



**THE MALTA CHAMBER**

**The Malta Chamber Feedback  
on the  
The Sustainable Development Strategy 2050**

An Initiative led by:  
**The Malta Chamber of Commerce, Enterprise and Industry**



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## Introduction

The Malta Chamber recognises sustainability at the heart of its economic vision for Malta. In its “Economic Vision for Malta 2020-2025”, the Malta Chamber declares its intention to achieve a “smart, sustainable island”, and it is stated that “The concept of a smart Malta economy brings with it a new perspective on economic growth: one that seeks constant improvement in the living conditions and the quality of people’s lives, including the surrounding environment and its sustainability. Importantly, the two are not mutually exclusive. On the contrary, a smart Malta economy departs from the traditional economic development approach. It is one that integrates sustainable economic development. The state of the environment makes a significant contribution to every citizen’s quality of life. Securing sustainable economic development is no less critical than the constant endeavour to achieve increased competitiveness. Driving economic growth while neglecting the environment is short-sighted and counterproductive.

The Malta Chamber believes that while sustainability was once a nice-to-have, it is becoming increasingly critical to both investors and established business leaders alike, prefaced on the assumption that government sends clear, consistent signals towards sustainable development.

The Malta Chamber recognises that in the whole European Union, the Maltese are the people most in favour of stricter government measures entailing a change in behaviour towards tackling climate change, according to a recent survey by the European Investment Bank.<sup>1</sup> Furthermore, according to a survey by the Malta Foundation for the Wellbeing of Society (MFWS), children are yearning for green and safe open spaces, indicating that 61% of respondent say they were unhappy with their limited recreation space.<sup>2</sup> Children are calling out for green recreational space.

Nonetheless, Malta ranks highest in the world for the fragility of its biodiversity and ecosystems according to the Biodiversity and Ecosystem Services (BES) index, created by the Swiss Re Institute, which marks 100% of Malta’s ecosystems as fragile.<sup>3</sup> This merely captures one dimension of the steep uphill climb towards sustainability in Malta, in an economy in which many facets depend on unsustainable practices. It is imperative to bridge the gap between the country and economy we wish to participate in, and the challenges which we currently face. Overcoming these obstacles will depend on the level of ambition which the country sets for itself, as that level of ambition will in turn be rewarded accordingly by the European Green Deal. It is in this spirit that the Malta Chamber is making its submissions towards the Sustainable Development Strategy 2050.

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<sup>1</sup> <https://www.eib.org/en/surveys/climate-survey/3rd-climate-survey/index.htm>

<sup>2</sup> Survey available via request to [info.mfws@gov.mt](mailto:info.mfws@gov.mt)

<sup>3</sup> <https://www.swissre.com/institute/research/topics-and-risk-dialogues/climate-and-natural-catastrophe-risk/expertise-publication-biodiversity-and-ecosystems-services.html>



## Aligning to the European Green Deal

### **Increased Ambition**

Malta must take full advantage of the opportunities being presented by the European Green Deal. A central principle of the European Green Deal is that ambition pays – countries will only be able to avail themselves of European funds according to their level of creativity and ambition. Therefore, Malta must aim to be as ambitious as possible in its proposals.

### **Investment**

The European Commission is set to review the Guidelines on State aid for environmental protection and energy (EEAG). As per the European Green Deal, state aid rules will be relaxed whenever it comes to initiatives which will assist the bloc from drawing nearer towards its 2050 carbon neutrality goals. The revision will also put pressure on the energy sector to deepen its commitment to renewables and energy efficiency. The European Commission is telling the energy sector that to access public funding, it must deliver green. This shift is likely to emphasize the importance of technological innovation while broadening the available range of support measures for them.<sup>4</sup>

Malta must therefore mobilize its resources in collaboration with the private sector to ensure that new and hybrid technologies, business re-engineering and other opportunities are mobilized so as to bridge the significant gap between our fossil fuel economy and the clean, smart and sustainable economy of tomorrow. Significant investment today, facilitated by reworked state aid rules to make new technologies more affordable, will pay dividends tomorrow.

