### **MALTA**

# Implementing the 2030 Agenda for Sustainable Development

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Malta participated as a member of the European Union in the process of formation of the 2030 Agenda; in September 2015 the country became a signatory to the Agenda and its 17 Sustainable Development Goals (SDGs). This means that Malta must keep its promises to implement these Goals, focused on eradicating poverty, ensuring decent work for all, achieving sustainable development, and making sure that no one is left behind. This report investigates Malta's efforts towards achieving the 2030 Agenda and some of its key goals since the implementation period began in January 2016. It also investigates issues related to development more broadly and includes recommendations with a view to better realizing the SDGs. Education for all, while not part of this report, is also essential to allow people in poverty to be dignified agents of their own destiny and participate in advancing the 2030 Agenda.

#### What is Malta doing to achieve the 2030 Agenda?

The Maltese Ministry for Foreign Affairs (MFA) is responsible for implementing the 2030 Agenda, through the Development Unit. When questioned on what Malta is doing towards the implementation of the Agenda, the Development Unit was reserved, stating that:

Preliminary internal meetings concerning the implementation of Agenda 2030 are ongoing at international and regional level. More information on the policies and strategies will only be available later on after the formal list of indicators is officially approved at UN Level.

Malta is fully committed to the implementation of

the 2030 Agenda and in this regard is participating and following discussions at both regional and international level.

Malta is following discussions at EU and UN levels very closely. The EU is still discussing how to implement the agenda internally (within the EU). This will have a bearing on any decisions Malta will be required to take on the implementation process.

With regards to the external implementation (outside the EU) Malta will work closely with the other EU member States in achieving the best outcome. Discussions at EU level are ongoing.

The response went on to say that the Government of Malta is not envisaging "any changes to the Constitution at this current juncture":

Discussions on any possible legal reforms are subject to additional clarity on the implementation process. Malta would need to assess whether the policies in place will reach the objectives it intends to achieve before deciding if more in-depth reforms are required. Follow-up and review on a national level will be required in order to eventually keep the Government and all stakeholders engaged and ensure a result oriented approach.

The Ministry of Foreign Affairs, asked whether the Government would make available to the public information regarding the planning for implementation, follow-up and review of the Agenda, stated: "Information on the 2030 Agenda is available. With regards to the implementation, follow-up and review, dissemination of information to the general

<sup>1</sup> E-mail by the author to Malta Foreign Affairs, Development Unit; 26 April, 2016.

public will kick start once the internal discussions at regional and international level are exhausted."

The implementation of 2030 Agenda is not yet a part of the national parliamentary or political debate: "Not at this stage."

With regard to the role that private and corporate sectors are expected to play in the implementation of the 2030 Agenda, on a national as well as an international level, the Ministry said only that "reflections on how to involve the private and corporate sectors are ongoing."

Up until the end of April 2016, no Government educational campaigns had been conducted to inform and educate the general public about the 2030 Agenda, but asked whether the public is aware of it, the Ministry simply said "Yes", adding that there are ongoing "discussions about implementing such activities which are still at their initial stages".

Considering that no campaigns have been implemented and no official documents have been published to raise public awareness about the 2030 Agenda and promote its goals, it is unclear how the Ministry can state that the general public is aware of it, unless it is relying on civil society for this. The issue was first reported in the media in September 2015 and mentioned by different people in a number of popular blogs. A public workshop focusing on the 2030 Agenda was organized by the President's Foundation for the Wellbeing of Society<sup>2</sup> while Kopin and other Development NGOs (NGDOs) as well as the Malta-European Union Steering and Action Committee (MEUSAC) organized a number of topically relevant events in 2015, as the European Year for Development.3

The Government needs to draw up a comprehensive national plan for the implementation of the 2030 Agenda, involving various relevant ministries, the private sector and civil society, including NGDOs and academia. The

2 Public workshop organized by the President's Foundation for the Wellbeing of Society, "The Global Goals for sustainable development," 22 April, 2016; available at: https://www.facebook.com/uom.genderstudies 3 Kopin Malta, "Global Campus"; available at: http://www.globalcampus.eu/

Meusac, Available at: http://www.meusac.gov.mt/eyd2015 SOS Malta, Ladder Project. Available at: http://www.sosmalta.org/ladder process needs to ensure the full participation of civil society before tabling any plan before Parliament for endorsement. It is important that the Maltese Parliament provide the necessary human and financial resources at the different levels (local, regional and international), to civil society and specialized agencies that will help to implement the Agenda. Resources are also required to follow up and review, to monitor and assess the outcomes and thus to scrutinize the Government's work thoroughly over time.

