

## **Strategic Plan Update for 2011 - 2013**

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## **01. Purpose**

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This document represents a rolling update of the Malta Communications Authority's (MCA's) strategic direction for the period 2011 – 2013 and thereby factors in any developments that are seen to have a significant impact on the Authority's established strategic direction.

## 02. Contextual Background and Outlook

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In the course of 2010, the Malta Communications Authority (MCA), fulfilled the key elements of its established programme across all sectors under its purview, both with regard to new initiatives as well as in the case of ongoing regulatory activities and the promotion of the Information Society.

Within the electronic communications sector, activity centred predominantly around a good number of priority initiatives, ranging across all component services, namely broadband, TV transmission, fixed and mobile telephony, leased lines and cross-cutting wireless services. Whilst the facilitation of a competitive environment remained a key focus, the volume of work on the social and consumer related aspects gained ground significantly.

On the competition front, the MCA continued with its painstaking work aimed at providing more choice to users of fixed line broadband and telephony, mainly via a local loop/sub-loop unbundling (LLU/SLU) requirement on the operator found to have Significant Market Power (SMP). The refinement of the current LLU Reference Unbundling Offer (RUO) was the centrepiece of such work during 2010. Preparatory work for a similar exercise in SLU has also commenced and is expected to be completed in the course of 2011.

The profile of SLU has risen somewhat, given the technology developments in fixed networks, witness the increasing deployment of fibre-to-the-cabinet (FTTC), which enables the provision of higher speeds in broadband. This solution necessitates a formal SLU access offer that would enable service providers to gain access to the SMP operator's network at fair and transparent prices.

The MCA needs to look beyond FTTC and into the eventual rollout of Fibre-to-the-Home (FTTH). Among others the Authority needs to ensure that the transition from copper to fibre will not jeopardise present or future access arrangements. The articulation of the necessary regulatory framework for this (potentially not so distant) future state of affairs, is another key area that the MCA has already started to address in 2010 and that will continue to be a mainstay in the Authority's work-plan for 2011.

As intimated above, ex-ante regulation necessitates a finding of SMP in the respective markets that are analysed. The MCA will, in the course of 2011 and 2012, finalise the second round of market analyses in line with its mandate.

Overall, most markets remain characterised by the presence of two main players, with the notable exception of the wholesale mobile call origination market where the players are three. Despite manifest improvements in value for money, retail market dynamics in several areas, including mobile telephony, remain such as to induce the Authority to maintain a high level of scrutiny on market developments.

Ultimately, however, the final say remains with the EU Commission, which has right of veto on the MCA's decisions in this area, on the basis of rather rigorous criteria. These are even more demanding in joint dominance scenarios, which, given the market situation, are arguably more likely in Malta than in practically all the remaining Member States.

On a consumer oriented plane the Authority remains committed to protect users, within the powers currently afforded by legislation. Quality of Service commitments need to be maintained throughout by all undertakings in the sector (although incumbent obligations on the Universal Service Provider remain more stringent) and need to embrace not just the traditional fixed telephony service

but all ubiquitous services provided. The MCA has already commenced with widening the scope of its monitoring function by embarking on preparatory work relative to broadband service provision and will continue with the implementation of broadband service monitoring in 2011.

Quality of Service monitoring is a complex, resource hungry exercise and care needs to be taken so that costs do not, in the end, outweigh benefits. Even so, there may be other areas, apart from Broadband, where market forces will need to be supplemented by QoS measures.

A series of impending changes in legislation, emanating mainly from the changes to the EU electronic communications framework, should see a widening of the MCA's mandate on consumer issues.

Network security and resiliency remain another cause for concern to the Authority, much along the same lines as the rest of Europe and the World. Throughout 2009 and 2010 the MCA successfully tackled the issue of resiliency in international connectivity by ensuring that international link operators will be in a position to buy capacity from each other in case of connectivity problems on their own link. The MCA will now look to ensuring that measures being undertaken by operators in other areas of the network are such as to ensure that security and redundancy are maintained to the necessary levels.

Other key areas of a socially sensitive nature that are expected to feature high on the MCA's agenda are the Digital Switchover and Base Station monitoring. In the case of the former the groundwork will have been laid in 2010 in time for implementation in 2011. With regard to Base Station Monitoring, this is an ongoing exercise that necessitates constant vigilance. The MCA will maintain the tempo of its rolling audit programme and meanwhile continue to streamline the process such as to maximise public welfare in line with standards promulgated by the Health Authorities as well as transparency in application.

