



Annual Report 2016

Malta Marittima Agency



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Introduction 1.0

On Monday 8th June 2015, the Government has published Malta's National Integrated Maritime Policy. The Policy document sets out the terms of reference for improved performance in the Maritime Economy taking into consideration the input of Maltese business so as to encourage further investment. The identified policy enablers are maritime education, safety & security, research and innovation and good governance. The Document highlights the main economic pillars of focus in an effort to achieve Blue Growth. The Policy seeks to promote the formation of a number of maritime clusters aimed to create collaborative platforms between the various stakeholders.

The blue economy (or blue growth) aims to promote a more sustainable maritime economy – in broad terms, seeking to strike the right balance between reaping economic growth from our coasts, seas and oceans, while at the same time safeguarding their longer term health. To this effect, in its Communication on Blue Growth, the European Commission shows how Europe's ocean ecosystems can contribute to the Europe 2020 strategy and potentially be a major source for sustainable economic and social benefits. Nevertheless, "innovation across all sectors of the blue economy is crucial for realising its growth and jobs potential" and to overcome barriers specific to the blue economy, such as:

Knowledge and data gaps about the state of our oceans, seabed resources, marine life and risks to habitats and ecosystem;

Skills gap in applying new technologies in the marine environment;

Lack of concise research efforts in marine and maritime science that hinders interdisciplinary learning and slows the progress of technological breakthrough in key technologies and innovative business sectors.

The blue economy is also spearheaded to contribute towards the EU's international competitiveness, resource efficiency and new sources of growth whilst safeguarding biodiversity and protecting the marine environment.

Malta acknowledges the importance of the blue economy, particularly in view that the seas and oceans are being seen as a source of economic growth, job creation and innovation. Malta considers the blue economy as one of its priority areas and is determined to build on its experience as a maritime nation to generate blue growth.

Because of the diverse economic activities that make up the maritime sector, Malta considers that issues cannot be addressed in a sectoral manner but rather with a more integrated perspective. This would in turn increase opportunities to achieve better results since all major stakeholders can participate in the formulation of policies and actions. To this effect and under the framework of the European Union (EU), Malta has developed an Integrated Maritime Policy (IMP), which reinforces cooperation and effective coordination of all maritime-related policies.

The establishment of Malta Marittima Agency 2.0

Malta Marittima' is a Government of Malta agency that was established through Legal Notice 41 of 2016. One of the Agency's main objectives is to bring industry and government stakeholders together so as to focus and promote the continued and enhanced development of the marine and maritime industries in the Maltese Islands.

The Malta Marittima Act defines a corporate body with a separate and distinct legal personality, to which the Government of Malta may assign relevant functioning parameters and/or operational processes. This particular feature is of particular relevance for Malta Marittima in assuming the responsibility of representing Malta as the EU Focal Point for the Integrated Maritime Policy, its related regulations and its initiatives. As an agency, 'Malta Marittima' will have an enhanced level of transparency and accountability in compliance with the Financial Administration and Audit Act (Cap174, Laws of Malta)

Malta Marittima is composed of a steering committee often Directors in all; five of which are nominated from within the public sector, viz., Transport Malta, Department of Fisheries and Aquaculture, Malta Freeport Corporation, Regulator for Energy and Water Systems, Malta Enterprise; and five others which are appointed by government through a consultation process with industry stakeholders.

The steering committee, together with the industry representatives, form a governing board as part of the Malta Marittima Board. In addition to this, Malta Marittima is supported by a specialised team of executives who will coordinate the related policies which concern education and research, environment, spatial planning, and safety and surveillance. The executive team is also tasked with the provision of support to the 'Clusters' which themselves address the diverse array of activities in the marine and maritime domains. In line with the Integrated Maritime Policy, the establishment of 'Malta Marittima' will bring the business and non-business members together, in sectoral 'Clusters'. Each sectoral cluster is comprised of businesses, industry associations, government departments, academic and research institutions.

Corporate Services 3.0

Malta Marittima had an allocated budget for 2016 of € 375,000.

