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

Malta - Rural Development Programme (National)

CCI	2014MT06RDNP001
Programme type	Rural Development Programme
Country	Malta
Region	MT - National
Programming period	2014 - 2022
Managing authority	Funds and Programmes Division within the Ministry for Ministry for Funds and Implementation of the Electoral Programme
Version	9.0
Version status	Adopted by EC
Last modification date	05/11/2025 - 15:58:26 CET

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1. TITLE OF THE RURAL DEVELOPMENT PROGRAMME

Malta - Rural Development Programme (National)

1.1. Amendment

1.1.1. Type of amendment R.1305/2013

a. Decision Article 11(a)(i) (First subparagraph of Article 4(2) of R.808/2014)

1.1.2. Amendment modifying information provided in the PA

1.1.3. Amendment related to the third sub-paragraph of Article 4(2) of R.808/2014 (not counting against the limits set in that Article):

1.1.4. Consultation of the monitoring committee (Article 49(3) of R.1303/2013)

1.1.4.1. Date

25-09-2025

1.1.4.2. Opinion of the monitoring committee

The Monitoring Committee, that was consulted as per Article 49(3) of Regulation (EU) 1303/2013, has provided a favourable opinion on the amendment of the programme proposed by the Managing Authority.

1.1.5. Amendment description - Article 4(1) of R.808/2014

1.1.5.1. Mod 01 - Budget shift affecting Sub-measure 1.1

1.1.5.1.1. Reasons and/or implementation problems that justify the amendment

Measure was relaunched in 2024, with 4 beneficiaries contracted. Numerous training sessions were held throughout the course of 2024 and 2025. Despite these efforts, and with training expected to continue until

November 2025, not all of the budget allocated towards this intervention is expected to be spent.

In parallel, CAP SP interventions under the KNOW intervention related to training were launched in 2024 and 2025.

1.1.5.1.2. Expected effects of the amendment

This change is expected to reduce the budget of Measure 1.1 to €0.55M (public). Budget allocated to this measure to be reduced by €0.2M (public).

1.1.5.1.3. Impact on the change on indicators

Targets and indicators will consequentially be reduced, with some nontheless expected to be reached, even following a reduction in budget. Please refer to Chapter 11 of the RDP.

1.1.5.1.4. Relationship between the change and the PA

Following the entry into force of Regulation EU(2020/558), the Partnership Agreements no longer needs to be amended for the remainder of the programming period (Article25a, paragraph 6).

1.1.5.2. Mod 02 - Budget shift affecting Sub-measure 2.1

1.1.5.2.1. Reasons and/or implementation problems that justify the amendment

The measure was re-launched in April 2024, adopting SCOs and with applicants encouraged to include components related to organic farming. Despite these efforts, even with the provision of advice expected to continue until November 2025, the budget allocated towards this intervention is not expected to be spent.

In parallel, CAP SP interventions under the KNOW intervention related to advice training were launched in 2024 and 2025.

1.1.5.2.2. Expected effects of the amendment

This change is expected to reduce the budget of Measure 2.1 to €0.2M (public). Budget allocated to this measure to be reduced by €0.33M (public).

1.1.5.2.3. Impact on the change on indicators

Targets and indicators will be consequentially reduced, with some nontheless expected to be reached, even following a reduction in budget. Please refer to Chapter 11 of the RDP.

1.1.5.2.4. Relationship between the change and the PA

Following the entry into force of Regulation EU(2020/558), the Partnership Agreements no longer needs to be amended for the remainder of the programming period (Article25a, paragraph 6).

1.1.5.3. Mod 03 - Withdrawal of M3.2

1.1.5.3.1. Reasons and/or implementation problems that justify the amendment

Measure was relaunched in May 2024 and 1 application was awarded, however, the project was eventually withdrawn by the respective applicant.

Note: In parallel, the corresponding CAP SP intervention was launched in 2025.

1.1.5.3.2. Expected effects of the amendment

This change is expected to withdraw Measure 3.2 from the RDP and transfer all of its budget, amounting to €0.045M, to other measures of the RDP.

1.1.5.3.3. Impact on the change on indicators

Targets and indicators will be reduced/removed as needed.

1.1.5.3.4. Relationship between the change and the PA

Following the entry into force of Regulation EU(2020/558), the Partnership Agreements no longer needs to be amended for the remainder of the programming period (Article25a, paragraph 6)

1.1.5.4. Mod 04 - Budget shift affecting Sub-measure 4.1

1.1.5.4.1. Reasons and/or implementation problems that justify the amendment

Following the last call for applications, 48 applicants were awarded, showing a strong sectoral demand. Despite this, a number of projects have been redimensioned while some were delayed. The MA is expecting that not all of the budget currently allocated to this sub-measure can be spent.

In parallel, the corresponding CAP SP intervention was launched in 2024 and 2025.

1.1.5.4.2. Expected effects of the amendment

This change is expected to reduce the budget of Measure 4.1 by €1.1M (public). This change is expected to decrease the budget of Measure 4.1 to €18.5M (public).

1.1.5.4.3. Impact on the change on indicators

Targets and indicators will consequentially be reduced, with some nontheless expected to be reached, even following a reduction in budget. Please refer to Chapter 11 of the RDP.

1.1.5.4.4. Relationship between the change and the PA

Following the entry into force of Regulation EU(2020/558), the Partnership Agreements no longer needs to

be amended for the remainder of the programming period (Article25a, paragraph 6).

1.1.5.5. Mod 05 - Budget shift affecting Sub-measure 4.3

1.1.5.5.1. Reasons and/or implementation problems that justify the amendment

Additional budget is expected to be spent under this measure that is supporting ongoing water projects that are creating and extending the 'New Water' network, with the aim of improving the distribution of recycled water to farmers, that is used for irrigation purposes.

This measure is expected to be carried over to the CAP SP.

1.1.5.5.2. Expected effects of the amendment

This change is expected to increase the budget of Measure 4.3 (FA5A) by €0.28M (public). This change is expected to increase the budget of Measure 4.3 (FA5A) to €41.3M (public).

This measure is expected to be carried over to the CAP SP.

1.1.5.5.3. Impact on the change on indicators

Where required, targets and indicators will be increased in proportion to this budget shift.

1.1.5.5.4. Relationship between the change and the PA

Following the entry into force of Regulation EU(2020/558), the Partnership Agreements no longer needs to be amended for the remainder of the programming period (Article25a, paragraph 6).

1.1.5.6. Mod 06 - Budget shift affecting Sub-measure 4.4

1.1.5.6.1. Reasons and/or implementation problems that justify the amendment

Following the latest call for applications, 72 applicants were awarded, which exceeded the budget allocated towards this measure. Despite this, a number of projects have been redimensioned or withdrawn, while some were delayed. The MA is expecting that not all of the budget currently allocated to this sub-measure can be spent.

1.1.5.6.2. Expected effects of the amendment

This change is expected to reduce the budget of Measure 4.4 by €1.4M (public). This change is expected to decrease the budget of Measure 4.4 to €25.0M (public).

This measure is expected to be carried over to the CAP SP.

1.1.5.6.3. Impact on the change on indicators

Targets and indicators will consequentially be reduced, with some nonetheless expected to be reached, even following a reduction in budget. Please refer to Chapter 11 of the RDP.

1.1.5.6.4. Relationship between the change and the PA

Following the entry into force of Regulation EU(2020/558), the Partnership Agreements no longer needs to be amended for the remainder of the programming period (Article25a, paragraph 6).

1.1.5.7. Mod 07 - Budget shift affecting Sub-measure 6.1

1.1.5.7.1. Reasons and/or implementation problems that justify the amendment

Not all of the budget currently allocated to this sub-measure can be spent. Amendment to the budget is being foreseen, aimed at supporting 89 beneficiaries contracted through this intervention.

1.1.5.7.2. Expected effects of the amendment

This change is expected to decrease the budget of Measure 6.1 to €6.2M (public). Budget allocated to this measure to be decrease by €0.1M (public).

1.1.5.7.3. Impact on the change on indicators

Targets and indicators will be reduced in proportion to this budget shift.

1.1.5.7.4. Relationship between the change and the PA

Following the entry into force of Regulation EU(2020/558), the Partnership Agreements no longer needs to be amended for the remainder of the programming period (Article 25a, paragraph 6).

1.1.5.8. Mod 08 - Budget shift affecting Sub-measure 6.4

1.1.5.8.1. Reasons and/or implementation problems that justify the amendment

Six projects have been supported, five of which are now finalised. The project that remains ongoing is not expected to fully utilise its grant amount, therefore, the budget currently allocated to this sub-measure cannot be spent.

1.1.5.8.2. Expected effects of the amendment

This change is expected to reduce the budget of Measure 6.4 by €0.12M (public). This change is expected to decrease the budget of Measure 6.4 to €0.55M (public).

1.1.5.8.3. Impact on the change on indicators

Targets and indicators will consequentially be reduced, with some nontheless expected to be reached, even following a reduction in budget. Please refer to Chapter 11 of the RDP.

1.1.5.8.4. Relationship between the change and the PA

Following the entry into force of Regulation EU(2020/558), the Partnership Agreements no longer needs to be amended for the remainder of the programming period (Article 25a, paragraph 6).

1.1.5.9. Mod 09 - Budget shift affecting Sub-measure 8.5

1.1.5.9.1. Reasons and/or implementation problems that justify the amendment

Green spaces in small, densely populated islands such as Malta are essential and central government has committed itself to deliver significant progress in this regard. Such spaces improve air quality, reduce heat islands, and offer recreational areas for residents. They also support biodiversity, preserving local flora and fauna.

Following the latest call, the total budget committed exceeded the budget allocated. There is therefore a need for additional financing.

1.1.5.9.2. Expected effects of the amendment

This change is expected to increase the budget of Measure 8.5 by €5.1M (public). This change is expected to increase the budget of Measure 8.5 to €15.9M (public).

This measure is expected to be carried over to the CAP SP.

1.1.5.9.3. Impact on the change on indicators

Targets and indicators will be increased as necessary.

1.1.5.9.4. Relationship between the change and the PA

Following the entry into force of Regulation EU(2020/558), the Partnership Agreements no longer needs to be amended for the remainder of the programming period (Article 25a, paragraph 6).

1.1.5.10. Mod 10 - Budget shift affecting Sub-measure 10.1

1.1.5.10.1. Reasons and/or implementation problems that justify the amendment

The last remaining payments for commitments under the RDP require a top-up to the budget of this Measure. New AECC commitments are being paid through the CAP SP.

1.1.5.10.2. Expected effects of the amendment

This change is expected to increase the budget of Measure 10.1 to €12.0M (public). Budget allocated to this measure will be increased by €0.09M (public).

1.1.5.10.3. Impact on the change on indicators

No expected impact.

1.1.5.10.4. Relationship between the change and the PA

Following the entry into force of Regulation EU(2020/558), the Partnership Agreements no longer needs to be amended for the remainder of the programming period (Article 25a, paragraph 6).

1.1.5.11. Mod 11 - Budget shift affecting Sub-measure 10.2

1.1.5.11.1. Reasons and/or implementation problems that justify the amendment

The measure re-launched in December 2023 but despite the fact that 4 applicants were awarded, only 1 application was contracted and the project was eventually withdrawn. Therefore, not all of the budget currently allocated to this sub-measure can be spent.

In parallel, the corresponding CAP SP intervention was launched in 2024.

1.1.5.11.2. Expected effects of the amendment

This change is expected to reduce the budget of Measure 10.2 to €0.88M (public). Budget allocated to this measure will be reduced by €1.1M (public).

1.1.5.11.3. Impact on the change on indicators

Targets and indicators will be reduced in proportion to this budget shift.

1.1.5.11.4. Relationship between the change and the PA

Following the entry into force of Regulation EU(2020/558), the Partnership Agreements no longer needs to be amended for the remainder of the programming period (Article 25a, paragraph 6).

1.1.5.12. Mod 12 - Budget shift affecting Measure 11

1.1.5.12.1. Reasons and/or implementation problems that justify the amendment

Uptake has been limited due to various factors which have been extensively discussed throughout the past years. Organic farming commitments are now being paid through the CAP SP. The RDP is now in its final year of implementation and remaining funding under this measure cannot be spent.

1.1.5.12.2. Expected effects of the amendment

This change is expected to reduce the budget of Measure 11 to c.€16,300 (public). Budget allocated to this measure will be reduced by c.€7,000 (public).

1.1.5.12.3. Impact on the change on indicators

Targets and indicators will be reduced in proportion to this budget shift.

1.1.5.12.4. Relationship between the change and the PA

Following the entry into force of Regulation EU(2020/558), the Partnership Agreements no longer needs to be amended for the remainder of the programming period (Article 25a, paragraph 6).

1.1.5.13. Mod 13 - Budget shift affecting Measure 13

1.1.5.13.1. Reasons and/or implementation problems that justify the amendment

All the payments related to this measure have been affected and ANC payments are now being paid through the CAP SP. As the RDP is now in its final year of implementation, the remaining budget under this measure will not be spent.

1.1.5.13.2. Expected effects of the amendment

This change is expected to reduce the budget of Measure 13 to €12.1M (public). Budget allocated to this measure will be reduced by €0.5M (public).

1.1.5.13.3. Impact on the change on indicators

No expected impact.

1.1.5.13.4. Relationship between the change and the PA

Following the entry into force of Regulation EU(2020/558), the Partnership Agreements no longer needs to be amended for the remainder of the programming period (Article 25a, paragraph 6).

1.1.5.14. Mod 14 - Budget shift affecting Sub-measure 16.2

1.1.5.14.1. Reasons and/or implementation problems that justify the amendment

Over the past year, a number of projects have been redimensioned, the MA is expecting that not all of the

budget currently allocated to this sub-measure can be spent.

In parallel, the corresponding CAP SP intervention was launched in 2024.

1.1.5.14.2. Expected effects of the amendment

This change is expected to reduce the budget of Measure 16.2 to €6.2M (public). Budget allocated to this measure will be reduced by €0.6M (public)

1.1.5.14.3. Impact on the change on indicators

Targets and indicators will be reduced in proportion to this budget shift.

1.1.5.14.4. Relationship between the change and the PA

Following the entry into force of Regulation EU(2020/558), the Partnership Agreements no longer needs to be amended for the remainder of the programming period (Article 25a, paragraph 6).

1.1.5.15. Mod 15 - Budget shift affecting Sub-measure 19.1

1.1.5.15.1. Reasons and/or implementation problems that justify the amendment

This sub-measure can be deemed closed since the drafting of LEADER LDSs for both the 14 - 22 and the 23 - 27 programming periods has now been concluded. Uncommitted funds need to be shifted away from this sub-measure.

1.1.5.15.2. Expected effects of the amendment

This change is expected to reduce the budget of Measure 19.1 to €0.49M (public). Budget allocated to this sub-measure to be reduced by €204.

This shifting of funds between sub-measures will not have an impact on the overall budget of M19 which

remains in line with the ringfencing set out in Article 59, paragraph 5 of Regulation (EU) 1305/2013.

1.1.5.15.3. Impact on the change on indicators

No expected impact.

1.1.5.15.4. Relationship between the change and the PA

Following the entry into force of Regulation EU(2020/558), the Partnership Agreements no longer needs to be amended for the remainder of the programming period (Article 25a, paragraph 6).

1.1.5.16. Mod 16 - Budget shift affecting Sub-measure 19.2

1.1.5.16.1. Reasons and/or implementation problems that justify the amendment

Implementation of the respective LDSs by the three Local Action Groups is still ongoing. Additional budget is required since the budget committed exceeds the allocation and there are also uncommitted funds and savings under other sub-measures of M19.

1.1.5.16.2. Expected effects of the amendment

This change is expected to increase the budget of Measure 19.2 to €6.9M (public). Budget allocated to this sub-measure to be increased by €444 (public).

This shifting of funds between sub-measures will not have an impact on the overall budget of M19 which remains in line with the ringfencing set out in Article 59, paragraph 5 of Regulation (EU) 1305/2013.

1.1.5.16.3. Impact on the change on indicators

No expected impact.

1.1.5.16.4. Relationship between the change and the PA

Following the entry into force of Regulation EU(2020/558), the Partnership Agreements no longer needs to be amended for the remainder of the programming period (Article 25a, paragraph 6).

1.1.5.17. Mod 17 - Budget shift affecting Sub-measure 19.3

1.1.5.17.1. Reasons and/or implementation problems that justify the amendment

Implementation of the respective cooperation projects by the three Local Action Groups has been concluded and all projects are now closed, with some savings being registered following completion of the projects.

1.1.5.17.2. Expected effects of the amendment

This change is expected to reduce the budget of Measure 19.3 to €0.27M (public). Budget allocated to this sub-measure to be reduced by €240.

This shifting of funds between sub-measures will not have an impact on the overall budget of M19 which remains in line with the ringfencing set out in Article 59, paragraph 5 of Regulation (EU) 1305/2013.

1.1.5.17.3. Impact on the change on indicators

No expected impact.

1.1.5.17.4. Relationship between the change and the PA

Following the entry into force of Regulation EU(2020/558), the Partnership Agreements no longer needs to be amended for the remainder of the programming period (Article 25a, paragraph 6).

1.1.5.18. Mod 18 - Budget shift affecting Measure 22

1.1.5.18.1. Reasons and/or implementation problems that justify the amendment

Payments have been affected within the timeframes set out in Article 1, paragraph 4, of Regulation (EU) 2022/1033 and no further payments are foreseen. The remaining unutilised budget under this measure will not be spent.

1.1.5.18.2. Expected effects of the amendment

This change is expected to reduce the budget of Measure 22 to €1.6M (public). This change is expected to decrease the budget of Measure 22 by €9,496.

1.1.5.18.3. Impact on the change on indicators

No expected impact.

1.1.5.18.4. Relationship between the change and the PA

Following the entry into force of Regulation EU(2020/558), the Partnership Agreements no longer needs to be amended for the remainder of the programming period (Article 25a, paragraph 6).

1.1.5.19. Mod 19 - Update RDP to reflect changes in name of Ministries

1.1.5.19.1. Reasons and/or implementation problems that justify the amendment

The following update is required to reflect changes in the Ministry under which the MA operates.

MA
Name of Authority: Funds and Programmes Division within the Ministry for Funds & Implementation of the Electoral Programme.
Address: The Oaks Business Centre, Block B, Triq Farsons, Hamrun, Malta
Email: rdd.mfi@gov.mt

1.1.5.19.2. Expected effects of the amendment

Update of the RDP to reflect changes in Ministry names.

1.1.5.19.3. Impact on the change on indicators

No expected impact.

1.1.5.19.4. Relationship between the change and the PA

Following the entry into force of Regulation EU(2020/558), the Partnership Agreements no longer needs to be amended for the remainder of the programming period (Article 25a, paragraph 6).

