a further 52 % from the RRF, adding up to 98 % of the total. National sources reach 2 % ( $^{157}$ ).

#### The gap

To meet its environmental objectives concerning pollution prevention and control (towards zero pollution), Malta needs to provide an additional EUR 32 million per year (0.19 % of GDP), mostly related to clean air and noise. The adequate implementation of the NECP with the investments included for sustainable energy and transport would largely deliver this, while in many Member States additional measures and investments may be required to comply with the ammonia reduction requirements.

According to the latest (2023) NAPCP review report (158), Malta complied with ammonia reduction requirements in 2020 and 2021, and it is not at risk of non-compliance with ammonia concerning the NECD's 2030 emission reduction commitments either, based on the policies and measures in its NAPCP that take into account climate, energy and CAP plans and financing baselines.

#### Circular economy and waste

#### Investment needs

Malta's investment needs in circular economy and waste reach EUR 248 billion per year (including baseline investments). Most of this, around EUR 212 million per year, relates to circular economy measures in the mobility, food and built environment systems, with a further EUR 35 million necessary for waste management (municipal and packaging waste), covering waste collection, biowaste treatment, recycling reprocessors, waste-sorting facilities, and digitalisation of the waste registry. The amount for waste excludes the investments needed for the uptake of circularity and waste prevention across the economy (159).

#### **Current investments**

Circular economy investments across the economy reach around EUR 187 million per year in Malta in 2021-2027, with a further EUR 29 million provided for waste management that does not constitute circular economy.

Around 2.4 % of this combined financing for circularity and waste comes from the EU MFF, with no further contribution from the RRF. The share of national sources reaches 97.6 % of the total financing (160).

#### The gap

To meet its environmental objectives concerning the circular economy and waste, Malta needs to increase

- (155) 2021 Phenomena project assessment (https://op.europa.eu/en/publication-detail//publication/f4cd7465-a95d-11eb-9585-01aa75ed71a1) and the Commission's 2023 Environmental Noise Directive implementation report (https://environment.ec.europa.eu/system/files/2023-03/COM 2023 139 1 EN ACT part1 v3.pdf).
- (156) European Commission, *Third Clean Air Outlook*, Brussels, 2022, <a href="https://environment.ec.europa.eu/topics/air/clean-air-outlook en">https://environment.ec.europa.eu/topics/air/clean-air-outlook en</a>. See also the impact assessment for the revision of the AAQD, available from the Commission web page on the proposed revision
  - (https://environment.ec.europa.eu/publications/revision-eu-ambient-air-quality-legislation en).
- (157) Through the tracking of EU funds, EIB projects and national expenditure (environmental protection expenditure accounts, Eurostat). Note that the bulk of clean air financing is provided as a contribution from climate (energy and transport) measures, as per the tracking schemes in the Common Provisions Regulation Annex I and the RRF Regulation Annex VI. Further information on clean air tracking:

- https://commission.europa.eu/document/download/0a80484e-2409-4749-94c6-
- (158) Buropean Commission, 'National air pollution control programmes and projections', European Commission website, https://environment.ec.europa.eu/topics/air/reducing-emissions-air-pollutants/national-air-pollution-control-programmes-and-projections en.
- (159) See Systemiq and Ellen MacArthur Foundation, Achieving 'Growth Within', 2017; and European Commission: Directorate-General for Environment, Study on investment needs in the waste sector and on the financing of municipal waste management in Member States, Publications Office of the European Union, Luxembourg, 2019, <a href="https://op.europa.eu/en/publication-detail/-/publication/4d5f8355-bcad-11e9-9d01-01aa75ed71a1">https://op.europa.eu/en/publication-detail/-/publication/4d5f8355-bcad-11e9-9d01-01aa75ed71a1</a>.
- (160) Waste management and circular economy expenditure tracking in the EU funds, EIB projects and in the national expenditure (Eurostat). Datasets: environmental protection expenditure accounts (env\_epi) and circular economy private investments (cei cie012).

circular economy investments by an estimated EUR 25 million per year, with an additional EUR 6 million concerning waste management action, not belonging to circular economy. Combined, this amounts to EUR 31 million per year, representing 0.18 % of Malta's GDP

Of the circular economy gap, EUR 7 million relates to recent initiatives, such as the eco-design for sustainable products, packaging and packaging waste, labelling and digital tools, CRM recycling, and measures proposed under the amendment of the Waste Framework Directive, and EUR 19 million constitutes further investment need to unlock Malta's circular economy potential.

#### Water protection and management

#### Investment needs

The annual water investment needs reach an estimated EUR 61 million (in 2022 prices) in Malta. This comprises investment needs both for the water industry and for the protection and the management of water. Of the total annual need, EUR 13 million relates to the management of waste water (also including additional costs associated with the revised UWWTD). A further EUR 25 million is necessary for drinking-water-related investments and around EUR 23 million for the protection and management of water (161).

#### **Current investments**

Water investments in Malta are estimated to be around EUR 60 million per year (in 2022 prices) in 2021–2027. Of this, EUR 39 million supports wastewater management and EUR 21 million drinking water.

Of the total financing, 19.7 % is provided by the EU MFF (mostly through cohesion policy), with no further support from the RRF. The bulk of financing comes from national sources (80.3 %) ( $^{162}$ ).

# (161) See European Commission, 'Estimating investment needs and financing capacities for water-related investment in EU Member States', 28 May 2020, https://commission.europa.eu/news/estimating-investment-needs-and-financing-capacities-water-related-investment-eumember-states-2020-05-28 en; and OECD, Financing Water Supply, Sanitation and flood Protection: Challenges in EU Member States and policy options, OECD Publishing, Paris, 2020, https://www.oecd-ilibrary.org/environment/financing-water-supply-sanitation-and-flood-protection 6893cdac-en.

#### The gap

Despite Malta's current water financing level being seemingly in line with that of the needs, there is an EUR 26 million water investment gap to meet the various environmental targets under the Water Framework Directive and the Floods Directive, arising from a structural mismatch of the financing and the needs: while financing in wastewater management seems to be sufficient, there seems to be a financing gap concerning the Water Framework Directive in general.