Accounts & Procurement 3.1

Funds are provided by MCDMS via a tranche. The first bank transfer to the account of Malta Marittima Agency was affected in September. Until the first tranche, Malta Marittima was dependent on MCDMS for accounts and procurement. In November, MMA purchased its Accounting System to start posting its transactions. MMA is in the process of issuing an Expression of Interest to procure the services of an accountant to make sure that monthly reports are provided accurately and in a timely manner. MMA shall be increasing the number of persons working in this department to ascertain more flexibility and continuity and in line with the PACBU agreement dated 18th April 2016. MMA's procurement standard procedures are in conformance with the Public Procurement Regulations. It is the philosophy of the Management to maintain strict adherence to these regulations in aspects of procurement in order to ascertain transparency and accountability.

Human Resources 3.2

Currently Malta Marittima Agency's structure consists of 4 employees; namely Franco Schembri, Head, Margaret Axisa, Corporate Services Manager, Michelle Formosa, Manager Policy Development and Mr. Raymond Micallef, Driver/Messenger.

In 2017, it is anticipated that MMA shall be engaging additional staff to ascertain effectiveness, business development and efficiency. In fact, in February a Senior Manager shall be joining the Agency who will be taking over the Clusters Development department. Undoubtedly, the Senior Manager shall be working closely and intensely with the private sector to ascertain the successful formation of maritime clusters. Besides, the Senior Manager will need to populate his department to assist him in this challenging endeavour. As mentioned earlier the Corporate Services Department shall be engaging an Administrative Executive through the Employment and Training Corporation as an Expression of Interest issued in November did not provide the desired outcome in the sense that no applications were submitted. The recruitment of personnel is affected in accordance with PACBU agreement and Business Plan.

Premises 3.3

Undoubtedly, Malta Marittima Agency lost a lot of its precious time during 2016 due to the fact that it had no decent premises from where to operate effectively. In fact, until November, the Agency had a single room which undoubtedly impinged on the development of the Agency as it could not populate its workforce due to lack of space. In November, MMA moved to another premises which is definitely much more spacious and decent to operate.

Clusters Development 4.0

One of the main challenges for Malta Marittima during 2017 shall be the development of Maritime Clusters. Clusters are defined as “concentrations of interconnected companies, specialized suppliers, service providers, firms in related industries, and associated institutions in particular fields that compete but also co-operate”. Further analysis of the concept of clusters is reflected in a working paper published by the European Commission Services entitled ‘The concept of clusters and cluster policies and their role for competitiveness and innovation’ (SEC (2008) 2637). This cites a number of empirical studies, which provide that ‘strong’ regional clusters share a higher rate of growth in employment and higher wages to employees. In addition, entrepreneurial firms which are part of a cluster create more jobs, higher tax payments, higher wages to employees, and have the positive effects on the survival of the firms than those which are non-cluster firms. In the local context, Malta has promoted the development of clusters in manufacturing and services through Malta Enterprise.

The move towards “regrouping” maritime operators and capacities is widely underway in Europe. Considering the positive effects of the cluster concept, the aim is to develop several clusters specific to the different maritime sectors. This would ensure that all relevant stakeholders have the opportunity to participate in such a cluster and that all maritime sectors are represented.

Taking note of the discussions and proposals being put forward by the different maritime sectoral clusters, the Malta Marittima Agency would seek to maintain an integrated approach, by supporting and strengthening the clusters as necessary, while maintaining open dialogue not only within but also amongst these maritime sectoral clusters.

According to a study published by Policy Research Corporation in 2008, Malta employs 7,600 people in the traditional maritime sectors, 11,000 people in coastal and sea-related recreational and tourism

sectors and 1,400 in fisheries. These three areas make up for 20,000 jobs out of a working population of 190,000, which represents 10.5 per cent of Malta's workforce.

Malta has one infinite resource, this is the sea and, if managed with prudence and wisdom, it is bound to continue generating livelihood for a substantial percentage of the Maltese population and, even then, at an incremental rate.

The pity is that although Malta is, by its very own geographical definition, a maritime nation, it has not always been the case that due attention and focus was given to this sector. Rather, maritime careers do not rank high as do other industries. This lack of awareness and appreciation of the maritime industry is manifest in two areas, namely the absence of in-depth professional studies to define the effective contribution of the industry to the economy and the lack of appropriate degree courses at university level.

Fortunately, today there is growing awareness both by the government and industry levels to harness the potential of the sector and turn it into an economic motor that can only produce multiplier effects, given the span and extent of the industry segments. As is unfortunately often the case within this industry, Malta lags behind when compared to other European countries which have had clear visions and focused to bring together the various maritime sectors, thereby creating meaningful clusters which are today well established, leading components of the maritime industry and powerful policy instruments that lead to the generation of economic wealth.