#### Poverty and decent work

Eurostat statistics show that poverty in Malta decreased by 2.1 percentage points from 2014 to 2015.4 This is a positive development and a reflection of the Government's ongoing efforts to reduce poverty and implement improved strategies in this regard, as outlined in the National Strategic Policy for Poverty Reduction and for Social Inclusion - Malta 2014-2024.5

Since Malta acceded to the European Union (EU) in May 2004, a 27,147 workers from elsewhere in the EU and from countries outside have migrated for employment in Malta (14.7% of the working population in 2015).6 Statistics indicate that unemployment in Malta is at all time low, standing at 5.1 percent of the working population.7 Against that, cases of exploitation of both Maltese and foreign workers are on the increase, with non-EU nationals (so-called Third Country Nationals or

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<sup>4 &</sup>quot;Severe material deprivation - early estimates for 2015 Share of severely materially deprived people down to 8.2% in the EU," Eurostat: 71/2016, 14 April, 2016; available at:

http://ec.europa.eu/eurostat/documents/2995521/7231454/3-14042016-BP-EN.pdf/837178ca-f682-4923-8627-27767201816d

<sup>5 &</sup>quot;National strategy policy for poverty reduction and for social inclusion - Malta 2014"; available at:

http://mfss.gov.mt/en/Documents/Poverty%20Strategy%2014%20English %20Version ndf

<sup>6 &</sup>quot;Italians lead surge in foreign workers in Malta," The Times; 9 February,

timesofmalta.com/articles/view/20160209/local/italians-lead-surge-inforeign-workers-in-malta.601769

<sup>7 &</sup>quot;February 2016 Euro area unemployment rate at 10.3%63/2016," Eurostat, 4 April 2016; available at:

file:///C:/Users/Schools\_home/Desktop/SW%202016/SW%20EU%20une mplyment%20Feb%2016.pdf

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TCNs) working in the worst conditions.8 Maltese Union leaders for several years have been calling on the Government to stop the exploitation of foreign workers engaged in the private sector on precarious employment contracts, with long working days and often with only miserable pay. The majority of workers in such situations do not report abusive conditions because they fear they would lose their jobs and thus lose their residence permits or even be deported.

The Government acknowledges that irregular forms of work are resulting in precarious conditions for both refugees, persons under international protection and failed asylum seekers, as well as Maltese, EU and third country employees, which it is supposedly duty bound to protect. In April 2016 an open consultation was inaugurated by the Ministry for Education and Employment before setting up Job Brokerage Offices in order to tackle the problem of irregular work and the exploitation of workers.9 By setting up these offices, the Government aims to eliminate roadside loitering trends that have developed in particular areas in recent years. Government wants to ensure that a level playing field and fair competition is created amongst all jobseekers to access the labour market; it therefore intends to clamp down on irregular work through increased on-site inspections and revised financial penalties for service users who engage irregular workers. Through the Ministry for Social Dialogue, Consumer Affairs and Civil Liberties, it is publishing a 'Workers' Rights Charter' to be distributed to all households.10

We acknowledge these efforts towards ending poverty, respecting labour rights, promoting safe and secure

working environments for all workers, including migrant workers and those in precarious employment. Ensuring decent work for all is necessary to safeguard human dignity and liberate everyone from the cycle of poverty.