#### **Biodiversity and ecosystems**

#### **Investment needs**

The investment needs for biodiversity and ecosystems are estimated to be EUR 5 million per year (in 2022 prices) in Malta in 2021–2027. This includes the following financing needs:

- Malta's prioritised action framework (163) concerning the Natura 2000 areas: EUR 26 million per year, mostly running costs;
- additional BDS costs (164) (there may be additional costs, but the annual cost of the strategy is lower than the framework costs);
- sustainable soil management costs (165): EUR 1.3 million per year.

#### **Current investments**

The current level of biodiversity financing is estimated to be EUR 56 million per year (in 2022 prices) in 2021–2027. 90 % of this is considered direct financing to biodiversity and ecosystems, with a 100 % coefficient in the tracking schemes.

4.5 % of the total financing is estimated to come from EU cohesion policy, 9.2 % from CAP, 5.79 % from Horizon Europe, around 2.2 % from LIFE and 1.9 % from the European Maritime, Fisheries and Aquaculture Fund. The EU MFF altogether accounts for 24.3 % of the financing. The rest, 76 %, comes from national sources (166).

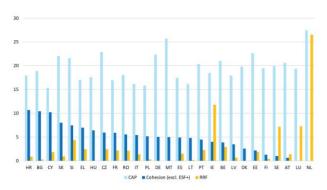
- (164) See European Commission: Directorate-General for Environment, Biodiversity Financing and Tracking Final report, Publications Office of the European Union, Luxembourg, 2022, https://op.europa.eu/en/publication-detail/-/publication/793eb6ec-dbd6-11ec-a534-01aa75ed71a1/language-en.
- (165) See Proposal for a directive of the European Parliament and of the Council on soil monitoring and resilience (Soil Monitoring Law) COM(2023) 416 final of 5 July 2023, https://environment.ec.europa.eu/publications/proposal-directive-soil-monitoring-and-resilience en.
- (166) Based on biodiversity tracking in the EU budget (https://circabc.europa.eu/ui/group/3f466d71-92a7-49eb-9c63-6cb0fadf29dc/library/8e44293a-d97f-496d-8769-50365780acde), and national expenditure into biodiversity from the Classification of the Functions of Governments accounts.

<sup>(162)</sup> Water investment levels are estimated through tracking EU funds, EIB projects and national expenditure (environmental protection expenditure accounts, Eurostat).

<sup>(163)</sup> European Commission, 'Financing Natura 2000 – Prioritised action frameworks', European Commission website, https://environment.ec.europa.eu/topics/nature-and-biodiversity/natura-2000/financing-natura-2000 en.

Malta is the Member State with the second highest share of biodiversity financing programmed under CAP: 25.7% of the entire CAP budget for Malta is estimated to contribute to biodiversity. However, only 5% of cohesion policy funds in 2021–2027 (disregarding ESF+) are envisaged to support biodiversity, and no RRF funds have been programmed for investments in biodiversity in Malta.

Figure 31: 2021–2027 contributions to biodiversity from the main EU instruments per Member State (% of policy total)



NB: ESF+, European Social Fund Plus.

#### The gap

To meet the environmental objectives concerning the protection and restoration of biodiversity and ecosystems and other relevant cross-cutting measures, based on the available information, a significant investment gap cannot be observed in the case of Malta.

#### **Public financial management**

#### **Green budgeting practices**

Green budgeting refers to the use of budgetary tools to achieve climate and environmental goals. Some Member States already use green budgeting tools for identifying and tracking green expenditures and/or revenues (167). Green budgeting practices provide increased transparency on the environmental implications of budgetary policies.

The Commission has developed a non-mandatory green budgeting reference framework that brings together

methodologies for assessing the impacts of budgets on climate and environmental goals (168).

To help Member States develop national green budgeting and thereby improve policy coherence and support the green transition, the Commission facilitated a Technical Support Instrument (TSI) project on green budgeting from 2021 to 2024 (169), in which Malta participated.

Beyond green budgeting, to improve policy outcomes the Commission has also drawn up climate-proofing and sustainability-proofing guidance (170) as tools to assess project eligibility and compliance with environmental legislation and criteria.

#### Green taxation and tax reform

Total environmental taxes amounted to EUR 287 million in Malta in 2022, representing 1.7 % of its GDP (EU average: 2.0 %). Energy taxes formed the largest component of environmental taxes, accounting for 0.8 % of GDP, which is lower than the EU average of 1.6 %. Transport taxes, at 0.63 % of GDP, were above the EU average (0.4 %), as were taxes on pollution and resources at 0.18 % (EU average: 0.08 %). In 2022, environmental taxes in Malta accounted for 5.8 % of total revenues from taxes and

<sup>(167)</sup> European Commission, Green Budgeting in the EU. Key Insights from the 2023 European Commission Survey of Green Budgeting Practices, 2023, <a href="https://economy-finance.ec.europa.eu/economic-and-fiscal-governance/national-fiscal-frameworks-eu-member-states/green-budgeting-eu-en#:":text=European%20Commission%20Green%20Budgeting%20Survey%C2%A0.

<sup>(168)</sup> European Commission, 'European Union green budgeting reference framework', 2022, <a href="https://economy-pt/4">https://economy-pt/4</a>

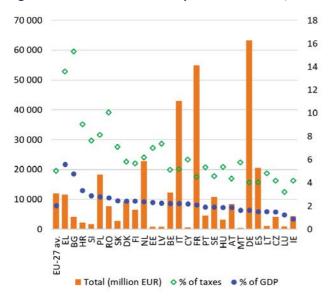
<sup>&</sup>lt;u>finance.ec.europa.eu/economic-and-fiscal-governance/green-</u> budgeting-eu en.

<sup>(169)</sup> https://reform-support.ec.europa.eu/what-we-do/revenue-administration-and-public-financial-management/supporting-implementation-green-budgeting-practices-eu\_en.