In a study published by the European Commission in 2008, it was stated that "the maritime industries throughout Europe contribute to the well-being of all Europeans...the majority of the external trade of the European Union is transported by sea. The sea around Europe also provides a rich source of conventional and renewable energy generation. Europe's coastal regions are home to maritime industrial activities such as ship building and among the world's top destinations for tourists". Such a statement immediately brings to the fore the wide diversity of economic activity generated through the maritime industry. Maritime clusters are useful platforms for the involvement of all stakeholders and proof of this can be found in European countries such as France, Germany, Holland and Belgium.

Our island mentality makes us introspective, therefore lacking a view of the wider picture. The fear of sharing information with competitors hinders innovation and development. There is also too much fragmentation within this industry which, within a European context, is too small to take any advantage emanating from economies of scale. It is because of this reality that Malta needs to cluster all segments of the maritime industry.

Taking the cue from European success stories in maritime clustering, one can find, as in the case of the French maritime cluster, that there are no fewer than 42 cross-sector groupings which include shipping and maritime transport; maritime services (ports and ports services); port terminals; ship management

companies; shipbrokers, classification societies; maritime consultants, the banking sector; law firms and insurance brokers. The interaction of these groups is the dynamic to improve and innovate. In France, the maritime cluster has been refined to such a level that all governments, irrespective of political creed, consider it as a partner in development. Continuous consultation and interaction ensure a win-win situation both for the government and industry. It structures the need of continuous consultation and perpetuates inclusivity.

The EU itself has recognized the importance of maritime clusters. As a matter of fact, it has gathered the existing clusters into a confederation under the European Network of Maritime Clusters. The aim of this confederation is to translate national aims into European common targets. Although each national cluster varies, the common denominator is the foundation that rests on three pillars: the public sector, private companies and research/academic community.

Without falling into negative inertia when analyzing the local situation, one cannot but conclude that we are still lacking in this sector. Thus the developing of maritime clusters under the Malta Marittima Agency is most interesting and promising because it is the future. The way forward calls on bringing all stakeholders together by setting up maritime clusters with the prime objective to promote Malta as a maritime nation, to attract demand for the maritime services that Malta can offer and to generate additional economic activities for the benefit of the country and all stakeholders involved.

Sector groupings of maritime clusters shall be composed, but not limited, to players involved in:

- Shipping and maritime transport
- Maritime services (ports and ports services)
- Port Terminals
- Ship management companies
- Ship registration companies
- Shipbrokers
- Classification societies
- Maritime consultants
- Banking sector
- Law firms
- Insurance brokers
- Unions
- Ship building and ship repair
- Offshore
- Fisheries
- Cruise and nautical tourism

- Yachting
- Water sports industry
- Security and surveillance
- Environmental organizations

Following from this main objective, clusters would need – government together with the industry - to lay down consistent and professional criteria for branding, establishing industry standards, educational levels and the upgrading of service quality to make of Malta an effective hub of maritime excellence, through the creation of blue jobs leading to a better performing economy. This will pave the way for the development of the National Integrated Maritime Policy and other cross-sectional policies and necessary legislations. Due consideration should be given to EU funding opportunities and programmes.

This public-private partnership is the backbone for the establishment of the maritime clusters on solid foundations. Maritime clusters should be lean, focused and sufficiently involved to ensure pro-activity and adaptation to the constantly changing environment that characterizes the maritime industry. Maritime clusters should be the platform where all projects can be discussed, analyzed and implemented. Malta's maritime clusters should have the main aim of prompting and assisting in the development of Maltese Shipping and logistic services and industry specialist training, and liaise with, support and market the maritime and logistics service sectors. Such goals and developments have also to be seen within the context of Maritime Spatial Planning being currently promoted by the EU which includes a comprehensive view of the Industry including the environment, energy and fisheries.

In this regard, we are fortunate that there is ample local expertise to contribute towards setting up and develop maritime clusters. The end objective remains that of creating wealth from our predominant natural resource – the sea.

