



Malta Communications Authority

Strategy Update for 2017 - 2019

3rd February 2017 (MCA/R/17-2782)

Malta Communications Authority
Valletta Waterfront, Pinto Wharf, Floriana FRN1913
Tel: (356) 21 336 840. Fax: (356) 21 336 846
Website: www.mca.org.mt
e-mail: info@mca.org.mt

TABLE OF CONTENTS

1.	PURPOSE.....	3
2.	CONTEXTUAL BACKGROUND AND OUTLOOK	4
3.	KEY CONSIDERATIONS	10
4.	MISSION AND UNDERLYING PRINCIPLES.....	13
5.	STRATEGIC OBJECTIVES.....	15
6.	INDIVIDUAL STRATEGIC OBJECTIVES – OUTLOOK/KEY TASKS/NEW THRUSTS	17
7.	EXPECTED OUTCOMES	27
8.	ENSURING QUALITY AND CONTINUITY IN DELIVERY	28

1. PURPOSE

This document represents a rolling update of the Malta Communications Authority's (MCA's) strategic direction for the period 2017 – 2019. It validates established strategic thrusts and factors in any new developments that are seen to have a significant impact during the plan period.

The key thrusts identified in this Strategic Update constitute the basis of the activities that are articulated in the Business Plan for the same time-period.

2. CONTEXTUAL BACKGROUND AND OUTLOOK

The Authority has maintained a good level of progress on all policy fronts, in terms of outputs and outcomes. Most of the tasks ahead present new phases of implementation, with respect to the deliverables being addressed in the current year. Moreover, in a number of cases fresh developments, of both local and external – mainly EU - origin, will tend to influence the general strategic direction being followed in a number of policy areas. The extent of these developments is such that across the majority of policy areas the need is being felt to take stock and validate envisaged courses of action, given the changing landscape.

Overall progress in terms of results continues to be positive. Malta maintains its ranking among the front runners for a good number of KPIs, according to ongoing measurements undertaken by the EU in its Digital Economy and Society Index (DESI) Index. This said, there remain areas where scope for improvement subsists. Any such improvement will necessitate the dedication of the right amount of resources, coupled with well-targeted initiatives. Notably the promotion of the uptake of the Internet, especially in particular cohorts, remains an area where further improvements to the latest encouraging results can be made, both from a quantity and a quality perspective.

As regards electronic communications, the context by way of market developments, remains overall a positive one. The sector continues to invest and to offer new and improved services. Competitive dynamics continue to produce results that translate in the mentioned benefits to consumers. Having said this, there is always scope for a more expedited rhythm in new service deployments, price movements and service quality improvements. Perhaps one solution would be for the European Commission to fine-tune its ex-ante competition regulation rules.

These competition rules, along with a host of other areas of regulation, are now due for an overhaul that has now been formally launched by the European Commission via its Digital Single Market strategy. An outcome that is of mutual benefit to service providers and end consumers can best come about if the principle of subsidiarity, also in light of the need for regulation to cater for specific national characteristics, remains the point of departure of the new Framework.

The coming year will also see important developments in spectrum policy and management, mainly in support of the proliferation of high speed broadband, in this case via mobile means. Developments in this area are expected to be multiple and at the same time heavily interlinked. Inevitably, the question of digital terrestrial TV transmission comes to the fore. A number of other new developments, foremost among which, that related to Machine to Machine (M2M) communication, will now need to be incorporated in earnest in forward-looking spectrum plans. Space-related spectrum activities can also be developed, following a preliminary assessment of what these can entail.

The transformation of postal activity in response to changes in mail flows is ongoing. Increases in e-commerce-related post are countered by decreases in letter mail. In the case of Malta e-commerce activity is largely inbound, whereas letter mail is mainly of domestic origin. The outcome to date has been favourable to the postal incumbent, given financial results obtaining to date. Nonetheless Maltapost claims that it is incurring excessive costs as a result of its Universal Service Obligations. Any adjustments on this front would need to be incorporated into a wider exercise that takes into account potential changes in income from incoming international mail. All this has to be seen within

the context of the EU initiative on e-Commerce-related postal activity, via the launch of a draft regulation that is currently under discussion.

A key development in the course of 2016 was the implementation of the e-IDAS regulation, involving both legal and process aspects. The successful conclusion of the latter task means that Malta is fully in line with the provisions of the regulation. The opportunities that this new framework could bring about are being assessed.

Meanwhile, within a context of constantly increasing activity, the promotion of e-commerce from both a consumer as well as a business standpoint is ongoing and the tapping of EU funding with respect to business development on this front represents a welcome boost. In addition, there is also a drive to promote enabling technologies such as cloud computing as a means of lowering costs and increasing productivity and market opportunities.