1.1.5.20. Mod 20 - Update of Measure links with Focus Areas

1.1.5.20.1. Reasons and/or implementation problems that justify the amendment

Most of the measures programmed in the Rural Development Programme are linked to multiple Focus Areas. Despite the MA's efforts to attract projects linked to the respective FAs, the number of projects linked to certain FAs exceeded expectations, whereas others fell short of the planned amounts.

As part of this final RDP amendment, allocations between FAs will be aligned with implemented projects. These shifts are being undertaken in accordance with the budgetary shifts outlined under the other amendments.

1.1.5.20.2. Expected effects of the amendment

This change is expected to align the FA allocations with actual implementation on the ground.

1.1.5.20.3. Impact on the change on indicators

No expected impact.

1.1.5.20.4. Relationship between the change and the PA

Following the entry into force of Regulation EU(2020/558), the Partnership Agreements no longer needs to be amended for the remainder of the programming period (Article 25a, paragraph 6).

2. MEMBER STATE OR ADMINISTRATIVE REGION

2.1. Geographical area covered by the programme

Geographical Area:

MT - National

Description:

The National Rural Development Programme 2014-2020 covers the entire territory of the Maltese Islands. The Maltese Archipelago is located in the Southern part of Europe, in the Mediterranean Sea. It lies 80km south of Sicily, 284km east of Tunisia and 333km north of Libya. The total area adds up to just 316.18km2 and this includes 11,706ha of agricultural land (c. 37% of the total area).

From the point of view of its area, Malta is the smallest country in EU 28 (0.005% of the total EU 28 area). There are no lakes, major rivers or mountains and all areas constitute a continuum from urban to rural. There are 68 localities in the Maltese Islands, 46 of which classify as rural (32 in Malta and 14 in Gozo). Rural areas account for 91% of the Islands' territory and encompass 64% of the total population.

2.2. Classification of the region

Description:

According to the Nomenclature for Territorial Units for Statistics (NUTS) the territorial structure of Malta, assimilated to NUTS, is:

- NUTS I: Malta
- NUTS II: Malta
- NUTS III: Gżejjer, (Islands: Gozo and Comino, 2)
- LAU 1: Distretti (Districts, 6)
- LAU 2: Kunsilli (Local Councils, 68)

Implementing Decision 2014/99/EU classifies the Maltese territory as a transition region as stipulated by Article 59(3)(b) of Regulation (EU) No. 1305/2013:

'GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27'

Following discussion between the Maltese Managing Authority and DG Agri (European Commission)

Malta's classification, as explained above, was confirmed on the 30th of April, 2015.

3. EX-ANTE EVALUATION

3.1. Description of the process, including timing of main events, intermediate reports, in relation to the key stages of RDP development.

The *ex ante* evaluation process consisted of the following phases:

July 2013: Kick-off meeting with RDP(14-20) drafting team

Sept – Feb 2013: Meetings & feedback processes with experts contributing to drafting of RDP(14-20), to discuss SWOT, programme strategy, applicable/relevant Articles & Measures for Malta, mapping & related processes for deriving indicators, outputs & targets

19.09.2013: Attendance as observers to a meeting of the NRN regarding the RDP(14-20) process

31.10.2013: Provision of comments by evaluators to parts of draft RDP text submitted including SWOT and Programme Coherence

8.11.2013: Participation in public consultation session regarding RDP(14-20) process

Undertaking of a public consultation process led by *ex ante* evaluators to assess Needs Analysis

21.01.2014: Provision of comments by evaluators to parts of draft/revised RDP text submitted including SWOT, Programme Coherence and Intervention Logic, allocation of budget & treatment of Horizontal themes

25.03.2014: Provision of comments by evaluators to parts of draft/revised RDP text submitted on specific measures, external coherence, & importance of including lessons learnt from Interim Evaluation Report

25.032014: Provision of comments by evaluators on the Evaluation Plan

May-June 2014: Meetings & feedback process between RDP(14-20) & ex ante evaluation team regarding mapping of SWOT, needs, output targets, indicators & Measure-specific characteristics

5.06.2014: Provision of comments by evaluators to parts of draft/revised RDP text submitted on SWOT, intervention logic & specific measures

11.06.2014: Submission of advanced RDP draft text to *ex ante* evaluators

17.06.2014: Provision of comments by evaluators to advanced RDP text on specific measures & on SWOT analysis

24.06.2014: Provision of this draft ex ante report on the basis of the RDP(14-20) text currently available

End June 2014: Scoping Report

June 2014 - Sept 2015: Provision of continuous support on specific measures and targets based on the comments provided by the EU Commission.

Mid-August 2015: Submission of second draft of RDP

25.09.2015: Submission of third draft of the RDP

30.09.2015: Submission of final ex-ante evaluation report

Adi Associates Environmental Consultants Ltd (Adi Associates) were commissioned by the former Ministry for Resources & Rural Affairs to prepare an ex-ante evaluation and SEA for the RDP 2014-2020 on 6th June 2013. Between June 2013 and June 2014 E-Cubed Consultants worked closely with the Contracting Authority and Adi Associates to provide a 1st draft Ex-Ante Evaluation based on a draft RDP dated June 2014. Furthermore, informal feedback to the MA has been provided continuously until September 2015. It is to be noted that 3 versions of the RDP were submitted to the evaluators: in June 2014 which included most of the sections of the RDP but specific sections such as performance framework and monitoring were missing; in mid-August 2015 whereby the MA noted that queries presented by the EC were still being addressed and the RDP would thus be revised accordingly. The analysis presented in Chapter 3 is based on the Programme submitted to the evaluators as at August 2015. The MA has sent an updated RDP on 25.09.2015 but the extent to which further recommendations have been taken into account compared to the previous version of the RDP cannot be verified. The evaluators also participated in a public consultation exercise held on 8.11.2013 where the evaluators distributed a questionnaire to all participants to gauge the feedback of the stakeholders on the proposed RDP measures.

Detailed analysis of the results from the survey have been included in the Ex-Ante Evaluation.

The Commission's evaluation guidelines (European Commission, 2012) provided the basis for the comments and recommendations provided by the evaluators to the MA. The evaluators provided a set of recommendations in the first draft of the ex-ante evaluation report submitted in 2014 and written feedback thereafter on specific comments raised by the EC and on which the MA required feedback. In particular, the evaluators provided recommendations on specific measures, indicators and related targets as well as the evaluation plan. This feedback was provided from June 2014 to September 2015.

A Scoping Report was submitted for public consultation in June 2014. Comments were received and Adi Associates responded to the comments in August 2014. The SEA Environment Report was finalised in June 2014 and submitted to public consultation. It was amended in August 2014 following the comments received during the public consultation period. It is anticipated that the final Environment Report will be published with the final version of the RDP.

3.2. Structured table containing the recommendations of the ex-ante evaluation and how they have been addressed.

Title (or reference) of the recommendation	Category of recommendation	Date
Recommendation 01	The SWOT analysis, needs assessment	01/10/2013
Recommendation 02	The SWOT analysis, needs assessment	01/10/2013
Recommendation 03	Other	01/06/2014
Recommendation 04	Construction of the intervention logic	01/06/2014
Recommendation 05	Programme implementing arrangements	01/06/2014
Recommendation 06	Other	01/06/2014
Recommendation 07	Other	01/06/2014
Recommendation 08	Other	01/06/2014
Recommendation 09	Other	01/06/2015
Recommendation 10	Other	01/06/2014
Recommendation 11	Other	01/06/2014
Recommendation 12	Other	01/01/2014
Recommendation 13	Other	01/01/2014
Recommendation 14	SEA specific recommendations	01/07/2014
Recommendation 15	SEA specific recommendations	30/06/2014
Recommendation 16	SEA specific recommendations	30/06/2014
Recommendation 17	SEA specific recommendations	30/06/2014
Recommendation 18	Other	01/05/2015
Recommendation 19	Establishment of targets, distribution of financial allocations	01/07/2015

Recommendation 20	Other	01/08/2015
Recommendation 21	Other	01/07/2015
Recommendation 22	Other	01/07/2015
Recommendation 23	Other	01/06/2014

3.2.1. Recommendation 01

Category of recommendation: The SWOT analysis, needs assessment

Date: 01/10/2013

Topic: Use of data in the SWOT analysis and needs assessment

Description of the recommendation

SWOT is solely based on stakeholder consultations but is not adequately backed by data. The SWOT Analysis needs to consider additional evidence including:

- Information published by the NSO/Eurostat
- FADN data
- Interim Evaluation 2007-2013 Report: Reference is to be made to previous experience and lessons learnt
- Common Context and Programme Specific Indicators

The rationale for the specific recommendation made by the ex-ante evaluator is set out under Section 2.1 of the Ex-ante evaluation.

How recommendation has been addressed or justification as to why not taken into account

This has been addressed in the latest version of Chapter 4 of the RDP. In particular, the revised version of the RDP includes the Common Context Indicators and data for the respective indicators pertains to the latest available data. Data is used to build justifications for the needs as derived through the RDP and there is a marked improvement in the use of environmental indicators.

3.2.2. Recommendation 02

Category of recommendation: The SWOT analysis, needs assessment

Date: 01/10/2013

Topic: Climate change

Description of the recommendation

Greater emphasis on climate change needs and the cross-cutting issues related to the protection of the environment and mitigation of climate change.

How recommendation has been addressed or justification as to why not taken into account

This recommendation has to an extent been addressed in the SWOT analysis. Section 4.2 of the RDP maps the cross-cutting objectives including climate change to the needs derived in the RDP. Towards this end, while there are two needs which are directly related to climate change, namely landscape and environment as well as waste, water and energy, other needs such as as sustainable livestock and to a much lesser extent Maltese quality produce are considered to address climate change needs.

The RDP also provides a section which the outlines the measures that address the issue of climate change in Malta, including adaptation issues.

3.2.3. Recommendation 03

Category of recommendation: Other

Date: 01/06/2014

Topic: Information on complementarity

Description of the recommendation

The RDP provides no assessment of consistencies that exist between the RDP and other EU or national strategies/policies. In some cases it appears that EAFRD may be in competition with other ESI funds such as ERDF as improved water quality, water harvesting may be in competition with CF.

In addition, the RDP should provide greater links with the Partnership Agreement particularly due to the fact that Thematic Objective 5 of the Partnership Agreement on climate change adaptation is to be entirely addressed through EAFRD.

How recommendation has been addressed or justification as to why not taken into account

The RDP provides a generic assessment of complementary actions between the RDP and other EU/National strategies/policies. RDP contains similar text as Section 2.1 of the PA.

Complementary actions include valorisation of human capital to support research capacity for development of research in various sectors, and other related technologies, as well as promoting training in sectors to

sustain the rural & fisheries economy.

RDP should provide a clear statement that no overlapping of funds will occur particularly with respect to EAFRD and ERDF in terms of TO6.

RDP does not address consistencies with the PA as to how EAFRD addresses the specific TOs outlined in the PA. RDP should directly highlight how TO5 is addressed given that the TO and its results on soil & water management, improved preservation & conservation of genetic resources are to be addressed through EAFRD. Furthermore the RDP does not indicate that other climate change related TOs (eg TO4 & TO6) are addressed through EAFRD. RDP should note that the derivation of needs and measures are linked with the respective TOs which the EAFRD targets (TO1,3,4,5,6,8,9,10). Finally the RDP should refer to the EU 2020 targets.

3.2.4. Recommendation 04

Category of recommendation: Construction of the intervention logic

Date: 01/06/2014

Topic: Intervention Logic and Derivation of Needs

Description of the recommendation

There needs to be a clear description of the process through which the elements of the SWOT analysis would lead to the identified needs.

How recommendation has been addressed or justification as to why not taken into account

The recommendation has been addressed in that the SWOT analysis has been undertaken in a more structured manner. Each element of the SWOT is numbered and is thereafter mapped to each of the needs identified in the RDP. As a result, each need can be directly mapped to the strengths/weaknesses and opportunities/threats that it is addressing. Furthermore the needs are mapped to the focus areas of the RDP providing a clearer assessment of the intervention logic of the RDP. Towards this end, the RDP has taken the suggestions made in the Ex-Ante. Furthermore, the SWOT analysis makes greater use of data and while it continues to rely on the stakeholder consultation undertaken to derive the SWOT, to an extent it backs the analysis with the use of data.

3.2.5. Recommendation 05

Category of recommendation: Programme implementing arrangements

Date: 01/06/2014

Topic: Management and Implementation

Description of the recommendation

The RDP provides no information on the management and control rules for the first and second pillars of the CAP and how these will be harmonised.

How recommendation has been addressed or justification as to why not taken into account

Chapter 15 of the RDP which in the most part was missing from the first submitted draft of the RDP, refers to the mechanisms brought into being in the 2014-2020 programming period for coordination and complementarily between different projects financed under the ESI funds and other Union and National funding schemes which are to be maintained for the coming programming period. The projects will be coordinated by the Inter Ministerial Coordination Committee (IMCC), which will be complemented by the Managing Authority, with the objective to avoid double financing and abide by the principle of complementarily. The aim of this framework is to ensure synergy between different measures under the ESI fund and coordination between different projects as to ensure that projects selected under the Cooperation measure do not overlap with those financed through LEADER and thus avoid duplication of funding. The role of the IMCC is explained in further detail in chapter 14.

The RDP also makes clear that the MA will ensure that there is a clear apportionment and division of roles, in cases where certain personnel are also involved in tasks related to Pillar I activities, and not solely to EAFRD.

3.2.6. Recommendation 06

Category of recommendation: Other

Date: 01/06/2014

Topic: Programme Implementation

Description of the recommendation

Sections on Verification and Controllability should describe systems of monitoring and control to be operated at the level of measures/sub-measure, including lessons learnt from past programmes for similar measures.

How recommendation has been addressed or justification as to why not taken into account

To an extent the experience of the previous programming period has been taken into account as the RDP indicates that various meetings were held between the MA and PA to ensure that the root causes for errors of the 2007-2013 RDP are addressed. This also builds on the action plan submitted by the Maltese Authorities to the Commission as part of the shared effort to reduce error rates for the EAFRD. The

Programme however does not detail these lessons.

Reference is also made to the fact that the MA and PA have looked at each measure and operation in detail and assessed associated risks linked with verification of supported interventions and way to control and assess compliance and conformity with approved expenditure.

3.2.7. Recommendation 07

Category of recommendation: Other

Date: 01/06/2014

Topic: Training and climate change, implementation and evaluation of measure

Description of the recommendation

Article 14: The description should include further detail on specific knowledge gaps such as on climate change adaptation needs, the lack of eligibility of training services which are already part of educational programmes of curricula may lead to the exclusion of demonstration projects, benefits of a voucher system should be elaborated upon and to ensure an adequate overall assessment, a tracer study of persons receiving training could be planned for and incorporated in the Evaluation Plan.

How recommendation has been addressed or justification as to why not taken into account

Revised RDP addresses the need for training to address climate change. The RDP presents in detail the extent to which training will meet the need of climate change as a cross cutting objective, noting how specific needs (1, 3, 4) will have beneficial effects through mitigation of emissions, and making Maltese agriculture more adaptable and resilient to climate change.

RDP recognises the need for skills improvement in farm risk management to instil a culture where adaptation serves as a primary tool. In particular, the restoration and preservation of biodiversity and improvement of water management are called for in this respect. Training related to climate change addressed in the RDP include water management, soil management and protection of biodiversity.

RDP makes reference to a voucher system for the refund of training costs, and indicates that further information will be presented in the measure guidance. Clearer information is also presented on eligibility and discussions are being held with the National Commission for Further and Higher Education to determine the validity of the training service providers. No reference is made to the assessment of the measure.

3.2.8. Recommendation 08

Category of recommendation: Other

Date: 01/06/2014

Topic: Consistency of the measure

Description of the recommendation

Article 17: There needs to be greater consistency between the description of the measure and its objectives and the types of actions eligible for support.

How recommendation has been addressed or justification as to why not taken into account

This recommendation has been largely taken on board and specific suggestions in this regard such as the importance of including the provision of works and services and the construction or improvement of farm access roads and footbridges has been taken into consideration in this regard. Furthermore, the Programme under this measure notes the latent demand for these forms of investment support although this demand also needs strengthening through training and advice.

3.2.9. Recommendation 09

Category of recommendation: Other

Date: 01/06/2015

Topic: Agri-Environment Climate Measures

Description of the recommendation

Article 28: AECMs The likely potential areas which could be reached through these measures in terms of the budget allocated to this measure, would be relatively limited compared to the requirements for such activities especially in terms of AECM4 and 5.

How recommendation has been addressed or justification as to why not taken into account

The budget for the agri-environment measures has remained the same but the support rates particularly for AECM1, AECM 4 and AECM5 have changed following suggestions made by the evaluators as indicated in Section 18.2 of the report. Due to the revision in the support rate, which takes into account published data particularly in the computation of income foregone, the target for these indicators has been revised upwards.

3.2.10. Recommendation 10

Category of recommendation: Other

Date: 01/06/2014

Topic: Rural hub function of the NRN

Description of the recommendation

Greater emphasis on the rural hub function within the NRN section of the RDP. This recommendation has also emerged from the SEA which indicated that important projects under the RDP are linked to the formation of partnerships with multiple stakeholders. Experience with past programmes has shown, as also acknowledged in the RDP itself, that cooperation projects are a challenge for Malta. In order for such projects to be successful it is important that the MA is actively involved in promoting such projects and providing the necessary support to assist in the implementation of these important projects. This is particularly relevant to measure 16 (and its sub-measures).

How recommendation has been addressed or justification as to why not taken into account

The rural hub has an important role to set the framework for the establishment of partnerships. The RDP notes that a rural hub is envisaged using animators established within and/or working closely with the NRN to co-ordinate and facilitate access to relevant support systems for knowledge, training, and skills development. It also notes that the NRN is the designated rural hub. Throughout the RDP reference is made to the rural hub and its importance in ensuring effective participation. Indeed the effective take up of the measures depends on the extent to which the NRN will engage in its core function of the NRNM which is the sharing and exchanging of information, practices, experiences, ideas and resources amongst all relevant stakeholders in Malta and enhancing the quality of implementation. The RDP notes that specific assessment of progress and achievements will be carried out on specific topics such as the NRN but no reference is made as to how this will be undertaken. Furthermore, no reference is made to the composition of the NRN although the procedure for establishing is noted together with the indication that the NRN work plan and launch will be undertaken by end 2015.

3.2.11. Recommendation 11

Category of recommendation: Other

Date: 01/06/2014

Topic: Monitoring and Evaluation

Description of the recommendation

There should be explanations regarding the ways in which the necessary technical resources will be available to implement the insufficiencies in technical capacity.

