

COUNTRY REPORT- THE MALTESE ISLANDS

General Information

The Maltese Islands represent a group of small islands situated at latitudes 35 48'28" to 36 05'00" North and longitude 14 11'04" to 14 34'37" East. Total population of the Maltese Islands stood at 378 thousand as of 1995 Census of Population and Housing. Population density in 1995 was around 1200 persons per square kilometre. Total land area amounts to 312 square kilometres and level of urbanisation is 100%. Available arable land represents around 40% of the total land area (the lowest in Europe). Land is highly scarce in these islands.

The Government's housing policy advocates home ownership. Indeed, some 70% of households are owner occupied households. In general there is no 'right' to housing. However, various laws such as the Housing Act and the Housing Authority Act promote housing and home ownership. Various laws also protect certain tendencies and occupations that commenced before 1996. These are the Reletting of Urban Property (Regulation) Act (Cap 69) and the 1979 amendments to the Housing (Decontrol) Ordinance (Cap 158). It is important to note that there is some distinction in the law with regard to nationals and non-nationals in the Housing (Decontrol) Ordinance (Cap 158). Most if not all Housing Authority and Department of Social Housing schemes, limit aid to Maltese nationals.

Chapter One: Shelter

1. Progress made since 1996, prevailing conditions, new trends, emerging issues and major areas of concern

Provide security of tenure

- tenure types

The two dominant types of tenure are: home ownership and rental. In 1995 owner occupied households represented 68% of all private households. According to 1999 estimate some 22% dwellings are rented from private landlords while almost 7% are rented from social landlords. Some 3% of all private dwellings are used free of charge.

To be noted is the distribution of private households by type of dwelling as of 1995 (1995 Census of Population and Housing): terraced house 46.6%, semi-detached house 5.8%, detached house 2.6%, ground floor tenement 10.8%, maisonette 13.9%, apartment / flat 18%, other 2.3%.

According to the last Census of Population and Housing in 1995, there were some 382 dwellings completed for habitation per 1000 inhabitants (non-vacant and habitable vacant dwellings included).

- evictions

List of Warrants of Eviction Issued by the Law Courts since 1995 to date

Year	Warrants	Counter Warrants
1995	50	1
1996	78	6
1997	87	4
1998	76	1
1999	65	4
2000 (up to 19/09/00)	49	-

The warrants listed above are usually issued in execution of a court decision. Regrettably, the information on number of warrants which have been actually executed and the number of those pending were not available.

2. Policy and legislative changes since Habitat II

Promote the right to adequate housing

- housing rights

1. There is no specific reference to housing in the Constitution of the Republic of Malta. In Section 37, the Constitution provides for protection against dispossession from property or deprivation of rights over property.
2. There are no impediments to owning land for the Maltese nationals. There are no impediments to women owning land. Due to scarcity of land and the past building practices, non-Maltese persons' rights to acquire immovable property are regulated by the Immovable property (Acquisition by non residents) Act Cap 246. In general, they require a permit by the Minister of Finance to acquire immovable property.
3. Vide answer 2.
4. Vide answer 2. The Exchange Control Act provides that for a resident to give a loan to a non resident an Exchange control permit is required.

- housing price to income ratio

Presently, the price–earning ratio for a terraced house stands at 12.6, while for a median priced apartment is about 7.6¹ (Camilleri, 1999:4). It is apparent that these ratios for both types of dwellings are significantly above the average range (between 2.5 and 5). It can be concluded that a declining housing affordability characterises the overall housing situation in Malta. Another indicator, namely Housing Affordability Index (HAI) has been decreasing in the last couple of decades, from 70 to 46 in 1982 and in 1997 respectively (Ibid. p.3). This shows that the increase in housing prices was not followed by the equal increase in annual income, therefore a continuous reduction in housing affordability.

Regarding rent to income ratio, it is rather difficult to provide a reasonable calculation. In many cases, rents from private landlords do not follow the market prices since some of them have been frozen at the post war level.

Provide equal access to land

- land price to income ratio

Value of 10 m² of Residential Building Land (in Euro)

Country	1980	1990	1997
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¹ D. Camilleri 'Malta property facts' presented at the conference Housing Affordability in Malta, November 1999.