Visits Abroad 5.0

European Maritime Days 5.1

Malta Marittima had the pleasure of participating at the European Maritime Day 2016 conference held in Turku, Finland on 18 and 19 May 2016 – both as an exhibitor in the Networking Village and as a

speaker at the ‘Delivering blue growth through Intervision’ workshop. The conference provided a buzzing environment wherein stakeholders in the maritime community had the opportunity to share their experience and participate in lively debates on the blue economy.

The focus this year was towards unlocking investment in the blue economy; hence, the title: ‘Investing in smart and sustainable solutions for competitive Blue Growth.’ Around 21 workshops and five thematic sessions were held to prompt an exchange on how policies should be shaped and how stakeholders can drive innovation for smart and sustainable solutions for blue growth in sectors like ocean energy, shipping and cruise tourism to mention but a few. Mr Franco Schembri, Senior Manager at Malta Marittima, gladly accepted the invitation to participate as a speaker ‘Delivering blue growth through Intervision’; a workshop organised by the Dutch delegation. Mr Schembri’s session stimulated discussion on the economic significance of maritime clusters from a West Mediterranean perspective. Using the Agency as a case study, Mr Schembri presented how the cluster concept is being used as a mechanism to achieve further economic development in the maritime sector through an integrated approach and to strengthen maritime governance by trying to bridge the gap between the public and private sector. He explained how clusters are considered to fit well with the philosophy of Blue Growth because it establishes the appropriate synergies amongst the stakeholders of the various maritime economic activities, through its link with economic prosperity, as well as through its promotion for innovation and exchange of best practice. The discussion around the table clearly demonstrated the different setups of clusters. However, it was generally agreed that maritime clusters would provide the platform for more coordinated efforts to be achieved among the stakeholders and to also help drive innovation and potentially tapping into new blue growth activities.

The Networking Village 5.2

Malta Marittima Agency mounted an exhibition booth at the Networking Village, an effective promotional platform for Malta to promote the establishment of the *Malta Marittima Agency*. The EMD exhibition booth was undoubtedly an ideal platform for the Agency to promote the Maltese Blue Economy and more importantly to help Malta Marittima’s representatives to continue building a solid reputation for Malta as a global maritime hub. Furthermore, the EMD exhibition space provided an opportunity to meet potential foreign investors and increase Malta’s attractiveness to maritime business. It is also an ideal place to meet various stakeholders from the maritime sector and exchange experiences.

China 5.3

A representative of Malta Marittima Agency attended The Pingtan International Forum on Island Conservation and Development, 2016 in Pingtan, China. Malta attended said forum on an official invitation from the Republic of China. The representative of Malta Marittima Agency addressed the forum. The organisers of the June 25th and 26th Pingtan International Forum on Island Conservation and Development were the Pacific Society of China; The China Association of Oceanic Engineering; The Island Research Center, (SOA); The Pingtan Comprehensive Pilot Zone's Administrative Committee; and the Fujian Provincial Department of Ocean and Fisheries.

The hosts of the forum include the Island Research Center, (SOA); The APEC Marine Sustainable Development Centre; The Publicity and Education Centre, (SOA); and the Environmental and Ecological Professional Committee, (CAOE).

The successful experience in sustainable tourism development and environment protection in some islands, typically characterised by abundant natural scenic resources, is significant for governments and managers from other islands. Due to the growing impacts of global climate change and human activities, islands' environments are getting more vulnerable and sensitive. So the question arises, 'How to balance ecological integrity of island with economic development is becoming one of the most pressing issues in the 21st Century'. The answers can be found is devising appropriate governance and sustainability strategies for the future development of islands. Consequently, the agenda of the Pingtan International Forum on Island Conservation and Development, 2016, was set to address the following:

- Island Sustainable Development
- Island Ecological Protection and Utilisation
- Island Tourism Development and Management

Venice 5.4

In June 2016, Malta Marittima has also been invited to address the General Assembly of the Conference of Peripheral Maritime Regions (CPMR) in Venice. Mr. Franco Schembri delivered a speech to the assembly on the various aspects of the maritime sector and on "How can maritime investments in the Mediterranean be combined and promoted with sustainable development and tools for Maritime Spatial Planning and Integrated Coastal Zone Management", which was received very well by the European Commission.

