

# **Citizen Summary**

## **for Implementation Year 2021**

### **Rural Development Programme 2014-2020**

#### **1. Introduction**

Malta's Rural Development Programme (RDP) 2014-2020 covers the entire territory of the Maltese Islands. It was formally adopted by the European Commission on 24 November 2015, outlining Malta's priorities for the Programme. The Programme currently has a budget of € 196 million of public money that is available for the 9-year period 2014-2022 (€ 149 million from the EU budget (EAFRD) and € 47 million of national co-funding).

In December 2021, a programme modification was adopted capturing an additional allocation of €66.3 million to the RDP through Transitional and European Union Recovery Instrument (EURI) Funds with the aim to further address the challenges of the agricultural sector considering a strong and sustainable recovery process following the COVID-19 pandemic, also in line with the objectives of the European Green Deal. As a result of this top-up, the RDP budget reached €196 million.

During 2021, the Managing Authority (MA), now within Ministry for the Economy, European Funds and Lands did not issue further calls under the RDP as the budget before the further allocation of Transitional and EURI were committed. Focus was dedicated towards the implementation and monitoring of the approved projects. In fact, considerable progress has been made in this regard and a significant level of payment claims continued to be processed by the Agriculture and Rural Payments Agency (ARPA).

#### **2. Progress Achieved**

##### **2.1 Programme Modification**

A central item in the Programme modification was linked to the change in the EU Legal Framework, which extended the 2014-2020 RDP Programme by two years, whilst also providing additional financial allocation from the Transitional Regulation and EURI. The additional public eligible funding allocation amounted to €66.3 million. This allocation is spread around different measures as presented in Table 1 below.

TABLE 1: RDP MEASURES IMPACTED BY ADDITIONAL FINANCIAL ALLOCATION

Measure	2014-2020 Public Eligible (€ million)	Additional Public Eligible (€ million)	New Total Public Eligible (€ million)
M4.1 - Support for investment in agricultural holdings	18.70	4.81	23.51
M4.3 - Support for investment in infrastructure related to development, modernisation, or adaptation of agriculture and forestry	29.94	33.71	63.69
M4.4 - Support for non-productive investment linked to the achievement of agri-environment-climate objectives	22.44	2.00	24.44
M6.1 - business start-up aid for young farmers	4.30	2.36	6.67
M8.5 - Support for investments improving the resilience & environmental value of forest ecosystems	3.50	4.85	8.35
M10.1 - Payment for agri-environment commitments	6.57	5.33	11.91
M10.2 - Support for conservation and sustainable use and development of genetic resources in agriculture	1.00	0.94	1.94
M11.1 - Payment to convert to organic farming practices and methods	0.17	0.69	0.86
M11.2 - Payment to maintain to organic farming practices and methods	0.03	0.12	0.15
M13.3 - Compensation payments to other areas affected by specific constraints (ANC)	12.00	3.50	15.50
M16.2 - Support for pilot projects, and for the development of new products, practices, processes and technologies	3.00	1.89	4.89
M19.1 - Preparatory support	0.54	0.33	0.87
M19.2 - Implementation of operations under the CLLD Strategy	4.47	2.13	6.60
M19.4 - Running costs and animation	1.19	0.53	1.72
M20 – Technical Assistance	5.19	3.08	8.28
<b>TOTAL</b>	<b>129.77</b>	<b>66.33</b>	<b>196.10</b>

## 2.2 New commitments and payments

In 2021, a number of new operations were approved in relation to calls that were launched during 2020. Under Priority Area 2, 32 new projects with a focus on enhancing farm viability and competitiveness were selected, contributing to a commitment value of €3.2 million. Under Priority Area 3, focusing on

promoting food chain organisation, 2 new projects were selected with a value of €0.2 million. A substantial operation with a budget of €2.1 million was approved under Priority Area 4 (restoring, preserving and enhancing eco-systems related to agriculture and forestry). Extensions were signed under P4, in relation to payments for agri-environment commitments (M10.1) and compensation payments to other areas affected by specific constraints (M13.3), respectively with a total value of €2.4 million.