Malta	250	675	2850
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Data: D. Camilleri 'Malta property facts' presented at the conference Housing Affordability in Malta, November 1999.

The land in Malta was one of the cheapest in 1980 compared to the UK (outer London), Sweden and France. By year 1997 it was at par with the UK (outer London) average. However, the UK average (London area excluded) is 60% lower than the average for Malta.

A comparison of plot price as a % of House Price indicates that in 1995 plot price presented 50% of house price. In 1998 this ratio went even higher to 58% which represents a steady increase from its modest value of 7% way back in 1970. 16% in 1980 and 26% in 1990 (Camilleri, 1999:2).

Promote equal access to credit

- mortgage and non-mortgage

The access to credit is widely promoted in Malta. The EU average housing investment (based on data for some 11 member countries) was decreasing from 6.5% in the early seventies to 4.5% in the early nineties in Malta it exceeds 20% (Camilleri, 1999:9). Annual net mortgage lending as percentage of national income in Malta in 1994 stood at 14% much higher than in The Netherlands (7.1%) Germany (4.5%), France (0.5%), UK (3.4%), Italy 0.4% and Spain 2.3%. In 1998 this indicator stood at 18%. In Malta home-loan schemes are widely accessible.

Promote access to basic services

- access to water

Basic services like piped water and electricity are accessible to the whole population of the Maltese Islands. Fixed bath or shower is available to some 97% of all private households (1995 Census of Population and Housing).

- household connections

Connection to sewerage systems is available to 98% of all private households in Malta. Electricity and piped water connections available to all private households in Malta. The fixed telephone connections are available to 94.73% of private households.

3. Institutional weaknesses and obstacles encountered

The provision of social housing is intensely competing for funds with other social services and therefore can only partly help to solve the affordability problem. It would be necessary to enable public-private partnerships in order to produce and deliver better and faster and to redirect the profits to social housing units for the most needy. The pioneer PPP project is underway and it is hoped that it will contribute to urban regeneration and to the provision of better housing units.

It has been learnt that through unification of several Government's departments involved in provision of social housing, the client and the final user will benefit the most. Preparations for merging between Social Housing Department and the Housing Authority are underway and one-stop-shop approach should speed up the processing of applications.

NGOs and voluntary institutions involved in housing/shelter provision for specific target groups are encouraged to apply for Government funded repair grants to upgrade premises they own or manage. It has been noticed that in the past many individuals with family or health problems were hospitalised only because they did not have anywhere else to go. Shelters for battered women with or without children are seen as priority amongst these target groups.

4. Lessons learned with emphasis on sustainability and impact

Housing market shows signs of decreasing affordability. This is mainly a result of limited availability of land. If in the future building of residential premises for social housing continues with the same pace as in the past, the land available for this purpose would last for the next six years only. Commodification of land contributed to a high plot-house-price-ratio, which compared to the UK ratio of 20% is very high in Malta and equals to 50%.

Vacant dwellings in the Maltese Islands represent another factor, which hampers better utilisation of the limited land and space. New fiscal regimes and changes in inheritance laws might be seen as means of bringing these under-utilised or vacant premises to their initial function.

5. Recommendations for priority action

Further improvements in planning and building practices whereby for adaptable building will become a law. Thus, the built unit will serve equally well for a young family and for an elderly lone person. Housing mobility should be encouraged according to needs throughout one's life-cycle. As a result, a related Government's policy of 'ageing in place' i.e. care being offered at home of an elderly person, would become easier to achieve.

Physical/urban planning and population distribution policies should go hand in hand in order to ensure maximum benefit from the utilised land and space.

Chapter Two: Social Development and Eradication of Poverty

1. Progress made since 1996, prevailing conditions, new trends, emerging issues and major areas of concern

Provide equal opportunities for safe and healthy life

- under-five mortality

	Under five mortality rate, per 1000 population		
	Total	Males	Females
1990	2.12	2.39	1.84
1991	2.12	2.54	1.68
1992	2.48	2.98	1.96
1993	1.86	2.55	1.14
1994	1.98	2.15	1.80
1995	1.88	2.44	1.29
1996	2.36	2.09	2.64
1997	1.62	1.64	1.60
1998	1.25	1.76	0.69

Source: Demographic Review of the Maltese Islands
Table

It can be observed that a significant reduction in the under-five mortality rate has been achieved in the Maltese Islands in the last decade. The difference which exists between boys and girls, stems primarily from the natural higher infant mortality rate of boys than girls. There is no evidence of gender differential treatment at young years of life between Maltese children. Equal care, nutrition, health and education is provided for both boys and girls.