The promotion of e-commerce is just one of the benefits of the information society that the MCA is pushing forward as an integral part of its agenda. Even prior to the utilisation of e-commerce, the uptake of broadband is deemed as being a key enabler in its own right. The variations in levels of e-literacy and digital inclusion are increasingly manifest along generational lines and the intention is to increase the focus of efforts towards senior citizens, who now make up the lion's share of non-users, and other disadvantaged segments of society. The registered increases in broadband uptake in the past few years are a source of encouragement to the Authority to persevere in the task of promoting the benefits of broadband, mainly among senior citizens.

The exploration of business development opportunities and innovation are a relatively recent function of the Authority. Nonetheless, this brief experience has shown that there exists the need for a catalyst in the fostering of tech entrepreneurship and digital business.

A number of initiatives set at promoting innovation and business development in the information economy are also under way.

Regulatory Mandate

Electronic Communications

In line with what had been envisaged in last year's update, the Authority's agenda has been influenced to a significant extent by initiatives launched by the European Commission. The MCA's work in 2016 has focused on two EU-driven initiatives, namely the Directive on reducing the cost of broadband deployment and the Telecoms Single Market (TSM) regulation. The former has now been transposed fully. The institutional responsibility is shared among four government entities (including the MCA), with the larger part falling within the remit of Transport Malta, given the nature of the topic. The transposition process, as well as the subsequent implementation path, have therefore presented challenges. The resultant solutions remain to be tested but are seen as representing a practical way forward.

The TSM regulation presents implementation challenges which are being addressed collegially within the Body of European Regulators for Electronic Communications (BEREC). The Authority's work programme for 2016 has therefore included a substantial body of work on the two key policy areas of the Regulation, namely Roaming and Net Neutrality. These work-streams are seen to continue in earnest in the forthcoming plan period. The debate on the practical implementation solutions is far from over.

As envisaged, the European Commission has now launched the review of the Digital Single Market. A preliminary assessment of the envisaged changes to the existing package of Directives reveals, as expected, the need for a sizeable effort on the part of the Authority to analyze the resultant impacts and present viewpoints and recommendations to the Government of Malta, as to the way forward on the various elements that characterize the proposed legal framework. The Authority is already gearing its resources to produce the best possible effort, given the longer term strategic implications of measures that are being proposed. The exercise is expected to continue throughout 2017, with the MCA involved on two fronts, namely assisting Government in the Council working parties as regards drafting, as well as, together with the BEREC, in the analysis of regulatory impacts and the proposal of practical solutions to the Commission.

All aspects concerning the deployment of high-speed communications networks, the management of spectrum, particularly in relation to high-speed mobile broadband, as well as access regulation in the high-speed environment, remain priority. Related initiatives will need to make reference to the EU policy direction that has been referred to earlier, as well as to the policy, regulatory and implementation aspects that are of national origin.

Another key feature of the envisaged EU framework has to do with the redefinition of the Universal Service Obligation (USO), and mainly the envisaged proposal for the inclusion of broadband as a USO.

EU policy has to 'best-fit' with the local scenario so as to achieve the best possible outcomes for Malta. In this respect, the allowance, on the part of the EU, of adequate manoeuvring space to Member States and NRAs is of the essence.

Meanwhile, ongoing work with regard to access regulation in the high speed environment will continue in earnest and has to be factored into the MCA's work programme. Although Malta registers the highest NGA coverage in the EU with nationwide availability, operators' deployment strategies of ultra-fast broadband access networks raise the need to adapt any regulation accordingly. Incidentally, the need for NRAs to have greater visibility and a degree of regulatory oversight in NGA deployment, forms the basis of one of the proposals being put forward by the EU in the draft framework.

Other work with respect to high quality access and connectivity services is also envisaged. Maintaining access to network elements remains a priority. This priority goes beyond SMP regulation. Whilst the Cost of Broadband Directive does not call into account the National Regulatory Authority as the arbiter of passive infrastructure sharing, the MCA will still provide, as necessary, support and guidance to sector players, other institutional players as well as to the judicial body entrusted with any disputes arising.

Spectrum policy and management are also expected to remain high on the MCA's agenda as a number of already identified milestones draw closer. Firstly the award of the 800MHz spectrum is expected to be concluded by the first quarter of 2017. This process will automatically trigger off the migration of the national multiplex. These developments had already been earmarked for 2016. However ongoing issues with international co-ordination delayed the process. These issues have now been surmounted.

Other developments in spectrum policy point to the need for a strategic review that puts together EU direction and the Maltese context. Forthcoming developments in the 700MHz band and the Internet of things (IOT), among others, will feature prominently in such a strategic assessment. A distinct, albeit related, strategy on broadcasting from a platform perspective, is also expected to take place. Preliminary work carried out in the current year will serve as the basis of a comprehensive strategic assessment in this area.