<sup>(170)</sup> Commission notice – Technical guidance on the climate proofing of infrastructure in the period 2021–2027 (OJ C 373, 16.09.2021, p. 1), <a href="https://op.europa.eu/en/publication-detail/-/publication/23a24b21-16d0-11ec-b4fe-01aa75ed71a1/language-en.">https://op.europa.eu/en/publication-detail/-/publication/23a24b21-16d0-11ec-b4fe-01aa75ed71a1/language-en.</a>

social security contributions (slightly under the EU average of 5.0%) ( $^{171}$ ).

Figure 32: Environmental taxes per Member State, 2022



The EU Green Deal emphasises the role of well-designed tax reforms (e.g. shifts from taxing labour to taxing pollution) to boost economic growth and resilience, and to foster a fairer society and a just transition through the right price signals. The Green Deal promotes the 'polluter-pays principle', which makes polluters bear the costs to prevent, control and remedy pollution.

According to a 2024 study (<sup>172</sup>), Malta applies a charge on solid waste disposal (landfilling fee), levies on plastics and tyres, a hunting and fishing tax and a volumetric charge for water disposal.

#### Green bonds and sustainable bonds

In 2023, the total value of green bonds issued by Member States was USD 245 billion (EUR 227 billion), up from USD 234 billion (EUR 198 billion) in 2021.(173)

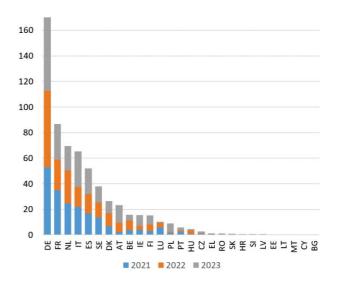
In August 2023, Malta's first green bond was issued by the Water Services Corporation with a listing of EUR 25 million. The green bond will contribute to financing Gozo's cutting-edge reverse osmosis plant at Hondoq ir-Rummien Bay; solar farms that will generate renewable energy and reduce water services' reliance on fossil fuels; wastewater treatment plants that will improve water quality and reduce pollution; and an enhanced

water network that will reduce non-revenue water and improve efficiency (174).

During 2014–2023, 83 % of the green bonds issued by European countries (excluding supranational entities) served objectives in energy, buildings or transport, while 5 % supported objectives in water, 5.1 % related to land use (with links to nature and ecosystems) and 3.8 % applied to waste management. By 2023, the combined share of energy, buildings and transport had decreased to 73 %, the share of waste management and land use had increased (to 5.9 % and 8.4 %, respectively) and the share of water had remained around 5 %.

In 2021–2023, 31.7% of the European green bonds (excluding those issued by supranational entities) was issued by financial corporates, 29.1% by sovereign governments and 23.1% by non-financial corporates. 8.3% of the issuances was linked to government-backed entities, 6.4% to developments banks and 1.4% to local governments.

Figure 33: Value of green bonds issued per Member State (billion EUR), 2021, 2022 and 2023



Data source: Climatebonds.net, with some additional data from national sources (e.g. Croatia, Slovenia).

#### **Environmentally harmful subsidies**

Addressing and phasing out environmentally harmful subsidies, in particular fossil fuel subsidies (FFS), is a

<sup>(171)</sup> Eurostat, 'Environmental taxes accounts', env\_eta.

<sup>(172)</sup> European Commission, 2024 Report on Energy Subsidies in the European Union, COM(2025).
https://ec.europa.eu/transparency/documents-register/detail?ref=COM(2025)17&lang=en

<sup>(173)</sup> Climate Bonds Initiative (<u>www.climatebonds.net</u>). NB. Additionally (and not included in this), national sources indicated

EUR 544.8 million issuance for Croatia, in 2022-2023, and a slightly higher amount for Slovenia (+0.27 billion) during 2021-2023 in total.

<sup>(174)</sup> https://www.wsc.com.mt/greenbonds/#:~:text=Luqa%2C%20Malta%20%E2%80%93%2025%20Ju ly%202023,and%20the%20EU's%20Green%20Deal.

further step towards achieving the eighth environment action programme objectives and the enabling conditions (175). FFS are costly for public budgets and make it difficult to achieve European Green Deal objectives.

The overall downward trend of FFS mentioned in past EIRs was disrupted from 2022 due to the European response to the 2021 energy crisis and subsequent increase in energy prices.

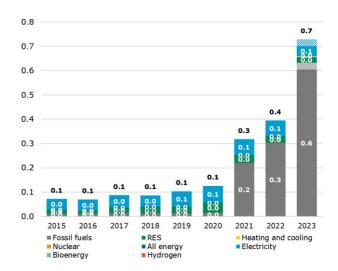
As a direct consequence, annual FFS in the EU have increased to EUR 109 billion in 2023 from EUR 57 billion in 2020. From 2021 to 2023, there was a marked increase in annual FFS of 72 % in the EU ( $^{176}$ ).

For the majority of the Member States (16), the year 2022 saw a peak in the amount of overall FFS. A decline was then observed in 2023 (<sup>177</sup>). In particular, FFS for coal and lignite, natural gas and oil increased in 2022 and a strong increase was observed for natural gas subsidies.

In Malta, energy subsidies have increased since 2021, reaching EUR 0.7 billion in 2023. FFS stayed at around EUR 10–15 million between 2015 and 2020, and increased to EUR 0.2 billion in 2021 and to 0.6 billion in 2023.

As a share of GDP, FFS in 2022 ranged from 1.8 % in Croatia to less than 0.1 % in Denmark and Sweden. Malta's value reached 1.6 %, above the EU average (0.8 %) ( $^{178}$ ).

Figure 34: Energy subsidies by energy carrier (billion EUR), 2015–2023



NB: RES, renewable energy source.

Source: analysis of Directorate-General Energy

The 2022 EIR delivered priority actions to Malta to (i) devise an environmental financing strategy to maximise opportunities for closing environmental implementation gaps, bringing together all relevant administrative levels; and (ii) ensure an increased level of financing for the environment, in particular from private sources (which are currently around a third of the total), to cover the high level of investment needs across the environmental objectives by closing the investment gaps.

Malta's overall environmental investment gap level has decreased since 2022 and is lower (at 0.08 % of GDP) than the EU average.