The possibility that the EU Commission will propose to elevate the right to a broadband service to the level of a Universal Service Obligation will need to be followed through by Malta and the relevant cost/benefits weighed carefully, bearing in mind our national circumstances. This possible move would come as part of the envisaged review of the Universal Service Directive. The co-ordination of Malta's contribution to the relative discussion is one of several international obligations incumbent on the MCA.

Overall, international obligations are expected to remain intense and will necessitate the dedication of adequate resources such that the national interest is safeguarded to appreciable levels. EU, as well as CEPT and ITU, spectrum related initiatives envisaged for 2011 and 2012, will also entail the dedication of substantial MCA resources to cover and contribute to as many initiatives as can effectively be covered. Here as well the issue of national circumstances vis-a-vis proposals for international harmonisation of standards and national approaches cannot be underestimated.

Innovation in electronic communications shows little sign of slowing down and the MCA will need to continue monitoring developments and analysing their possible future impact on the sector.

A cross-cutting spectrum management programme has been drawn up, partly in continuation of initiatives that were either planned or initiated during 2010. Spectrum remains a key enabler of competition as well as for the deployment new and innovative services.

Locally, the e-commerce sector presents encouraging volume increases, albeit in a country-inbound direction. The MCA remains committed to strengthening the sector via the appropriate regulatory framework, the boosting of public confidence in this mode of transaction and the promotion of e-commerce as a tool for enterprise. EU funding has also been obtained in order that the MCA may further its activity towards reaching established goals.

Meanwhile, the EU Commission has expressed disappointment with the Europe-wide performance of e-Commerce and has made clear the intention of a review of the relevant directive with a view to ameliorating trade via e-commerce. Malta will need to participate in the envisaged review. This is another international activity of substantial weight that the MCA will need to gear up to in 2011 and beyond.

Beyond e-commerce, the promotion of the Information Society remains very much a priority for Malta. The MCA will continue to follow its remit mainly via established initiatives such as the proliferation of hot-spots in public places and the provision of e-literacy courses. The issue of internet safety for children is another key area for attention and relevant EU funding has been sourced for the purpose.

The postal sector remains characterised by the omnipresence of the incumbent operator, but developments in certain areas of the postal service have provided a preliminary indication that competition may be sprouting in certain areas. Meanwhile, the deadline for full liberalisation – the 1<sup>st</sup> of January 2013 – draws closer. The MCA has already kicked off an internal assessment of changes that may need to be made to the postal regulatory framework in order to cater for the fully liberalised situation. The policy formulation exercise is set to be finalised in 2011, in time for implementation during the following year.

The establishment of tariff realignment requirements across the Universal Service Provider's service portfolio is another necessary liberalisation building block that, following a preparatory phase in 2010, will constitute a sizeable chunk of the postal regulation work programme during 2011 and the subsequent year. Meanwhile due account of international developments relative to Terminal Dues will also need to be taken, given the potential impact on local tariffs.

As with the electronic communications sector, the quality of service aspects of postal service delivery in Malta remain a key concern of the MCA. In the case of the Universal Service Provider (USP) the regulatory and monitoring framework has effectively been set up and 2011 should see mainly initiatives set at maintaining the framework built to date.

In the course of the Plan period a number of alternative operators might be operating within the Universal Service Area and they, too, will reasonably need to provide reassurance that they are operating within acceptable quality of service parameters.

Internationally, participation in postal fora is expected to remain on the same plane, although a shift in emphasis from CERP to the EU Commission - with the establishment of the European Regulators Group for Postal Services (ERGP) - looks to be in the offing. The MCA will need to ensure that it minimises overlap in its participation at such fora, although it is expected that CERP and EU Commission will come together and tackle any ambiguity in their respective roles and work programmes in the first instance.

Overall, the environment that influenced the MCA's strategic direction in 2010 is set to continue in 2011.