A significant upgrade of spectrum monitoring equipment is also envisaged. Such equipment is a key tool in the management of spectrum, in an environment that is increasingly dependent on this scarce resource.

Postal Services

The trends witnessed in this area continue unabated, with declining volumes in local letter-mail being offset by rising volumes of incoming mail thanks to e-commerce related activity. The outcome of this transition has translated into overall reduction in quantities on the one hand and rising revenues on the other.

Whether the trend in rising revenues continues will depend on the extent on which local operators, mainly the Universal Service Provider, can continue to maintain its positive performance in incoming mail. For the moment this seems to be the case, however it is not clear to what extent this state of affairs will continue. In the meantime, favourable revenue streams and margins from incoming mail flows have tended to mitigate any cost issues arising from Universal Service Obligations. This latter aspect can come to the fore if the situation, vis-a-vis the mentioned positive revenue streams, changes.

The proposed regulation on cross-border postal pricing presented by the EU Commission can serve to precipitate matters as far as revenues from incoming mail are concerned. This is an added reason why the Authority is working towards having rules that provide for flexibility in the application of Universal Service Obligations, in line with present-day requirements.

In the end, it is in the common interest that efficiencies in the sector are maximized and that the resultant benefits accrue to all parties.

Meanwhile, postal or near-postal activity by third parties will be kept under watch. The MCA will, through the gathering of statistical data from operators as well as through consumer perception surveys, monitor developments in the market on an ongoing basis.

E-Signatures

The successful implementation of the e-Signatures regulation is seen as being the start of an ongoing activity within the MCA. The regulatory framework and the related mechanisms, including the fee structure and the notification process, are now in place. Meanwhile, the possibility of attracting interested parties to register in Malta will be explored.

Promotional Mandate

Information Society and Economy Initiatives

The EU Commission's latest Digital Economy and Society Index (DESI) has put Malta in 11th place overall, from among the EU 28, with a 'front runner' designation, signifying ongoing progress. Malta is even more ahead in fixed broadband uptake as a % of households (5th). Notwithstanding these current placings there are still issues with Internet penetration as regards specific socio-economic categories. For example, the percentage of senior citizens who have never used the Internet is significantly higher than other front-running EU States. The efforts put in on this front to date by the MCA have been a contributing factor to the improvement of the rate of digital literacy. Having said this, more remains to be done.

Focus will continue to be placed on training of individuals most at risk in terms of the digital divide. Such training will address familiarisation with the Internet as well as practical uses such as internet banking, social media, internet safety and the use of smart phones.

The continued proliferation of public wi-fi spots is another tool that will encourage the uptake of broadband and, in particular, mobile broadband. Other initiatives set at educating on the safe and correct use of the Internet, as well as on introducing children to coding at a tender age will continue, given also the positive response to date. The topics addressed are well suited for EU funding and there is a good possibility that, as in previous years, this will be forthcoming.

The programme, insofar as increasing information society uptake, is now well established. Partly as an outcome of such initiatives and partly also to the increasingly competitive offers on the market, broadband uptake is constantly on the increase. Along the same trend, e-Commerce purchases by Maltese users, mostly from abroad, continue to rise. In order to balance this trend the Authority has in the past two years embarked on a strategy aimed at encouraging local commercial operators to increase their e-Commerce capabilities. Foremost among these initiatives is the envisaged establishment of an eLearning portal with the objective of assisting SMEs in developing the necessary skills related to eCommerce, supported by eLearning training material and online mentors. This three-year programme will be funded by the EU.

Other SME-related initiatives include increasing cloud awareness and training in digital markets, as well as maximising the use of the eCommerce portal, which aims at providing the necessary information that traders need to take into account when setting up an online presence or an eCommerce-based service.

Innovation and Investment

In line with its plans the MCA embarked on a five-pronged work-stream intended to promote and facilitate business development in relation to communications services and ICT. The experience to date has been enlightening and has yielded positive results, as evidenced by feedback obtained. The Authority was active in provoking and facilitating dialogue and growth of digital businesses in Malta, either through own initiatives, or in synergy with other stakeholders active in this field. This culminated in the organisation of the largest event on digital businesses ever organised in Malta, ZEST. The intention is to establish this networking activity as an ongoing feature of Malta's digital business start-up scene.

The initial feedback on this business development initiative has been encouraging to the extent that it will continue in earnest. Activity will be undertaken under four, mutually reinforcing thrusts, with the objective of: (i) fostering an innovation culture; (ii) facilitating an environment for tech entrepreneurship; (iii) growing Malta's digital business community; and (iv) increasing visibility for Malta's digital business community. Regular monitoring of outputs and outcomes will be established, bearing in mind, however, the inherent difficulties entailed in establishing KPIs in a situation where fall-out is not easily quantifiable.