At the same time, such resources should only be mobilized responsibly in the context of a free market, preventing the creation of monopolies and according to vigorous yet efficient criteria. Sustainability depends on efficiency, and thus the role of competition cannot be undermined in this transformation.

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<sup>4</sup> <https://www.linklaters.com/en/insights/blogs/linkingcompetition/2020/november/a-state-aid-rulebook-tailored-to-the-green-deal-an-offer-the-european-commission-cant-refuse>



## Good Governance

The Malta Chamber notes that Eurostat identifies "Governance and basic rights" as a wellbeing principle, and this indicator includes trust in institutions. Failure to address institutional problems condemns the Sustainable Development Strategy to changes in the political winds, as unless they are binding, policies and strategies may be interrupted by political ambitions. Serious, consistent protection to our environment, coupled with a strategy to leverage increased quality into a stronger economy can only be realised through good governance, enforcement and credible watchdogs.

In its document, "Ethical Business Calls for Change – a manifesto for Good Governance", the Malta Chamber recognises that Malta has a long-standing problem with enforcement. A lack of enforcement, and abuse of our rules and regulations for political gain, runs the risk of any policy or political vision amounting to hot air.

The Malta Chamber's good governance document calls for the introduction of "measures to eliminate nepotism and clientelism". Enforcers and decision makers can be held accountable for their judgements, including board members on the Planning Authority. At present, there is no accountability for wilful or negligent interpretation of government policy when it comes to planning decisions or other major decisions which have a permanent and lasting impact upon our economy, quality of life and wellbeing. A systematic overhaul of certain institutions such as the Planning Authority is therefore crucial to ensure their independence for electoral pressures, and that decisions are made by the most qualified professionals in the field, in close collaboration with civil society and social stakeholders such as The Malta Chamber.

In its good governance document, The Malta Chamber calls for the introduction of "integrity certification for key positions, whereby such persons undergo yearly training and examination". The Malta Chamber's good governance document further calls for "competency certification" for such chairpersons and board members in the country's institutions, and civil society should be able to challenge the right of public officials to maintain such certification if malpractice or misrepresentation and distortion of policy can be proven.



## Energy Efficiency & Conservation

### Meeting and Exceeding Targets

The Malta Chamber's Energy Efficiency & Conservation thematic committee has noted that according to the European Commission's "Assessment of the final national energy and climate plan of Malta", government's energy efficiency targets are "considered to be of very low ambition" with "buildings remaining the least addressed sector".<sup>5</sup>

Having established that high ambition is fundamental to taking full advantage of the European Green Deal, The Malta Chamber advises a more comprehensive dialogue with stakeholders and social partners in search of innovative solutions.

For the successful participation of the private sector in the sustainable transformation of the economy, it is imperative to address several key points.

### Reduction of Bureaucracy and Improved Schemes

A one-stop shop should be established whereby consumers are able to obtain all the information they need regarding schemes and financing instruments in one place, as well as lists of green suppliers and all information that could be required in relation to action towards sustainability.

This must be accompanied by a general reduction of unnecessary bureaucracy and bolder steps taken towards accommodating innovation. New technologies need to be given place in schemes, when at present, only conventional technologies such as solar panels are often considered. When new technologies are considered, they are often judged on a case-by-case basis, but in a manner which takes many months and shows little appetite for innovation.

Similarly, existing technologies should be better integrated into existing legislation, schemes, and regulations, such as solar thermal heat pumps.

Furthermore, schemes for PV, Solar Water Heaters, Heat pumps etc should be based on rolling periods to avoid the stop start approach with medium term planning.

When comparing technologies, existing schemes only fund the difference in cost between highly efficient and a standard system. It would be easier, clearer and more attractive if the entire cost of new equipment is subsidised.