- crime rates

The 1998 data indicates the following crime rates:

Homicide rate equals to 0.22%

Sexual offences rate is 0.14%

Theft is at 21.09%.

The rates were calculated taking into account Maltese population only².

² Demographic Review population estimate as of end of year, refers to the Maltese population only.

- urban violence

Qualitative data:

Existence of:

- (a) There are no areas considered as dangerous or inaccessible to the police in Malta.
- (b) There is some violence at school.
- (c) The official policy against domestic violence exists.
- (d) There is a crime prevention policy. For example neighbourhood Watch Schemes are promoted but there is no distinct Crime Prevention Unit. However, section 346 of the Criminal Code lists the prevention of crime as one of the fundamental functions of the Malta Police.
- (e) Weapon control policy also exists. This is regulated by the Arms Ordinance and the Police have their own Weapons Office which caters for the issue of licences, namely for hunting purposes and collection of old weapons (i.e. manufactured before 1929).
- (f) Victim of violence assistance programme is also created. Domestic Violence Assistance Programme exists for the victims of domestic violence – children or partners. For other victims there are special social work interventions.

2. Policy and legislative changes since Habitat II

Promote social integration and support disadvantaged groups

- poor households

Poverty line has not been officially defined in our social security services system. Non-contributory benefits are based on the means test. The means test determines the income which entitles an applicant to a social security benefit. Its first part is based on Capital Resources Test. Hence, the capital owned should not exceed Lm4000 or in the case of household Lm7000 (exchange rate as of September 29, 2000 1Lm=2.21 US\$; 1Lm=2.51 Euro). The second part of the means test is income related.

However, relative poverty can be also assessed on the basis of income distribution of eligible social housing applicants. In 1999 the median income stood at Lm 2061. Median household income in 1999 was about Lm5812 (Camilleri, 1999).

Promote gender equality in human settlements development

- female – male gaps

Education

In terms of compulsory education, there are no gender gaps between boys and girls in Malta. The enrolment ratio is equal to 100% for both. Traditionally, Maltese parents value highly the education of their children and there is a strong culture of support for children who want to pursue higher levels of education. School attendance is obligatory for all pupils under 16 years of age by law.

Employment

There is a salient gender difference regarding formal employment in Malta. Total employment rate in December 1998 stood at 56%. This rate was unevenly distributed between genders. Male employment rate stood at 82% while female employment rate stood at 33%. The reason for such a low female employment rate in Malta is women's traditional role of mother and housewife and women's high engagement in informal economy, which remains unregistered. Usually, that is the work of maids, cleaners, child minders. Women also work in agriculture and fishing, care for elderly and disabled persons or private tuition offered at home etc. Some categories of this informal employment often remain hugely unrecognised. Many women also find it hard to reconcile their home and family duties with their formal employment. Frequently, they opt out from formal employment.

Formal participation in decision making

Number and nominated councillors by gender at the local level.

There are 434 councillors in Malta, 85 of which are women.

3. Institutional weaknesses and obstacles encountered

These include the lack of co-ordinative and regulatory structures, lack of data and statistics as well as obstacles of a legislative nature. The institutional set-up determines the funding rather than the needs. The Cabinet has recently approved the amalgamation of its three bodies dealing directly with housing services, namely the Housing Authority, Department for Social Housing and the Department for Housing Construction and Maintenance. We need to develop our structures so that social housing services are linked to other welfare-related services.

4. Lessons learned with emphasis on sustainability and impact

Economic development does not result automatically in social development; social development has to have a particular and specific focus. We need flexible

structures to identify and meet emerging and changing needs. In fact the Malta Council for Economic Development will be reformed into the Malta Council for Economic and Social Development; civil society will be included to the current tripartite formation (government, employers and employees).

5. Recommendations for priority action

Apart from the above we see as a priority the collaboration on research initiatives and the sharing of best practices.