How recommendation has been addressed or justification as to why not taken into account

The Programme provides a description of the objectives and planned utilisation of Technical Assistance. It focuses on the development of human resources including provision of training, management and support as

well as the control functions of the Programme. In this respect, it is expected that lessons learnt from the previous programming period are addressed in the 2014-2020 Programme.

It is important that administrative capacity which in the past has posed a challenge to the implementation of the Programme is monitored and addressed also through the use of TA funds. Indeed the use of TA funds which are earmarked for monitoring and evaluation is considered positively in the Programme but must be monitored to ensure that these funds strengthen the administrative capacity of the respective authorities. In this regard, special attention must be paid to human resources in term of recruitment, development and retention, and to the implementation of the required software tools.

3.2.12. Recommendation 12

Category of recommendation: Other

Date: 01/01/2014

Topic: Ensuring efficient monitoring systems

Description of the recommendation

Present methods that will be used to ensure that the monitoring system will contribute towards the timely generation of data, including IT systems.

There was in the previous Programme, a lack of integration between IACS and PAMS and the lack of a common data warehouse which resulted in delays in the preparation and analysis of the required data throughout the 2007 – 2013 programming period. It is acknowledged in the RDP that this lack of integration in the IT system caused ineffectiveness in the collection of quality result and impact indicator data, consequently hindering monitoring and evaluation activities. There is however no direct reference as to how this challenge will be overcome.

How recommendation has been addressed or justification as to why not taken into account

No specific monitoring system is referred to in the Programme although the Programme states that Technical Assistance will be used to ensure (i) effective control functions; (ii) compliance with IT requirements and obligations, especially with respect to systems and databases necessary for the implementation of the RDP.

3.2.13. Recommendation 13

Category of recommendation: Other

Date: 01/01/2014

Topic: Gender Equality

Description of the recommendation

The Programme should seek opportunities to improve gender mainstreaming in the conceptualisation of measures and in the implementation of actions.

How recommendation has been addressed or justification as to why not taken into account

Gender equality is essentially considered as part of the ex-ante conditionalities. Reference is made to the Training Plan the NCPE will be delivering to the Managing Authorities' staff focusing on EU gender equality at the start of Programming Period for all current officers and to all newly engaged officers responsible for ESI Funding Programmes 2014-2020 across the Public Service. There is however no specific reference as to how the Programme will improve gender mainstreaming.

3.2.14. Recommendation 14

Category of recommendation: SEA specific recommendations

Date: 01/07/2014

Topic: Project Selection Criteria

Description of the recommendation

It is to be noted that the Environment report was prepared on the draft of the RDP dated July 2014. The RDP was subsequently revised following the ex-ante evaluation and Commission comments. However, the measures selected for funding remained the same, so it was not considered necessary to update the SEA Environment Report in August 2015.

The SEA recommended that biodiversity, climate change mitigation and adaptation should feature directly in the project selected criteria.

How recommendation has been addressed or justification as to why not taken into account

The SEA noted the following key recommendations with respect to project selection criteria:

The need to ensure that, during project selection, proposals / initiatives that address a number of environmental concerns should be given priority over those that do not. Environmental requirements during project selection should be allocated enough weighting to ensure that project proponents actively pursue environmental requirements. With respect to principles for selection criteria under measures 1, 2, 3, 6, 8, 16 It is unclear what weight will be given to environmental protection during implementation of the RDP.

Under measures 4 and 8: This is considered more specific and more in line with the recommendations

emerging from the SEA.

Under measure 19 (leader) there is no specific reference to environmental parameters including biodiversity and climate change.

Overall: While environmental protection is mentioned as part of the selection criteria, the selection criteria fall short of the specific recommendations emerging from the SEA that included references to biodiversity and climate change adaptation and mitigation.

3.2.15. Recommendation 15

Category of recommendation: SEA specific recommendations

Date: 30/06/2014

Topic: Siting of new infrastructure

Description of the recommendation

An additional recommendation made in the SEA is on siting of new infrastructure. It states: *Certain interventions in the RDP may require the construction of new facilities / infrastructure. As a general recommendation, the reuse of existing buildings and the development within existing built-up areas is preferred to the uptake of new land. When considering the criteria for the selection process, priority should be given to projects that seek to use/re-use already existing buildings and structures over those that require new development. The SEA points out that certain projects may require an EIA, or an Appropriate Assessment, in the case of impacts on Natura 2000 sites. The SEA also recommends that regular consultation with the Environment Protection Directorate (EPD) within MEPA should be carried out and an EPD representative should be present on the Project Selection Committee*.

How recommendation has been addressed or justification as to why not taken into account

The RDP acknowledges the requirement for assessments under different environmental legislation, however the reuse of existing buildings is not referred to.

3.2.16. Recommendation 16

Category of recommendation: SEA specific recommendations

Date: 30/06/2014

Topic: Removal of trees

Description of the recommendation

In terms of specific recommendations under measure 8 (Article 25), the SEA advises that the removal (felling) of trees, thinning, etc should not be *restricted to cutting down the tree as uprooting trees is often necessary particularly with alien and invasive species. Preference should also be given to projects that use local genetic material. Funding should also be targeted towards planting of indigenous species. The removal of alien species should be carried out in accordance with MEPA's guidelines for the removal of alien species (MEPA, 2011, Guidelines on managing non-native plant invaders and restoring native plant communities in terrestrial settings in the Maltese Islands Final Draft for Consultation*). *It is also important to ensure that those sites identified for new woodland areas do not host Annex I habitats (Habitats Directive) or other habitats of conservation importance (as has occurred in the past) whereby they be lost as a result of the afforestation. An Appropriate Assessment or other suitable ecological assessment may be required prior to the designation of an area for afforestation.*

How recommendation has been addressed or justification as to why not taken into account

The RDP makes specific reference to local legislation as it that that *any interventions approved must also carry the necessary endorsement of the competent authorities to ensure full compliance with all planning and environmental EU and National legislation*. Reference is also made to the Natura 2000 management plans for the areas to be afforested and the requirement to have a forest management plan for areas over 10 ha.

3.2.17. Recommendation 17

Category of recommendation: SEA specific recommendations

Date: 30/06/2014

Topic: AECMs

Description of the recommendation

In terms of the agri-environment measures (under Article 28) and the sub-measure to prune *Arundo donax* the SEA recommended that *the measure should include support to plant cuttings or saplings of rare watercourse species along the watercourse following harvesting of the Giant Reed. This would enable the establishment of a watercourse habitat dominated by rare and endangered watercourse trees and hydrophilous vegetation. The trees will help control the Giant Reed in the long term whilst stabilising the watercourse substrate. The choice of trees should include the following, which are all rare and endangered, some of them critically: Salix alba, Salix pedicellata, Sambucus nigra, Ulmus canescens, Fraxinus angustifolia; and Populus alba.*

How recommendation has been addressed or justification as to why not taken into account

In the August 2015 version of the RDP reference to *Arundo donax* was removed and reference to the guidelines on managing non-native plant invaders and restoring plant communities in terrestrial settings in

the Maltese Islands was made.

3.2.18. Recommendation 18

Category of recommendation: Other

Date: 01/05/2015

Topic: Programme Specific Measure

Description of the recommendation

The minimum and maximum thresholds for the eligibility criteria should be clearly identified in the Programme as stipulated in Article 19(4) of Regulation (EU) No 1305/2013 and the basis for the selection of the thresholds should be provided.

How recommendation has been addressed or justification as to why not taken into account

The evaluators have worked with the MA to provide a basis for the selection of minimum and maximum thresholds applicable to young farmers distinguishing between the crop and the livestock sector. The derivation of the thresholds have been based on data on the standard economic output by farm size as provided by the National Statistics Office. The thresholds have been published in the August version of the RDP.

3.2.19. Recommendation 19

Category of recommendation: Establishment of targets, distribution of financial allocations

Date: 01/07/2015

Topic: Indicators and Targets

Description of the recommendation

The derivation of the target values for T4 and T19 based on the results of specific meaures should be clearly outlined. Furthermore targets determined from the revised support rates such as T9 should be revised.

How recommendation has been addressed or justification as to why not taken into account

The assumptions used to derive the values of the targets are not clearly outlined and based on the August 2015 version of the RDP the targets have not been revised.

3.2.20. Recommendation 20

Category of recommendation: Other

Date: 01/08/2015

Topic: Programme Measures

Description of the recommendation

It is unclear whether these recommendations have been considered as the revised version of the RDP has been sent to the evaluators on 25.09.2015, Programme submission date to EC.

How recommendation has been addressed or justification as to why not taken into account

The MA has indicated that the revised support rate will be considered but this cannot be verified from the version of the report submitted to the evaluators as at 25.09.2015.

3.2.21. Recommendation 21

Category of recommendation: Other

Date: 01/07/2015

Topic: Programme Specific Measures

Description of the recommendation

The assumptions used to estimate the support rates for organic farming should be duly presented and all assumptions should be adequately referenced. Following discussions with the MA, it has been suggested that the support rates for 10.1 and 10.2 are revised downwards to take into account income foregone and the increase in the production cost associated with organic farming. Based on published NSO data on the income per hectare for fruit and vegetables, the income forgone is derived based on the agro assumptions provided by the MA in relation to the production costs. This results in a downward revision of the maintenance support rate to Euro 1,346/ha. Given the high support rate offered in 2017-2013 and yet the weak take up as explained in the Programme, the maintenance support rate should match the conversion rate. The MA has not identified any additional costs associated with conversion. Following the revisions of the support rate, the output indicators should also be revised accordingly.

How recommendation has been addressed or justification as to why not taken into account

The MA has indicated that the revised support rate will be considered but this cannot be verified from the

version of the report submitted to the evaluators as at 25.09.2015.

3.2.22. Recommendation 22

Category of recommendation: Other

Date: 01/07/2015

Topic: Programme Specific Measure

Description of the recommendation

Support for the planting of indigenous trees/shrubs should be based on available information. Towards this end, the support rate should take into account either income foregone used in the derivation of the support rates associated with vineyards and orchards or else the support rate for AECM2.

How recommendation has been addressed or justification as to why not taken into account

The MA has indicated that the revised support rate will be considered but this cannot be verified from the version of the report submitted to the evaluators as at 25.09.2015.

3.2.23. Recommendation 23

Category of recommendation: Other

Date: 01/06/2014

Topic: AECMs

Description of the recommendation

Assumptions related to the derivation of the support rates should be clearly highlighted and sources backing the assumptions should be published. Furthermore, it is suggested that published data by the National Statistics Office is used for the purpose of important elements of the support rate such income per hectare. The revised support rates should also take into account the latest data.

The annex which highlights the methodology used for the derivation of the support rates was presented to the evaluators in July 2015.

The evaluators in particular suggested that the income per hectare for AECM1, 4 and 5 is revised to adequately reflect published data. This has led to a revision of the support rates.

How recommendation has been addressed or justification as to why not taken into account

AECM support rates have been revised.

3.3. Ex-ante Evaluation report

See annexed documents

4. SWOT AND IDENTIFICATION OF NEEDS

4.1. SWOT

4.1.1. Comprehensive overall description of the current situation of the programming area, based on common and programme-specific context indicators and other qualitative up-to-date information

Chapter 4 provides an analysis of the current development needs within the Maltese rural & agricultural sector. The delineation of the SWOT & needs analysis is built on the lessons learnt as well as on an extensive consultation process.[1] This section should be viewed within the context of Malta's Partnership Agreement (PA). Malta's RDP has identified the following 5 themes that have emerged from discussions with rural stakeholders & potential beneficiaries over the past years:

1. Maltese quality produce;
2. Wider rural economy & quality of life;
3. Landscape & environment;
4. Water, waste & energy; &
5. Sustainable livestock.

The programme also identifies a number of cross cutting themes to include climate change, innovation, education & training.

Malta: physical, social & economic characteristics

The Maltese Archipelago consists of three inhabited islands: Malta (245.7 km2), Gozo (67.1 km2) & Comino (2.8 km2) & a number of small uninhabited islets. There are no mountains, lakes or rivers but springs with small streams which only flow for a few months throughout the year. All areas constitute a continuum from urban to rural & the activities associated with each context occur side by side.

With a total population of 417,432 in 2011,[2][3] limited natural resources & one of the highest population densities in Europe, (1,320 inhabitants per km2 in 2011), Malta's characteristics distinguish it geographically & socio-economically from most other Member States within the EU.

As detailed in Malta's PA, the particular geo-demographic characteristics pose a series of significant challenges to the economy. Malta's heavy dependence on imports leaves the country reliant on air & sea transport for its socio-economic development. Malta's landscape remains very important for the economy particularly for the tourism sector. Moreover it also provides added value for a higher standard of living & a better quality of life.

Malta's permanent handicaps & peripherality are even more prominent in Gozo. Gozo's economy is heavily dependent on Malta for its economic development in various sectors such as the domestic, manufacturing industry & tourism – notably internal tourism, & agriculture. The overwhelming majority of enterprises in growth sectors of the national economy are in fact located in Malta. This has resulted in a 'brain drain' of young Gozitans who tend to migrate to Malta, which impinges heavily on Gozo's economic development possibilities & leaves Gozo with an increasing population of older persons.

Between 2010 & 2013, Malta's real GDP grew by an annual average of 2.3% reflecting a strong rebound in growth of 4.2% in 2010. In 2013, the Maltese economy expanded by 2.6% which was reflected in a positive performance in all sectors of the economy, with the exception of the manufacturing & construction activities

sectors. Similar developments were observed in Quarter 1, 2014.

Agriculture has traditionally played a central & vital role in shaping & managing landscape, supporting the effective capture & use of rainwater, protecting biodiversity & contributing to landscape quality & cultural heritage on the islands. The sector faces a number of challenges varying from the physical land parcels limitations to water scarcity. Agriculture is inherently dependent on the use of natural resources. Whilst the sector in itself is a major source of pressure, improved awareness of the ecosystem services upon which it is dependent is essential. The status of the water resource, soil quality & biodiversity is an integral factor to agriculture production. Water & energy are important inputs, for both livestock & arable farms.

Within this context, & taking into account the higher costs faced by Maltese farms, the entire agricultural area has been designated as Less Favoured Area under the Common Agricultural Policy, since 2004.

Agriculture as a whole contributed 1.6% to Malta's GDP & 1.3% to its GVA in 2012, but it contributes the largest share of income & employment in the primary sector, alongside fishing. The economic importance of the sector is significant in respect of its contribution to Malta's food & drink economy & as a provider of employment, particularly part-time employment. In 2012, the total factor income of the agricultural industry was €67.5 million. Total entrepreneurial income from agriculture in 2012 was €61.5 million.

Due to limited land space availability & despite high self-sufficiency in certain key fresh products (e.g. milk, fruit & vegetables), the Maltese food sector is heavily reliant on imports. This scenario leads to fluctuations in the price of food commodities, leaving Malta susceptible to social challenges related to the quality of life, particularly amongst vulnerable groups.

When comparing performance across sectors, indoor livestock sectors remain particularly economically vulnerable as a result of their high dependence upon imported feed as well as their relatively costly use of energy & water. In addition, whilst the horticultural sector has potential for profitability & competitiveness, it suffers from extreme fragmentation in respect of both structural characteristics (small farms) & institutional factors (poor co-operation & weak links to value-added or short food supply chains), which leads to higher costs & lower returns.

When comparing the value of imports to that of outputs for 2010 & 2011, costs in the fruit & vegetable sector averaged around 60% of the value of outputs in both years, whereas ratios in the livestock sectors ranged from around 60% to over 100%, indicating that significant proportions of the farms in the sample were operating at a loss in at least one of the 2 years. However, there were farms in all sectors which were operating at a profit. This illustrates the scope for improving efficiency & productivity in all sectors of Maltese agriculture.[4]

1. Maltese quality produce

Relevant SWOT elements (S3-S6, S8-S9, S12, S15-S16, S19; W1-W2, W4-W9, W11, W13, W16, W19, W22, W27, W31, W33-W34, W36,-W37; O1-O14, O16- O25; T1- T18, T20-T23.)

The key farm sectors in Malta include annual fruit & vegetable cropping; permanent cropping; indoor dairy, pig, poultry & rabbit production, & small-scale sheep & goat dairying. Honey is also a significant Maltese

product, made by bees which depend upon the rich flora of the Maltese garigue & maquis habitats.

In 2013, fresh vegetables that passed through organised markets amounted to 40,900 tonnes, yielding a wholesale value of €17.0 million, representing an increase of 6.1% in volume & a marginal drop of 0.7% in the wholesale value when compared to 2012. The volume of fresh fruit decreased by 19.2%, from 2,694 tonnes in 2012 to 2,176 to in 2013 whereas the wholesale value of fresh fruit went up by 9.0% in comparison to 2012.[5]

When taking into consideration direct sales, own consumption & sales to processors, the estimated production of fresh vegetables amounted to 73,933 to, up by 5.4% when compared to 2012. The estimated producer value of fresh vegetables went up by 29.9% to €45.5 million in 2013. The estimated total fruit production decreased by 7.1% to 9,109 to, whilst the estimated producer value of fresh fruit increased by 5.2% to €7.5 million in 2013.[6] Animal production increased by 1.3% to 11,168 to. Increases of 2.0% & 4.5% were registered in the beef & pork production respectively, while broiler meat declined by 3.0%. Consequently, the producer value of slaughtered livestock increased by 10.7% to €25.3 million in 2013 from €22.8 million in 2012.[7]

Estimated gross agricultural production at producer prices for 2013 amounted to €138.2 million (+3.2 %). After taking into consideration losses & intra-unit consumption, the final agricultural production at producer prices increased by 3.4% to €13.05 million. The producer value of crop output, which amounted to 37.2% of final agricultural production, went up by 2.0% in 2013, mainly due to an increase in the value of potatoes (+16.3%). On the other hand, the producer value of vegetables & horticultural products decreased by 1.4% when compared to 2012.[8]

Animal output, which represents 57.3% of final production, rose by 5.2% over 2012 figures. The producer value of slaughtered animals went up by 5.8%, mainly due to an increase in the value of slaughtered pigs (+22.1%). Similarly, the value of animal products went up by 4.2% over 2012 on account of increases of 15.6% & 0.7% in the final production value of eggs & milk respectively. Intermediate consumption for 2013 amounted to €69.1 million, down by 2.5% over 2012 figures, which was mainly attributable to a drop in expenditure in veterinary services, energy & lubricants & animal feed, whilst increases were registered in the expenditure of fertilisers & plant protection products.[9]

Organic farming

In 2011, only 0.2% of all Maltese agricultural land was used to grow organic produce. Organic farming is one of the instruments offering potential to support soil conservation which is being addressed through various specific measures. Good agricultural & environmental conditions are necessary for the implementation of organic farming. In recent years organic farming grew only marginally in Malta. The nature of holdings, with small & scattered parcels is not conducive to developing organic farming where products are likely to be contaminated from activities on neighbouring parcels. This limitation together with the fact that much manual labour is already applied in arable production as well as taking into account that the expected returns on organically labelled produce are limited, lead to a lack of interest in organic production. In terms of soil protection & improvement other measures such as support for maintenance of filed boundaries, erosion control measures, & increasing knowledge & skills of farmers regarding agri-chemical applications may also lead to improved sustainability. The specific characteristics of Malta such as the small size of land parcels continue to pose significant challenges & real limitations on the ground with respect to implementation. Nonetheless, taking into account the local scenario, Government aims to promote organic farming under the 2014-2020 period.