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[https://ec.europa.eu/energy/sites/default/files/documents/staff\\_working\\_document\\_assessment\\_necp\\_malta\\_en.pdf](https://ec.europa.eu/energy/sites/default/files/documents/staff_working_document_assessment_necp_malta_en.pdf)



## **Smart City**

Smart Cities are cities using technological solutions to improve the management and efficiency of the urban environment. They are places where traditional networks and services are made more efficient with the use of digital and telecommunication technologies for the benefit of inhabitants and business.

A Smart Grid would enable improved service supply to the consumer.

They go beyond the use of information and communication technologies (ICT) for better resource use and less emissions. The concept means smarter urban transport networks, an upgraded water supply and waste disposal facilities and more efficient ways to light and heat buildings. It also means a more interactive and responsive city administration, safer public spaces and meeting the needs of an ageing population. Malta would stand to benefit greatly from the adoption of such of a framework for an integrated approach.

This may entail producers of renewables being able to sell energy on the grid locally and the energy market liberalised and opened in Malta.

Night tariffs should be introduced for commercial and domestic users and extended to industrial users beyond large consumers.

Green roofs should be recognised as a strategy to achieve energy efficiency, and should form part of energy efficiency strategies such as deep energy retrofitting.

## **Data Driven**

Consumers and businesses alike should have improved access to data, so as to empower their role in the market and thus encourage their role in the shift towards sustainability. Smart meter data should therefore become available to consumers. Similarly, to encourage energy efficiency, industry should be monitoring its energy efficiency in its operations. Therefore, incentives should be available to industrial players to encourage such monitoring through grants and subsidies.

Government should embark on a project to benchmark technologies, as Maltese consumers have no idea what technologies may work in other countries but have reduced performance in Malta, or what the best technologies or products may be. Therefore, if a proactive effort is made to identify the performance of technologies in Malta, categorise them and organise the necessary information for consumers, then the sustainable shift may be better facilitated.



## Circular Economy

### **Privatisation of Waste Management**

The Malta Chamber acknowledges that due to Malta's size and therefore also due to waste volumes, there are limitations to the role of private enterprise in certain projects, especially those requiring scale, where there is thus less room for competition. Nonetheless, an increased role for the private sector in waste management is crucial to increased efficiency and the market dynamism and innovation needed to attain meaningful sustainable progress. Market distortions imposed by the increasingly large role of government in the waste sector must be addressed for privatisation of waste to be feasible, and thus, the privatisation of waste cannot occur in a piecemeal fashion but must be part of holistic reform.

The minimum expectation when privatisation of waste is not feasible is the pursuit of public-private partnerships aiming at maximum economic efficiency and efficiency in material recovery, including of organic waste, in order that the EU targets are achieved and fines are avoided. The Malta Chamber recommends that through such initiatives, the private sector be given the opportunity to handle different waste streams and produce higher quality waste products as resources. MRFs and WEEE treatment plants offer potential opportunities for such partnerships in the public interest. Synergies with the private sector are to be pursued in whichever innovative and promising means and structures are available.

A public-private partnership could be established to create a dedicated facility for the transformation of organic waste into compost and a separate dedicated facility or facilities (MRFs) for the sorting and sale for recycling of dry recyclables (plastic, paper, card, glass, metal). Both of these waste management processes also avoid carbon emissions, with the added economic and environmental benefit that compost applied to land sequesters carbon from the atmosphere, further reducing costs of emissions and removing pressure to meet EU waste targets.

Current plans for organic waste bear scrutiny, as they envision the production of digestate which will then be dried. A more advantageous economic solution would be to allow the private sector to invest or co-invest with a public entity, in a facility which will produce digestate and compost it with garden waste to produce a high-grade compost with market value.





Out of 100kT of waste entering, one is able to get 30kT of compost. At 30T applied per hectare per year, 1000 hectares can be treated per year. This will also increase the organic matter in the soil, which increases water absorption, decreasing flooding during heavy rain events and increases the capacity of the soil to grow vegetables, trees and other plants, therefore having an economic and environmental value. If Malta does not want it, it can be exported, even to North Africa, where the market would pay €100 to €200/T. Digestate costs money and energy (CO<sub>2</sub> emissions) to dry and dispose of and has no market value as it cannot be applied directly to land in Malta because of its soils and geology; if applied as digestate, it would pollute soils and water. A 100kT co-composting/AD plant can be constructed using relatively small land area.