### 03. Environmental Considerations

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The contextual environment underlying the Strategic Plan period 2011 - 2013 provided in Section 02 remains broadly similar to that outlined in the previous Plan Update and effectively translates into the following key considerations:

- The existence of two or more operational networks and services in most electronic communications markets necessitates a very cautious approach to market analysis, such that instances of over- or under- regulation are avoided and that effective competition in the longer term is safeguarded.
- The evolution of electronic communications access networks towards more versatile 'next generation' networks that is gradually coming to fruition, brings forth two key requirements: namely that Malta needs to continue to be abreast of technology developments and that meanwhile there needs to be a guarantee that the key elements for a competitive environment will continue to subsist in the new scenario.
- Operators' NGA deployment plans need to be made known to the regulator in line with its legal mandate.
- The need to ensure that networks and services are adequately safeguarded via the necessary security and resiliency measures, subsists.
- A sustained focus on matters to do with consumer protection, including close collaboration with the Consumer and Competition Division on related issues, is called for as competition drives the number and variety of offerings up, leading to increased complexity – and possibly lack of clarity - in choice for consumers.
- It is the intention, in line with EU guidelines wherever practicable, for flexible and efficient utilisation of radio spectrum within an overall context of sustainability.
- The upgrading of the legislative and regulatory framework will continue to be substantial, driven by EU-led initiatives as well as identified national requirements. There is the need to start lining up as of now for the gradual opening up of the Postal Market in 2013, and to consolidate quality of service delivery in the meantime.
- The now established role of the MCA as the champion for the uptake of ICT in all facets of Maltese society and the economy will continue along established lines.

## 04. Mission and Underlying Principles

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The MCA's mission statement is reiterated hereunder:

- **To regulate the electronic communications, e commerce and postal sectors with a view to achieving sustainable competition, enabling customer choice and value for money, and**
- **To facilitate the development of an environment that is conducive to investment, innovation and continued social and economic growth.**

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 implies a number of principles, which the Authority needs to hold central to all the activities that it carries out. The updated list may be seen below:

- The realisation of a range of communication services of high quality and competitive prices is best achieved through the development of fair and sustainable competition.
- In the absence of competition, regulation will seek to simulate the effects of competition.
- Regulation will cater for the interests of consumers but will also take into account the exigencies of service providers.
- Regulation will tend towards technological neutrality and be sufficiently flexible such as to facilitate change and innovation.
- The Authority's decisions will be reasonably transparent and accessible to all and sundry in order to facilitate decisions by market players, policy makers and other stakeholders.
- Network security and resiliency, as well as other less critical quality of service aspects will be a service-delivery requirement for market players in all MCA-regulated sectors.
- The MCA's activity should serve to overall contribute to Malta's transition to a knowledge society and economy and the maximisation of social and economic welfare.
- Individual citizens and businesses will be encouraged to embrace ICT as a key enabler.
- The MCA will contribute, at an international level, to the discussion on the development of the regulatory framework relative to the sectors within its remit and, in so doing, ensure Malta's interests are adequately represented in such fora.
- The MCA will, on an ongoing basis, measure its outputs and assess the effectiveness of the outcomes of its activities.

## **05. Validation of Strategic Objectives**

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The MCA's Strategic Objectives for the period covered by this Plan update are stated below:

### **Electronic Communications**

- T1 - Regulating an electronic communications environment that is capable of sustaining competition among existing providers whilst ensuring ease of entry to new undertakings.
- 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 ongoing discussion, at an international level, on the consistent development of the electronic communications regulatory framework and related issues.
- T4 - Facilitating innovation in the provision of broadband and other services, via ongoing research and the continued development of the policy and regulatory environment.

### **e-Commerce**

- E1 - Facilitating e-commerce uptake and the use of electronic signatures, via the ongoing development of the legal, institutional and regulatory frameworks, and related public awareness-raising.

### **Postal Services**

- P1 - Attaining, within envisaged timeframes, a liberalised postal services environment that ensures ease of entry to new undertakings and sustainable competition.
- P2 - Ensuring that postal undertakings provide a transparent, value-for-money service to users whilst adhering to incumbent social obligations.
- P3 - Contributing to the ongoing discussion, at an international level, on the consistent implementation and ongoing development of the postal regulatory framework and related issues.

### **Information Society**

- IS1 - Achieving widespread e-literacy, digital inclusion and the use of ICTs as a tool to improve quality of life for all citizens in particular, disadvantaged groups.
- IS2 - Encouraging the use of e-Business models by local enterprises as a means to improve competitiveness.