#### **Development Assistance**

SDG 16 focuses on the need to provide access to justice for all and to build effective, accountable and inclusive institutions at all levels. International public finance plays an important role in complementing the efforts of countries to mobilize domestic public resources, especially in the poorest countries. Official Development Assistance (ODA) plays an important role in efforts to catalyse additional resources. Different reports, such as Concord's annual AidWatch Report and annual Social Watch reports, to which Kopin has contributed national level reports, show that Malta is still lagging behind in reaching its promised target. 11

We call on the Maltese Government to honour its commitment towards the European Union target of providing of not less than 0.7 percent of its gross national income (GNI) as official development assistance (ODA), which presently stands at a mere 0.2 percent of GNI.

#### Tax avoidance and evasion

Malta finds itself in the 27th position in the list of countries listed as tax havens by the Financial Secrecy Index – 2015. Maltese tax law permits foreign companies to register in Malta, paying favourable tax

<sup>8</sup> Jurgen Balzan, "Thousands of foreign workers exploited in Malta say union leaders," Malta Today, 17 November 2014"; available at:

http://www.maltatoday.com.mt/printversion/46208/#.VyPDNY90IcQ 9 "Job Brokerage Offices Consultation Document," ETC, April, 2016; available at:

https://socialdialogue.gov.mt/en/Public\_Consultations/MEDE/Documents/2016%20-%20Job%20Brokerage%20Office/Consultation%20Document%20-%20JobBrokerageOffices.pdf

<sup>10</sup> Miriam Dalli, "Worker's rights charter to be sent to every household," Malta Today, 30 April 2016; available at:

 $<sup>\</sup>label{lem:http://www.maltatoday.com.mt/news/national/64638/workers\_rights\_char} ter\_to\_be\_sent\_to\_every\_household\_\#.VydmMY90lcQ$ 

<sup>11</sup> Helene Debaisieux , "EU misses its own target for development aid: A false start for the EU Agenda 2030 ambitions," Concord, 23 November 2015; available at: http://concordeurope.org/2015/11/23/eu-misses-its-own-target-for-development-aid-a-false-start-for-the-eu-agenda-2030-ambitions/; J. M. Sammut, "Poverty eradication and gender justice," Social Watch Report 2014; available at:

http://www.socialwatch.org/node/15817\_

<sup>12</sup> Financial Secrecy Index-2015; available at

http://www.financialsecrecyindex.com/introduction/fsi-2015-results; http://www.financialsecrecyindex.com/PDF/Malta.pdf

<sup>13</sup> Malta Tax Laws; available at:

http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&it emid=8658

rates, while the work is being done abroad. Trading income in Malta is taxed at 35 percent. Once the tax is paid, and a receipt provided, the shareholders of foreign companies can apply for a refund of 6/7ths, meaning that the effective rate of tax is 5 percent. A case in point, which was reported on Maltese media and internationally, is that of the Brazilian construction giant Odebrecht which was caught in series of political scandals and which used Malta as a back-office base to manage its tax exposure and thus save millions. 14 Another Odebrecht-related company based in Malta is Odebrecht Solutions Malta, whose owner is Tenenge Overseas, which is based in the Cayman Islands, Malta has served as a tax base for countless multinationals which channel their profits into Maltese subsidiaries: examples include the Azerbaijani state oil company SOCAR's Swiss trading hub, and Nando's chicken restaurant chain. The connection goes further, as Africa's richest woman, Isabel dos Santos, the daughter of Angolan dictator José dos Santos, also set up shop in Malta. Odebrecht enjoys an 11 percent stake in Angolan state diamond company Endiama, whose marketing arm Sodiam is a part-shareholder of a Maltese company, Victoria Holdings. The other owner is Melbourne Investments, a Dutch company owned by dos Santos's husband Sidika Dokolu.15

This is the tip of the iceberg, exposing the use of Malta as a tax haven for companies which are not paying any tax money in countries that have high poverty and inequality rates, such as Angola and Brazil. These companies are legally allowed to avoid paying any tax in their homeland, whilst paying a small percentage to a developed country, in this case, Malta.

Tax evasion and money laundering are two major causes 14 Matthew Vella, "Brazilians in Petrobras scandal used Malta for tax purposes," Malta Today, 30 March 2016; available at: http://www.maltatoday.com.mt/news/national/63511/brazilians\_in\_petrob of global poverty and injustice. The principle of redistributive taxation has an important role to play in sharing the common good and building an equitable and just society. We call on the Maltese Government as well the governments of all nations to do their outmost to highly penalise tax evaders.