As far as the more conventional communications infrastructure aspects are concerned, the international link project, initiated last year, will now enter a new phase, which primarily comprises of the establishment of the capital investment and operating models, the setting up of a joint venture that will eventually procure and manage the cable, exploration of the different sources of funding and work on state aid approval.

Another initiative, to which reference has already been made, will be the continued exploration of opportunities in relation to communications services involving space. The first year of activity in this area has been largely exploratory but has yielded benefits in that the Authority has not only identified and delineated its boundaries but has, in the process, teamed up with other institutional players to form a forum dealing with space matters. Further envisaged activity by the Authority in this area will therefore take place in a structured fashion. The MCA will also support local industry and academia participating in Galileo projects.

Initiatives undertaken in this area are based on a clear legal mandate that is provided under Article 4(3) of the Malta Communications Authority Act (Cap 418).

3. KEY CONSIDERATIONS

The underlying context to the Strategy Update for the period 2017-19, provided in Section 02, effectively translates into the following key considerations:

- Facilitating the deployment of high speed electronic communications networks remains a priority.
- Regulatory measures will continue to support both infrastructure- and service-based competition, in the new high speed environment.
- The Authority will continue to support a review of the ex-ante concept of Significant Market Power (SMP) in light of the potential issue of oligopolies – this topic should be addressed as part of the Digital Single Market review.
- Variety of consumer choice needs to subsist in an NGA environment.
- Increasingly regulation will tend to symmetric obligations.
- The International dimension of the Authority's work, especially with regard to the electronic communications and information society fields, will necessitate the dedication of adequate resources, given the foreseen demands.
- The Authority will, in particular, need to deploy the necessary resources to analyse the Commission's Digital Single Market proposals, which, from information at hand, will propose significant reviews to a number of key areas, with resultant impacts on various stakeholders.
- Active participation in BEREC and EU fora carries renewed importance in view of the need to consistently put forward Malta's position, particularly in areas where local conditions present a marked difference from mainstream ones.
- The assumption, by the Authority, of ex-post powers in the areas it regulates remains a viable option.
- Additional consumer-related powers would also render the Authority more effective in the execution of its mission – this would enable the application of a one-stop shop concept, to the benefit end-users .
- An assessment of quality of consumer experience, with focus on fixed and mobile broadband, serves to give a more comprehensive picture of service delivery.
- Net neutrality, beyond its value 'per se', forms an integral part of broadband QoS and QoE.

- Consumer protection will continue to be addressed through a mix of information and enforcement.
- Wider public awareness of the MCA means better dissemination of information to users as to their rights and the continued development of the Authority's communications strategy remains a priority.
- Spectrum policy and management are best exercised at the level national jurisdiction, within an overall European and international strategic and high level policy framework.
- The final clearance date for the 700MHz band is now known - a widespread review of terrestrial television transmission policy has commenced and stakeholders need to be engaged at the earliest.
- Services will be delivered within an adequate level of network security and resiliency.
- Following extensive discussions with stakeholders, it is established that the drawing up of a space communications strategy will focus on deliverables that are consonant with the Authority's current communications and information society remit.
- ICT user-oriented training programmes will be targeted specifically at the most vulnerable groups and individuals in order to bridge the digital divide, but will also serve to encourage youngsters to eventually take up IT as a profession.
- The implementation of the e-IDAS regulation presents both challenges and opportunities, in the latter case via the possible establishment of Malta as a venue for registration of certification services provider.
- The main challenge in a liberalised postal market will be ensuring the sustainability and currency of the universal service in an openly competitive environment, in the face of declining letter mail volumes.
- The Authority will be providing the necessary assistance to Maltese SMEs and micro-enterprises to embrace ICT more, particularly eCommerce
- Connectivity is key and Malta's insularity presents a singular dimension in this respect.
- The attraction of communications activity to Malta should ultimately be of direct benefit to operators in that it increases demand for networks and services.
- Home-grown innovation in the ICT sector will be encouraged and assisted.

The above considerations effectively serve to shape this Strategy Update. While a number of these have already been identified in the preceding update, others, notably items relating to innovation and space communications, constitute new developments.

4. MISSION AND UNDERLYING PRINCIPLES

The MCA's mission statement is stated hereunder:

- **To promote and safeguard sustainable competition, customer choice and value for money in the electronic communications, e-commerce and postal sectors, and**
- **To facilitate the development of an environment that is conducive to investment, innovation, social inclusion and economic growth.**

The Mission Statement is reviewed annually and amended from time to time in order to maintain its currency vis-à-vis the MCA's evolving mandate.