2. Wider rural economy & quality of life

Relevant SWOT elements (S1, S7 - S19; W1, W2, W4, W5, W7-W17, W19, W20, W22- W30, W32- W39; O1-O25; T1- T9, T11, T12, T16- T23.)

Despite its small scale, agriculture has traditionally made an important contribution to Maltese: domestic consumption, food processing & retail sectors including hotels & catering, & to employment, albeit largely as a provider of part-time employment. Over the years, Malta has been facing an ageing farming population. Significant entry barriers into farming make it difficult for young people to enter the industry; these include access to land and difficulties in borrowing money from banks to make investments due to the lack of collateral.

In 2013, 19,066 persons were actively engaged in agricultural activity, up by 2.8% compared to 2010 data. Full-time & part-time employment during 2013 increased by 5.5% & 2.6% respectively over 2010. Employment in agriculture is dominated by males with the female full-time employment representing 9.3% of the total full-time employment. Female participation in part-time activity amounted to 21.6% of all part-time employment. The majority of persons employed in agriculture, (70.3%) work less than 25% of 1 Annual Work Unit (AWU), whilst 1,372 farmers (7.19%), being engaged full-time in the sector, worked more or equivalent to 1 AWU.[10]

Whilst the mean average gross salary in 2012 was almost €16,022, for skilled agricultural operators it was just over €13,000, thus the relatively low income & level of commitment required to operate in the sector do not encourage young people to enter the industry. In addition, current farmers' dependency on agriculture as their main source of income leads to social disadvantage & exclusion in rural households. Thus, the need to support the sector & ensuring its profitability remains a priority.

Tourism is a key part of the Maltese economy, both in terms of employment levels and GDP. Malta's Tourism Policy focuses on sustainable tourism growth, in particular through increasing tourist numbers, during off-peak months, & attracting quality tourists.[11] Rural areas & village 'cores' are seen as potential areas where employment can be increased through diversification to support agricultural activity, without degrading the natural areas. Local food production is also seen as a contributor within the context of promoting cultural heritage through gastronomy. In this regard, Government understands the need to give a new impetus to organic farming in Malta & thus has identified the need to undertake an integrated management approach for further growth in this sector as far as this is feasible.

Support is envisaged to encourage on farm developments linked to the diversification within rural tourism. Interventions may include the opening of farm shops, artisanal production of quality local products as well as the provision of services in order to stimulate family farming & open up various niches that can in return result in various job opportunities for women & start up opportunities for young farmers.

3. Landscape & environment

Relevant SWOT elements (S2, S7, S11, S12, S14- S17, S19; W1- W3, W9- W11, W18, W19, W21, W23, W24, W25, W26, W28, W33- W37; O1- O6, O12- O21, O23 - O25; T1-T6, T9-T22.)

Agriculture is the largest land user on the islands (47% of total land surface). Other land use categories are natural areas (23%) & woodland at less than 1%. Whilst manure & slurry are stored on farms & disposed of, over 30% is applied on fields providing scope to use significant amounts for bioenergy generation.

Landscape degradation is occurring through land abandonment, loss or lack of maintenance & creeping development. In 2013, unutilised agricultural land represented 1.6% of the total declared land.[12] Land abandonment generally takes place on marginal terraced slopes that need a lot of maintenance, & where poor soils, difficult access & small size of fields make the farmers' work uneconomical. Rubble walls collapse & soil is more vulnerable to erosion, particularly as storm events increase with climate change. In this regard, efforts need to be made to revert this trend.

The 2010 Agricultural Census for Malta recorded a total of 12,529 holdings. 65.8% were classified under economic size class I (Standard output less than €2,000), & only 5.7% of holdings had an economic size class greater than V (>8 ESU). 91% of all holdings had an economic size class ESU less than 8. As outlined in NSO's report on Agriculture & Fisheries, a total of 11,453 hectares of Utilised Agricultural Area (UAA) was registered. The majority of agricultural holdings in Malta & Gozo are relatively small, with 73.5% of the agricultural holdings having a UAA of less than 1 hectare each. Medium-sized agricultural holdings made up 24.4% of the total; such holdings comprise between 1 & 5 hectares, while only 2.1% are considered large, each having a minimum of 5 hectares of UAA. Around 200 are landless indoor livestock holdings which are likely to include some of Malta's larger farm businesses, along with some of the largest & more specialised horticultural farms, & vineyards.

Most small farms in Malta grow predominantly fruit & vegetables, fodder crops, with some permanent cropping (citrus, olives, vines). Land use on Malta's farms is classified into 3 broad categories: arable land, permanent crops, & kitchen gardens. Arable land accounts for the larger land-based farms which grow fruit & vegetables as well as having forage crops &/or fallow land. Permanent crops cover citrus, olives, vines whilst kitchen gardens are much smaller holdings that grow a wide range of horticultural crop types. In 2013, the cultivation of forage crops remained predominant covering 5,290 hectares (45.25% of the total UAA) whereas 1,458 hectares were utilised for kitchen gardens.[13]

Malta is notable in having no grassland area within the UAA, & thus no land which would qualify as classic High Nature Value farmland exists, although many of the islands' Natura 2000 sites are on agricultural land & the small-scale nature of terraced agriculture gives rise to some valuable wildlife habitat.

Environmental context

Malta's climate features very hot & dry summers with virtually no rain from May to August. Winter rainfall is considerable, giving an average total annual rainfall of 605 mm. With irrigation, crops can be grown in almost any month but without it, there is little growth in summer. The tradition season for crop production is t from October to June but in this period, several cropping cycles are possible for a variety of horticultural products.

Landscapes:

Landscapes are characterised by semi-arid vegetation & highly varied topography, as all 3islands have an undulating surface with rocky scarps & sharply incised valleys. The underlying limestone geology has a dominating influence upon landform & landscape.

The proportion of undeveloped land includes a significant share of agricultural land, whilst the area of forestry in Malta is limited. In 2010, the total forest within Natura2000 stood at 25.19%.[14]

Woodlands:

Buskett, located in the western-southwestern coast of Malta, is a semi-natural woodland, where trees namely the Aleppo Pine, together with the Evergreen Oak, the Olive & the Carob regenerate naturally. It is important for many wood-associated species, including invertebrates, mycoflora, & birds. It is managed by Government, for nature & amenity. .

There is scope for closer integration of agriculture & forestry through exploring novel agroforesty systems. Farmers & landowners have shown interest in exploring the potential for utilising shrubs, bushes & other perennial woody species in areas made difficult by severe pedo-climatic conditions, & in areas where there may be benefits from shelter belts (from wind & salt spray). Thus, increasing the area of woodland, & improving the maintenance & resilience of existing wooded areas will contribute environmental benefits through increasing habitat diversity.

In line with the EU Forest Strategy (2013) & taking into account the benefits of afforestation on the environment (especially for biodiversity), forest-based industries, bio energy & the fight against climate change, the need to increase forestry & to address it as a holistic approach is a priority .

Farmland:

Agricultural landscape is one of very small parcels of land, frequently arranged in terraces, & surrounded by dry-stone ('rubble') walls along which grow a variety of wild flora. In the widest valleys such as the land south of Mgarr (Malta), fields are somewhat larger & there is a notable occurrence of horticulture under plastic or glass – most commonly using polytunnels. Prickly pear & other shrubs frequently grow up along boundaries between cultivated surfaces, & landscape bears the marks of both historic & current water management systems, with rock-bounded channels to direct rainwater down & across slopes & valleys, & frequent top-structures of *wells* which were the traditional subterranean rainwater reservoirs. There is also evidence of partial land abandonment, where former terraces are breaking down slowly as the land has ceased to be actively farmed, & steppe vegetation may re-establish across the land surface if there is sufficient soil depth to encourage it.

Despite the relatively small land area, a rich variety of flora & fauna exists, which also includes a large number of plants & animals native to the islands. This rich biodiversity is essential as Malta's natural capital & heritage since it also contributes significantly to genetic & functional diversity (including the delivery of ecosystems services & the island's attractiveness) & thus also contributes towards the tourism sector.

The natural environment is characterised by different types of habitats such as coastal, sand dunes, & rocky habitats including the succession series of Steppe, Garrigue, Maquis & woodlands, although most woodland in Malta was lost many centuries ago as agriculture expanded. A total of 67.6 km2 (or 21.5% of land area) are protected areas mainly through the designation as Special Areas of Conservation (SACs) & Special Protection Areas (SPAs). Whilst under the 2007-2013 period focus was placed on the design plans, under the 2014-2020 period due attention will be given to the potential identified in the plans. In 2011, Malta had a total of 39 SACs, including 5 marine areas of international importance covering 190.8 km2 of territorial waters.[15] Out of the total SACs, 32 are of international importance while 7 are of national importance.[16] As at the end of 2011, 13.3% of land area was covered by SACs whereas the designated SPAs amounted to 13 covering 5.2% of land area.[17]

In 2011, an additional 3 areas of ecological importance[18] & sites of scientific importance were scheduled, resulting in a total of 73 areas covering 5.35 km2. Furthermore, 27 terrestrial sites covering 41.8 km2 of Malta's land areas, & 1 marine area of 8.5 km2 formed part of the EU's Natura 2000 network of protected

areas, including 13 SPAs mentioned earlier.

Notwithstanding the above efforts, Malta's status on biodiversity is still not fully explored. In fact, 36% of the species & 29% of the habitats listed in the Habitats Directive are still unknown. On the other hand, 44% of species & 64% of habitats do not have a favourable conservation status. Within this context, during 2012, Government launched Malta's National Biodiversity Strategy, based on the EU Biodiversity 2020 Strategy, & Action Plan providing a comprehensive policy framework for protecting biodiversity. This strategy aims to contribute towards enhancing the status of Malta's biodiversity. In this regard, it is envisaged that this programme will also contribute towards the achievement of the targets outlined in the Biodiversity strategy.

The garigue & maquis, which are a priority for this RDP as outlined under Chapter 8, represent habitats of national & international importance for biodiversity, as signified by the designation of around 13.5% of the country as Natura 2000 sites. In recognition of its fragility in current conditions, there is a prohibition on the grazing of livestock on all areas of garrigue, although this habitat was probably subject to very low levels of grazing by sheep or goats in previous centuries.

Malta's farmed landscape itself represents an important resource for Maltese biodiversity. The intricate mosaic of very small farmed fields & terraces, divided by traditional rubble walls, watercourse channels (from springs & in valley bottoms) & rural roads, creates important habitat for a range of species, including some of national & international conservation importance (e.g. the Maltese chameleon, oscillated skink & other reptiles, as well as rare plant species). Pressures upon the quality of these habitats arise from multiple sources including agricultural decline & abandonment as well as intensification of farming practices for field cropping & from intensive indoor livestock production leading to challenges in respect of the safe & sustainable use of organic manures. In this regard, particular focus will be placed on AMCs.

Malta Farmland Bird Index (2013), showed a decline in the index, estimated at 81.93% compared to 2008. The decline was not spread through all species with 3species (collared dove, common quail & short-toed lark) exhibiting an increase. As indicated in the index, the decline could be attributed to various factors including but not limited to farmland practises.[19] This programme will facilitate interventions aiming to revert this trend by supporting afforestation measures in order to increase bird habitats.

In order to better conserve & protect the landscape & environment; agri-environment & climate measures offer potential sources of support for maintaining the natural character of specific habitats as well as support for soil protection & management. These actions need to be sustained & encouraged across the whole territory[20] & need to be complemented by investment in knowledge & skills acquisition on the relationship between agricultural practices & ecosystems, water protection, habitat management, & landscape management. Thus, an integrated approach towards conservation & protection of the landscape & the environment leads to multiple benefits in terms of economic development, soil protection & biodiversity. Measures may be implemented to ensure farmers' commitments towards ensuring the necessary integrated approach. Interventions during the 2014-2020 period will contribute towards the implementation of the National Biodiversity Strategy & Action Plan (NBSAP), which may include biodiversity positive measures, whilst also taking into account climate change & resource efficiency policies.

Malta also has important agricultural biodiversity in the form of a range of distinctive & locally-endangered livestock breeds. These include the Maltese Ox, goat & poultry, as well as rabbits, which are perhaps the most distinctive & culturally-important farmed species.

As outlined in Malta's NBSAP, the percentage cover of "forests & semi-natural areas" has not decreased

below the CORINE land cover data which in 2006 stood at 19.1%.[21] However, in an effort to ameliorate & increase its forestry, by 2020, Malta aims to ensure that relevant Forest Management Plans or equivalent instruments, in line with Sustainable Forest Management (SFM), are in place for all forests that are publicly owned & for forest holdings above a certain size that receive funding under the EU Rural Development Policy so as to bring about a measurable improvement in the conservation status of species & habitats that depend on or are affected by forestry & in the provision of related ecosystem services as compared to the EU 2010 Baseline. This is in line with the EU Forest Strategy (2013) & which outlines the benefits of afforestation particularly for biodiversity, forest-based industries, bio energy & the fight against climate change.

The principal threats to soils may be described as erosion, soil sealing, decline in soil organic matter, soil contamination, & soil salinisation. Although data on the extent & severity of soil threats & soil degradation are sparse, monitoring data is available on 3 key soil quality indicators thanks to a study conducted in 2012[22], relating to organic carbon, lead contamination & salinity.

Soil organic carbon content is one of the primary indicators of soil quality, as it is a source of plant nutrients & influences the exchange of nutrients, water retention, soil structure & its stability, & soil biodiversity. Human activity, principally intensive cultivation, is one of the most important causes of declining organic matter. Figures from 2012 show that the average organic matter in the sampled top soils in Malta ranged from 0.4% to 2.3%, & just above the 2.0% soil organic carbon threshold, below which potentially serious decline in soil quality is expected to occur. Specific measures to mitigate the impact on ecosystem services such as food provision, flood protection & for the delivery in terms of habitats & species will be undertaken.

Soil contamination can pose risks to human health, soil function, & the wider environment; sites with a degree of inevitable contamination in view of on-site activities include: petrol stations; power stations; waste dumps; the IPPC sites; fuel depots; industrial areas; &, scrap yards. Since data on soil contamination remains scant, lead concentrations in top soils may be used as a proxy to monitor contamination.

Soil salinisation, or the excessive increase of soluble salts in soil, is among the most important & widespread of soil degradation processes. Maltese soils are vulnerable to soil salinisation, with irrigation using salt-rich groundwater a major direct cause. The aforementioned study carried out in 2012 showed that, in general, soils are non-saline to very slightly saline (meaning that electrical conductivity is generally less than 3.50mS/m), however, in some regions, the electrical conductivity has been observed to be significantly higher.

Taking into account increases in temperatures & more intense yet less rainfalls, increased pressures on the sustainability of the groundwater resources & reduced overall precipitation, increased vulnerability for soil & agriculture in general is expected. The relatively low levels of organic content of Maltese soils is a reflection of the climatic conditions of the region & cultivated soils in general have lower organic matter than non agricultural soils. Taking into account the main threats to soil quality, efforts will be undertaken during the 2014-2020 period to ensure the long term quality & preservation of Maltese soil.

Organic farming offers the potential to support soil conservation & improvement but interest within Malta is limited. The nature of holdings, with small & scattered parcels is not conducive to developing organic farming where products are likely to be contaminated from activities on neighbouring parcels. This, & the fact that much manual labour is already applied in arable production, & the expected limited returns on organically labelled produce leads to a lack of interest in organic production. Notwithstanding these limitations, measures for organic farming have been integrated within this programme. Government

understands the need to give a new impetus to organic farming in Malta & thus has identified the need to undertake an integrated approach for further growth in this sector. In terms of soil protection & improvement much more can be achieved through supporting maintenance of filed boundaries, erosion control measures, implementation of integrated pest management & increasing knowledge & skills of farmers regarding agri-chemical applications. In this respect, specific measures targeted soil protection & improvement will also be supported.

A long-term strategy for monitoring soil was finalised in 2013. The aim of the strategy is to comply with existing & emerging comprehensive project monitoring obligations required to adequately manage the soil theme. The monitoring strategy also includes recommendations for cross-thematic data analysis & models required for an appropriate forecasting of this environmental theme.[23] In addition, the sustainable use of natural resources including soil is also outlined in Malta's NBSAP.[24] Thus any measures related to soil proposed under this Programme will take into consideration the recommendations & guidelines provided within these strategies.

4. Water, waste & energy

Relevant SWOT elements (S8, S12, S15 - S19; W1-W2, W4, W9-W11, W14, W18, W22, W25, W31-37; O1-O6, O10-O14, O16-O20, O22-O25; T1-T9, T11-T15, T18, T20-T22.)

Water quantity & quality:

Water continues to be a constraining resource in agricultural development. Security of water supply is a key challenge, particularly in view of the emerging climate change impacts. Malta is densely populated but poorly endowed with freshwater resources. Meeting the high water demand whilst protecting & conserving this resource base & the environment is a major challenge.

Besides the abandonment of historical water collection, storage & distribution several of the larger reservoirs no longer function. These reservoirs tend to be small & constructed by individual landowners to deal with their own small parcels of land. The problem of irrigation is made more difficult by the division of holdings into multiple small parcels of land that may not be adjacent or even in the same vicinity. This leads to multiple problems, including: reluctance to invest in large scale irrigation, the use of bowsers (tanker trucks) to transport water to isolated parcels of land, &, where irrigation systems are utilised, they are often economically inefficient due to the small scale of operation.

Water Exploitation Index (see figure)

In 2010, the water extracted for agriculture purposes amounted to 28.2million m3. On comparing this figure to the total water abstraction in 2010 (41million m3it is clear that the abstraction by agriculture is substantial i.e. 68.8%.