#### 2025 priority action

 Use more national funding (for instance by increasing taxes in favour of the environment and reducing environmentally harmful subsidies), EU funding and private funding to help close the investment gap.

https://ec.europa.eu/transparency/documentsregister/detail?ref=COM(2025)17&lang=en

 $\label{lem:https://ec.europa.eu/transparency/documents-register/detail?ref=COM(2025)17\&lang=enEuropean.$ 

Article 3(h) and 3(v) of the eighth environment action programme.

<sup>(176)</sup> European Commission, 2024 Report on Energy Subsidies in the European Union, COM(2025).

<sup>77) 16</sup> Member States: BE, EE, IE, EL, ES, FR, HR, IT, CY, LT, HU, NL, AT, PT, RO and SE.

<sup>(178)</sup> European Commission, 2024 Report on Energy Subsidies in the European Union, COM(2025).

# 6. Environmental governance

# Information, public participation and access to justice

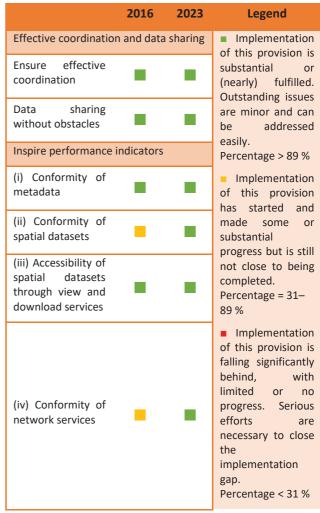
Citizens can more effectively protect the environment if they rely on the three 'pillars' of the Aarhus Convention: (i) access to information, (ii) public participation in decision-making and (iii) access to justice in environmental matters. It is of crucial importance to public authorities, the public and businesses that environmental information is shared efficiently and effectively (179). Public participation allows authorities to make decisions that take public concerns into account. Access to justice is a set of guarantees that allows citizens and NGOs to use national courts to protect the environment, safeguard the rights of citizens and ensure accountability of authorities (180). It includes the right to bring legal challenges ('legal standing') (181).

#### **Environmental information**

This section focuses on the implementation of the Infrastructure for Spatial Information in the European Community (Inspire) Directive. The Inspire Directive aims to set up a European spatial-data infrastructure for sharing environmental spatial information between public authorities across Europe. It is expected that this will help policymaking across boundaries and facilitate public access to this information. Geographic information is needed for good governance at all levels and should be readily and transparently available.

Malta's performance in implementing the Inspire Directive is substantial and has been reviewed based on its 2023 country fiche (182) (see Table 3).

Table 3: Malta dashboard on implementation of the Inspire Directive, 2016–2022



Source: European Commission, 'Malta', Inspire Knowledge Base, https://knowledge-base.inspire.ec.europa.eu/malta\_en.

#### **Public participation**

Public involvement at both the planning and the project phase maximises transparency and social acceptance of programmes and projects. Consultation

<sup>(179)</sup> The Aarhus Convention (https://unece.org/environment-policy/public-participation/aarhus-convention/text), the Access to Environmental Information Directive (Directive 2003/4/EC) (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32003L0004) and the Inspire Directive (Directive 2007/2/EC) (https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32007L0002) together create a legal foundation for the sharing of environmental information between public authorities and with the public.

<sup>(180)</sup> These guarantees are explained in the European Commission's 2017 notice on access to justice in environmental matters

<sup>(</sup>https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52017XC0818(02)) and a related 2018 citizen's guide (https://op.europa.eu/en/publication-detail/-/publication/2b362f0a-bfe4-11e8-99ee-01aa75ed71a1/language-en/format-PDF).

<sup>(181)</sup> This EIR focuses on the means used by Member States to guarantee rights of access to justice and legal standing and to overcome other major barriers to bringing cases on environmental protection.

<sup>(182)</sup> European Commission, 'Malta', Inspire Knowledge Base, https://knowledge-base.inspire.ec.europa.eu/malta en.

with the public (including NGOs) and environmental, local and regional authorities is a key feature of an effective impact assessment procedure. Such consultation also provides an opportunity for public authorities and project promoters to engage with the public actively and meaningfully by making information on the likely significant effects widely available. If carried out with due diligence and taking into consideration useful public input, this process leads to better-informed decision-making and can promote public acceptance. Making information available increases stakeholder involvement, thus lessening resistance, and preventing (or minimising) litigation. On the other hand, it is paramount that the procedure is effective.

This section examines how public involvement and transparency are ensured under two instruments, namely the Environmental Impact Assessment (EIA) Directive (183) and the Strategic Environmental Assessment (SEA) Directive (184).

EU law provides for a flexible framework concerning EIAs. The aim of this framework is to ensure the application of the necessary environmental safeguards, while enabling speedy approval of projects. The Commission has contributed to simplifying and accelerating permitting for renewable energy projects and continues to support the Member States in this regard <sup>185</sup>. Malta has already taken steps aiming to accelerate permit-issuing procedures taking advantage of the broad flexibilities offered by the EU legal framework, such as the establishment of one-stop shops and accelerated short deadlines for issuing permits for renewable energy projects.

The average speed in the EU for issuing permits involving an EIA procedure is 20.6 months, with a minimum duration of 11.4 months and a maximum duration of 75.7 months (186). The duration of each step in an EIA process (screening, scoping, EIA report, public consultation, reasoned conclusion, development consent) varies considerably between Member States

and projects. The available data for Malta show that its average speed for issuing permits involving an EIA process (25.3 months) is slower than the EU average. Effective use of EU procedures can positively influence the timely approval of activities underpinning the decarbonisation of the economy on the way to net zero by 2050.

A new report is not yet available on the application and effectiveness of the SEA Directive in the EU. Nevertheless, a support study has been published with information by Member State (187).

As mentioned in the 2022 EIR, general information on EIA and SEA processes is provided on the website of Malta's ERA.

#### Access to justice

Access to justice, guaranteed by Article 19(1) of the Treaty on European Union and Article 47 of the EU Charter of Fundamental Rights, is a fundamental right and part of the democratic process. It is vital to ensure the full application of EU law in all Member States and the legal protection of the rights of individuals, including in environmental matters. Access to justice is essential to enable judicial review of the decisions of public authorities and to allow the correction of any wrongdoing committed by these authorities.