In carrying out its mission the MCA is committed to performing in a manner that is transparent, proportionate, non-discriminatory and objective. The MCA's mission statement embodies a set of principles, which the Authority holds central to all the activities that it carries out, and namely that:

- The objective of competition regulation is the attainment of a range of communication services of high quality and competitive prices, provided by multiple sector players.
- In the absence of competition, regulation will seek to simulate the effects of competition.
- Competition regulation should ideally consist of a co-ordinated raft of ex-ante and ex-post tools.
- In reaching its regulatory objectives the Authority shall make use of both asymmetrical and symmetrical regulatory tools.
- Regulation will cater for the interests of consumers but will also take into account the exigencies of service providers.
- Regulation will respect the principle of technological neutrality and be sufficiently flexible as to facilitate change and innovation.
- Beyond regulation, timely and relevant information to stakeholders is another important means of safeguarding consumer interests.
- The Authority's decisions will be reasonably transparent and accessible to all in order to facilitate decisions by market players, policy makers and other stakeholders.
- The need for consultation with all stakeholders concerned remains a cornerstone of transparency, particularly in situations where significant changes are foreseen.

- The MCA's activity should serve to overall contribute to Malta's transition to a knowledge society and economy and to the maximisation of social and economic welfare.
- The MCA will advise Government on all aspects in relation to its mandate and in the provision of such advice will give due weighting to local sector circumstances.
- Any MCA advice to Government regarding rights of use will be based on criteria that balance the need for Government to maximise the economic value of its assets with the impact of their utilisation on society and the wider economy.
- The Authority will be proactive in promoting Malta as an ideal venue for investment in communications intensive activities.
- The pursuit of innovation shall be treated both as a culture (inspiring, facilitating and concerting discussion and foresight) and as a function (stimulating, facilitating and promoting the growth of digital business activity in Malta).
- In order to achieve its mission the MCA needs to have the necessary freedom to operate, whilst remaining accountable with respect to achieving Government's policy objectives.
- The MCA will consistently seek collaboration from Governmental and other institutions in the pursuit of its mandate.
- The MCA's performance will be measured on an ongoing basis by a series of established KPIs.

5. STRATEGIC OBJECTIVES

The MCA's Strategic Objectives for the period covered by this Plan may be seen below. As with the Mission Statement, these objectives are reviewed on an annual basis and changed or fine-tuned to maintain full consistency and currency with the MCA's mandate in the context of the fast-changing environment in which it operates.

Thus the Authority's objectives change over time according to the priorities that it sets in line with emerging sector trends. A substantial review took place last year in order to place due emphasis on policy areas that have gained prominence in the Authority's mandate. No changes are seen as being necessary in the current update. Thus, as far as concerns the Authority's mission statement and strategic objectives the forthcoming year represents continuity at the strategic level.

Having said this, it is felt that a degree of review and consolidation will be necessary in a number of policy areas, albeit for varying reasons, hence the intention to carry out a number of focused sector reviews. In all instances, the intention is to give more clarity to stakeholders from a forward-looking perspective.

The MCA's Strategic Objectives are the following:

Electronic Communications

- T1 - Promoting and safeguarding competition in the electronic communications sector.
- T2 - Ensuring that electronic communications undertakings provide a transparent, value-for-money service to users whilst adhering to incumbent social obligations.
- T3 - Contributing to the development and implementation of electronic communications regulatory policy.

e-Commerce

- E1 - Facilitating the development and uptake of eCommerce and other online services.
- E2 - Supervising the provision of electronic signatures and trust services.

Postal Services

- P1 - Safeguarding sustainable competition in the Postal Sector.
- P2 - Ensuring that postal undertakings provide a transparent, value-for-money service to users whilst adhering to incumbent social obligations.
- P3 - Contributing to the development and implementation of Postal regulatory policy.

Information Society

IS1 - Achieving widespread e-literacy and digital inclusion.

Business Development and Innovation

IN1 – Promoting and facilitating business development and innovation in the sectors under the MCA's purview.

The MCA's projects and ongoing tasks will all be targeted to address any one of the above strategic objectives, barring activities of an internal nature.

6. INDIVIDUAL STRATEGIC OBJECTIVES – OUTLOOK/KEY TASKS/NEW THRUSTS

The MCA's major thrusts for the period under review, categorised by Strategic Objective, are outlined below:

Strategic Objective T1

Promoting and safeguarding competition in the electronic Communications Sector.

Outlook

- Maintaining conditions for a multi-player scenario in an NGA environment.
- Facilitating the deployment of fixed and mobile NGA networks.

Key Tasks

- Awarding 800Mhz and starting process to clear 700Mhz band.
- Review of the National Spectrum Management Strategy.
- Commencing scoping work on spectrum earmarked for 5G.
- Continuing transition to access regulation in NGA environment.
- Facilitating the Deployment of NGA networks.
- Maintaining the compliance framework set at safeguarding a competitive environment.
- Analysing sector performance and informing sector players of state of play.
- Continue making the case for assumption of ex-post competition regulation powers.