Chapter Three: Environmental Management

1. Progress made since 1996, prevailing conditions, new trends, emerging issues and major areas of concern

Promote geographically balanced settlement structures

- Urban population growth

Bearing in mind the small size of Maltese population and land area, the whole country is considered to be urbanised in a direct or indirect way. In the last inter-censal period 1985-1995, the annual population growth rate was equal to 0.9%.

Manage supply and demand for water in an effective manner

- Water consumption

Daily average per capita billed water consumption by domestic sector stood at 77 litres in 1998-1999 period. This figure can be inflated by 30%-40% for actually consumed but not billed water.

- Price of water

In 1999 the average charge per year per person was Lm9.14.

Reduce urban pollution

- Air pollution

In 1994 Emissions of oxides of nitrogen equal to 43 kg per capita; sulphur dioxide 42 kg per capita; carbon dioxide 6240 kg per capita.

In future, a more detailed analysis of air quality can be expected. Presently, the measurements are taken using one mobile unit for the whole island.

- Wastewater treated

The average percentage of all wastewater undergoing some form of treatment for 1999 stood between 10% and 15%. This is considered very low. However, by year 2003 all sewage water will be treated in accordance to the EU regulations.

- Solid waste disposal

On the basis of 1997 Estimated Arisings (data Solid Waste Management Plan, p.46-47) the following solid waste disposal distribution has been obtained: landfill 33.5%; landfill and compost 27%; stockpiled 2%; incineration 1%; compost and countryside 27%; discharged into marine 0.6%; export 8.5%. Large amount of construction and demolition waste of about 1mm tonnes is also landfilled.

Prevent disasters and rebuild settlements

- disaster prevention and mitigation instruments

Building codes exist. They are currently under review.

Hazard mapping exists.

Disaster insurance is available.

- travel time

The average travel time from place of residence to place of work has been calculated on the basis of 7855 households (6.6% sample) by the Planning Authority. The data refers to trips to work only. Therefore, trips for work-purposes e.g. errands, deliveries etc. are not included. This time varies once different modes of transport are used:

Mode of transport	Average time in minutes
Total Average	20.16
Car	18.57
Car (passenger)	19.05
Bus	33.11
Coach	26.53
Motorbike	14.22
Foot	19.13
Bicycle	11.00
Ferry	24.00
Other	25.45

- transport modes

In comparison to the suggested classification of transport modes, Maltese modes of travelling to work differ slightly, for example trains or trams are not in use in Malta. The following data pertains to distribution of means of transport used to cover the longest period of a daily journey to the place of work or study.

- public transport – 21.93%

- b) car (driver) – 50.20%
- c) car (passenger) – 7.73%
- d) truck (driver) – 2.41%
- e) truck (passenger) – 0.57%
- f) motorcycle (rider) – 1.10%
- g) motorcycle (passenger) – 0.11%
- h) bicycle – 0.24%
- i) on foot – 8.63%
- j) no travel – 2.19%
- k) other – 0.26%
- l) non-respondent – 4.26%.

(information derived from 1995 Census of Population and Housing data).

Local environmental plans

- Local environmental plans

1. How many cities have established long-term strategic planning initiatives for sustainable development, involving key partners? None at town/city level. The only planning activities affecting cities are carried out by the planning Authority through Local Plans. These are carried in consultation with the various local councils, associations, etc.
2. Is this process institutionalised at the national level and/or has there been any legislative change to support cities to engage in sustainable development planning processes? The process is institutionalised through the national planning process but carried out in consultation with various Local Authorities, associations, resident's groups, NGO's, etc.
3. Has the city established a long-term strategic planning initiative for sustainable development, involving key partners? No.
4. Is the city implementing local environmental action plans involving key partners? No.

2. Policy and legislative changes since Habitat II

The main policy and legislative changes that are happening in the field of environment, concern the accession of Malta in the European Union. At present, a complete overhaul of the legislative and enforcement capabilities is necessary in this field.

3. Institutional weaknesses and obstacles encountered

Considerable weaknesses and obstacles are being encountered. These arise mainly from the geographical size of the Island, the shortage of suitably trained technical people and the low appreciation of the natural environment by the public.