This section provides a snapshot of the state of play of access to courts by the public, particularly when it comes to challenging plans, or the non-adoption of plans, under EU law, in the areas of water, waste, air quality and noise, irrespective of the form of the legal act (i.e. regulatory act or administrative decision).

As mentioned in the 2022 EIR, physical and legal persons, including NGOs, may challenge decisions made by the environmental authorities before the Environment and Planning Review Tribunal. In certain instances, to appeal against a decision of the Planning Authority, the third parties interested (including NGOs)

- (183) Directive 2011/92/EU of the European Parliament and of the Council of 13 December 2011 on the assessment of the effects of certain public and private projects on the environment (OJ L 26, 28.1.2012, p. 1), <a href="https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32011L0092">https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32011L0092</a>.
- (184) Directive 2001/42/EC\_of the European Parliament and of the Council of 27 June 2001 on the assessment of the effects of certain plans and programmes on the environment (OJ L 197, 21.7.2001, p. 30), <a href="https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32001L0042">https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32001L0042</a>.
- (185) Commission Staff Working Document (SWD/2022/0149 final), 18 May 2022, (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52022SC0149&qid=1653034 229953).
- (186) European Commission: Directorate-General for Environment, Collection of information and data on the implementation of the revised Environmental Impact Assessment (EIA) Directive (2011/92/EU) as amended by 2014/52/EU), Publications Office of the European Union, Luxembourg, 2024, Tables 5 and 6, <a href="https://op.europa.eu/en/publication-detail/-/publication/8349a857-2936-11ef-9290-01aa75ed71a1/">https://op.europa.eu/en/publication-detail/-/publication/8349a857-2936-11ef-9290-01aa75ed71a1/</a>.
- (187) European Commission: Directorate-General for Environment, Lundberg, P., McNeill, A., McGuinn, J., Cantarelli, A. et al., Study supporting the preparation of the report on the application and effectiveness of the SEA Directive (Directive 2001/42/EC) – Final study, Publications Office of the European Union, 2025, https://data.europa.eu/doi/10.2779/1615072

are required to have submitted written comments regarding the application for development permission during the term established by law for the public consultation process. Regarding decisions taken by the ERA, Article 47 of the Environment and Planning Review Tribunal Act provides for the right of appeal of any aggrieved party as well as of any person in relation assessments, to environmental access environmental information and the prevention and remedying of environmental damage. Certain subsidiary legislation may also provide for access to justice provisions regarding specific matters, such as the Freedom of Access to Information on the Environment Regulations (188).

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

In addition, there is no provision for administrative redress if any person wants to challenge an act or omission in the SEA process except for filing a legal challenge requesting judicial review before the First Hall of the Civil Court. However, if authorisations (e.g. development consent) take the form of legislation, there is no possibility of administrative review or judicial review.

In 2024, the Commission started infringement proceedings (189) against Malta for failure to ensure access to justice in environmental matters in several policy areas such as nature, waste management and water policy.

In 2022, Malta received priority actions to (i) ensure that legal standing to challenge a decision of a public authority is not restricted to the members of the public concerned who participated in the preceding administrative procedure in environmental cases; (ii) improve access to courts by the public concerned when it comes to challenging administrative or regulatory decisions covering planning, in particular in relation to water, nature and air quality; and (iii) better inform the public by making reference to the relevant Commission e-justice factsheets about their access to justice rights. There has been no progress regarding these actions.

#### 2025 priority action

 Improve access to courts in national environmental cases by the public concerned and eliminate practical barriers, such as length of proceedings and excessive costs in some Member States.

#### **Compliance assurance**

Environmental compliance assurance covers all work undertaken by public authorities to ensure that industries, farmers and others fulfil their obligations to protect water, air and nature, to manage waste (190) and to remedy any environmental damage. It includes measures such as (i) compliance promotion, (ii) compliance monitoring (i.e. inspections and other checks), (iii) enforcement, that is, steps taken to stop breaches and impose sanctions, and (iv) ensuring damage prevention and remediation in line with the polluter-pays principle.

#### **Compliance promotion, monitoring and enforcement**

Non-compliance with environmental obligations may occur for different reasons, including poor understanding or lack of acceptance of the rules, opportunism or even criminality. Compliance promotion activities help duty-holders to comply by providing information, guidance and other support. This is particularly important in areas where new and complex legislation is put in place.

When inspections and other control activities identify problems, a range of responses may be appropriate, including the use of administrative and criminal enforcement tools.

According to information provided by Maltese authorities, standard operating procedures and an enforcement handbook have been established along with risk-based inspections to streamline compliance assurance work. There is a need for additional and closer collaboration with the EU Network for the Implementation and Enforcement of Environmental Law to support the strengthening of control and enforcement capabilities. Although some work is ongoing, the Maltese authorities are encouraged to

<sup>(188)</sup> Subsidiary Legislation 549.39, 17 May 2005, https://legislation.mt/eli/sl/549.39/eng/pdf#:~:text=(2)%20T he%20purpose%20of%20these,course%2C%20environmental information%20is%20progressively.

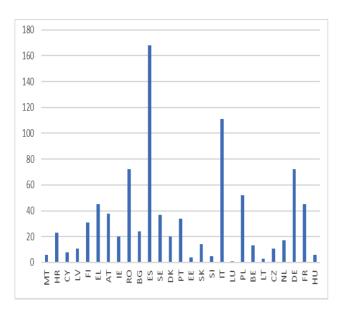
<sup>(189)</sup> European Commission, 'May infringements package: Key decisions', Brussels, 23 May 2024, https://ec.europa.eu/commission/presscorner/detail/en/inf 24 2422.

<sup>(190)</sup> The concept is explained in detail in the European Commission's 2018 communication on EU actions to improve environmental compliance and governance (<a href="https://eurlex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52018DC0010">https://eurlex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:52018SC0010</a>).

make publicly available more information on compliance assurance work and its results.