New Thrusts

- Key thrusts remain the same, with NGA as the primary focus.

Key Performance Indicators

The MCA will continue to monitor progress vis-a'-vis this objective via the following key performance indicators:

Strategic Objective T1 – Key Performance Indicators

- Movements in number and variety of market players, as well as relative market shares.
- Price movements.
- Availability of updated interconnection agreements, Reference Offers and cost oriented charges, where these are required.
- New service offerings.
- Overall sector volume indicators.

Strategic Objective T2

Ensuring that electronic communications undertakings provide a transparent, value-for-money service to users whilst adhering to incumbent social obligations.

Outlook

- Maintaining focus on consumer empowerment and protection.
- Charting the way forward for TV service provision with emphasis on terrestrial transmissions.
- Implementing the last phase of the Telecoms Single Market (TSM) regulation.

Key Tasks

- Providing information to consumers via campaigns on relevant media.
- Extending Broadband Quality of Service (QoS) to Quality of Experience (QoE).
- Strengthening the MCA's powers vis-a-vis consumer protection.
- Implementing the Telecoms Single Market (TSM) provisions (roaming rules and net neutrality) and related monitoring requirements.
- Ensuring network integrity.
- Finalising migration of General Interest TV transmission from the 800 MHz band.
- Continuing strategic review of TV transmission.
- Managing the compliance framework in electronic communications and spectrum activities, including the procurement of key equipment for the purpose.

New Thrusts

- Increasing emphasis on Broadband performance in both fixed and mobile platforms.

Key Performance Indicators

The MCA will continue to monitor progress vis-a'-vis this objective via the following key performance indicators:

Strategic Objective T2 – Key Performance Indicators

- Publicly available information relative to required QoS measures.
- Stakeholders' perceptions of the overall value and quality of services provided.
- Stakeholders' perceptions of the regulator.
- % of complaints placed with MCA dealt with satisfactorily.
- No. of ongoing inspections/site visits (interference, radiation, market surveillance etc.) and outcomes.

Strategic Objective T3

Contributing to the development and implementation of electronic communications regulatory policy

Outlook

- Providing input to Government on the EU's Digital Single Market Strategy and other EU proposals.
- Contributing to establishment of positions within BEREC and other international fora.

Key Tasks

- Providing ongoing advice to Government on the Digital Single Market (DSM) proposal.
- Interacting at BEREC and RSPG in pushing forward MCA and Malta perspective.
- Participating in EU meetings, BEREC work-groups and other fora.
- Providing input to Government as necessary vis-a-vis the Malta EU Presidency in 2017.

New Thrusts

- Shifting of emphasis towards the DSM initiative.

Key Performance Indicators

The MCA will continue to monitor progress vis-a'-vis this objective via the following key performance indicators:

Strategic Objective T3 – Key Performance Indicators

- The MCA will, on an ongoing basis, evaluate the effectiveness of participation in EU and international fora, as well as the provision of related advice to Government.

Strategic Objective E1

Facilitating the development and uptake of eCommerce and other online services.

Outlook

- Validating Strategic Direction.
- Focusing on eCommerce uptake by business.
- Increasing public confidence in e-commerce.

Key Tasks

- Reviewing the eCommerce strategy at the half-way mark.
- Setting up an (EU funded) eLearning portal for SMEs.
- Increasing awareness of digital markets and the Cloud in the business community.
- Providing free training on online transactions to individual citizens.
- Maintaining an updated information database on e-Commerce activity, organising stakeholder fora and commissioning of surveys of public usage and perceptions of eCommerce.

New Thrusts

- More focus on SME preparedness to embrace eCommerce solutions.

Key Performance Indicators

The MCA will continue to monitor progress vis-a'-vis this objective via the following key performance indicators:

Strategic Objective E1 – Key Performance Indicators

- e-Commerce uptake figures.
- Public awareness of the regulatory role of the MCA.
- Public awareness of their rights with respect to e-commerce.
- Service provider awareness of their legal obligations.
- Public perception with regard to the security of e-commerce transactions.

Strategic Objective E2

Supervising the provision of electronic signatures and trust services.

Outlook

- Implementation phase of e-IDAS.

Key Tasks

- Monitoring the progress of e-IDAS regulation on the ground and establishing related policies and procedures.
- Exploring the business potential of trust services providers.

New Thrusts

- Exploring business potential.

Key Performance Indicators

The MCA will monitor progress vis-a'-vis this objective via the following key performance indicators:

Strategic Objective E2 – Key Performance Indicators

- The attainment of a registration process for CSPs and the relevant monitoring mechanism will be the KPI for this strategic objective.
- Other KPIs for E1 as may be relevant for this objective as well.

Strategic Objective P1

Safeguarding sustainable competition in the postal sector.

Outlook

- Management of regulatory framework.