A new operation was also approved under Priority Area 5 (Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, good and forestry) with a value of €2.9 million and €1.6 million were committed in contracts for payments relating to agri-environment commitments (M10.1).

75 new projects were approved by the Local Action Groups under P6 covering a value of €2 million. Table 2 provides the distribution of new commitments and payments for 2021.

TABLE 2: 2021 COMMITMENTS AND PAYMENTS

Priority/ Focus Area	Priority Area Description	Committed Expenditure 2021 (€ million)	Realised Expenditure 2021* (€ million)
P1/FA1A	Fostering knowledge transfer and innovation in agriculture, forestry, and rural areas	0.00	0.00
P1/FA1B		0.00	0.00
P1/FA1C		0.00	0.00
P2/FA2A	Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests	2.38	3.44
P2/FA2B		0	0.24
P3/FA3A	Promoting food chain organisations, including processing and marketing of agricultural products, animal welfare and risk management in agriculture	0.24	2.40
P4/FA4A	Restoring, preserving and enhancing eco-systems related to agriculture and forestry	4.49	4.69
P4/FA4B			
P4/FA4C			
P5/FA5A	Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, good and forestry	0.00	4.58
P5/FA5B		0.00	0.00
P5/FA5C		2.99	0.00
P5/FA5D		0.00	0.00
P5/FA5E		1.68	1.70
P6/FA6A	Promoting social inclusion, poverty reduction and economic development in rural areas	0.00	0.28
P6/FA6B		2.12	1.43
P6/FA6C		0.00	0.00

\* There are instances where realised expenditure is higher than committed expenditure since realised expenditure could also be in relation to commitments that occurred in previous years.

As a result of the approval of new projects, the programme's original allocation has been committed by the end of 2021. New funding is now available as a result of the programme modification referred to under Section 2.1 above.

## 2.3 Implementation Progress Across Measures

With most of the funds committed in projects, the Managing Authority dedicated its resources on programme implementation elements to ensure the timely and effective absorption of the committed funds. Regular bilateral meetings with beneficiaries and key stakeholders, such as ARPA, the Ministry responsible for Agriculture, and the National Rural Network to discuss challenges and take necessary action to ensure effective implementation of the programme. Since the start of the programme, more than 700 investment projects have been or are still being supported. Table 3 below identifies the number of **investment projects** that are being implemented under the programme till the end of 2021 per measure and focus area. Some of these projects are in progress, whilst some others have been completed.

TABLE 3: NUMBER OF INVESTMENT PROJECTS SUPPORTED BY THE RDP FOR MALTA PER MEASURE PER YEAR

Priority/ Focus Area	Priority Description	Approved projects as at 2021
P1/FA1A	Fostering knowledge transfer and innovation in agriculture, forestry, and rural areas	1
P1/FA1B		0
P1/FA1C		0
P2/FA2A	Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests	190
P2/FA2B		54
P3/FA3A	Promoting food chain organisations, including processing and marketing of agricultural products, animal welfare and risk management in agriculture	29
P4/FA4A	Restoring, preserving and enhancing eco-systems related to agriculture and forestry (excluding land-based measures M10.1, M11.1 and M13.3)	205
P4/FA4B		
P4/FA4C		
P5/FA5A	Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, good and forestry (excluding land-based measures under FA5E-M10.1)	25
P5/FA5B		0
P5/FA5C		1
P5/FA5D		1
P5/FA5E		0
P6/FA6A	Promoting social inclusion, poverty reduction and economic development in rural areas	6
P6/FA6B		192
P6/FA6C		0
<b>TOTAL</b>		<b>704</b>

The implementation of the MCAST project offering training courses to individuals operating in rural areas faced several challenges in view of COVID-19 related risks. As a result, the courses, which provided in-person training to AECM beneficiaries, were postponed for a considerable period and were then resumed in 2021. During this year 104 participants attended one or more of the six courses organised. Unfortunately, attempts to deliver these courses via remote learning tools were not successful.