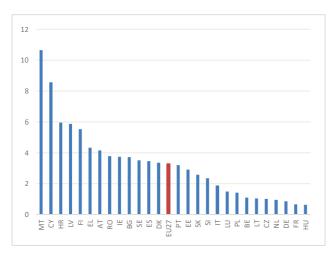
Between 15 May 2022 and 31 December 2024, the Commission received 6 complaints relating to the environment in Malta, half of which concerned nature; other complaints concerned alleged breaches of EU law in the areas of air, chemicals, noise, and waste. In terms of complaints per million inhabitants, that is 10.64, well above the EU average of 3.2, and the highest number among all Member States (figures 40 and 41).

Figure 40: EU complaints 15 May 2022-31 December 2024



Source: DG Environment complaints data.

Figure 41: EU complaints per million inhabitants 15 May 2022-31 December 2024



Source: Eurostat, 'Population' tps00001, accessed 22 January 2025, https://ec.europa.eu/eurostat/databrowser/view/tps00001/default /table?lang=en, and DG Environment complaints data.

#### The new EU Environmental Crime Directive

The EU has recently strengthened its legal framework on tackling the most serious breaches of environmental obligations, notably by the adoption of the new Environmental Crime Directive (ECD) (Directive (EU) 2024/1203) and new sectoral legislation with stronger provisions on compliance monitoring, enforcement and penalties. Issues important for the transposition and the implementation of the relevant new instruments are highlighted below; a detailed assessment of these topics will be included in the next EIR once more implementation measures are put in place and more systematic information is available.

The new ECD replaced the 2008 ECD and introduced several new offence categories, such as unlawful ship recycling, unlawful water abstraction, and serious breaches of EU legislation on chemicals, mercury, fluorinated GHG and IAS of EU concern. It also covered the establishment of qualified offences, subject to more severe penalties where one of the offences defined in the directive leads to serious widespread and substantial damage or destruction of the environment. Concrete provisions on the types and levels of penalties for natural and legal persons who commit an offence were also introduced. Other provisions will help considerably to improve the effectiveness in combating environmental crime of all actors along the enforcement chain. These include obligations to ensure adequate resources and investigative tools, specialised regular training and the establishment of cooperation mechanisms within and between Member States as well as national strategies on combating environmental crime.

Member States are required to transpose the new ECD into national law by 21 May 2026 and to take additional measures to more effectively combat environmental crime, in particular through training, coordination, cooperation and strategic approaches. Commission will provide support, including by facilitating the identification and sharing of good practices. Member States are expected to ensure the necessary resources and specialised skills required and they are invited to encourage their authorities to support and cooperate with the recognised EU-level networks of environmental enforcement practitioners, such as the EU Network for the Implementation and Enforcement of Environmental Law (191), EnviCrimeNet (192), the European Network of Prosecutors for the Environment (193) and the EU Forum of Judges for the Environment (194). The European Union Agency for Law Enforcement Cooperation and European Union Agency for Criminal Justice Cooperation mechanisms for cooperation on crossborder cases should be used more systematically for environmental offences.

#### **Environmental Liability Directive**

The Environmental Liability Directive (ELD)(195) aims to ensure that environmental damage is remediated in kind at the expense of those who have caused it, in line with the polluter-pays principle. It helps to halt the net loss in biodiversity, as well as reducing the number of contaminated sites and protecting the environmental quality of groundwater and surface waters. The ELD is a cross-cutting tool and a key enabler for better implementation of EU environmental law.

The ELD addresses cases of significant environmental damage to protected species and natural habitats, and, when caused by operators carrying out certain potentially hazardous activities, also damages to water and to soil. The Commission has the legal obligation to periodically evaluate the ELD. Following the legal obligation, the ELD has undergone the second evaluation (196), which will be finalised in 2025, and which was supported by an external study (197), containing, among other things, evidence, views, reports and other relevant information gathered from different stakeholder groups, including Member States.

One of the most relevant indicators in assessing implementation and enforcement of the ELD is the number of environmental damage cases handled under the ELD, especially when this number is compared with the previous reporting period. Fewer ELD cases were reported in the second reporting period (2013–2022) than in the first one (2007–2013). However, the downward tendency in the number of ELD occurrences and their overall low number do not necessarily mean

that the ELD has achieved its objectives, as it needs to be compared with the overall number of environmental damage cases, some of which may have been handled under the other liability instruments.

The ELD has not always been effective in ensuring that the polluter pays, because the liable operators often lack financial capacity to carry out remediation measures. While the ELD does not provide for a mandatory financial security system, it explicitly calls for Member States to encourage the development of financial security instruments and markets, with the aim of enabling operators to use financial guarantees to cover their responsibilities under this directive.

In its report covering 1 May 2013 to 31 December 2021, Malta stated that there were no environmental damage occurrences under the ELD in this period. The report further stated that other legislation was applied for the remediation of environmental damage, including environmental permit-issuing legislation. According to Malta, such legislation provides for remediation and/or compensatory work to address potential damage that may result from the activities in question. The report described three examples of environmental damage in response to which the ERA applied other administrative tools. In the previous reporting period, no environmental damage occurrences were reported either.

The 2022 EIR recommended that Malta (i) consider publishing plans and reports on environmental inspections or providing more detailed information on the results of inspections and their follow-up (198); and (ii) improve the information provided to the public on opportunities to file complaints about environmental concerns or infringements, and publish data on the follow-up of such complaints. However, actions concerning compliance promotion, monitoring and criminal and administrative enforcement are not assessed here due to a lack of systematic information.

It is, however, noteworthy that Malta has not introduced mandatory financial security for ELD liabilities, and the demand for such instruments

<sup>(191) &</sup>lt;a href="https://www.impel.eu/en">https://www.impel.eu/en</a>.

<sup>(192)</sup> LIFE+SATEC project (https://webgate.ec.europa.eu/life/publicWebsite/project/LI FE20-PRE-ES-00001/fight-against-environmental-crime-at-astrategic-level-through-the-strengthening-of-environmental-investigations).

<sup>(193) &</sup>lt;a href="https://www.environmentalprosecutors.eu">https://www.environmentalprosecutors.eu</a>.