Key tasks

- Enhancing MaltaPost's Price Control Framework.
- Management of Postal compliance framework.
- Monitoring of postal market activity via collection and analysis of data.

New thrusts

- Key thrusts remain the same.

Key Performance Indicators

The MCA will continue to monitor progress vis-a'-vis this objective via the following key performance indicators:

Strategic Objective P1 – Key Performance Indicators

- Number of postal services providers in the various postal markets.
- Postal volume, price and other relevant trends.
- New service offerings.
- Universal Service Provider making reasonable return on capital.

Strategic Objective P2

Ensuring that postal undertakings provide a transparent, value-for-money service to users whilst adhering to incumbent social obligations.

Outlook

- Ensuring sustainability of the Universal Service.
- Ensuring that postal services sustain, among others, eCommerce provision.

Key Tasks

- Implementing the regulation on cross-border parcel delivery following its envisaged coming into force in mid-2017.
- Determining way forward vis-a'-vis universal postal service obligations.
- Providing relevant information and assistance to consumers of postal services.
- Managing the compliance framework.

New Thrusts

- Key thrusts remain the same.

Key Performance Indicators

The MCA will continue to monitor progress vis-a'-vis this objective via the following key performance indicators:

Strategic Objective P2 – Key Performance Indicators

- QoS performance statistics in relation to set targets.
- USP and MCA Complaints statistics.
- Public and business perceptions (biennial).

Strategic Objective P3

Contributing to the development and implementation of Postal regulatory policy.

Outlook

- Providing input to Government on EU proposals, as well as on national matters.
- Contributing to establishment of positions within ERGP and other international fora.

Key Tasks

- Following the development of the EU proposed regulation on cross-border delivery, and providing the necessary input to Government and ERGP up to enactment.
- Providing policy advice to Govt on EU and other international matters as well as on aspects that are national in scope.
- Contributing to fora and related working groups of the ERGP, Postal Directive Committee and other related bodies.
- Providing statistical and other relevant information to EU and other international fora to which the MCA is affiliated.

New Thrusts

- The draft regulation on cross-border delivery presents potential implications.

Key Performance Indicators

The MCA will continue to monitor progress vis-a'-vis this objective via the following key performance indicators:

Strategic Objective P3 – Key Performance Indicators

- The MCA will, on an ongoing basis, evaluate the effectiveness of participation in EU and international fora, and the quality of its advice to Government on international matters.

Strategic Objective IS1

Achieving widespread e-literacy and digital inclusion.

Outlook

- Targeting of specific socio-economic sectors of the population on the basis of statistical evidence.
- Strategic re-alignment of activity is envisaged.

Key Tasks

- Implementation of targeted digital inclusion programmes.
- Promotion of Website use for social purposes.
- Further proliferation and upgrading of free wi-fi hotspots.
- Continuation of coding experience amongst children.
- eBusiness Awards.

New Thrusts

- Strategic re-alignment is envisaged.

Key Performance Indicators

The MCA will continue to monitor progress vis-a'-vis this objective via the following key performance indicators:

Strategic Objective IS1 – Key Performance Indicators

- Internet uptake figures:
 - No. of Maltese households connected;
 - No. of individuals using Internet frequently;
 - No. of individuals in employment using Internet frequently;
 - No. of individuals aged between 60 and 75 using Internet frequently;
 - No. of persons who have never used the Internet.
- Public perceptions on the benefits of ICT for domestic and business use:
 - No. of Businesses using ICT;
 - No. of businesses using the Internet.

Strategic Objective IN1

Promoting and facilitating business development and innovation in the sectors under the MCA's purview

Outlook

- Promoting and facilitating business development in relevant communication niches.
- Ensuring redundancy in Malta's international connectivity.

Key Tasks

- Consolidating the function – and related activities - tasked with promoting and facilitating innovation and digital business growth.
- Developing untapped potential of spectrum and any related activities.
- Supporting wireless research and development.
- Embarking on the next stage of the international connectivity project.

New Thrusts

- Key thrusts remain the same, with emphasis shifting from development to delivery.

Key Performance Indicators

The following are the envisaged key performance indicators relative to this strategic objective:

Strategic Objective IN1 – Key Performance Indicators

- Level of activity / number of hits on the MCA Innovation Observatory:
 - No. of member organisations in the innovation stakeholder network;
 - No. of studies conducted as a result of intelligence building activities.
- Level of participation (attendees and representation) in MCA organised events:
 - No. of times Malta digital business ecosystems promoted at international events;
 - Malta's ranking in international reports on digital businesses.
- New and innovative services, or improvements on existing services deployed, trialled in or offered from Malta.
- Assessment of Malta's performance in this area vis-à-vis any comparable benchmarks.