4. Lessons learned with emphasis on sustainability and impact

Malta is more or less in line in its assessment of environment impact with respect to new developments. Considerable impacts remain in the case of 'old' developments, such as the Marsa Power Station and the landfill.

The question of sustainability is extremely important to Malta. At the same time, it is very difficult to apply, if we do not want to curb economic development on the Island. The fact that there is no generally accepted definition of sustainability does not make things easier. There is a tendency for every entity to view sustainability as a means how to keep current activities going, which may not be exactly environment sustainability.

5. Recommendations for priority action

There are several priorities. Dissemination of environmental information is one of them though, quite basic. The Environment Protection Department disseminates such information via its Internet web-site at www.environment.gov.mt.

Chapter Four: Economic Development

1. Progress made since 1996, prevailing conditions, new trends, emerging issues and major areas of concern

Strengthen small and micro – enterprises, particularly those developed by women

- informal employment

The Employment and Training Corporation (ETC) collects information on formal employment only. There are some rough estimates on percentages of women and men who do not engage in formal employment but perform jobs informally. However, no scientific research result is available up to date.

2. Policy and legislative changes since Habitat II

Encourage public – private sector partnership and stimulate productive employment opportunities

- public-private partnerships

During the last five years there were no major public enterprises involving delivery of services in cities, which established partnerships with private firms. However, on the country level these partnerships existed in the last five years.

At the country level there are some four major projects: Cottonera - works commenced; Manoel Island - undergoing planning process; Sea Cruise terminal and connections.

- city product

The total population of the Maltese Islands is equal to 378 thousand people (as of 1995 Census of Population). There are some 68 localities in Malta and Gozo. The whole country is considered as urbanised – directly or indirectly. Therefore, it is very difficult to decipher what would be the city product as a share in total GDP. The following are the figures for national economy: 1997 Lm1292.3; 1998 Lm1334.9 and 1999 Lm1446.8 (provisional figure, data National Accounts Section, Central Office of Statistics Malta).

- unemployment

The unemployment rates as of May 2000, stood at 5.8% for males and 2.3% for females. Total unemployment rate was 4.8%.

3. Institutional weaknesses and obstacles encountered

Present trends in the economic development of the Maltese Islands are likely to accentuate an emerging dichotomy. On the one hand, it is an increasing problem to create new jobs for the unskilled unemployed whilst, at the same time, certain potential development is already shackled by the lack of the required number of skilled personnel.

Past initiatives have been successful in increasing significantly the number of Maltese who pursue a tertiary education, however additional measures are required to improve vocational training at the intermediate level.

This aspect is currently being addressed and a new vocational training institute (The Malta College for Applied Science and Technology – MCAST) is in the process of being established.

The number of persons employed within the public sector remains very high and this has been a factor in the persistence of underemployed human resources in certain sectors of the economy (e.g. public construction works and utilities). This has conditioned negatively the development of new employment opportunities within the private sector.

The Government has launched a privatisation programme that should achieve a significant reduction in public sector employment.

4. Lessons learned with emphasis on sustainability and impact

Past experience has shown that, whereas specific issues need to be addressed and certain sectors targeted, the sustainability of policy measures ultimately requires that the 'country moves forward as a whole'. This must entail an effective link between economic and social policy initiatives. This objective is reflected in the overriding direction that has been set by Government.

This also highlights the benefit to be derived from closer ties between Government and the Social partners.

Government has actively acknowledged this last objective. Plans are in hand to extend the remit of the (existing) Malta Council for Economic Development (MCED). This should become the Malta Council for Social and Economic Development, with the direct participation of the Constituted Bodies (employers and unions) as well as of other representatives of civil society.

5. Recommendations for priority action

Recommendations for action stem directly from the analysis of questions 3 and 4 above.

Namely:

- The proposed Malta Council for Social and Economic Development
- The new Malta College for Applied Science and Technology
- The implementation of the Government's Privatisation programme.

Chapter Five: Governance

1. Progress made since 1996, prevailing conditions, new trends, emerging issues and major areas of concern

Promote decentralisation and strengthen local authorities

- level of decentralisation

1.

a. Higher levels of government can close the local government. Article 22 of the Local Councils Act, Cap 363 gives the instances when this is the case, such as persistent breach of financial responsibilities, persistent non regards to the provisions of the Local Councils Act, lack of agreement in electing the mayor, lack of agreement by the Council in approving its annual estimates or a recommendation to that effect in a report by a board appointed under the Inquiries Act.

b. Article 12 of the Act, gives the occasions when a person shall not qualify to stand for election as a member of a Council or to remain a member of it.