The Malta Chamber understands that the Government plans to build an anaerobic digestion plant with a pasteurization process to produce digestate that is acceptable for use with soil. The Malta Chamber however notes that no plans were presented to tackle green waste. Green waste can easily be treated in an in-vessel composter (though we understand that Malta has had a bad experience with the in-vessel composter in Ta' Qali or a windrow system. With such a system in place, digestate can then be mixed with composted green waste at the windrow system to create a better compost that could offer biodiversity gains when the resulting compost could instead be applied to land, with the added benefit of carbon capture and storage in soils and the production of a local product with economic value.

Compost could be gifted to farmers (10cm thick layer 2x/year) and they could be trained not to till the soil, as tilling emits CO<sub>2</sub> whereas applying 1 ton of compost sequesters (absorbs and stores) 30kg Carbon instead. Through this composting process, soil becomes healthier and fertilisers and pesticides become unnecessary. Rainwater is also absorbed by the soil and filters through to the water table instead of flooding the roads and running off into the sea.

Separately, The Malta Chamber also wishes to propose the introduction of clothing and textiles sorting facilities in Malta. This could be followed by shipping to a textile recycling facility in the EU, as these plants need scale to be economically viable and the technology is new and therefore expensive. As the Waste Shipment Regulation is being revised, there will be a new notification system in place allowing the tracing of waste shipments for recycling, which carries with it proof of recycling which may be used to meet EU targets.



## Sustainable Tourism

The Malta Chamber calls for stronger integration of Sustainable Development Goals and the European Green Deal into the tourism sector.

Sustainability needs to be the centre of all economic growth and this includes the tourism industry. In order to ensure environmental sustainability of the destination which Malta's tourism is dependent on, all operators should be required to adhere to a number of measurable KPIs that need to be presented as an Annual Return of every MTA license holder. These could be gathered as data in order to calculate the yield on each tourist.

Quality is to be prioritised over quantity in tourism. Economic well-being and quality of life can and certainly must be able to co-exist and live as a means of balancing the contradictions between economic development and the environment, society, and quality of life. The Chamber recommends that Malta must adopt 'carrying capacity' as its approach to spatial planning and to tourism. What this means is that there is a maximum number of individuals and buildings that the country can support in its environment without experiencing decreases in the ability to support current and future Maltese generations.

A carrying-capacity approach takes into account – among others – quality of life, urban requirements as well as those of infrastructure and business, environmental degradation, ecological quality, and institutional conditions. It will examine sectors that include water quantity and quality; waste, land, development, and transportation requirements; air and atmosphere quality; energy supply; and environment and open-space requirements.

A carrying capacity approach to spatial planning should also seek to protect Malta's unique rural and cultural environment, village core, and traditional characteristics.



## Building & Construction

The Chamber expresses its concerns regarding the extensive degree of low-quality and poorly regulated construction activity underway in Malta, often at the expense of the country's character, identity and cultural heritage. The impression garnered is that construction takes precedence over sustainability, quality of life, wellness, and the environment. Many Chamber members share in the general perception that the construction industry needs serious and urgent uplifting to quality standards in a regulated industry-climate that befits the national social, economic and environmental aspirations of our country. Mediocrity and sub-standards in the industry are to be replaced by a culture of excellence, where the current 'good enough' attitude is to be replaced by 'nothing but the best'.

Malta's size is such that the impacts of negative construction and sustainable action are immediately visible to all. Towers change the skyline, green areas disappear, green lungs are squeezed out, and trees are chopped down and replaced by landscapes of barren roads. The result is that the quality of life of Maltese citizens and residents is diminishing. Malta's attractiveness to locals and foreigners alike is declining. This is not in line with The Malta Chamber's belief that the progress of today must not occur at the expense of that of tomorrow. On the contrary, the country should capitalise on the economic resilience of the present by investing in further development and growth that is both sustainable and beneficial to the country.