7. EXPECTED OUTCOMES

The MCA's activity should result in a series of envisaged outcomes. It is accepted that a particular year's results are not necessarily a direct consequence of that year's activity. Nonetheless the measurement of these outcomes serves to provide focus and direction to the organisation. The main envisaged outcomes are the following:

Electronic Communications

- Progress towards deployment of multiple NGA fixed and mobile networks.
- Continued improvements in choice and value of retail services especially in broadband.
- Uptake of existing and new technologies and services.
- Results overall in line with Europe 2020 targets.

eCommerce

- Increased volume of inward- and outward-bound eCommerce.
- Increased number of enterprises selling online.

Postal

- Postal USP making reasonable returns and in line with QoS targets.
- Postal sector competition in one or more areas, or e-substitution exerting pressure on prices.

Information Society

- Increased participation (whether in terms of number of users or extent of individual usage) of citizens and businesses in the information society.
- Increased use of the cloud as an enabling technology for SME transformation.

Business Development

- Increased levels of participation in MCA initiatives.
- Malta's performance vis-a-vis any comparable benchmarks.

As part of the organisation's ongoing programme of performance measurement, the above indicators will form part of individual employees' reward system under the performance measurement programme. This is intended to further raise staff awareness relative to the impact of the organisation's activity (and their individual contribution to such activity) on Maltese society.

8. ENSURING QUALITY AND CONTINUITY IN DELIVERY

In order to ensure quality and continuity in the execution of its mandate the MCA focuses on a number of fundamental components, which it reviews in a process of continuous improvement:

Performance Planning and Review

The MCA is committed to maintaining an efficient and effective strategic and business planning function together with the monitoring of actual performance against set targets. Performance planning cascades from the strategic and business planning tier to individual staff performance planning programmes. All these components are co-ordinated and regularly reviewed and updated in a process of continuous improvement.

The MCA consistently ascertains the validity of its performance by reviewing its activities on an ongoing basis, assessing whether outputs and outcomes are being attained and reviewing its plans accordingly.

Human Resources

The MCA is committed to ensuring that it retains a knowledge-based organisation that is adequately staffed and structured in order to be able to optimally address its mission and mandate.

Performance-based activity permeates down to the individual level by means of individual performance assessments, which tie in to the achievement of organisational goals. As indicated in the previous section, the MCA extends its staff performance measurement and reward system to include outcome indicators that are a reflection of the organisation's progress in meeting its strategic objectives.

Staff motivation is considered a key element for the success of the MCA's mission. The MCA is committed to maintaining an environment that brings out the best in the people it employs.

The MCA places high value on the ongoing training of staff in both soft and hard skills and is committed to periodically carry out a structured programme across the entire organisation as the basis for its training schedule. Such structured training is over and above the 'on the job' knowledge gathering that takes place on an ongoing basis.

Outsourcing of Expertise

In those instances where it is feasible to do so, the MCA will outsource requirements for services whenever these involve the need for specific expertise that is not available within the Authority. The MCA will also consider outsourcing where the need for such services is short-term, and mainly serves to address a pressing need. The MCA is committed to dedicating the necessary resources towards the management of contractors, with a view to obtaining the best possible value in services received both in terms of contracted outputs as well as via knowledge transfer.

Organisation

An organisation that operates in a highly dynamic environment needs to have the in-built flexibility to adapt to changing circumstances. The MCA retains such flexibility via a matrix mode of operation that cuts across formal organisational boundaries and brings together staff from various units and disciplines together to work on specific assignments.

As new functions are assumed the MCA will dovetail these with its business in as seamless a manner as possible. The MCA mission, strategic and business objectives, organisation structure, policies and procedures will be updated to reflect the new state of affairs.

Physical Resources

If it is to function at desired levels and empower its staff to achieve optimal performance, the MCA will ensure that they are adequately equipped to carry out the job. In this respect this organisation is committed to providing the environment that is most conducive to productivity. It will do this by providing adequate premises and ICT resources as well as other logistical support as required.

The MCA also deems information management as being a fundamental resource to this organisation, and will see to setting up new information systems as necessary, as well as maximising the potential of existing ones.

Financial autonomy represents another important pillar in the maintenance of the MCA's status as an independent regulator. The MCA will follow principles of good governance, ensuring that it has adequate finances to meet its mandate and that it delivers the best possible service to stakeholders. In so doing this organisation will also ensure that it is fully accountable for its activities and related incomes and expenditures.

The MCA will continue to ensure that financial reporting reflects the activities carried out and the related sources of funding. The Authority will dedicate the necessary resources towards maintaining its accountability framework to the highest standards.

In order to be able to deliver its programme the MCA requires the collaboration and timely input of other institutional players, not only in the areas of HR and Finance but also in the case of tendering requirements and in instances where projects span a number of government bodies. In the same spirit the MCA will provide timely and quality input to institutional players whenever such is reasonably required.