<sup>(194) &</sup>lt;a href="https://www.eufje.org/index.php?lang=en">https://www.eufje.org/index.php?lang=en</a>.

<sup>(195)</sup> Directive 2004/35/EC on environmental liability with regard to the prevention and remedying of environmental damage (https://eur-lex.europa.eu/legalcontent/EN/TXT/?uri=CELEX%3A02004L0035-20190626).

<sup>(&</sup>lt;sup>196</sup>) Commission staff working document - Evaluation of the Environmental Liability Directive, forthcoming 2025.

<sup>(197)</sup> European Commission: Directorate-General for Environment and Fogleman, V., Study in support of the evaluation of the Environmental Liability Directive and its implementation – Final report, Publications Office of the European Union, Luxembourg, 2024, <a href="https://op.europa.eu/en/publication-detail/-/publication/006d90e5-980a-11ef-a130-01aa75ed71a1/language-en.">https://op.europa.eu/en/publication-detail/-/publication/006d90e5-980a-11ef-a130-01aa75ed71a1/language-en.</a>

<sup>(198)</sup> ERA, Annual Report 2023, 2024, https://era.org.mt/wpcontent/uploads/2024/06/Annual Report and Financial Sta tements 2023.pdf.

remains low. Environmental extensions to general liability policies are available, but they provide cover only for third-party claims arising from a sudden and accidental pollution incident. They do not provide cover for remediating pollution or other types of environmental damage, including liabilities under the ELD or other environmental legislation.

#### 2025 priority action

 Encourage the use of training programmes provided by the Commission (or developed at the national level) covering the ELD and its interaction with the other national liability-related instruments, to ensure more efficient ELD implementation, improve the expertise of the competent authorities and raise awareness among all stakeholder groups.

# **EU-supported environmental capacity** building

The Commission's 2023 Compact (199) initiative to enhance the administrative space identifies the capacity to lead the green transition as one of three key pillars, along with the public administration skills agenda and the capacity for Europe's Digital Decade. Compact also recognises the role of the EIR reporting tool in improving environmental governance. The two main capacity-building opportunities for the environment provided by the European Commission are the TSI (200) and the TAIEX-EIR PEER 2 PEER tool (201). The technical assistance available through the cohesion policy is subject to shared management and is not dealt with in this subsection.

#### The Commission's Technical Support Instrument

The Technical Support Instrument (TSI) provides Member States with tailor-made technical expertise on the design and implementation of reforms. The support is demand driven and does not require national co-financing.

The TSI had annual calls in 2021, 2022, 2023,2024 and 2025 with projects implemented the respective following year (the year in brackets indicated below is the call year). The following environment-related projects have been selected for Malta:

- Sustainable finance supervisory capacity enhancement, Financial Services Authority (2022);
- Cooperation on Green Transformation of Public Works Department - for Quality on SDGs and Climate Action, Ministry of Transport, Infrastructure and Capital Projects (2022);
- Climate adaptation, Ministry for Public Works and Planning; Ministry for Environment, Energy and Enterprise (2023);
- Assistance to draw a Sustainable Aquaculture Strategy for Malta, Department of Fisheries and Acquaculture (2023);
- Reform and capacity building in permissions and compliance at the Environment and Resources Authority (ERA) II (2024);
- Working towards cleaner air and a healthier noise climate; Ministry for the Environment, Energy and Regeneration of the Grand Harbour and Environment and Resources Authority (ERA) (2025).
- Capacity Building on Climate Action and Sustainable Development (2025).

#### The Commission's TAIEX-EIR PEER 2 PEER tool

In 2017, the Commission launched the TAIEX-EIR PEER 2 PEER tool (202). It aims to facilitate peer-to-peer learning among Member States' environmental authorities through workshops (single or multicountry), expert missions (where a delegation of experts travels to the requesting institution) and study visits (where a delegation from the requesting institution travels to a host country). Flagship multicountry workshops are those requested by the Commission to present new and upcoming environmental legislation and policy in all Member States (203).

- (199) See the European Commission web page on Compact (https://reform-support.ec.europa.eu/public-administration-and-governance-coordination/enhancing-european-administrative-space-compact en).
- (200) See the European Commission web page on the TSI (https://commission.europa.eu/funding-tenders/find-funding/eu-funding-programmes/technical-support-instrument/technical-support-instrument-tsi en).
- (201) See the European Commission web page on the TAIEX-EIR PEER 2 PEER tool (<a href="https://environment.ec.europa.eu/law-and-governance/environmental-implementation-review/peer-2-peer en">https://environmental-implementation-review/peer-2-peer en</a>). TAIEX: Technical Assistance and Information Exchange.
- https://ec.europa.eu/environment/eir/p2p/index\_en.htm.
- (203) flagship multi-country workshops in the reporting period are: Recast Drinking Water Directive (3 April 2025); Environmental compliance and governance (18 March 2025); Planning of Renewable Energy Projects (20 February 2025); Air Quality: Implementation of the revised Air Quality Directive (16 January 2025); Industrial safety: awareness raising of emerging risks linked with climate change and decarbonation (12 December 2024); Air quality: implementation of the NEC Directive to further mainstream air and broader pollution reduction in agricultural policy (25 September 2024); Industrial

Workshops involving Malta are as follows:

- Future challenges for air protection (24 November 2022) with the EU Czech Presidency;
- Reducing air pollution from transport and residential energy (11–13 June 2024);
- New aspects in the cross-border cooperation against environmental crime (19–20 November 2024) (<sup>204</sup>).

Malta hosted an expert mission on enhancing its municipal solid waste management (31 October–2 November 2022). Furthermore, Malta participated in a study visit (20–22 June 2022) and an expert mission (18–20 October 2022) to enhance its implementation of the SEA Directive.

In the 2022 EIR, Malta received a priority action to continue building administrative capacity to support the green transition in the fields of circular economy, governance and public administration, and finance and access to finance. Malta has made no progress in this respect, and for that reason the priority action is reiterated below.