We call on the Maltese Government to:

- respect just taxes by other countries and not to give legal means to foreign citizens and companies to evade taxes from other countries, especially from poor and least developed countries;
- review Malta's tax regime and work towards reforming the financial system to actively combat unjust profit shifting and tax evasion;
- legislate in favour of more transparency and for the Control of international financial markets as well as the restriction of harmful speculation, tax evasion and avoidance, and the suppression of the illegal flow of capital and harmful tax competition.

A fair system of tax collection will assist in building just and strong societies, where everyone benefits from the common good, by promoting equity and social justice.16

#### Migration a key policy area in 2017

In the first half of 2017 Malta will hold the Presidency of the Council of the European Union. In preparation of the Presidency, Minister for Foreign Affairs, George Vella, met with Klaus Rudischhauser, Acting/Deputy Director General of the European Commission responsible for Development Cooperation, to discuss matters concerning international development. 17 It was

ras\_scandal\_used\_malta\_for\_tax\_purposes#.VyX\_eY9OIcQ; "Brazilians in Petrobras scandal," Petroleo Brasileiro Petrobras; available at: http://www.4-traders.com/PETROLEO-BRASILEIRO-SA-PE-6496795/news/Petroleo-Brasileiro-Petrobras-Brazilians-in-Petrobrasscandal-used-Malta-for-tax-purposes-22092723/ 15 Ibid.

<sup>16</sup> Tax havens create a legal means for companies to "steal" poor countries from their lawful rights to obtain the means to offer a decent living to its citizens without calling for international aid. Tax evasion is fuelling global poverty that may be backfiring in the West into the refugee crisis and terror attacks.

<sup>17 &</sup>quot;Minister Vella meets with European Commission Deputy DG responsible for Development Cooperation," Independent, 17 March 2016; available at: http://www.independent.com.mt/articles/2016-03-17/localnews/minister-vella-meets-with-european-comission-deputy-dgresponsible-for-development-cooperation-6736155054

agreed that migration will be a key policy area for Malta's Presidency. This gives the Government an excellent opportunity to use its Presidency to place greater emphasis on the 2030 Agenda, particularly regarding the links between development and migration.

The EU operates as a single market among its members but demands open markets internationally, thereby increasing poverty in the global South. The EU subsidizes its agro-industries which overproduce and dump their produce in poor countries, thereby resulting in lower prices for the produce of local farmers who cannot survive on such meagre income. This practice is one of the main factors, besides war and conflict, that is fuelling mass migration to richer countries.

We call on the Maltese Presidency of the EU to work towards eliminating unjust practices that are harming and keeping poor undeveloped countries from reaching their potential to achieve food security, reduce malnutrition, offer healthcare and education to all, become self-sustaining and contribute to the common good.

#### Refugees and racism

Until last year, Malta maintained an automatic detention policy for irregular migrants. On arrival, they were held in closed detention centres for up to 18 months and later transferred to Open Centres. Human rights organizations repeatedly emphasized that the policy violated international human rights laws and standards, particularly regarding the practice of holding migrants for up to 18 months in deplorable conditions. <sup>19</sup> Subsequently, in November 2015 a new migration strategy introduced an Initial Reception Centre, in which migrants are medically screened and processed for up to seven days, where they will be informed of their right to apply for international protection. The strategy also introduces into national law, grounds for detention, and

The strategy has been welcomed by civil society organizations, which also point out shortcomings in channelling people coming by boat through the Initial Reception Centres, and not those arriving by regular means who subsequently seek asylum, possibly due to the false and discriminatory assumption that they are more likely to carry infectious diseases. This also raises issues as to the identification of vulnerable people and age assessment of those who entered regularly, who bypass these centres. The situation of migrants denied entry at the airport also remains unclear, particularly in relation to their detention and their possibility to challenge it. The strategy also confuses the concept of alternatives to detention, which should only be considered where a ground for detention is applicable, and not in all cases as the strategy indicates. 21

Migrants' and refugees' human rights must be guaranteed. Asylum procedures need to be carried out in full respect of the law, fairly and quickly without undermining the applicant's fundamental human rights. Integration and participatory offers should be considerably extended. Special emphasis must be put on the rights of children and youth who are migrating, irrespective of their reasons to move.