Most inland surface waters are linked to the dynamics of several dry river valleys & their associated catchments. Inland & surface waters tend to be very small transitory streams, or standing waters that flow or receive water flow for limited periods of time during the year. Very few watercourses or streams are permanent due to their connection with springs that form from blue clay outcrops in perched groundwater

systems. Inland surface & transitional waters often are of great ecological importance because these harbour a number of species & habitats of conservation value, & many inland waters have been scheduled as Areas of Ecological &/or Scientific Importance & are also part of Natura 2000 sites designated under the EU Habitats & Birds Directive. In line with the Water Catchment Management Plan (WCMP), importance will be given to valley systems & other inland small water systems as these constitute important features in the landscape & provide significant ecosystem services such as flood protection, water for irrigation of fields; & areas of recreational value. In addition, an assessment of inland surface waters and their status is expected to be included in the Second WCMP by the end of this year. A preliminary assessment shows that the status of water dependent habitats and protected species within inland waters is inadequate due to restricted size of habitat/s, hydro-morphological alterations, deteriorating water quality and invasive species.

Groundwater remains the key resource for agriculture & 16 separate aquifers have been identified, some of which are 'perched' aquifers, feeding transitory streams, but with limited capacity for abstraction & with higher risk from land-based pollution, & some connected to the deep aquifer in the lower Coralline limestone & more at risk from sea water intrusion. As a result of the small size of the islands, & the interconnectedness of the various aquifers, Malta has designated the whole territory of Malta & Gozo as being a nitrate vulnerable zone.

The Malta Catchment Plan (2011) reported total groundwater demand by the agriculture sector as estimated at 15 million m3, making agriculture the island's prime user of groundwater. Irrigated land was estimated at 30% (3200ha) of total agricultural land (10,326ha). Of these, 2810 ha were reported as being irrigated at least once yearly according to the Farm Structure Survey of 2007. A large proportion of arable land (58.5%) is used for forage crops (especially wheat), followed by 23.9% for vegetables, 8.9% for potatoes, & 0.3% for flowers & seeds production. Farms used only 7% of billed water consumption. A study by the Food & Agriculture Organisation (Malta: Water Resources review, FAO, 2006) estimated that agriculture requires 14.5 million m3 of water for irrigation purposes. Another 0.5 million m3 is required by farmers engaged in animal husbandry.

Water supply & diffuse water pollution from agriculture are critical issues, particularly in the context of anticipated climate change & demographic pressures & challenges. The whole of Malta is designated as Nitrate Vulnerable Zone under the EU Nitrates Directive & is subject to restrictions upon management under the Nitrates Action Plan for Malta and related national legislation. It has been scientifically confirmed that the major source of nitrate pollution in groundwater is the excessive use of natural & artificial fertilisers in arable agricultural practices. Within this context & in order to mitigate diffuse pollution from pesticides, guidelines on integrated pest management (IPM) have been developed. These guidelines, which are in line with the Directive on the sustainable use of pesticides, include recommendations on prevention & suppression of harmful organisms, monitoring, non chemical measures, protection of bees, water & human health & record keeping which are the minimum measures that farmers should implement.The RDP will support the sustainable use of pesticides by incentivising the use of mechanical systems. Farmers will also be encouraged to reduce the use of pesticides on a calendar basis and apply pesticides when necessary.

Constraints on implementing improvements in controlling nitrates include the lack of knowledge among farmers of soil structure, & plant requirements, & the spatial pattern of soil types, which is very intricate, both in semi-natural & agricultural areas where different soil types often occur within a single field or within a distance of several metres (Nitrates Action Programme: Malta, 2011). The focus on integrated

approaches within defined valley systems will enhance the potential for reducing nitrate pollution, & for provision of advisory services (linking to a defined need in Malta's Nitrates Action Programme).

Between 2003 and 2010, the total irrigable area increased by 37 %, shifting from 2 300 to 3 150 ha [25]. In 2010, the share of holdings applying different irrigation methods was as follows: ca 20% by surface irrigation, ca 30% by sprinkler irrigation and ca 50% by drip irrigation [26]. In terms of water volume, 28.2 million m3 of water were used to irrigate 2 830 hectares of UAA in 2010: about 10 000 m3 per hectare [27]. There is scope for increased efficiency in irrigation practises through the adoption of drip irrigation technology and the introduction of advanced irrigation technology.

The state of Malta's water resources is currently poor & groundwater in some areas is contaminated with nitrates & salinity [28] however recent action over the past years has addressed this issue and is working towards eliminating/ substantially reducing nitrate pollution from agricultural sources. The 1st RBMP identified 15 groundwater bodies (gwb) of which 2 were in good qualitative status whilst 13 were in poor status. In addition 11gwb were in good quantitative status &4gwb were in poor quantitative status. A new water policy for Malta, developed within the context of the EU Water Framework Directive (WFD), was published in 2012 & sets targets in line with those of the Directive, to improve Malta's water resources & their sustainable management by 2020. Its key elements include the 1st RBMP, Climate Change Adaptation Strategy, Nitrates Action Plan, Pesticides National Action Programme & Water Services Corporation Management Plans. Among the priorities of the policy, effective flood management & reduction in flooding is also included, in line with the requirements of the EU Floods Directive.

A Water Catchment Plan (WCP) which was adopted in 2011 identifies the whole of the Maltese islands as a single catchment district. The plan indicated that Malta has no large & permanent river systems & the existing surface water systems are small & linked to the dynamics of dry river valleys & their associated catchments. Thus, a single water catchment district under Article 3 of the WFD was felt to be adequate for the purposes of the implementation of the WFD; consisting of all hydrological sub-catchments, nine identified coastal water bodies, & all groundwater sources. The plan also identifies agricultural activity as a main source of non-point source pollution. Fertilisers & pesticide from agricultural use have been identified as contributors to groundwater pollution across the islands. Furthermore, the WCP (2011) has identified a range of measures for the protection & improvement of groundwater resources. Within this context, the proposed measures in the RDP can contribute towards the objectives of the WCP.

The introduction and stringent enforcement of national legislation directly targeting nitrate pollution has evidently resulted in substantial improvements in the situation in recent years. In addition to the former a LIFE+ campaign was launched targeting the entire Maltese farming community, providing the necessary knowledge on how to reduce/ eliminate nitrate pollution from the source and through its application. Malta is also in the process of publishing a farm waste management plan (by 2015), which will be looking at measures to reduce nitrates pollution at National level from generation to use or disposal of inorganic manures and slurries.

In the RDP nitrate pollution is addressed through the only available option, which is the splitting of fertiliser application in AECM 1, this supersedes the baseline which only recommends this practice.

Waste

In recent years, actions to minimise the effects of waste on the environment & society included the increase in waste separation at source, plants for the treatment of municipal solid waste & the rehabilitation & restoration of closed landfills. Furthermore, measures aimed at reducing untreated sewage effluent discharge into the sea & addressing the incidence of high storm water volumes have also been implemented.

Notwithstanding the investment undertaken thus far in the waste sector, further investment is required with a view to addressing the challenges posed within this sector to move towards a more sustainable waste management system which aims to reduce the environmental impact of waste management practices including loss of resources, air pollution, etc. & achieve national & EU waste management targets. The Waste Management Plan for the Maltese Islands covering up to 2020 has been adopted in January 2014 & outlines a resource management approach towards the management of waste. The Plan includes also a Waste Prevention Programme outlining measures to meet a series of targets aimed towards reducing the generation of waste & increase source separation as well as promoting recycling & reduce landfilling.[33]

Within this context, investments through the RDP will aim to support Malta's shift towards sustainable & efficient waste management such as transforming animal waste into bio-energy.

Energy use & renewable sources of energy

Over 60% of CO2 emissions at a national level stem from the generation of electricity. Malta is committed to meet its targets pursuant to the Climate Change & Energy Package which are aimed at reducing the overall EU CO2 emissions by 20% below 1990 levels. It is envisaged that CO2 allowances to cover the level of permissible emissions from the generation, aviation & specific heavy industry will be available & traded on the market through the Emissions Trading Scheme (ETS), which on 1st January 2013 entered its third phase. Given the long term life span of capital investment required to mitigate climate-change repercussions, decisions taken today must be taken within the context of the EU Energy Roadmap 2050 – where the EU is committed to reduce greenhouse gas emissions to 80-95% below 1990 levels by 2050.

In terms of GHG emissions the overall quantity of emissions from the agricultural sector are small, despite the intensive nature of the livestock sector. According to EU figures, agriculture only contributes 2.6% of Malta's GHG emissions, & this contribution comes approximately equally (one-third each) from manure management, enteric fermentation & irrigated cropping. The proportionate contribution of agriculture has not increased significantly in recent years. Indeed, falling livestock numbers may have led to a small decline in GHGs from agriculture since accession in 2004. Thus, during the 2014-2020 programming period will adopt a horizontal approach in addressing the shift towards low carbon in that it will be a cross-cutting theme.

Nitrogen Balance

The gross nutrient balance for Malta was calculated by the National Statistics Office (NSO) for the year September 2005 to August 2006. The calculations suggest that 27% of the nitrogen loading comes from

crops & 73% from livestock manures. The total application of livestock wastes amounts an average of 167 kg/ha per year, compared to the legal limit of 170 kg/ha per year that is specified for areas designated as NVZ under the EU Nitrates Directive. Government understands the need to take the necessary steps to ensure that this trend is reversed. Within this context, measures to mitigate the current state of play & to ensure long term sustainability remain a priority under the 2014-2020 period. As the total area of Malta & Gozo is designated as a NVZ under the Directive, there will be considerable areas of agricultural land on which the legal limit is currently exceeded. In order to address this issue, in line with National legislation & the Nitrates Action Programme, the Nitrates Action Unit within the Competent Authority has been set up specifically for monitoring, evaluation & controls pertinent to the Nitrates Directive. In this regard, the Competent Authority undertakes the necessary follow up on all reports highlighting instances of dumping of organic waste in fields. In cases of breaches, the Authority undertakes the necessary follow up as per Standard Operating Procedure (SOP). Furthermore, the Nitrates Action Unit conducts a monitoring programme through a risk analysis exercise, aiming to control land parcels & livestock farms *vis-a-vis* the Nitrates Regulations. In case of non-compliance, follow up is undertaken as per SOP.

The Maltese authorities are addressing this issue by considering the possibility that in order for livestock farms to obtain their operational permit, they will also require waste management facilities permits which may only be issued upon proof that the farm only produces solid waste, either through the use of a separator, or through use of a manure clamp. The possibilities of using bio-digester plants are also being considered.

In addition, whilst little data is currently available regarding the phosphorus balance, primarily because phosphates usually pose a problem with respect to surface waters, rivers, lakes, springs etc which are very limited in Malta, attention to the use & need for balance for phosphates is also envisaged during the 2014-2020 programming period.

5. Sustainable livestock

Relevant SWOT elements (S8, S9, S11-S12, S15- S16, S18-S19: W1 -W5, W8, W11-W14, W16 - W20, W22, W27, W31-W32, W34-W37; O1-O4, O6-O14, O18-O21, O23-O25; T1-T12, T16-T18, T20- T23.)

Animal output, which represents 57.3% of final production, rose by 5.2% over 2012 figures. The producer value of slaughtered animals went up by 5.8%, mainly due to an increase in the value of slaughtered pigs (+22.1%). Similarly, the value of animal products went up by 4.2% over 2012 on account of increases of 15.6% & 0.7% in the final production value of eggs & milk respectively. Intermediate consumption for 2013 amounted to €69.1 million, down by 2.5% over 2012 figures, which was mainly attributable to a drop in expenditure in veterinary services, energy & lubricants & animal feed, whilst increases were registered in the expenditure of fertilisers & plant protection products.[34]

Cross cutting themes

Climate change

The effects of climate change are expected to continue to offer significant challenges to the Maltese agricultural sector. Water scarcity & extreme periodicity in rainfall events are just two examples of challenges which Malta is expected to face in the coming years. In terms of climate change adaptation, Government is in the process of maximising the utilisation of water resources by increasing the efficiency of capture, use & recycling of water & encouraging a shift to less water-dependent practices in agri-food &

tourism sectors, particularly through training & farming advisory under Measures 1 & 2 of this Programme.

Over the period 1990 to 2008 the average greenhouse gas emissions of the agriculture sector in Malta were 85,800 tonnes of CO2 equivalent, & the figure has been declining slowly in recent years as livestock numbers have declined slightly since EU accession. The energy used by agriculture in 2011 required the use of 949 metric tonnes of fuel, which is less than 1% of total fuel use in Malta. In addition, Maltese agriculture & rural development are anticipated to make a modest but strategically important contribution to mitigation through their response to the National Renewable Energy Action Plan. These actions are in line with EU climate change obligations & targets & adaptation actions reflect Malta's Climate Change Adaptation Strategy .

Mirroring the process undertaken at a global & EU level, climate change actions in Malta focused on mitigation & on the introduction of new infrastructure & processes that would result in less emission to reduce the amount of greenhouse gases. In 2009, Government published a national strategy for Policy & Abatement Measures directed towards the reduction of CO2 & other greenhouse gas emissions. Government is committed to continue implementing measures which aim to reduce emissions whilst proactively pursuing the monitoring of GHG emissions with a view to determine the progress made & identify challenging areas requiring attention, not only to ensure that national objectives are delivered but also to assess socio-economic implications on the population's well-being. Within this context, an inter-ministerial committee was set up to review the mitigation strategy & update it to incorporate the elements of a low carbon development strategy, in line with Regulation (EU) No. 525/2013.

The greatest climate challenge for the Maltese Islands however arises from the need to adapt to the predicted impacts. The territorial features coupled with their location in the southern part of the Mediterranean basin, places the Maltese Islands at a very vulnerable position. The second National Communication of Malta to the United Nations Framework Convention on Climate Change prepared in 2010 provided a comprehensive assessment of Malta's vulnerability. This work paved the way for the preparation of the National Adaptation Strategy published in 2012 establishing adaptation policy actions which complement measures in the area of mitigation. The effects & policy counter measures that may be adopted as a consequence of climate change & adaptation at national level are still very much in their infancy particularly due to two main limitations, namely the:

- limits of modelling technology available render it next to impossible to model climate

change & adaptation scenarios at a resolution of relevance to Malta; &

- lack of the required capacity in place for action.

These, coupled with the need to ensure increased awareness-raising across different sectors & stakeholders, have been identified as key elements that will influence adaptation action.

At the same time, strategic infrastructure related to the provision of energy, potable water (including water production from desalination plants) & transport is located in proximity of the coastline, which is vulnerable to sea level changes. Furthermore, a number of economic activities such as tourism & agriculture are also dependent on the quality of the natural environment in particular in terms of quality & quantity of water

resources, landscape quality, biodiversity richness, etc. All these factors exert further pressure to ensure mitigation & adaptation infrastructure as well as to the need to understand the inter-linkages between natural processes & human activities.

In order to undertake a holistic approach, in terms of climate change, Government is in the process of developing a national risk assessment in order to understand the risks that exist as well as develop the necessary mitigation plans. Furthermore, a master plan on flash flood management has also been recently updated. With improved knowledge on how climate change is likely to impact the Maltese Islands, further action can be developed to increase resilience through the preparation of risk prevention & management plans.

Air Quality

Agriculture is also a contributor towards air pollution (ammonia & PM emissions) given agricultural operations such as animal husbandry & crop production, can produce gaseous & particulate (dust) emissions. Whilst the agricultural sector's overall contribution to national emissions is low & has decreased over time, efforts to decrease the impact of agriculture on air quality will continue in the 2014-2020 period. Actions may include investment in farm improvements, waste disposal/storage/treatment facilities, examination of farm machinery emissions & emissions from burning related to agriculture, the promotion of organic farming as well as the implementation of good agricultural practices such as agri-environment or Areas for Natural Constraints, in line with Directives 2008/50/EC[35] & 2001/81EC.[36] In this respect, Government acknowledges the benefits for air quality emanating from the reduced use of fertilisers & other environmentally-friendly measures such as improved manure storage & use, which may be supported under this programme. In addition, where applicable, any measures related to energy efficiency & renewable energy supported by the programme will take into consideration relevant air quality plans to ensure coherence with the programme's initiatives. On a similar note, any use of biomass which may be supported under this programme will respect the emissions limit values developed under Ecodesign & Medium Combustion Plants Directive.

The overall trend in emissions emanating from the local agricultural sector reflects the decline in emissions from the respective source categories. The source of N^2O emissions from the source category Agricultural Soils is the application of synthetic nitrogen-containing fertilisers & manure to soils, for which decreasing trend in emissions may also be observed, from 20.75Gg CO^2 equivalent in 1990 to 16.60Gg CO^2 equivalent in 2011.[37] Manure Management ammonia emissions have decreased from a total of 33.36Gg CO^2 equivalent in 1990 to 25.53Gg CO^2 equivalent in 2011. The aforementioned emissions result from animal husbandry activities.

Innovation in Rural Development

Agriculture is an important factor in shaping the rural landscape, but, as an economic activity, it remains hindered by complex structural issues such as the small size of fields, high labour costs & the opportunity cost of agricultural land. Within this context, efforts to promote value-added R&D & innovation in agriculture & rural development, as well as measures to encourage cooperation between farmers, as a means to help off-set the impact of these constraints, remain an opportunity to be exploited further under the 2014-2020 period.

Education & training

During the 2007-2013 period, the RDP programme has contributed towards improving competitiveness in the agricultural sector including through training to the farming community. A total of 2,361 farmers were successfully trained. Such training focused on providing farmers & other persons involved in agricultural activities, with the necessary skills to meet the challenges that result from the new standards & demands of the rural economy. In addition, according to the 2013 Farm Structure Survey carried out by the NSO, 11,013 farm & land managers had practical agricultural experience, 1,352 had received basic agricultural training whilst 101 had received full agricultural training. Whilst these figures are commendable, nonetheless, the levels of technical efficiency of farming practices, particularly in kitchen garden horticulture & in respect of the sub-optimal & potential over-use of inputs including pesticides, inorganic fertilisers & water remain low.[38] The level of education & training among land-based farmers is also low, & few farmers have adopted innovative techniques such as integrated production.

There is a clear need to provide training & advice in both agronomic & agro-environmental, with potential to make an important contribution to climate change adaptation (via lower usage of inputs) & mitigation (via improved soil organic carbon levels, lower emissions & renewable energy generation). Furthermore, training on integrated farming also represents an important opportunity for the horticulture/cropping sectors, in particular.

In addition, the low number of students following agriculture related courses at higher level of education which stood at 53 students in 2014 out of a total number of students of 15,038 for the same year,[39] shows a limited awareness & interest amongst youths about this sector & continues to contribute towards an ageing workforce within this sector.

Within this context, the need to create more awareness about better practices amongst Maltese farmers, including through relevant training & advisory services, & attract more youths to the sector whilst encouraging more co-operation between farmers remains a priority.

[1] NSO, 2014

[2] Ibid.