#### 2025 priority action

 Improve overall national environmental governance, in particular administrative capacity to support the green transition and coordination at the regional and local levels.

emissions transposition and implementation of the revised Directive (12 September 2024); Noise progress towards meeting Member States' noise limit values and EU reduction targets (5 June 2024); Best practice use of environmental footprint methods on the EU market (30 May 2024); Sustainable finance (9 November 2023); Textile waste separate collection, treatment and markets (3 October 2023); EU environmental funding and support (13 June 2023); Advisory service for businesses to go circular (24 April 2023); Digital product passport implementation (6 December 2022);

Public involvement in planning and approval of renewable energy projects (17 November 2022); Environmental compliance and governance (14 November 2022); Biowaste management (19-20 September 2022); Renewable energy projects: permitting granting processes (13 June 2022).\_N.B. the first flagship workshop on Zero Pollution for Air, Water and Soil, took place 9 February 2022.

(204)

 $\frac{https://webgate.ec.europa.eu/TMSWebRestrict/resourc}{es/js/app/#/library/detail/90076?hasBackBtn=false}.$ 

#### Annex

# 2025 priority actions

# Circular economy and waste management

#### Transitioning to a circular economy

 Speed up the transition to a circular economy by implementing an updated national strategy and the EU framework and recommendations, in particular to complement it with upstream circularity measures.

#### Waste management

- Improve separate collection at source e.g. through economic instruments, investing in infrastructure for separate collection, sorting and recycling, and increasing public awareness.
- Improve municipal waste preparation for reuse and recycling. Increase the recycling rates of packaging waste.
- Increase the collection and recycling rate of waste electronic and electric equipment (WEEE).
- Invest in waste prevention measures to reduce the total amount of waste generated.
- Implement and expand the pay-as-you-throw system for businesses and households. Ensure the achievement of the 2025 waste targets, following the recommendations made by the Commission in the Early Warning Reports where applicable.

# Biodiversity and natural capital

#### Nature protection and restoration – Natura 2000

- Complete the Natura 2000 site designation process.
- Ensure the effective implementation of Natura 2000 management plans and sufficient administrative capacity and financing both for Natura 2000 and the implementation of the Nature Restoration Regulation. Ensure implementation of Prioritised Actions Framework 2021-2027 (PAFs).

#### Recovery of species

- Strengthen the implementation of national anti-poaching measures.
- Reinforce action for habitats and species in unfavourable conservation status, for example through restoration measures, increased connectivity, better policy coordination and integration, and increased funding.

### Recovery of ecosystems

- Implement eco-schemes and agri-environmental measures and practices to address the environmental needs of Malta.
- Implement and scale up the uptake of organic farming practices.
- Reduce the excessive area of sealed and artificialised soil and remediate degraded areas of soil. If appropriate, consider formally committing to targets for land-degradation neutrality under the relevant United Nations Convention to Combat Desertification agreement.
- Designate the competent authority responsible for fulfilling the obligations arising from the EUDR and inform the Commission of the names, addresses, and contact details of said competent authority.
- Improve conservation status of forests by promoting sustainable forest managment and ensuring compliance with the Habitats Directive before granting/renewing permits for forest logging.
- Report its updates on the state of its marine waters, its targets and its determinations of GES which
  are expected to include any threshold values for the descriptors in the MSFD that may have been
  established in cooperation with other Member States at the EU or regional level.

## Prevention and management of invasive alien species

• Step up implementation of the IAS Regulation, including with regard to enforcement and capacity of inspection authorities.

#### Ecosystem assessment and accounting

• Support the development of the national business and biodiversity network.

# Zero pollution

#### Clean air

- As part of the NAPCP, take action to reduce emissions of air pollutants.
- Ensure full compliance with the current AAQD standards, also in light of future stricter requirements under the revised AAQD.
- Accelerate the ratification of relevant international conventions and protocols.

#### *Industrial emissions*

- Ensure compliance with reporting obligations under the IED for 2021–2023 and under the European Pollutant Release and Transfer Register for 2020–2022.
- Reduce industrial releases to water and their intensity.
- Engage with industry and environmental NGOs to ensure proper contribution to and implementation of BAT conclusions and ensure timely updates to permits following the publication of BAT conclusions.
- Ensure effective public participation and access to justice in relation to the IED.

#### Major industrial accidents prevention – Seveso

• Sign and ratify the Convention on the Transboundary Effects of Industrial Accidents.

#### Noise

Complete and implement action plans on noise management.

#### Water quality and management

#### **Nitrates Directive**

 Tackle nutrients pollution, especially nitrates from agriculture, through the implementation of the Nitrates Directive.

#### **Urban Wastewater Treatment Directive**

• Take the necessary measures to ensure full implementation of the current Urban Wastewater taking into account the new requirements of the recast directive.

#### Chemicals

- Upgrade the administrative capacities in implementation and enforcement to move towards a policy of zero tolerance of non-compliance.
- Increase involvement in the activities of the Forum for Exchange of Information on Enforcement of the European Chemicals Agency, including in the coordinated enforcement projects, called REF projects.
- Increase customs checks and checks of products sold online with regard to compliance with chemicals legislation.

## Climate action

 Implement all polices and measures that are needed to achieve targets laid down in the Effort Sharing Regulation (ESR) and the Land Use and Land-Use Change and Forestry (LULUCF) Regulation.
 More detailed priority actions are set out in the assessment of the final National Energy and Climate Plan (NECP).

# **Financing**

 Use more national funding (for instance by increasing taxes in favour of the environment and reducing environmentally harmful subsidies), EU funding and private funding to help close the investment gap.

# Environmental governance

#### Information, public participation and access to justice

• Improve access to courts in national environmental cases by the public concerned and eliminate practical barriers, such as length of proceedings and excessive costs in some Member States.

#### **Compliance assurance**

• Encourage the use of training programmes provided by the Commission (or developed at the national level) and covering the ELD and its interactions with the other national liability-related instruments, to ensure more efficient ELD implementation, improve the expertise of the competent authorities and raise awareness among all stakeholder groups.

#### **EU-supported environmental capacity building**

• Improve overall national environmental governance, in particular administrative capacity to support the green transition and coordination at the regional and local levels.