We call on the Government to facilitate orderly, safe, regular and responsible migration and mobility channels for people, including the implementation of planned and well-managed migration policies and the enforcement of humanitarian visas.

#### **Exclusion and discrimination**

Malta has experienced episodes of xenophobia and

alternatives to detention.20

<sup>18</sup> Overseas Development Institute, "Making the EU's Common Agricultural Policy coherent with development goals," 2011; available at: https://www.odi.org/sites/odi.org.uk/files/odi-assets/publications-opinion-files/7279.pdf

<sup>19</sup> J. M. Sammut, Social Watch Report 2008; available at: http://www.socialwatch.org/node/11087

<sup>20</sup> Ministry for Home Affairs and National Security, "Strategy for the Reception of Asylum Seekers and Irregular Migrants," 9 November 2015; available at: https://od2d5d19eb0c0d8cc8c6-

a655c0f6dcd98e765a68760c407565ae.ssl.cf3.rackcdn.com/ee87eb6093978ddf835be5759bc86d018724f3a8.pdf

<sup>21</sup> ECRE January 8, 2016 'Malta's new migration strategy ends automatic detention'. Available at: http://ecre.org/component/content/article/70-weekly-bulletin-articles/1332-maltas-new-migration-strategy-ends-automatic-detention.html\_

racism.<sup>22</sup> In 2015, the Government, through the Ministry for Social Dialogue, Consumer Affairs, and Civil Liberties, published a Public Consultation towards a National Framework for an Integration Strategy 2015 – 2020.<sup>23</sup> In the opening, the Government states that "the current realities faced by migrants coming from third countries (countries that are not EU Member States) require immediate attention and action in a sustainable way". Although the consultation document was issued to launch the strategy in 2015, which was to be enacted by the end of 2015, to date (May 2016) no integration strategy has been put in place.

The Ministry for Social Dialogue, Consumer Affairs, and Civil Liberties also holds a forum among the different foreign organizations representing migrants in Malta to advise the Government on issues of participation and collaboration of the various communities for fostering better integration. We acknowledge that the Government is showing goodwill towards foreigners in Malta, but it has a social and political responsibility to take active and judicial steps to tackle xenophobia and racism in all its manifestations.

We call on the Government to:

• establish the National Strategy for the Integration of

22 "Muslim community 'happy' with temporary solution for Friday prayers - The Muslim community has been denied planning permits for venues for group prayer and caused a stir by holding Friday prayers on the Msida seafront," Malta Today, 21 January 2016; available at:

http://www.maltatoday.com.mt/news/national/61423/government\_offers\_muslim\_community\_temporary\_location\_for\_friday\_prayers#.VyjApI9OJZU;
Jurgen Balzan, "Migrants are not terrorists," Malta Today, 6 November 2014;
available at:

http://www.maltatoday.com.mt/printversion/45903/#.Vyi7M490JZU; James Debono, "The Maltese: I'm not racist, but... Are the Maltese racist, or simply concerned about migration?" Malta Today, 5 July 2012; available at: http://www.maltatoday.com.mt/news/national/19365/i-m-not-racist-but-20120704#.Vyi88090JZU

23 Ministry for Social Dialogue, Consumer Affairs, and Civil Liberties, Malta. Available at:

https://socialdialogue.gov.mt/en/Tenders/Documents/Public%20Consultation%20Document.pdf

24 Malta Forum on Integration Affairs. Available at:

http://socialdialogue.gov.mt/en/Forum%20on%20Integration%20Affairs/Pages/Welcome-Page.aspx

Migrants, promised for publication by the end of 2015:

 intensify dialogue, education and communication and related initiatives towards the integration of migrants, refugees and foreigners working or living in Malta within the community and the education system.