No person shall be qualified to stand for election as a member of a Council or to remain a member thereof if:

- a) he is a member of the House of Representatives
- b) he is a member of any disciplined force
- c) he is a person in the employment of the Council for which the elections are to be held
- d) he is a person who holds any office the functions of which involve any responsibility for or in connection with the conduct of any election of members of the Council or the compilation of or revision of any electoral register.
- e) he is an undischarged bankrupt having been adjudged or otherwise declared bankrupt under any law in force in Malta
- f) he is interdicted or incapacitated for any mental infirmity
- g) he is serving a sentence of imprisonment exceeding 12 months imposed on him or is under such a sentence of imprisonment the execution of which has been suspended
- h) he is a member of the judiciary
- i) he is disqualified from membership of the Council
- j) his name no longer appears in the Electoral Register or the Special Register.

2.

a. The local government cannot set local tax levels without permission from higher governments. There is national consensus that local authorities should not be empowered to raise local taxes.

b. The local government can set user charges for services in terms of Article 60 of the Local Councils Act.

- c. The local government can borrow funds in terms of Article 3 (1)(a) i.e. with the authority in writing of the Minister with the concurrence of the Minister responsible for finance.
 - d. The local government can choose contractors for projects in terms of Articles 39 and 40 of the same Act.
3. The amount of fund transfers from higher governments is not known in advance of the local budget setting process.

2. Policy and legislative changes since Habitat II

Encourage and support participation and civic engagement

- citizen involvement in major planning decisions

- a. Yes i.t.o. Article 71
- b. Yes vide a.
- c. Yes vide a.

A formal participatory process might involve: public announcement, receipt and processing of objections, public meetings and consultations, formation of oversight committees involving non-governmental organisations and public representatives.

Ensure transparent, accountable and efficient governance of towns, cities and metropolitan areas

- transparency and accountability

- a. Regular independent auditing of municipal accounts exist in terms of Article 65.
- b. Published contracts and tenders for municipal services exist in terms of Articles 39 and 40.
- c. Sanctions against faults of civil servants exist in terms of their contracts of service.
- d. Laws on disclosure of potential conflicts of interest exist in terms of Article 19.

- local government revenue and expenditures

Financial Year	Revenue	Expenditure	Population
1995/96	152078	5978816	382506
1996/97	506000	16351332	390507
1997/98	811061	22639368	399154
Total	1469139	44969516	1172167
3 Year average	489713	14989839	390722

Revenue per Capita: Lm 1.25 (2.70 US \$)

Expenditure per capita: Lm 38.36 (82.93 US \$)

Policy and legislative changes since Habitat II

Local self-government is statutorily established and regulated by the Local Councils Act, 1993. The Act was modelled on the European Charter of Local Self-Government, which was ratified by the Government within 3 months from the introduction of local self-government in this country (June, 1993).

The Act was extensively amended in December 1999 (after 6 years experience and evaluation of its effectiveness) with the aim of further strengthening the devolution process as well as the principles of subsidiarity.

The amendments were subject to extensive public consultation and advice from local authorities through the association which represents their interests.

In brief, the legislative review was intended to:

- facilitate further the transfer of new competencies (e.g. road re-instatement, administration of local and regional libraries, community project work, administration of public property, joint-venturing with private partners, the power of enforcement of certain legislation, the issue and renewal of certain licences);
- simplify the election of Mayors and Deputy Mayors from amongst elected local councillors;
- provide for a more accurate funding mechanism which ensures that each Council's basic funding needs are adequately met;
- provide for the creation of sub-localities (hamlets, small towns and small villages) in order to ensure increased citizen participation as well as transparency in local authorities' budgetary allocations and performance;
- provide for the protection of Council employees;

The Government intends introducing an amendment to the Constitution in order to grant recognition to the establishment of local government. In consequence, the system of local self-government will be entrenched in the Constitution, requiring a two-thirds Parliamentary majority for any subsequent amendment.