Mr. Schembri explained the aims behind maritime spatial planning. The reduction of conflicts between sectors and create synergies between different activities; encourage investment by instilling predictability,

transparency, and clearer rules, thereby boosting the development of renewable energy sources and grids, establish marine protected areas, and facilitating investment in oil and gas; Increase coordination between administrations in each country, through the use of a single instrument to balance the development of a range of marine activities; Increase cross border cooperation between EU countries on cables, pipelines, shipping lanes, wind installations; Protect the environment through early identification of impact and opportunities for multiple use of space & Maritime spatial planning and integrated coastal zone management are both important tools for the sustainable development of marine areas and coastal regions and both contributing to the aims of ecosystems based management and the development of land-sea links, as well as facilitating member states cooperation.

Azores 5.5

Malta Marittima Agency was invited to deliver a speech to the 44th CPMR General Assembly on the 3rd November 2016 in Ponta Delgada (Azores, Portugal). The speech delivered by Mr. Franco Schembri, Head, Malta Marittima Agency, focused on the Maltese Presidency priorities by referring to the development of the West Mediterranean Sea Basin Initiative, the International Ocean Governance, Nautical Tourism and EU Maritime Security Strategy. Mr. Schembri explained that it is Malta's intention to produce a presidency declaration during (instigated by political debate during the informal Ministerial Conference being organised in Malta) leading to Council Conclusions in June 2017

Singapore 5.6

Mr. Franco Schembri attended a workshop in Singapore between the 12th and 16th December 2016 on Port Development and Competitiveness. The workshop was organised by the Government of Singapore. The workshop consisted in understanding the role and the port industry as key logistics connection point to the world; analyse port competition and competitiveness of the economy; gain knowledge on strategic planning for port development. It was a great opportunity to share, learn and appreciate more the world logistics and economy. At the end of the workshop, Mr. Schembri presented and delivered a power point presentation on the Malta Freeport.

EU Focal Point on Integrated Maritime Policy 6.0

The Integrated Maritime Policy seeks to provide a more coherent approach to maritime issues, with increased coordination between different policy areas. It focuses on:

- Issues that do not fall under a single sector-based policy e.g. "blue growth" (economic growth based on different maritime sectors).
- Issues that require the coordination of different sectors and actors e.g. marine knowledge.

Specifically, it covers these cross-cutting policies:

- Blue growth
- Marine data and knowledge
- Maritime spatial planning
- Integrated maritime surveillance
- Sea basin strategies

Legal Notice No.41/16 stipulates that Malta Marittima Agency is the official EU Focal Point for the Integrated Maritime Policy. Consequently, MMA holds the dossier of the IMP and is responsible for any papers/positions issued by Malta. In fact, on a regular basis, Ministries/Entities ask us to vet or comment on papers/positions which might have some overlap and/or involve the maritime domain. Malta Marittima regularly drafts and issues Instruction Notes, Background Notes and other position papers.

Representatives of Malta Marittima Agency attend between 10 to 12 meetings annually in Brussels. The meetings tend to revolve around the various components of the Integrated Maritime Policy including Blue Growth, Marine Environment, Maritime Spatial Planning and so forth. During these Meeting MMA voices Malta's position and ascertains that possible red lines are highlighted.

European Union Maritime Security Strategy 7.0

In June 2014, The European Council adopted a Maritime Security Strategy for the global maritime domain. The objective of this strategy is to provide a common framework for relevant authorities at national and European levels to ensure coherent development of their specific policies and a European response to maritime threats and risks. The second aim of such a strategy is to protect EU's strategic maritime interests and identify options to do so. Such a framework will provide the context and ensure consistency amongst different sector specific maritime policies and strategies. Most importantly it will significantly strengthen the link between internal and external security aspects of the maritime policy of the EU and civil and military cooperation.

Malta Marittima Agency is also responsible for the European Maritime Security Strategy. In fact, MMA is responsible for providing regular reports to EU Commission on the progress registered by the various Ministries/Entities responsible for Maritime Security with respect to the various work-strands of the action plan. Besides MMA attends a number of meetings in Brussels to keep abreast of the developments at EU level and voice Malta's position.