[3] Ibid.

[4] NSO 2013

[5] NSO 2014

[6] MFSA, 2013

[7] NSO, World Water Day 2014

[1] Details in relation to the consultation process and involvement of partners may be found in Section 16 of the RDP.

[2] Updated figure for 2013: 425,384

[3] NSO.

[4] Agricultural Policy Report, 2014.

[5] Agriculture and Fisheries 2013, NSO, 2015.

[6] IBID.

[7] IBID.

[8] IBID.

[9] IBID.

[10] Agriculture and Fisheries 2013, NSO, 2015.

[11] Tourism Policy for the Maltese Islands 2012-2016, 2012

[12] NSO 2013.

[13] Agriculture and Fisheries 2013, 'NSO 2015.

[14] Communication from the Commission – A new EU Forest Strategy: for forests and the forest-based sector, 2013.

[15] IBID.

[16] The coastal cliffs, which include 8 sites, are considered as 1 site.

[17] The Environment Report, Indicators 2010-2011, MEPA.

[18] Important Habitat Areas.

[19] Birdlife Malta, Farmland Bird Report 2013, December 2014.

[20] Grasslands do not occur in the Maltese Islands.

[21] Malta's National Biodiversity Strategy and Action Plan 2012-2020 (https://www.cbd.int/doc/world/mt/mt-nbsap-01-en.pdf).

[22] Soil Quality Monitoring (Reference code: ERDF156) – project carried out with approved European Commission funding under the "Environmental Monitoring" focus area of Axis 6 of Malta's Operational Programme I 2007-2013.

[23] Development of Environmental Monitoring Strategy and Environmental Monitoring Baseline Surveys – Soil, 2013

[24]Malta's National Biodiversity Strategy and Action Plan 2012-2020

[25] http://ec.europa.eu/eurostat/statistics-explained/index.php/Agricultural_census_in_Malta

[26] http://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:Share_of_holdings_applying_different_irrigation_methods,_EU-28,_NO_and_CH_2010,_(%25).png&oldid=246082

[27] http://ec.europa.eu/eurostat/statistics-explained/index.php/Agricultural_census_in_Malta

[28] Pesticides have not been detected in the surveillance and operational groundwater monitoring programmes.

[29] Source: Ministry for Energy and Health

[30] Assumed at 60% of total precipitation.

[31] Estimated at 25% of total surface runoff generated (initial estimate).

[32] Return from leakages - value is reducing due to distribution network upgrading

[33] Waste Management Plan for the Maltese Islands – A Resouce Management Approach 2014-2020, January 2014

[34] IBID.

[35] Maltese Air Quality Plans cover the transport sector which remains the main contributor towards impacts on air quality. The use of heavy goods vehicles for agricultural purposes, albeit limited, would be addressed within the relevant plan.

[36] Malta's National Emissions Ceilings have not been exceeded with respect to the agricultural sector.

[37] World Environment Day statistics NSO

[38] Agricultural Policy Report, 2014.

[39] Further and Higher Education Statistics 2013/2014.

SWOT Summary Table (see figures)

Figure 1: Water exploitation index 2007-2012 (million cubic metres)1

Parameter	2007	2008	2009	2010	2011	2012
Precipitation (hm3)	196.1	158.2	215	162.1	186.8	164.1
Actual Evapotranspiration (hm3)2	117.66	94.92	129	97.26	112.08	98.46
Renewable Water Resources (hm3)	78.44	63.28	86	64.84	74.72	65.64
Natural subsurface discharge (hm3)	23	23	23	23	23	23
Unrecoverable surface runoff (hm3)3	7.35	5.93	8.06	6.08	7.01	6.15
Actual available Water Resources (hm3)	48.09	34.35	54.94	35.76	44.72	36.49
Total Abstraction (hm3)	36.6	35.8	31.8	41	38.2	39.8
Returned water (hm3)4	9	8.5	8.5	8	8	7.5
WEI+	57	79	42	92	68	89

[1] Source: Ministry for Energy and Health

[2] Assumed at 60% of total precipitation.

[3] Estimated at 25% of total surface runoff generated (initial estimate).

[4] Return from leakages - value is reducing due to distribution network upgrading

Water Exploitation Index

SWOT	
Strengths	**Weaknesses**
S. 1. Strong cultural attachment to farming.	W. 1. Lack of knowledge and expertise.
S. 2. Rich variety of flora and fauna.	W. 2. Low level of education and training.
S. 3. Customer loyalty and demand for quality products.	W. 3. Use of fertilisers, manure and pesticides and manure that harm the environment.
S. 4. Short supply chain.	
S. 5. Diversity of fresh produce.	W. 4. Small scale farming.
S. 6. Small distance for produce to be transported to consumers.	W. 5. Limited veterinary and laboratory services.
S. 7. The natural environment is considered an important economic and cultural asset.	W. 6. Lack of traceability in the sale and marketing of fresh produce.
S. 8. Increased local interest in rural management.	W. 7. Lack of control on the quality and origin of imports.
S. 9. Already set up co-operatives.	W. 8. Lack of cold storage and processing facilities.
S. 10. High level of broadband penetration.	W. 9. Fragmentation of arable land has a negative impact the agricultural community.
S. 11. Vital role of famers in shaping and managing the distinctive Maltese landscape.	W. 10. Physical geographical constraints.
S. 12. Increasing awareness about the benefits of organic produce.	W. 11. Difficulty in leveraging economies of scale.
S. 13. Good climatic conditions for rural tourism.	
S. 14. Garrigue and maquis represent habitats of national and international importance for biodiversity.	W. 12. Difficulty for young farmers to enter the industry.
S. 15. Farmland provides valuable function with respect to rainwater capture.	W. 13. Lack of trust and high levels of competition between farmers producing the same product for a limited domestic market.
S. 16. Low GHG emissions from agricultural waste.	W. 14. Cost of energy and water.
S. 17. Growing renewable energy sector.	W. 15. Ageing farming population.
S. 18. Demand for risk prevention measures from the farming sector.	W. 16. High levels of part-time manual labour create difficulties in getting produce to market.

Strengths and Weaknesses Summary Table (1)

	W. 17. Distance from international markets.
S. 19. Accessibility of rural territory	W. 18. Livestock dependency on fodder.
	W. 19. Very limited potential for animal grazing.
	W. 20. Low incomes in the livestock, pig and poultry sectors.
	W. 21. Soil erosion and management.
	W. 22. Limited land space.
	W. 23. Low cover of woodlands.
	W. 24. Landscape degradation through land abandonment.
	W. 25. Inefficient capture, management and use of rainwater.
	W. 26. Vulnerability of agricultural land to pests and diseases.
	W. 27. Small land parcels.
	W. 28. Underutilisation of historical and natural heritage.
	W. 29. Seasonality within the tourism industry.
	W. 30. Social disadvantage and exclusion arising in rural households which remain dependent upon agriculture as their main source of income.
	W. 31. Water management.
	W. 32. Limited sustainable utilisation of animal waste.
	W. 33. High nitrate levels.
	W. 34. Water scarcity.
	W. 35. Waste management.
	W. 36. No local expertise to implement prevention measures.
	W. 37. Dilapidated farm access roads.
	W. 38. Small size of Local Action Groups (LAGs).
	W. 39. Limited management skills available to implement and manage LAGs.
	W. 40. Limited organic farming

Strengths and Weaknesses Summary Table (2)

Opportunities	Threats
O. 1. Potential of further viability and sustainability.	T. 1. Reluctance of farmers to change practices.
O. 2. Enhancing productivity and innovation by promoting education and skills.	T. 2. Failure to adopt new technologies.
O. 3. Promoting innovation and knowledge transfer through cooperation.	T. 3. Poor farm management.
O. 4. Shift towards innovative and more environmentally-friendly technologies.	T. 4. Lack of quality assurance for the long term sustainability of the sector.
O. 5. Better quality produce and development of new crops.	T. 5. Unsustainable use of natural assets and overutilisation of finite resources.
O. 6. Improved business performance.	T. 6. Diffuse pollution from agriculture.
O. 7. Increasing demand for quality local agricultural products.	T. 7. Increasing input costs and higher costs of production.
O. 8. Opportunity to educate consumers with respect to fresh products.	T. 8. Costs associated with the removal and storage of livestock manure.
O. 9. Developing markets for agricultural products and services.	T. 9. More lucrative alternative career options for young people in the agricultural sector.
O. 10. Improve the sustainability and performance of agricultural holdings.	T. 10. Decline of local indigenous populations and varieties for both livestock and endemic crops.
O. 11. Improving agricultural productivity and profitability through investment.	T. 11. Creeping development.
O. 12. Rehabilitation of disused quarries and abandoned land for agricultural purposes.	T. 12. Increased impacts of climate change.
	T. 13. Soil sealing.
O. 13. Increased scope for environmental interventions.	T. 14. Soil contamination.
O. 14. Increasing resilience to climate change.	T. 15. Soil salinisation.
O. 15. Recognising the value of landscape and historical environmental assets.	T. 16. Environmental degradation and biodiversity decline.
O. 16. Improving approaches to soil management and irrigation.	T. 17. Risks for animal and plant diseases introduced from abroad or due to climate change.
O. 17. More efficient use of water resources and nutrient inputs to crop	T. 18. Limited knowledge within the farming community on organic farming.

Opportunities and Threats Summary Table (1)

farming.	
O. 18. Maintaining genetic diversity.	T. 19. Deterioration of rural areas including natural and cultural heritage.
O. 19. Potential for organic farming.	T. 20. Fresh water resources under considerable strain.
O. 20. Potential for RES, exploiting nutrient values in manures and potential for energy generation through biogas.	T. 21. Increasing water demand.
O. 21. Potential for rural and eco tourism.	T. 22. Insufficient risk prevention measures.
O. 22. Improving resource efficiency.	T. 23. Administrative burden related to funding implementation undermines the viability of LAGs.
O. 23. Potential for Treated Sewage Effluent (TSE) for agricultural purposes.	
O. 24. Increased stability and sustainability for the farming sector through risk prevention measures.	
O. 25. Potential to involve local rural communities.	

Opportunities and Threats Summary Table (2)

4.1.2. Strengths identified in the programming area

Based on the in depth situation analysis provided earlier within this document, as well as on the feedback received through the consultation process, a SWOT analysis was undertaken with a view to identifying those issues that can be addressed through the Rural Development Programme for Malta. The SWOT analysis presented earlier highlights Malta's current limitations and development potentials which Government aims to address through the Rural Development Programme 2014-2020.

Agricultural activity

Strong cultural attachment to farming: The fact that most farmers are on a part-time basis can also be seen as a strength, in that it enables resources from other sectors to enrich or complement farm business operations (economic diversification) and it ensures that a significant number of Maltese families retain direct links with the land.

Diversity of fresh produce, short supply chains and small distances for produce to travel to consumers: With a population of half a million consumers within relatively easy reach, farm production is well-placed to specialise in fresh, high quality products to support a varied and healthy diet.

Already set up cooperatives: Cooperatives provide support to farmers. The vast majority of producers within the dairy and pig sectors are organised within a cooperative. Through cooperatives there is greater

opportunity for the efficient management of the market.

Customer loyalty and demand for quality products: The dairy sector has a distinctive product range and strong brand loyalty among Maltese consumers. There is a growing demand for good quality products across the sector.

Increasing awareness about organic farming: There is a growing interest from consumers for organic products.

Demand for risk prevention measures from the farming sector: Comprehensive risk management is viewed as an important opportunity to be explored further to ensure the sustainability of the sector.

Increased local interest in rural management: There is an increased interest and need by the farming community to explore new and more efficient ways of rural management.

Landscape and environment

The natural environment is considered an important economic and cultural asset: Malta's natural environment contains species and habitats of international importance and its cultural landscape is perhaps even more distinctive and unique, showing the traces of many centuries of habitation and multiple layers of cultural and socio-economic use with a particularly rich archaeology and history.

Garrigue and maquis represent habitats of national and international importance for biodiversity: Around 13.5% of the country is designated as Natura 2000.

Rich variety of flora and fauna: Given the small size of the Maltese islands there is a particularly high diversity of terrestrial plants and animals present on the territory.

Vital role of farmers in shaping and managing the distinctive Maltese landscape: Malta has been shaped by agricultural activity and its landscape quality depends upon continued sensitive management by agriculture, particularly in respect of terraces, rubble walls and other semi-natural landscape features.

Farmland provides a valuable function in respect of rainwater capture: A role which has re-emerged as vitally important as the island population has grown and water stress has increased.

Low GHG emissions from agricultural waste: Agriculture emissions are not considered to be a significant source of pollution (2008 State of the Environment Report).

Wider rural economy

Good climatic conditions for rural tourism: Tourism is a key sector in the economy and a significant contributor to GDP and employment. Rural areas and village cores are seen as potential areas where employment can be increased through diversification to support agricultural activity.

Growing renewable energy sector: Increasing interest in the application of renewable and energy efficient systems within the agricultural sector.

High level of broadband penetration: As a consequence of size, rural areas in Malta are relatively accessible to local people and to tourists and the level and diversity of rural services are good – for example,

broadband access is already available across the whole territory.

Taken together, these strengths indicate potential for Malta to build upon its diverse range of agricultural products and large potential domestic and tourist market for food; to better recognise and protect its cultural landscapes, semi-natural habitats and biodiversity; and to exploit the relatively high quality of rural services; in its pursuit of more sustainable rural development.

4.1.3. Weaknesses identified in the programming area

Impacts upon agriculture's competitiveness

Physical geographical constraints: The geographical limitations pose significant challenges for agriculture, as it contributes to increased costs for all imported agricultural inputs.

Limited land space: Due to the limited availability of land space, the food sector is heavily reliant on imports whereby despite a high self sufficiency in certain key fresh products such as milk, fruit and vegetables, the majority of foods for domestic consumption are imported. The challenges brought about by COVID including limitations in trade have reinstated the important role that the agricultural sector has in the provision of food security.

Distance from international markets: The distance from other markets increases the relative costs of Maltese exports, putting Malta at a disadvantage in mainland European markets, compared to other countries.

Fragmentation of arable land has a negative impact on the agricultural community: The small scale of the island as well as the highly fragmented tenure patterns impact the capacity to realise economies of scale within the sector. Land fragmentation also presents significant challenges to effective environmental management in farmed landscapes, as holdings and fields are frequently too small for area-based management payments under agri-environment schemes to be financially attractive.

Difficulties in leveraging economies of scale: Limitations resulting from physical geographical constraints leads to difficulties in the leveraging of necessary infrastructure and increasing competitiveness in the sector. The higher costs which agricultural holdings in Malta tend to face, exacerbated by the impact of Covid, leads to greater challenges in tapping into economies of scale.

Small land parcels: The agricultural landscape consists of very small parcels of land, frequently arranged in terraces and surrounded by dry-stone rubble walls (ħitan tas-sejjieħ).

Small size of Local Action Groups (LAGs): The size of the existing three Local Action Groups (two in Malta and one in Gozo) covers approximately 287km2 with an average population of 260,635 inhabitants.

Livestock dependency on fodder: The majority of indoor livestock producers are heavily dependent upon imported feed. Maltese-grown forage is inferior in quality, with low nutritional value and low digestability. Domestic forage is largely used for bedding or top-up feeding whilst the main ration is imported. Rising costs, including those which have been spurred due to the impact of COVID, is having a determinental effect on the sector. Indeed, the ongoing price developments in the international markets as a result of the

COVID event, is impacting negatively the value added of the sector and its competitiveness.

Very limited potential for animal grazing: This is particularly the case on mainland Malta, while in Gozo a higher proportion of forage cropping is managed directly by livestock producers. Little attention or value is placed on forage cropping and crops are frequently harvested too late to be of optimal quality for feed.

Low incomes in the livestock, pig and poultry sectors: the sustainability and viability of farms in some sectors is difficult without some form of aid or support. The curtailment of foreign and local demand due to the effect of COVID is exacerbating the drop in economic activity in the agricultural sector leading to further drops in income.

Marketing of quality produce

Lack of control on the quality and origin of imports: The propensity to label and sell imported products as local produce further compounds the problem

Lack of transparency and traceability in the sale and marketing of fresh produce: Poor traceability, inconsistent quality and supply as well as profiteering are significant issues for all fresh produce sectors, and for some farm inputs, and there is significant scope for supply chain improvements in most sectors.

Small-scale farming: Many producer organisations are too small to operate effectively meaning farmers receive relatively low prices for their produce and have lost trust in the marketing channels and in other forms of co-operative working. The very small size of land parcels contribute to higher production costs due to the inability to use standard machinery, and practical and logistical difficulties for farmers managing small plots scattered across the landscape. These small scale farms tend to experience greater volatility and instability in their income, manifested by the greater impact of COVID on such holdings.

Lack of cold storage and processing facilities: This lack of infrastructure limits any potential for improvements in quality and in marketing of fresh produce. The lack of storage facilities exacerbates the problem of peaks and troughs in supply with consequent low prices, and even wastage of crops that cannot be sold or utilised.

Limited veterinary and laboratory services: Limited availability of certain support services to the sector. Improved breeding, disease & veterinary support, research, consultancy, mentoring, planning and possibly funding a new/upgraded national abattoir to improved standards.

Structural challenges for the land-based sector

High levels of part-time manual labour create difficulties in getting produce to market; This is partly due to the very small land parcels that are being managed, access difficulties and the minimal use of machinery. Limited time or energy is available for farmers to develop/adopt alternative marketing approaches, and there is a general lack of knowledge regarding alternative marketing strategies.

Age profile: The farming population is ageing and there is a lack of young farmers entering the industry. Significant entry barriers into farming, such as access to land, relatively low incomes, make it difficult for young farmers to enter the industry.

Low levels of education and skills: Levels of education and training among the farm labour force are often

low, which has obvious knock-on effects upon standards of agricultural practice.

Lack of trust and high levels of competition between farmers producing the same product for a limited domestic market: Socio-cultural factors make it difficult to get farmers to work together.

Training and skills development

Lack of knowledge and expertise: Significant gaps in knowledge and a range of skills in the farm sector especially lack of awareness of modern technology and farming practices, and incomplete information regarding developments in other, similar areas, of the EU. There is a general lack of knowledge regarding alternative marketing strategies. Training must also be tailored to the needs of the various operators in the sector.

No local expertise to implement prevention measures: A lack of basic knowledge relating to prevention measures and techniques is prevalent within the sector.

Limited management skills available to implement and manage Local Action Groups (LAGs): Increased preparatory support is needed for LAGs to prepare and manage local development strategies.

Landscape and environment

Water ,waste and energy

Inefficient capture, management, and use of rainwater: Very limited evidence of efficient irrigation water use, and limited use and maintenance of traditional water retention and capture systems. The fragmented nature of land holdings also results in significant pumping and movement of water by road tanker in order to supply isolated parcels of land.