3. Institutional weaknesses and obstacles encountered

There is a number of situations where the Local Councils, in the discharge of their functional responsibilities, depend on the full support of the "central" agencies and departments. Initially, this extent of expected support was not forthcoming and the local authorities, at times, experienced difficulties in realising their objectives. Although Local Councils have the right to challenge in Court any decision which in any way interferes with the free exercise of their powers (article 38 of the Local Councils Act) certain supplementary statutory and administrative

measures were considered indispensable to ensure that the local authorities secured the level of support expected. In fact, the law was amended recently to oblige public bodies to consult Local Councils before any decisions, which directly or indirectly affect any Council and the residents it is responsible for, are taken. Additionally, a customer complaint-handling electronic system (linking local authorities with the responsible ministries) has been introduced to ensure the effective management of all citizens' complaints, which are not directly related to devolved competencies.

4. Lessons learned with emphasis on sustainability and impact

The introduction of local self-government in 1993 has not been an easy task and were it not for the enthusiasm it created in its wake and the positive response it received from the citizens (the net beneficiaries of the exercise) Government's political commitment to support it fully would still not have produced the desired changes and effect within the projected time-scale.

During the past 6 years, Local Councils have gone through the difficulties associated with the foundation of new structures and also the introduction of new initiatives.

However, most difficulties have since been surmounted and there is general consensus that the devolution exercise has been a success story. This is reflected by the increased participation and awareness of citizens in their local authorities' initiatives and the recent extensive review of the legislation which sets up Local Councils and also regulates their performance.

5. Recommendations for priority action

The further decentralisation of community services through the intensification of the "one-stop-shop" concept is high on the present Government's agenda. This will be achieved through an integrated strategy which premises *inter alia* the electronic connectivity of all local authorities with the departments and public bodies whose services will be provided through Local Councils as their front offices. Citizens will not be obliged to call at different departments or travel to other localities in order to satisfy their needs. Such services as Customer Care, the payment of Government rents, the use and access to public and the issue and renewal of certain licences, have already been included in this programme.

Chapter Six: International Co-operation

1. Progress made since 1996, prevailing conditions, new trends, emerging issues and major areas of concern

Enhance international co-operation and partnerships

- engagement in international co-operation (MSP)

2. Policy and legislative changes since Habitat II
3. Institutional weaknesses and obstacles encountered
4. Lessons learned with emphasis on sustainability and impact
5. Recommendations for priority action

Chapter Seven: Future Action and Initiatives

1. Priorities for shelter development

Housing situation in the Maltese Islands can be described as satisfactory. The dominant type of tenure is homeownership (68% of all private households). There are virtually no homeless people sleeping rough. However, a very high price-income ratio in Malta indicates a decreasing affordability in housing expressed by a steep increase in residential building land price from 25 Euro in 1980 to 285 Euro in 1997 per square meter. Social housing units are available for rent and sale at subsidised prices. Various housing schemes are introduced in order to provide financial assistance to those in need. Social integration has been placed highly on the list of priorities. In order to achieve it, one of the imperatives is the productive employment for both genders.

2. Priorities for sustainable urban development

Housing has been seen as a part of wider concept of sustainable development whereby priority has been given to productive employment, environment protection and decentralisation and transfer of powers to local governments. In terms of the latter, the Government intends to introduce an amendment to the Constitution in order to grant recognition to the establishment of local government.

3. Priorities for capacity building and institutional development

The lack of co-ordinative and regulatory structures and lack of data have been hampering the efficient provision of the needs. Considerable institutional weaknesses have been observed in various fields such as: environment, social development and local government, hampering thus the provision of services. In the future it is expected to strengthen research activities and transfer of information. Some 20% of housing stock is vacant. In the situation of high scarcity of land this cannot be tolerated any further. It has been an imperative to bring these properties back to the housing market. This would potentially increase the supply and affordability. Future economic development should be seen only in the context of sustainable development as well as land and environment protection.

4. Priorities for international cooperation

The priority should be given to further improvements in planning and building practices. Physical and urban planning and population distribution policies should go hand in hand in order to ensure maximum benefit from the utilised land and space. Multi-disciplinary approach and support to research initiatives should be encouraged in the future. Dissemination of information regarding environment is one of priorities.