Setbacks encountered in the provision of training also impacted the provision of Farm Advisory Services by Agri Connect. However, despite these challenges, in 2021 AgriConnect provided a basic advisory package to AECM beneficiaries, whereby the advice provided focused on the implementation of AECMs. Beneficiaries were also provided the option to register for the full package of advice, which advice would be funded through M2.1. M3 saw the first quality scheme approved.

During 2021, considerable progress has been made in relation to the implementation of projects supported under M4.3, both in relation to the Water Services Corporation project, focusing on the supply of highly polished tertiary treated water for agricultural use under Priority Area 5, as well as the upgrading of rural roads by Infrastructure Malta which is supported under Priority Area 2. As a result of the latter investment Infrastructure Malta (IM) indicated that the total surfaced area of rural roads stands at around 295,000 square metres and the project is estimated to have had an impact on 873 registered farmers, 1,397 registered parcels which represent around 340 hectares.

As for other measures, similar to previous years, sub-measures 4.1 and 4.4 which are very popular amongst beneficiaries, continued to register good progress in terms of implementation. By the end of 2021, M4.1 had reached a realised expenditure amount of circa €9.3 million. These are payments directed towards support for investment in agricultural holdings with the aim to improve productive investment as well as investment in cost-effective and environmentally efficient systems and equipment. M4.4 which supports beneficiaries in repairing and restoring rubble walls bordering agricultural land by 2021 more than €14 million payments were made.

Positive progress was also recorded in support provided to Young Farmers under M6.1. Despite no additional projects being approved, previously approved projects progressed with their implementation with payments reaching more than 80% by 2021 over total committed values. M19 (Leader) also registered good implementation progress both in terms of additional approved operations (refer to Section 2.2) and payments made. Specifically, for M19.2, focusing on the implementation of operations under the CLLD Strategy, the progress was remarkable with payments made to reach €1.6 million by 2021. This measure is supporting the implementation of 186 projects, which are managed by the Local Action Groups.

## **Challenges**

Though COVID-19 pandemic measures have been lifted, the effects still left a longer-term impact which is expected to impinge on the affected measures. For example, the courses being delivered by MCAST under sub-measure 1.1 were put on hold during leading to a project extension. This extension in turn had an impact on the implementation of measure 2.1, focusing on the provision of the farm advisory services. Rising prices is another challenge that the Beneficiaries are facing, which is leading to procurement issues as well as in relation to spiralling costs and delays in the provision of supplies which is impacting the programme's implementation on a daily basis.

## **New calls for projects**

As a result of the additional funds allocated to Malta's RDP, the MA issued new calls for projects during the first half of 2022 and plans to issue additional calls throughout 2022.

## **Communication**

During 2021, the MA kept updating its EU funding websites [www.eufundsmalta.gov.mt](http://www.eufundsmalta.gov.mt) / [www.eufunds.gov.mt](http://www.eufunds.gov.mt) in order to inform relevant stakeholders about programme developments. These

websites were revised regularly by the MA to ensure that the information available was updated and still relevant. These acted as MA's central means of communication with its stakeholders, informing them of the latest pre-announcements, newsletters, events, circulars, contact points and other useful resources. The MA also makes use of social media, Sunday newspapers, the SMS notification system and the [BiedjaCam](#) mobile application to keep in touch with prospective applicants and RDP beneficiaries.

The MA also issued pre-announcement of new calls, and it formed potential beneficiaries that information session/s covering multiple calls would be held in early 2022.



**Rural Development Programme for Malta 2014-2020**

Part financed by the European Union  
Co-financing Rate:

75% European Union; 25% Government of Malta



***The European Agricultural Fund for Rural Development:  
Europe investing in rural areas***