West Mediterranean Sea Basin Initiative 8.0

Following the Union for the Mediterranean (UfM) Ministerial Meeting held in November 2015, and through the adoption of a Ministerial Declaration, Ministers agreed to work towards adopting a sea basin strategy. This Strategy, covering the Western Mediterranean Sea Basin, is expected to be launched early 2017, provided that the necessary endorsement by the Member States is provided. The Strategy will build on existing structures, within the context of the Blue Economy, to improve maritime governance (with the aim of achieving a level playing field in the region), exploit strengths and address weaknesses, whilst ensuring a sustainable approach. The Commission is currently carrying out a study to assess the added value and preparation of this Strategy. The Commission has also expressed the possibility of issuing a Communication rather than a Strategy. Malta Marittima Agency has a vital role in providing feedback to the Commission subsequent to consultation amongst Ministries/Entities. In furtherance, MMA has attended a number of workshops to discuss the development of this initiative. Undeniably, Malta is pushing forward this initiative so it is involving the Agency considerable work activities.

Committees 9.0

National Maritime Security Committee 9.1

In accordance with a cabinet decision, Malta Marittima Agency has a representative on the National Maritime Security Committee. All authorities involved in the Maritime Security including AFM, Police Department, Civil Protection, Transport Malta and so forth are represented on the Committee. MMA's role is to put on the agenda the European Maritime Security Strategy and encourage the implementation of the action plan. The representative of MMA shall be delivering a Power Point presentation to the whole members of the committee to explain the importance of the EUMSS and the commitments Malta has in this regard.

Council for Maritime Education and Research 9.2

The industry has often remarked that we have major shortages in skills directed towards marine and maritime disciplines. This has been identified through different studies carried out the most recent by Dr Gordon Cordina on behalf of the Chartered Institute for Logistics and Transportation (CILT). In fact, on their own initiative CILT have been very active with local educational institutions and have succeeded to obtain a degree of success.

In order to improve on this drive, The Maritime Education Development Council (MEDC) was instituted where the subscribers to the initial trust foundation will be representatives of the educational institutions, industry stakeholders or associations as well as the port authorities. The aim of such an entity is to create and promote the necessary educational platforms to encourage individuals to enrol in maritime related courses.

The ideal formation is one of a multi academy trust since we believe that different Educational Institutions should fall under this umbrella and elect on the board of administrators' members from their Governing Body. Participation by educational institutions will in no manner impinge on their independence; however, their but will provide for an active role is considered to be of fundamental importance in achieving a coordinated effort of towards the marine and maritime academic development.

For this purpose, the MEDC will be tasked to identify a number of full/part-time courses that can be made available through the different Institutes of MCAST or University of Malta whilst taking into account private institutions that also offer training especially those that reach international standards of competence. MEDC will also promote partnerships between local educational institutions through external associations for the provision of such courses. The initial three main lines of maritime education under consideration are maritime engineering & transportation management, energy & resources and maritime business. Already there are a number of courses being provided on which one can build.

Malta Marittima Agency had pushed this idea forward and produced a Memo to the Cabinet of Ministers in this regard, the Cabinet decided to institute this committee chaired by the Ministry for Education. To date, I regret to say, this committee has never been convened. MMA has insisted on several occasions with the Ministry for Education.

Maritime Spatial Planning 9.3

The European Union has set itself the objective to become a smart, sustainable and inclusive economy by 2020. Maritime sectors offer areas for innovation, sustainable growth and employment that should contribute to this objective. In October 2012, European Ministers for Maritime affairs adopted the "Limassol Declaration" to back the Europe 2020 Strategy with a strong maritime pillar. As the Commission identified in the Communication on Blue Growth, Opportunities for Marine and Maritime Sustainable Growth, the present legislative proposal is an essential part of this ambition to develop Europe's Blue Economy.

However, increased use of coastal and maritime areas as well as climate change effects, natural hazards, erosion, also put pressure on coastal and marine resources. They require integrated and coherent management to secure sustainable growth and preserve coastal and marine ecosystems for future generations.

Maritime spatial planning is commonly understood as a public process for analysing and planning the spatial and temporal distribution of human activities in sea areas to achieve economic, environmental and social objectives. The ultimate aim of maritime spatial planning is to draw up plans to identify the

utilisation of maritime space for different sea uses. In 2008, the Commission published its ‘Roadmap for Maritime Spatial Planning: Achieving Common Principles in the EU’, followed by a 2010 Communication ‘Maritime Spatial Planning in the EU — Achievements and Future Development’, which paved the way for the present proposal.