The MCA's projects and ongoing tasks will all be targeted to address the above strategic objectives.

## 06. Strategic Objectives

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What follows is a high level rendering of activities envisaged under each Strategic Objective. These activities have been split into two sub-categories, namely those that are confirmed as the established direction under last year's Strategic Plan Update<sup>1</sup> and those that represent new strategic thrusts essentially as a result of unfolding developments.

These new strategic thrusts represent this Plan update.

### **Strategic Objective T1**

Regulating an electronic communications environment that is capable of sustaining competition among existing providers while ensuring ease of entry to new undertakings.

### **Outlook 2011**

- Creating the conditions for market entry of at least a third major Broadband operator/service provider remains a priority for 2011
- NGA groundwork also remains a priority in order to ensure long term continuity
- Finalisation of the 900/1800 MHz spectrum assignment is another key deliverable

### **Key Tasks 2011**

- Establishing concrete SLU rules
- Clarifying co-location/duct access/in-house wiring elements of regulation
- Continuing the second wave of market analyses under the New Regulatory Framework, with emphasis on market 4 (infrastructure access) and market 5 (Wholesale Broadband Access) Consolidating other regulatory remedies
- Embarking on/finalising key spectrum assignments for wireless broadband services (3.4 – 3.8 GHz band, 2.5 GHz band)

### **New Thrusts**

- Key thrusts to remain the same as for 2010.

### **Key Performance Indicators**

The MCA will continue to monitor progress relative to the attainment of this objective via a series of key performance indicators. Thanks also to the benefit of past experience the indicators that are deemed to be best suited for an assessment of progress with regard to the attainment of this strategic objective, are the following:

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<sup>1</sup> Refer to: <http://www.mca.org.mt/infocentre/openarticle.asp?id=1379&pref=15>.

### **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 Interconnection Offers and cost orientated charges where these are required.
- New service offerings
- Overall sector volume and financial 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 2011**

- Strengthening the legal mandate on consumer issues via transposition of the new EU Framework will be a priority
- The implementation of Digital switchover will be another major feature in 2011
- Ensuring network security remains a core activity that will be addressed

### **Key Tasks 2011**

- Implementing Digital Switch-Over (DSO)
- Undertaking new initiatives for protection and empowerment of consumers, including those established in the New Regulatory Framework
- Targeting the requirements for network security and resiliency
- Establishing any additional sector requirements in order to enhance quality of service delivery to the public.
- Reviewing the USO policy direction in line with EU changes to the relevant Directive
- Establishing a common national position on transmission masts and sites
- Effecting ongoing monitoring of harmful interference/radiation patterns
- Carrying out ongoing market surveillance in accordance with R&TTE
- Carrying out consumer Perception Surveys of individual services
- Establishing 112 operators' obligations under the New Framework

### **New Thrusts**

- Mainly a consolidation of 2010 work-streams
- Several initiatives emanate from new Framework

### **Key Performance Indicators**

The MCA will continue to monitor progress with respect to the attainment of this objective via a series of key performance indicators:

### **Strategic Objective T2 – Key Performance Indicators**

- Publicly available information relative to existing QoS parameters
- Quality of Service variations
- Stakeholders' perceptions of the overall 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 ongoing discussion, at an international level, on the consistent implementation and ongoing development of the electronic communications regulatory framework and related issues.

### **Outlook 2011**

- USO Directive review by the EU Commission may entail a similar exercise to the Framework review undertaken in 2010, albeit on smaller scale
- Preparation for the ITU-organised 2012 World Radiocommunications Conference (WRC) will need to commence in earnest

### **Key Tasks 2011**

- Providing advice to Govt on EU and other international matters
- Participating, on an ongoing basis, in EU meetings and in other fora
- Interacting with EU on policy matters
- Submitting required statistics and information to international fora of which Malta is a member
- Meeting with peer regulators on a one-to-one basis, both formally via BEREC, as well as at the working level, via exchange of information and best practice
- Contributing to the development of a revised EU USO directive
- Cooperating at IRG and BEREC level in establishing a common position on EU regulatory proposals
- Providing input to the EU Review of Spectrum Policy and preparing in earnest for the 2012 WRC
- Addressing other telecom-related international commitments incumbent on the MCA, such as Galileo, both on an ongoing basis as well as in relation to one-off projects involving Malta.