The country's aesthetics must be preserved, its historical buildings protected, restored and allowed to contribute towards a revitalized image of the country. Tourists are often drawn to postcards of a Malta which is rapidly being replaced by something which is appealing neither to them nor to the people who live here. The trend must be reversed, which in turn will attract greater investment, higher quality tourists and will raise the quality of life and wellbeing of the population in turn.



## Sustainable Mobility

It is no coincidence that transport related emissions represent almost 50% of the total emissions. Transport is part of everyone's day to day life, and a critical part of various processes for businesses. Reducing this will require changes in people's lifestyles and organisations' business models. This can only be done with a well thought out plan that includes both incentives and disincentives that will lead to modal shift and cleaner transport. The key is to achieve a balance whereby people and businesses will have different mobility options to suit their needs, whilst recognising the benefits that they themselves will achieve.

Any measure that is implemented to improve the attractiveness and efficiency of public, collective and shared transport, has an exponential effect when it comes to reducing congestion and travel times for all road users. The more people that use public transport, the less cars on the road, the more space for essential private and goods traffic on the road, and the more efficient transportation becomes for everyone. This would have a direct and significant impact on the economy.

### **Electric Vehicles**

A legal framework regulating the repair industry of EVs, PHEV and other vehicles of advanced technology is imperative and required if the country is to instil trust in the technology by ensuring that repairs are carried out in a safe and professional manner utilising the right tools and according to the manufacturer's specifications. All should be cognisant of the reality that even though the technology is safe to use as manufactured, unauthorised interventions can render these vehicles unsafe not only to the user and third parties but also to the unqualified person that would try to make unauthorised repairs.

Therefore, it is suggested that a legal framework be legislated that would regulate the repair and maintenance of these vehicles. This should ensure that any intervention is only carried out by authorised personnel in qualified premises with the right equipment. Furthermore, such personnel would be required to adjourn their qualifications periodically to keep up with the rapid advancement in technology.



This would avoid the current situation in the repair of vehicles where the majority of vehicles are repaired by unqualified and untrained personnel and not according to manufacturers' repair procedures. This results in unsafe repairs endangering the lives of motorists, their passengers and other unfortunate third parties that may fall victim to the failure of such unsafe repairs.

**Workshops** should be equipped with the necessary equipment in proper working order and updated as necessary. Furthermore, the workshop should have adequately trained and certified, full-time personnel, at all times, which training must be kept current as the technology is changing rapidly. The workshop will only be permitted to carry out work to the level that it is certified to do. Audits should be carried out by the recognised certifying body to ensure that workshops do not carry out work beyond their certified and authorised level of capability. This may vary by Brand and Model. Only genuine or certified parts should be used in the repair of such vehicles as these are tested to perform in a predictable manner. Any substandard part will pose a threat to health and safety of the motorist, passengers and third parties.

**The Civic Protection Department** should receive training to first responders, such as the Fire Brigade, and other first responders. There are a number of issues that arise from the introduction of EV's and PHEVs. Firstly, it is obvious that such vehicles are materially different from traditional ICE vehicles. Training must be given to these people to ensure that they can carry out their work in a safe and efficient manner.

**Infrastructure** must receive an overhaul to make room for charging, which are one of the biggest obstacles to the successful transition to the desirable zero emissions scenario. It is a fact that most of the population lives in apartments and avail themselves of on street parking. Without having a convenient and efficient charging infrastructure motorist will hesitate to make the switch to EVs.



To help overcome the major infrastructure obstacles to the successful take-up of EVs, it is being suggested that:

- the EU Directive on Energy Performance Buildings with regards to the provision of a minimum percentage of EV ready parking spaces in car parks is put into force as soon as possible
- the energy market is liberated to allow competitive market forces to play their role in bring down prices and increase efficiency. As it is there has been hesitation in adjusting household rates or other rates for that matter to make EV charging cost effective.
- That more sustainable renewable energy sources such as solar and wind generation be encouraged to ensure that carbon emissions are just not displace from one point to another. (Vehicle to power station)
- More incentives for companies to replace their fleets with EVs thus encouraging companies to become more environmentally friendly. This could take the form of tax breaks.