#### **Environmental degradation**

Unbridled development, linked to a powerful construction industry over the past years has seriously impacted the environmental sustainability and the quality of life in the Maltese Islands. 25 Economic development is important for the livelihood of the Islands but this is having negative impacts on the islands' natural resources. Biodiversity and wildlife is impoverished, water is threatened, while public spaces have decreased. As Malta is a tourist destination, the Islands experience average arrivals of 1.5 - 1.7 million tourists every year,<sup>26</sup> adding to the pressure on their limited natural resources. While we acknowledge the positive result that Malta achieved in 2015 by decreasing carbon dioxide (CO2) by 26.9 percent over the previous year,<sup>27</sup> we also point out that the environmental threat from massive overdevelopment shows a clear lack of respect towards future generations.

Malta is signatory of the Convention on Access to Information, Public Participation in Decision-making and Access to Justice in Environmental Matters (Aarhus

BP-EN.pdf/88e97313-dab3-4024-a035-93b2ab471cd9

<sup>25</sup> SOER 2015, "The European environment — state and outlook 2015 / Countries and regions / Malta," 18 February 2015; available at: http://www.eea.europa.eu/soer-2015/countries/malta; J.M. Sammut, Social Watch Report 2014; available at:

http://www.socialwatch.org/node/14004

<sup>26</sup> NSO: 1 February 2016 'Inbound Tourism: December 2015'; available at: http://nso.gov.mt/en/News\_Releases/View\_by\_Unit/Unit\_C3/Population\_and\_Tourism\_Statistics/Documents/2016/News2016\_017.pdf
27 Eurostat 89/2016, "Early estimates of CO2 emissions from energy use In 2015, CO2 emissions in the EU estimated to have slightly increased compared with 2014," 3 May 2016; available at: http://ec.europa.eu/eurostat/documents/2995521/7244707/8-03052016-

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Convention).<sup>28</sup> Article 1 of the convention states: "In order to contribute to the protection of the right of every person of present and future generations to live in an environment adequate to his or her health and wellbeing, each Party shall guarantee the rights of access to information, public participation in decision-making, and access to justice in environmental matters in accordance with the provisions of this Convention." Since signing the Aarhus Convention in 1998, the Government has not given citizens their rights to participate towards safeguarding the environment.<sup>29</sup>

We call on the Government to give citizens their rights to:

- access environmental information held by public authorities upon request;
- participate in decision-making processes related to the environment including in the preparation of plans, programmes, policies and legislation related to the environmental matters;

 provide citizens with access to justice regarding environmental matters to challenge a refusal or inadequate response to request for information; to challenge the legality of a plan or challenge actions or omissions that contravene national environmental law.

The Government should be progressive in understanding that environmental decisions will be sustainable if reached through transparent, participatory and accountable processes.

In order to implement the 2030 Agenda and achieve its 17 sustainable development goals it is critical that the Government ensure justice and dignity to its citizens and to all citizens around the world. No individual or group can consider itself absolute, permitted to exclude the dignity and the rights of other individuals or their social groups. We look upon respecting the rights of the environment as part of our common good and of the next generations. In our recommendations, we did not put a special focus on education.

28 Aarhus Convention, 1998; available at:

http://www.unece.org/fileadmin/DAM/env/pp/documents/cep43e.pdf 29 'Front Harsien ODZ condemns all past environmental abuses, will ensure protest is non-partisan," Malta Today, 11 June 2015; available at: http://www.maltatoday.com.mt/news/national/53952/front\_harsien\_odz\_c ondemns\_all\_past\_environmental\_abuses\_will\_ensure\_protest\_is\_nonpartisan#.VzCoz490JZU

MaltaToday November 22, 2013 'Citizens to march 'in defence of the environment'. Available at:

http://www.maltatoday.com.mt/lifestyle/environment/31714/citizen-to-march-in-defence-of-the-environment-20131122#.VzCqCY9OJZU

Matthew Xuereb The Times May 28, 2011 'Planned protest against Exiles 'concrete monster'. Available at:

http://www.timesofmalta.com/articles/view/20110528/local/Planned-protest-against-Exiles-concrete-monster-.367683