### **New Thrusts 2011**

The probable reviews at EU level of the USO Directive and Spectrum Policy as well as the ITU Plenary preparatory work.

### **Key Performance Indicators**

The MCA will continue to monitor progress towards the attainment of this objective.

**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 T4**

Facilitating innovation in the provision of broadband and other services, via ongoing research and the continued development of the policy and regulatory environment

#### **Outlook**

- The MCA will continue to promote and implement regulatory policies that promote innovation as well as focus on the research and monitoring of technology developments.

#### **Established Tasks**

- The MCA will continue to strive, to the extent possible, facilitate the rollout of innovative services. By way of key tasks the following key actions have been identified:
  - Continuing with the monitoring of international technology developments, such as emerging wireless technologies and assessing their implications vis-a-vis the Maltese regulatory context.
  - Promoting test & trial licences for operators who wish to use designated spectrum for test and trial purposes.

#### **New Thrusts**

- Current thrusts are envisaged to spill-over to 2011.

#### **Key Performance Indicators**

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

#### **Strategic Objective T4 – Key Performance Indicators**

- Change in broadband penetration in terms of subscriber numbers and % of population
- Number of broadband infrastructures and service providers and variety of technology platforms on which broadband services are offered
- New and innovative services, or improvements on existing services deployed or trialled on the market.
- Assessment of Malta's performance in this area vis-à-vis comparable benchmarks.

### **Strategic Objective E1**

Facilitating e-commerce uptake and the use of electronic signatures, via the ongoing development of the legal, institutional and regulatory frameworks, and related public awareness-raising.

### **Outlook 2011**

- The mainstream MCA activities under this objective will be set at ensuring continued adherence to the rules on the part of Information Society Service Providers and securing increased public confidence in e-commerce.
- Contributing to the EU review of the relevant Directive will be another key activity.

### **Key Tasks 2011**

- Operating sector monitoring mechanisms
- Raising public awareness via targeted events
- Providing advice to Government on the Directive review.

### **New Thrusts**

2011 will be dedicated to consolidation of monitoring mechanisms but adequate resources will be dedicated to following the New Directive as necessary.

### **Key Performance Indicators**

The following KPI's have been identified for measurement of progress with regard to the attainment of this strategic objective:

#### **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
- Uptake of electronic signatures

### **Strategic Objective P1**

Attaining, within envisaged timeframes, a liberalised postal services environment that ensures ease of entry to new undertakings and sustainable competition.

### **Outlook 2011**

- The MCA will continue gearing to liberalisation via the setting up of the necessary regulatory framework.
- The MCA will follow developments in certain areas where competition may effectively arise earlier than 2013.

### **Key tasks 2011**

- Consulting on the envisaged regulatory framework in a fully liberalised environment
- Assessing any tariff realignment requirements
- Monitoring of developments relative to terminal dues
- Monitoring new operators performance vis-a-vis licence conditions

### **New thrusts 2011**

- Key 2011 activities are essentially a continuation of those embarked upon in the course of 2010.

### **Key Performance Indicators**

The following key performance indicators have been identified in the measurement of progress vis-à-vis this strategic objective:

#### **Strategic Objective P1 – Key Performance Indicators**

- Number of postal services providers in the various postal 'areas'
- Ease of entry to market
- Postal volume trends in the various 'areas' of the postal sector
- 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 2011**

- The coming year will see the continued operation and consolidation of Quality of Service and Mail Integrity mechanisms with respect to both the USP and other postal operators.

### **Key Tasks 2011**

- Monitoring, on an ongoing basis, the USP's QoS requirements and establishing the relevant obligations of other postal operators
- Auditing the USP's Mail Integrity situation
- Carrying out of biennial customer perception surveys for the postal sector

### **New Thrusts 2011**

- Key thrusts expected to remain the same as for 2010

### **Key Performance Indicators**

The following key performance indicators will be taken into account in an assessment as to the degree of success to which this strategic objective has been achieved.

#### **Strategic Objective P2 – Key Performance Indicators**

- Movement in postal prices
- QoS performance statistics in relation to set targets
- USP and MCA Complaints statistics
- Financial status of the USP

### **Strategic Objective P3**

Contributing to the ongoing discussion, at an international level, on the consistent implementation and ongoing development of the Postal regulatory framework and related issues.