Water scarcity: Malta has no large and permanent river systems and the existing surface water systems are small and linked to the dynamics of dry river valleys and their associated catchments.

Waste management: Animal wastes are also viewed as a problem due to the leaching of high levels of nitrates into groundwater bodies resulting from manure disposal.

Livestock sector

Cost of energy and water: Water and energy are significant inputs for livestock farms. Given that Malta's livestock production is almost entirely indoors, energy use and water consumption have increased.

Limited sustainable use of animal waste: The current limited sustainable utilisation of animal waste, and the disposal of pig manures through the sewage system, represent significant inefficiencies for the sector as a whole. The level of knowledge regarding the nutrient value of organic wastes used is low and knowledge regarding the safe handling of liquid slurries is limited.

Landscape, accessibility, biodiversity and environment

Accessibility of rural territory: Some roads in rural areas require continuous improvement especially those leading to farms. Most of these roads are found in the countryside and are only used by farmers to access their holdings. The efficient management of local infrastructure is not only vital to ensure competitiveness in agriculture but also to ensure the sustained preservation of farm holdings that are

increasingly under threat of land abandonment as a result of difficult accessibility due to fragmentation. The lack of adequate access to these holdings, particularly those situated in terraced hills and coastal cliffs, is one of the major causes driving land abandonment in the Maltese islands, since it limits mechanization, productivity and leads to land marginalisation. The improvement in accessibility to these holdings through the upgrading of farm access roads will increase farm utilization, improve farm management and increase farm efficiency.

Landscape degradation: Land abandonment, loss or lack of maintenance, and creeping development are the main causes of land degradation. Landscape features are falling into disrepair as land holders cease farming in favour of other more secure income and employment options. As the sector continues to face greater challenges to its sustainability, the degradation of agricultural area is likely to increase.

High nitrate and pesticide levels: Farmland is being under-managed and some is threatened by the intensification of input use on farms which is leading to increasing contamination of water sources with high levels of nitrates and pesticides. In both these situations, the trends also represent a growing threat to biodiversity.

Vulnerability of agricultural land to pests and diseases: Threats to tree health have increased with the globalisation of trade generally, but also as result of climate change and the non-sustainable use of pesticides.

Low cover of woodlands: Low cover of woodlands exist in the Islands.[1]

Soil erosion: Unsustainable practices and poor management within the sector are posing serious risks which are resulting in the lowering of soil quality through salinisation, erosion, soil sealing, soil contamination and desertification and soil organic matter levels.

Use of fertilisers, manure and pesticides that harm the environment: Fertilisers and pesticides from agricultural use have been identified as contributors to groundwater pollution across the islands.

Wider rural economy

Social disadvantage and exclusion arising in rural households which remain dependent upon agriculture as their main source of income: Rural areas on average face increased disadvantages including lower income.

Seasonality within the tourism industry: Products and experiences do not always appeal to visitors all year round and are dependent on good climatic conditions. The decline in international tourism demand has been one of the main channels through which the COVID shock has had an impact on the production of the agricultural sector.

Underutilisation of historical and natural heritage: Failure to conserve and invest in natural and historical assets has a direct impact on the level of diversification which can be undertaken in rural areas.

In addressing the above weaknesses, Malta is expected to improve the sustainability of the sector whilst improving the environment within agricultural and rural areas.

[1] Only a few remnants of woodlands are found in few areas with small copses of the Holm Oak at il-Ballut tal-Wardija, il-Ballut tal-Imġiebaħ, Ta' Baldu/Wied Ħażrun, and Il-Bosk near Buskett

4.1.4. Opportunities identified in the programming area

Agricultural activity

Developing markets for agricultural products and services: There is the potential to further develop existing and new markets to ensure the viability and sustainability of the sector and reduce barriers to growth for small and micro enterprises.

Improve the sustainability and performance of agricultural holdings: There is the potential to improve business performance at the farm level but also within the sector.

Improving agricultural productivity and profitability through investment: This will support and encourage the adoption of innovative technologies and practices.

Knowledge transfer and advice

Enhancing productivity and innovation by promoting education and skills: Better trained farmers will manage their businesses better and will enable them to be more innovative and receptive to innovations.

Promoting innovation and knowledge transfer through cooperation: There may be more potential for cooperation in some sectors whereby individual farmers are encouraged to come together to benefit from shared experience and collaboration.

Shift towards innovative and more environmentally friendly technologies: There is an increasing awareness to innovate and learn the latest techniques and farming methods, particularly among young farmers. The scope to establish more demonstration sites and farms, to help improve practices and enable benchmarking against ‘best’ practice, has also been identified.

Livestock sector

Potential for the generation of renewable energy through nutrient values in manures and biogas: The facilitation of co-ordinated waste management for bio-energy and the roll-out of effective nutrient management planning offer opportunities to harness the wider value of animal wastes and reduce the use of

fossil-fuel derived energy and inorganic fertilisers. There are also opportunities to research and experiment with strategies to improve forage cropping for livestock farms. Biogas generation represents both an opportunity and a challenge requiring advice, demonstration, capacity building and investment support.

Quality products, sales and labelling

Increasing demand for quality local agricultural products: Changing patterns of consumer behaviour in regard to food consumption and safety are a potential opportunity for developing new products and raising standards of current production.

Educate consumers with respect to fresh products: Developments such as Malta's farmers market are seen as a potential means of raising consumer awareness and educating the consumer towards the value of Maltese products.

Organic farming: is a new niche in this sector where there is an increasing demand by consumers.

Risk Management

Risk Prevention : increased stability and sustainability for the farming sector through risk prevention measures contributes towards lowering the risks of significant income loss.

Rural economy and quality of life

Potential for rural and eco-tourism: The tourism sector offers potential opportunities for diversification in the agricultural and rural sector. Rural tourism requires co-operative action between producers, local authorities, and tourism providers to be effective, but offers important potential to develop niche products and services catering to specific demands for more active and culturally-informed tourism in future.

Recognising the value of landscape and historical environmental assets: There is growing demand for nature based, sustainable tourism which could contribute towards the diversification of the sector.

Resource Management, Landscape, environment and climate change

More efficient use of water resources and nutrient inputs to crop farming: There is significant potential to make more efficient use of water resources and nutrient inputs to crop farming, through improved rainwater capture and irrigation systems. There is also potential to utilise new/different and potentially less water-dependent crops and to develop markets for endemic, drought-resistant local varieties.

Improving resource efficiency: Maximising the utilisation of resources, including utilities, requires investment which contributes towards the sustainability of the sector. Water use could be further reduced through improvements in irrigation systems and better water management.

Potential for Treated Sewage Effluent (TSE) for agriculture purposes: agriculture is considered a potential user of Treated Sewage Effluent (TSE) as outlined in the Water Policy thus having a positive impact in terms of maximising water utilisation within the sector.

Maintaining genetic diversity: There are opportunities for conserving, protecting and enhancing the landscape and environment through the development, amongst others, of tree crops that could have multiple benefits in terms of economic development, soil protection and biodiversity.

Increasing scope for environmental interventions: Agri-environment and climate measures offer potential sources of support for maintenance and enhancement of the natural character of some of the garigue and the maquis, where these habitats occur in small fragments within the farmed landscape.

Potential to involve local rural communities: There is a high level of support from rural communities (and the stakeholders involved) for initiatives to improve rubble wall maintenance and other kinds of active landscape and habitat management within farmed areas.

Rehabilitation of disused quarries and abandoned land for agricultural purposes: In many parts of Malta and some areas in Gozo, there is evidence of land abandonment, where former terraces are breaking down slowly as the land ceases to be actively farmed. This provides an opportunity for the rehabilitation of these areas, also for agricultural purposes.

Increasing resilience to climate change: contributes towards increasing the viability of farm enterprises can increase their climate resilience.

Improving approaches to soil management and irrigation: Improvements in soil management could help reduce the need for irrigation.

In conclusion, investment addressing these opportunities will contribute towards improving the development and sustainability of the sector.

4.1.5. Threats identified in the programming area

Agricultural Activity

Increasing input costs and higher costs of production: Increasing input costs and higher costs of production (when compared to mainland Europe and North Africa) are a threat to the financial sustainability of the sector for both livestock and fresh produce. This threat has been amplified to a greater extent due to the rising costs brought about by the impact of COVID. Rising feed costs and other input costs are posing an even greater challenge to the sustainability of the sector.

Reluctance of farmers to change practices and adopt new technologies: Risk averse farmers may not take up unproven techniques and technology easily. Besides, poor confidence in the profitability of the farming sector and other external factors could make farmers even less willing to accept the risks associated with the testing and adoption of new practices and/or technologies.

Poor farm management: The lack of education and skills in the sector, resulting in farms being operated at sub-optimal levels, poses a threat on the general viability and sustainability of the sector.

More lucrative alternative career options for young people in the agricultural sector: There is a lack of young people entering the industry. Significant entry barriers into farming, such as access to land and relatively low incomes, make it difficult for young people to enter the industry.

Administrative burden related to funding implementation undermines the viability of Local Action Groups (LAGs): The administrative burden associated with the implementation of funding impinges on how effective the performance of local action groups can be, also given their size and limited capacity.

Quality produce

Lack of quality assurance for the long term sustainability of the sector: The lack of quality assurance is identified as a major weakness for a wide range of producers and processors, and a threat to long-term sustainability of the sector.

Limited knowledge within the farming community on organic farming: There is limited knowledge within the farming sector concerning organic farming and organic farming practices.

Livestock sector

Costs associated with the removal and storage of livestock manure: A challenge for livestock farms is the management of animal wastes. Currently organic animal waste from pigs and cattle are seen as a problem, involving costs for disposal, while that from other stock is generally used on land in the drier months of the year. All wastes have nutrient value, representing a source for enriching soils and reducing the need to use imported fertilisers.In terms of wastes an additional threat for livestock producers results from the costs associated with removal, storage, and disposal of livestock manures.

Addressing resource management, Landscape, biodiversity, climate change and environment

Increasing water demand: Fresh water resources are under considerable strain. Malta has no large and permanent river systems and the existing surface water systems are small and linked to the dynamics of dry river valleys and their associated catchments.

Unsustainable use of natural assets and overutilization of finite resources: A significant threat to Malta's farming and rural areas result from the threats posed by water quality and supply upon which much of current production relies. The threat of landscape degradation through land abandonment, which is already occurring as a result of land fragmentation and reduction in those engaged in primary production, is of concern in many areas.

Environmental degradation and biodiversity decline: Degradation in a number of key environmental assets (e.g. soil degradation) could significantly and negatively affect the farming sector over the longer term. Almost half (44%) of the flora present in Malta are threatened, rare, or extinct. Woodland, once the dominant form of vegetation (pine-oak forests), has virtually disappeared and only a low cover of woodland prevails.

Increased Impacts of climate change: Threats from climate change include draughts, flash flooding, heat stress, declines in soil quality and moisture levels. Protection of soil and water will be necessary to prevent the negative impacts this will have on the ability of ecosystems to function properly and to safeguard the benefits that such systems can provide as part of a resilient landscape.

Soil degradation: Unsustainable practices and poor management within the sector are posing serious risks on soil quality which are resulting in the lowering of soil quality through salinisation, erosion, soil sealing,

soil contamination, decline in organic matter and desertification.

Insufficient risk prevention measures: Small farms with limited access to capital face increasing risks resulting from unpredictable climate conditions with violent and potentially damaging storms, hail and heavy rainfalls as well as longer and drier summers.

Diffuse pollution from agriculture: This is posing a constant serious threat to the quality of the fresh water resource.

Waste management: Animal wastes are also viewed as a problem due to the leaching of high levels of nitrates into groundwater bodies resulting from manure disposal.

Agricultural biodiversity

Decline of local indigenous populations and varieties for both livestock and endemic crops: The introduction of modern breeds of livestock and hybrid plants from other parts of Europe has resulted in the decline of local indigenous populations and varieties, most of which have disappeared.

Risks for animal and plant diseases introduced from abroad or due to climate change: Increased risks from animal and plant diseases (introduced from abroad, and/or due to climate change) and an increasing frequency and severity of environmental incidents such as flooding from torrential rain and hail storms which damage crops.

Wider rural economy and quality of life

Creeping development: Urbanisation through increased development linked to population demand and the deepening of social disadvantage and exclusion that could arise in those rural households which remain dependent upon agriculture for their main, or at least a significant income source, constitute a significant threat to the wider rural economy.

Degradation of rural areas including natural and cultural heritage: The degradation of rural areas through abandonment and over-exploitation and, complemented by this, the decline of natural and cultural assets is a real threat where the loss of such assets will have a negative effect on the wider rural economy and the quality of life of rural communities.

Finally, the main threats posed to the sector arise from: increased competitiveness; over utilisation of resources; lack of skills, knowledge and capacity to implement the sustainable management of soils, crops and the semi-natural environment and to reduce pollution from agriculture; and the need to improve domestic supply chains for guaranteed Maltese produce.

4.1.6. Common Context Indicators

I Socio-economic and rural situation					
1 Population					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	Inhabitants	417,432	2011 p		
Comment: *Census of Agriculture*					
rural	% of total	64.4	2011		
Comment: *Census of Agriculture*					
intermediate	% of total	0			
urban	% of total	35.6	2011 p		
Comment: *Census of Agriculture*					
specific rural definition used for targets T21; T22 and T24 (if relevant)	% of total				
2 Age Structure					
Indicator name	Unit	Value	Year	Updated value	Updated year
total < 15 years	% of total population	14.7	2012 p		
total 15 - 64 years	% of total population	68.8	2012 p		
total > 64 years	% of total population	16.5	2012 p		
rural <15 years	% of total population	NA			
rural 15 - 64 years	% of total population	NA			
rural > 64 years	% of total population	NA			
3 Territory					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	Km2	316	2014		
rural	% of total area	15.9	2014		
intermediate	% of total area	62.3	2014		
urban	% of total area	21.8	2014		
4 Population Density					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	Inhab / km2	1,320	2011		
rural	Inhab / km2	NA			
5 Employment Rate					
Indicator name	Unit	Value	Year	Updated value	Updated year
total (15-64 years)	%	60.8	2013		
male (15-64 years)	%	74.1	2013		
female (15-64 years)	%	47	2013		
* rural (thinly populated) (15-64 years)	%	57	2013		
total (20-64 years)	%	64.8	2013		
male (20-64 years)	%	79.4	2013		

female (20-64 years)	%	49.8	2013		
6 Self-employment rate					
Indicator name	Unit	Value	Year	Updated value	Updated year
total (15-64 years)	%	13.3	2013		
7 Unemployment rate					
Indicator name	Unit	Value	Year	Updated value	Updated year
total (15-74 years)	%	5.9	2014		
youth (15-24 years)	%	12	2014		
rural (thinly populated) (15-74 years)	%	6.4	2013		
youth (15-24 years)	%	5.6	2012		
8 GDP per capita					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	Index PPS (EU-27 = 100)	97	2014		
* rural	Index PPS (EU-27 = 100)	NA			
9 Poverty rate					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	% of total population	15.7	2013		
* rural (thinly populated)	% of total population	16.7	2013		
10 Structure of the economy (GVA)					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	EUR million	6,618	2013		
primary	% of total	1.5	2013		
secondary	% of total	17.3	2013		
tertiary	% of total	81.2	2013		
rural	% of total	5.1	2013		
intermediate	% of total	NA			
urban	% of total		2010		
11 Structure of Employment					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	1000 persons	193.3	2013		
primary	% of total	2	2013		
secondary	% of total	18.7	2013		
tertiary	% of total	79.3	2013		
rural	% of total	5.7	2013		
intermediate	% of total	NA			
urban	% of total		2010		
12 Labour productivity by economic sector					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	EUR/person	34,237	2013		
primary	EUR/person	26,384	2013		
secondary	EUR/person	31,609	2013		
tertiary	EUR/person	35,052	2013		
rural	EUR/person	30,762	2013		
intermediate	EUR/person	NA			
urban	EUR/person		2010		

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13 Employment by economic activity

Indicator name	Unit	Value	Year	Updated value	Updated year
total	1000 persons	181.3	2014		
agriculture	1000 persons	2.1	2014		
agriculture	% of total	1.2	2014		
forestry	1000 persons	NA			
forestry	% of total	NA			
food industry	1000 persons	2.3	2014		
food industry	% of total	1.3	2014		
tourism	1000 persons	14.2	2014		
tourism	% of total	7.8	2014		

14 Labour productivity in agriculture

Indicator name	Unit	Value	Year	Updated value	Updated year
total	EUR/AWU	11,772.8	2010 - 2012		

15 Labour productivity in forestry

Indicator name	Unit	Value	Year	Updated value	Updated year
total	EUR/AWU	NA			

16 Labour productivity in the food industry

Indicator name	Unit	Value	Year	Updated value	Updated year
total	EUR/person	NA			

17 Agricultural holdings (farms)

Indicator name	Unit	Value	Year	Updated value	Updated year
total	No	12,530	2010		
farm size <2 Ha	No	11,130	2010		
farm size 2-4.9 Ha	No	1,120	2010		
farm size 5-9.9 Ha	No	230	2010		
farm size 10-19.9 Ha	No	40	2010		
farm size 20-29.9 Ha	No	10	2010		
farm size 30-49.9 Ha	No	0	2010		
farm size 50-99.9 Ha	No	0	2010		
farm size >100 Ha	No	0	2010		
farm economic size <2000 Standard Output (SO)	No	8,250	2010		
farm economic size 2.000 - 3.999 SO	No	1,210	2010		
farm economic size 4.000 - 7.999 SO	No	1,200	2010		
farm economic size 8.000 - 14.999 SO	No	740	2010		
farm economic size 15.000 - 24.999 SO	No	410	2010		
farm economic size 25.000 - 49.999 SO	No	350	2010		
farm economic size	No	180	2010		