Revision of Bunkering Operations 10.0

Undeniably, the bunkering business is another economic activity that has experienced remarkable growth and all indicators show that there is still room for further growth. Bunker operations are affected on board the vessel and/or yachts via a bunker barge or a road tanker. Local suppliers have over the years maintained business relationships with various European bunkering brokers operating in the Mediterranean and supply all sorts of vessels including cruise liners, tankers and so on. Bunkering operations take place alongside quays and outside ports. A number of designated bunkering zones have been established by the Maltese authorities to accommodate and create the conditions necessary for this business activity to flourish. It is imperative to note that bunkering procedures should ensure that the risks associated with the operations have been assessed and that necessary controls are in place to mitigate the risks associated with oil spills.

The Bunkering business is currently on the rise; however, the Government committed itself to strive to build on this success achieved so far by facilitating new business linkages and relationships and to endeavour to ensure that Malta’s market standing is properly sustained, by taking the necessary actions to improve monitoring and surveillance of these operations. It is imperative that Ship Owners are provided with high quality service in a professional manner and certain litigation in respect to quantity and quality discrepancies should be addressed by competent authorities.

To this end, Malta Marittima Agency has been entrusted to sub contract and coordinate the revision of bunkering procedures, regulations and legislation. In fact, MMA briefed and entrusted a sub-contractor to produce the drafts of the required documents. Subsequently, MMA reviewed and revised the documents as it deemed appropriate. The second draft is currently in hand and waiting for Transport Malta to submit their feedback.

Informal Ministerial Conference: The Blue Growth Initiative: Nautical and Maritime Tourism 11.0

Malta Marittima Agency has been involved in the organisation of the Informal Ministerial Conference on Nautical Tourism and Research & innovation. This Conference will be held in Valletta on the 20th April 2017. The meeting will be co-chaired by Commissioner Vella. The main aim of the conference is to discuss the state of play and identify opportunities within the maritime and nautical sector. At the end of the Conference a Ministerial Declaration will be endorsed, covering Nautical Tourism, Western Mediterranean Sea Basin Strategy/Communication and Ocean Governance (depending on timing of the Commission). This Declaration will then be presented during the Friends of the Presidency Meeting on Integrated Maritime Policy and annexed to a set of Council Conclusions on the same topics.

Maritime Proof of Concept

Malta Marittima Agency developed the Maritime Proof of Concept Fund which is intended to enable a step-change in taking a Maritime related innovation developed through research at the University closer to being commercialised. The idea behind this fund is to encourage researchers possessing creative and innovative ideas to get the necessary financial support to be able to develop their ideas in the Maritime Sector into business concepts.

The Board of Directors 12.0

The Board held its first meeting on the 7 October 2016 at the Ministry. The Hon Minister addressed the first meeting and welcomed all the members of the Board. The Perm. Secretary and the Head of the Agency also addressed the Meeting. The two main issues of discussion was that the Board had to understand the objectives of the Agency in order to plot a clear way forward. Reference was also made to some matters to be resolved and amended in the Legal Notice itself particularly the need to remove a clause that basically shifts all existing maritime liabilities of the government onto the Agency. Article 3 (4) is the relevant article. The Board also mentioned the fact that the LN mentions an Agency Agreement however it seems that same was actually never drafted and created.

The Second meeting was held on 11 November, 2016 at the offices of Ganado Advocates. The discussion on the changes to the Legal Notice followed. The Board also discussed the various issues relating to Malta's Presidency of the EU and the various initiatives that the Agency was involved in

including the various meetings being attended by the Head of the Agency, reports and position papers being prepared and the fact that the Agency was in talks with University of Malta for various joint initiatives. It was also decided that the agency would conclude a memorandum of understanding with the Malta Maritime Forum in the near future.

The third meeting was held on the 11 January 2017 at the offices of Malta Enterprise. Franco Schembri gave a presentation and update on the work being carried out. The Board approved that there would be a request to Perm. Sec for the appointment of accountants. The Board discussed the Informal Ministers meeting to be held on 20 April 2017; the paper to be presented by Malta rapporteur Tony Zahra concerning Nautical Tourism and various other initiatives being taken. The Board decided that a clear action plan would be drawn up and clear realistic targets set in order to have effective goals reached by the agency over and above all the position papers, presentations and work related to the Presidency which is clearly going to take a lot of time for the Agency over the next six months.