### **Outlook 2011**

- It is likely that international collaboration with peer regulators during 2011 will be more intensive via the EU Commission than via the CERP, as was previously the case.
- The MCA will continue to be present at relevant international fora and contribute to the discussion as necessary, bearing in mind resource availability.

### **Key Tasks 2011**

- Providing ongoing advice to Govt. on EU directives, recommendations etc.
- Active participation in EU and other international fora in representation of the Maltese Government or in the capacity of National Regulatory Authority for postal services. The MCA will contribute to the shaping of policies and recommendations at international level.
- Providing sector statistical and other qualitative information as required, to international fora to which the MCA is affiliated.
- Collaborating with peer regulators on one-to-one basis or collectively in the relevant organisations.

### **New Thrusts 2011**

- 2010 thrusts are envisaged to spill over to 2011.

### **Key Performance Indicators**

The MCA will continue to monitor progress with respect to the attainment of this objective via a series of key performance indicators:

#### **Strategic Objective P3 – Key Performance Indicators**

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

### **Strategic Objective IS1**

Achieving widespread e-literacy, digital inclusion and the use of ICTs as a tool to improve quality of life for all citizens, in particular, disadvantaged groups.

### **Outlook 2011**

- During the Plan period the MCA will concentrate its efforts on a core number of public initiatives set at promoting and supporting the widespread use of Information and communication throughout the various spheres of Maltese society.

### **Key Tasks 2011**

- A series of initiatives have been identified with a view to promoting the widespread use of ICT. The Authority will concentrate its efforts on the continued roll-out of Wi-Fi in public places and in the promotion of digital literacy.

### **New Thrusts 2011**

- The MCA will lead an international, EU funded project with the intent of promoting child safety on the internet.

### **Key Performance Indicators**

The following performance indicators have been established as a measure of the progress of this initiative:

#### **Strategic Objective IS1 – Key Performance Indicators**

- Internet uptake figures
- Level of e-literacy
- Public perceptions on the benefits of ICT for domestic and business use.

## **Strategic Objective IS 2**

Encouraging the use of e-Business models by local enterprises as a means to improve competitiveness.

### **Outlook 2011**

During the Plan period the MCA will continue to promote the use of e-Commerce in Malta on the part of businesses and consumers.

### **Key tasks 2011**

- Raising awareness on the benefits of e-Commerce, and seeding e-Commerce activity in various sectors such as banking, business or mobile communications services.
- Establishing the way forward on IPV6.

### **New Thrusts**

- As in the case of Objective IS1, the MCA will participate in two pan-European projects (both of which are EU funded) namely:
  - Epitome – a micro-enterprise gap analysis & training plan
  - ICT Value networks – a best practice exercise in the use of e-commerce

### **Key Performance Indicators**

The following performance indicators have been established as a measure of the progress of this initiative:

#### **Strategic Objective IS 2 – Key Performance Indicators**

- e-Commerce consumption uptake figures
- No. of Businesses using e-Commerce service delivery channels
- Public/Business perceptions on the benefits of e-Commerce

## **07. Ensuring Continued Regulatory Capacity**

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In order to ensure 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 will cascade from the Strategic and business planning tier to individual staff performance planning programmes. All these components will be co-ordinated and regularly updated.

The MCA will assess the validity of its performance by first and foremost reviewing its activities on an ongoing basis and assessing whether outputs and outcomes are being attained. The MCA will, on the basis of this information, review 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.

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.

### **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 in managing contractors with a view to obtaining the best possible value in services received and knowledge transfer.

### **Organisation**

An organisation that operates in a highly dynamic environment has to have the inbuilt flexibility to adapt to changing circumstances. The MCA will maintain 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 reality.

### **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 the necessary information systems, as well as maximising the potential of existing ones. Automation of processes, wherever possible, and on-line service-provision, are two targets that the MCA has set itself for the Plan period.

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 will provide full accountability of its activities and disbursements as required by law.

As the MCA is increasingly tasked with functions that do not flow directly from its regulatory mandate, the need for funding, from sources other than administrative charges, increases proportionately. The main source of such alternative funding is Government. The MCA ensures that financial reporting reflects the activities carried out and the related sources of funding. The MCA will dedicate the necessary resources towards ensuring that its accountability framework is maintained to the highest standards.