**Looking ahead**, as the population of EVs and PHEVs is expected to grow substantially from this current year, it is essential that the above framework is implemented as soon as possible and with haste. It is imperative that planning take place especially with regards to the infrastructure to accommodate future technologies such as autonomous vehicles. The road infrastructure is especially important in, this regards and must be design within certain standards to allow such autonomous vehicles to operate.



## Gozo

Gozo must not be allowed to become a replica of Malta.

The sister island must enjoy increased levels of environmental and heritage protection, and decisions on development should call for a significantly increased role from local councils and the community. It is not in the economic interests of the country to continue down an unsustainable direction, destroying resources in the process which could have instead led to a significantly increased quality of life for all. It is imperative that Gozo's resources are developed and nurtured rather than bulldozed in a short-sighted, piecemeal free for all. The exploitation of the island must come to a stop.

In order to preserve Gozo's environmental credentials and provide a Malta Tourism product with a rural product besides an urban product, it is imperative that Gozo continues to invest heavily in its cultural and ecological initiatives.

Moreover, The Malta Chamber believes that the current ferry operations need to be enhanced such that the vessels are upgraded to better hybrid powered vessels, introduce more frequent schedule times to reduce waiting times, introduce heavily subsidized incentives to use electric vehicles, minibuses and buses for passenger transportation.

Gozo should actively be promoted to luxury and adventure cruise lines and group organizers. This is the sustainable approach because it attracts the right guest profile to the island, increasing economic opportunities and enhancing quality of life while preserving the destination's natural and cultural resources.



## Wellbeing

The Malta Chamber recognises the good work being done by various institutions and entities on the concept of a “Wellbeing Index”. In particular, The Malta Chamber acknowledges work being conducted to this effect in the National Strategy for the Environment 2050, the Malta Wellbeing Index, which is under development by the Foundation for the Wellbeing of Society in partnership with the University of Malta, as well as the independent effort of the Commission of Justice and Peace, titled “Beyond GDP”. The Malta Chamber also recognises there may be other initiatives of importance in a similar vein which have not yet been identified.

The admirable efforts in this regard from different stakeholders should be bridged by government through a continuous, far-reaching social dialogue, so as to avoid the duplication of efforts and to ensure the pooling of skills and alignment of objectives.

### **Indicators**

An overarching Wellbeing Index must be ambitious both in scope and in level of detail. The selection of indicators is sensitive and of great importance to ensure accurate, politically neutral and fair reporting on the state of the nation.

At present, there is a lack of accurate, scientific data through which to measure certain crucial aspects of social and environmental wellbeing. To develop these indicators, government must plan with serious intent for the collection of the necessary scientific data.

A Wellbeing Index should not commit itself to faulty indicators which paint an inaccurate picture of the wellbeing, sustainability or health of the community, which may present the image that all is well, but only due to the yardstick applied. Any such Index must have an inbuilt commitment to continuous revision in partnership with stakeholders, academics and society.

Just as the European Climate Law obliges the European Union to meet its 2050 carbon neutrality targets, so too should a Wellbeing Index be integrated with tangible commitments to improvements to a healthier environment with healthier and happier people. In this way, the set of indicators could be used as a control mechanism to decouple growth from negative impacts on the environment. They may thus be directly linked to the Goals outlined in the Sustainable Development Strategy.





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A national Wellbeing Index must be transparent and have its findings publicly available and its data, in full compliance with GDPR, made available to the general public for continuous scrutiny and discussion.

This public and regularly updated source of data and would transparently show progress or regression against publicly acceptable criteria. Indicators could be based on the OECD's Better Living Index or similar, as agreed between social partners as a point of departure.