50.000 - 99.999 SO					
farm economic size 100.000 - 249.999 SO	No	140	2010		
farm economic size 250.000 - 499.999 SO	No	50	2010		
farm economic size > 500.000 SO	No	10	2010		
average physical size	ha UAA/holding	0.9	2010		
average economic size	EUR of SO/holding	7,652.84	2010		
average size in labour units (persons)	Persons/holding	1.5	2010		
average size in labour units (AWU)	AWU/holding	0.4	2010		
18 Agricultural Area					
Indicator name	Unit	Value	Year	Updated value	Updated year
total UAA	ha	11,450	2010		
arable	% of total UAA	79.3	2010		
permanent grassland and meadows	% of total UAA	0	2010		
permanent crops	% of total UAA	10.9	2010		
19 Agricultural area under organic Farming					
Indicator name	Unit	Value	Year	Updated value	Updated year
certified	ha UAA	16	2010		
in conversion	ha UAA	7	2010		
share of UAA (both certified and conversion)	% of total UAA	0.2	2010		
20 Irrigated Land					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	ha	2,830	2010		
share of UAA	% of total UAA	24.7	2010		
21 Livestock units					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	lsu	41,650	2010		
22 Farm labour force					
Indicator name	Unit	Value	Year	Updated value	Updated year
total regular farm labour force	Persons	18,500	2010		
total regular farm labour force	AWU	4,830	2010		
23 Age structure of farm managers					
Indicator name	Unit	Value	Year	Updated value	Updated year
total number of farm managers	No	12,530	2010		
share of < 35 y	% of total managers	4.8	2010		
ratio <35 / >= 55 y	No of young managers by 100 elderly managers	8.3	2010		
24 Agricultural training of farm managers					
Indicator name	Unit	Value	Year	Updated value	Updated year
share of total managers with basic and full agricultural training	% of total	9.8	2010		

share of manager < 35 y with basic and full agricultural training	% of total	11.7	2010		
25 Agricultural factor income					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	EUR/AWU	11,784.3	2014		
total (index)	Index 2005 = 100	79.3	2014		
26 Agricultural Entrepreneurial Income					
Indicator name	Unit	Value	Year	Updated value	Updated year
Standard of living of farmers	EUR/AWU	11,923.4	2012		
Standard of living of farmers as a share of the standard of living of persons employed in other sectors	%	82	2014		
27 Total factor productivity in agriculture					
Indicator name	Unit	Value	Year	Updated value	Updated year
total (index)	Index 2005 = 100	73.2	2009 - 2011		
28 Gross fixed capital formation in agriculture					
Indicator name	Unit	Value	Year	Updated value	Updated year
GFCF	EUR million	18.8	2013		
share of GVA in agriculture	% of GVA in agriculture	29.7	2013		
29 Forest and other wooded land (FOWL) (000)					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	1000 ha	0	2010		
share of total land area	% of total land area	0	2010		
30 Tourism infrastructure					
Indicator name	Unit	Value	Year	Updated value	Updated year
bed-places in collective stablishments	No of bed-places	37,814	2013		
rural	% of total	49.2	2013		
intermediate	% of total	NA			
urban	% of total	50.8	2013		

III Environment/climate

31 Land Cover

Indicator name	Unit	Value	Year	Updated value	Updated year
share of agricultural land	% of total area	51.3	2006		
share of natural grassland	% of total area	0	2006		
share of forestry land	% of total area	0.7	2006		
share of transitional woodland shrub	% of total area	0	2006		
share of natural land	% of total area	18	2006		
share of artificial land	% of total area	29.3	2006		
share of other area	% of total area	0.6	2006		

32 Areas with Natural Constraints

Indicator name	Unit	Value	Year	Updated value	Updated year
total	% of total UAA	100	2005		
mountain	% of total UAA	0	2005		
other	% of total UAA	0	2005		
specific	% of total UAA	100	2005		

33 Farming intensity

Indicator name	Unit	Value	Year	Updated value	Updated year
low intensity	% of total UAA	8.1	2007		
medium intensity	% of total UAA	17.3	2007		
high intensity	% of total UAA	74.7	2007		
grazing	% of total UAA	0	2010		

34 Natura 2000 areas

Indicator name	Unit	Value	Year	Updated value	Updated year
share of the territory	% of territory	13.4	2011		
share of UAA (incl. natural grassland)	% of UAA	7.8	2011		
share of total forestry area	% of forest area	31	2011		

35 Farmland Birds index (FBI)

Indicator name	Unit	Value	Year	Updated value	Updated year
total (index)	Index 2000 = 100	81.9	2013		

36 Conservation status of agricultural habitats (grassland)

Indicator name	Unit	Value	Year	Updated value	Updated year
favourable	% of assessments of habitats	0	2001 - 2006		
unfavourable - inadequate	% of assessments of habitats	100	2001 - 2006		
unfavourable - bad	% of assessments of habitats	0	2001 - 2006		
unknown	% of assessments of habitats	0	2001 - 2006		

37 HNV Farming

Indicator name	Unit	Value	Year	Updated value	Updated year
total	% of total UAA	NA			
38 Protected Forest					
Indicator name	Unit	Value	Year	Updated value	Updated year
class 1.1	% of FOWL area	NA			
class 1.2	% of FOWL area	NA			
class 1.3	% of FOWL area	NA			
class 2	% of FOWL area	NA			
39 Water Abstraction in Agriculture					
Indicator name	Unit	Value	Year	Updated value	Updated year
total	1000 m3	31,383.5	2013		
40 Water Quality					
Indicator name	Unit	Value	Year	Updated value	Updated year
Potential surplus of nitrogen on agricultural land	kg N/ha/year	104	2012		
Potential surplus of phosphorus on agricultural land	kg P/ha/year	9	2012		
Nitrates in freshwater - Surface water: High quality	% of monitoring sites	NA			
Nitrates in freshwater - Surface water: Moderate quality	% of monitoring sites	NA			
Nitrates in freshwater - Surface water: Poor quality	% of monitoring sites	NA			
Nitrates in freshwater - Groundwater: High quality	% of monitoring sites	0	2009		
Comment: *2009-2012*					
Nitrates in freshwater - Groundwater: Moderate quality	% of monitoring sites	27	2009		
Comment: *2009-2012*					
Nitrates in freshwater - Groundwater: Poor quality	% of monitoring sites	73	2009		
Comment: *2009-2012*					
41 Soil organic matter in arable land					
Indicator name	Unit	Value	Year	Updated value	Updated year
Total estimates of organic carbon content	mega tons	NA			
Mean organic carbon content	g kg-1	19.5	2003		
42 Soil Erosion by water					
Indicator name	Unit	Value	Year	Updated value	Updated year
rate of soil loss by water erosion	tonnes/ha/year	NA	2015		

Comment: *Soil loss by water erosion values provided are for 2013 and have been calculated by the revised Universal Soil Loss Equation. For figures of soil erosion rates histogram (figure 8) and distribution of soil erosion rates in Maltese Islands (figure 7) in Sultana, 2015 report. 61.01km2, 19:33% of total National land area, at risk of moderate (10 to 25 t ha-1 yr-1) to severe (> 75 t ha-1 yr-1) soil erosion.*					
agricultural area affected	1000 ha	NA			
agricultural area affected	% of agricultural area	NA			
43 Production of renewable Energy from agriculture and forestry					
Indicator name	Unit	Value	Year	Updated value	Updated year
from agriculture	kToe	0.1	2014		
from forestry	kToe	0	2010		
44 Energy use in agriculture, forestry and food industry					
Indicator name	Unit	Value	Year	Updated value	Updated year
agriculture and forestry	kToe	1.5	2013		
use per ha (agriculture and forestry)	kg of oil equivalent per ha of UAA	128.3	2013		
food industry	kToe	NA			
45 GHG emissions from agriculture					
Indicator name	Unit	Value	Year	Updated value	Updated year
total agriculture (CH4 and N2O and soil emissions/removals)	1000 t of CO2 equivalent	70.9	2011		
share of total GHG Emissions	% of total net emissions	2.4	2011		

4.1.7. Programme-Specific Context Indicators

Sector	Code	Indicator name	Value	Unit	Year
I Socio-economic and rural situation	46	Density of population per square km Hal Luqa	879	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Birzebbuga	1130	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Marsaskala	2057	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Swieqi	2868	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Ghajnsielem	369	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Attard	1590	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Ta' Sannat	477	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Xewkija	694	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Ghasri	86	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Gharb	258	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Ta' Kercem	313	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Fontana	1862	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km HalKirkop	2001	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Haz Zebbug	1337	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Mgarr	216	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Qala	309	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km San Lawrenz	171	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Zurrieq	1216	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Mellieha	382	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Naxxar	1113	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Nadur	554	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Xaghra	520	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Marsaxlokk	714	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Qrendi	544	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Rabat	422	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Xghajra	1627	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Iklin	1836	persons per sq.km	2011

I Socio-economic and rural situation	46	Density of population per square km Siggiewi	413	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Haz-Zabbar	2788	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Hal Safi	908	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km San Gwann	4643	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Zejtun	2112	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Santa Lucija	4112	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Victoria	2157	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Mdina	270	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Hal Ghaxaq	1188	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Mqabba	1238	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Hal Qormi	3259	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Mosta	2914	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km St. Paul's Bay	1129	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Kalkara	1675	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Gudja	1331	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Zebbug	244	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Mtarfa	3560	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Had Dingli	620	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Munxar	378	persons per sq.km	2011
I Socio-economic and rural situation	46	Density of population per square km Hal Gharghur	1292	persons per sq.km	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Qala	40.3	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Rabat	59	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Marsaskala	64.4	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Siggiewi	66.2	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Xghajra	53.1	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Attard	51.5	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per	27.2	%	2011

		locality Victoria			
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Ghasri	55.5	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Haz-Zebbug	74.3	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Xewkija	52.8	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality San Lawrenz	44.5	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Hal Qormi	47.7	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Hal Luqa	22.9	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality San Gwann	34.1	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Zurrieq	68	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Ghajnsielem	38.8	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Gharb	81.9	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Hal Gharghur	83.1	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Birzebbuga	46.5	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Ta' Kercem	72.1	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Santa Lucija	45.2	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Gudja	72	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Zebbug	64.8	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Nadur	60.8	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Xaghra	63.5	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Mdina	82.6	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Kalkara	34.7	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per	78.6	%	2011

		locality Hal Safi			
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Hal Kirkop	26.2	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Had Dingli	57.8	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Zejtun	60.1	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Ta' Sannat	35.8	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Mosta	53.1	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Marsaxlokk	64.9	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Mellieha	38.5	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Munxar	49.2	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Mgarr	69.5	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Qrendi	57	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Hal Ghaxaq	58.1	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Swieqi	34.6	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Fontana	39.8	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Haz Zabbar	65.4	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Iklin	71.1	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Mtarfa	41.6	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Naxxar	42.7	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality St. Paul's Bay	66	%	2011
I Socio-economic and rural situation	47	Percentage of agricultural area out of the total area per locality Mqabba	29.5	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Hal Qormi	58.1	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Zejtun	76.1	%	2011

I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Iklin	72	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Fontana	66.1	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Marsaskala	75.2	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Santa Lucija	58.5	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Hal Kirkop	76.1	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Gudja	83.6	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Haz Zabbar	72.8	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Qrendi	91.5	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Naxxar	82.2	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Qala	90.3	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Zurrieq	84.8	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Marsaxlokk	89.8	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Nadur	86.8	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Mgarr	97.2	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Rabat	95.6	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Xewkija	75.8	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Ghasri	97.1	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area San Lawrenz	95.5	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Haz-Zebbug	82.5	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Mdina	92.5	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Attard	75.5	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Hal Safi	86.3	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Mtarfa	53.6	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Kalkara	78.8	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Had-Dingli	94.6	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Ta' Sannat	89.4	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Mosta	70.3	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area San Gwann	50.9	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Xaghra	84	%	2011
I Socio-economic and	48	Percentage of ODZ area out	90.9	%	2011

rural situation		of total area Ghajnsielem			
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Birzebbuga	89	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Victoria	56.2	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Hal Gharghur	86.2	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Hal Luqa	93	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Mellieha	91.3	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Ta' Kercem	93.7	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area St. Paul's Bay	83.4	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Mqabba	85.5	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Munxar	89.7	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Xghajra	74.9	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Siggiewi	95.2	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Hal Ghaxaq	86.2	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Gharb	91.4	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Swieqi	40.8	%	2011
I Socio-economic and rural situation	48	Percentage of ODZ area out of total area Zebbug	92.6	%	2011

4.2. Needs assessment

Title (or reference) of the need	P1			P2		P3		P4			P5					P6			Cross cutting objectives		
	1A	1B	1C	2A	2B	3A	3B	4A	4B	4C	5A	5B	5C	5D	5E	6A	6B	6C	Environment	Climate change mitigation and adaptation	Innovation
Landscape and environment: managing habitats and features	**X**		**X**					**X**	**X**	**X**					**X**				**X**	**X**	
Maltese quality produce: improving quality, traceability, strategic marketing, adding value, branding and	**X**		**X**	**X**	**X**	**X**						**X**				**X**	**X**			**X**	**X**

promotion																				
Sustainable Livestock: improving resource efficiency, competitiveness and productivity, and welfare	X	X	X	X	X	X		X			X	X	X	X					X	X	X
Water, wastes and energy: improving sustainable use and generating renewable energy	X	X	X	X				X	X		X	X	X	X					X	X	X
Wider rural economy and quality of life: developing rural	X		X	X	X											X	X	X	X	X	X

tourism, rural skills and promoting social inclusion																				

4.2.1. Landscape and environment: managing habitats and features

Priorities/Focus Areas

- 1A) Fostering innovation, cooperation, and the development of the knowledge base in rural areas
- 1C) Fostering lifelong learning and vocational training in the agricultural and forestry sectors
- 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints and high nature value farming, as well as the state of European landscapes
- 4B) Improving water management, including fertiliser and pesticide management
- 4C) Preventing soil erosion and improving soil management
- 5E) Fostering carbon conservation and sequestration in agriculture and forestry

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation

Description

The SWOT identifies a concern over landscape protection & degradation. Land abandonment takes place on marginal terraced slopes &where poor soils, difficult access & small land parcels being farmed seriously impinge on the sustainability of the sector. The lack of water resources is another factor inducing land abandonment. As the sector continues to face greater risks and challenges to its sustainability, the degradation of agricultural area is likely to increase.As a result there is a need for improved stakeholder co-operation, co-ordination & collaboration to address these issues.

With regards to Natura 2000 sites on agricultural land, there is the need for enhanced management to protect their value & to address the enhancement of biodiversity within the actively-farmed landscape, both by reducing over-use of pesticides & fertilisers & by stimulating new management actions where traditional maintenance has been abandoned. Given the very small size of farms, co-ordinated action involving multiple land holdings & public authorities is needed.

There is also a need to preserve & enhance pollination provided by bees (wild & apiculture) & other insects which are threatened by lack of management of habitats & surveillance in these areas. Apposite measures to mitigate this threat will be considered. There is a need to provide advice to farmers so that they are encouraged to see garigue & maquis as a biodiversity reservoir whose active protectiont ensures the sustainability of valued traditional products e.g. honey. Pest reduction & climate-regulating services, should also be promoted through training, advice & co-operation will also assist these aims.

Due to the micro-scale of farms & thus the micro-scale at which any new planting will occur at farm level (a few trees per farm); it is expected that AEC, organic farming & non-productive investment measures are the most feasible tools.

4.2.2. Maltese quality produce: improving quality, traceability, strategic marketing, adding value, branding and promotion

Priorities/Focus Areas

- 1A) Fostering innovation, cooperation, and the development of the knowledge base in rural areas
- 1C) Fostering lifelong learning and vocational training in the agricultural and forestry sectors
- 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification
- 2B) Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal
- 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and inter-branch organisations
- 5B) Increasing efficiency in energy use in agriculture and food processing
- 6A) Facilitating diversification, creation and development of small enterprises, as well as job creation
- 6B) Fostering local development in rural areas

Cross cutting objectives

- Climate change mitigation and adaptation
- Innovation

Description

The SWOT identifies the lack of transparency & traceability in the sale and marketing of fresh produce as weaknesses. As a result, action is needed in the following areas:

- *Traceability & quality*: cooperation to form new strategic groups with producers (co-operatives, Producer Groups (PGs)); funding for quality labels , organising testing & laboratory services, packing & distribution needs, sourcing specialist expertise in relation to quality schemes;
- *Marketing & promotion*: creation of alliances for product identity, funding for promotion & brands, new links to retailers/catering & hospitality, development of direct sales & improved data on sales & distribution;
- Product innovation & adding value: aid for processing space, grading & packing, washing, cold stores, cutting & curing facilities, appropriate IT to facilitate labelling and traceability systems, new product research & experimentation to improve efficiency and profitability; &
- KT to improve quality & add value; visits& demonstrations.

Marketing & quality assurance were also identified as major areas for development in order to secure a sustainable future for agriculture & rural areas. Benefits of intervention in this area would include new diversification & business opportunities to other members of farm families. Experience shows that adding

value and marketing are activities frequently taken on by farmers and their siblings, as a way to increase household income. These forms of diversification can play a valuable role in helping inter-generational transfer issues, as well as promoting a higher level of female participation in the sector.

Moreover, local produce could be marketed as more environmentally friendly through reductions in GHGs and climate impacts. The short supply chains will contribute to the reduction of impacts on climate change.

The ageing farming population, low level of education and the skills gaps in the farm sector necessitate further efforts to facilitate the entry of adequately skilled farmers into the agricultural sector.

4.2.3. Sustainable Livestock: improving resource efficiency, competitiveness and productivity, and welfare

Priorities/Focus Areas

- 1A) Fostering innovation, cooperation, and the development of the knowledge base in rural areas
- 1B) Strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of improved environmental management and performance
- 1C) Fostering lifelong learning and vocational training in the agricultural and forestry sectors
- 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification
- 2B) Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal
- 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and inter-branch organisations
- 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints and high nature value farming, as well as the state of European landscapes
- 5A) Increasing efficiency in water use by agriculture
- 5B) Increasing efficiency in energy use in agriculture and food processing
- 5C) Facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non food raw material for the purposes of the bio-economy
- 5D) Reducing green house gas and ammonia emissions from agriculture

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

Description

The SWOT identifies weaknesses in terms of the sustainability of the livestock sector. As a result, there is an identified need for action in the following areas:

- Improving production efficiency by providing expert advice and support to producers in terms of: cutting costs, improving performance, ensuring targeted investment and restructuring;
- Provision of specialist advisers to improve efficiency and reduce GHG and ammonia emissions through more effective feed use, water management, nutrition, welfare, output quality, record-keeping and benchmarking;
- Encouraging new co-operation to build economies of scale and enhanced KE e.g. in the sheep & goat sector or targeting poultry and rabbit breeding;
- Improving rural access through investment in roads within rural areas and those leading to farms;
- Improved breeding, disease & veterinary support, research, consultancy, mentoring, planning and possibly funding a new/upgraded national abattoir to improved standards;
- Facilitate better re-use of waste materials;
- Enhancing the quality & value of Maltese forage: setting up a network to promote good practice; supporting exchange visits, encouraging new partnerships with land-based sector groups of farmers/land-holders to provide improved domestic forage based upon principles of integrated and sustainable practices, respecting biodiversity and resource protection and planning for climate adaptation; and

Sourcing imported feed more cost-effectively via for example joint planning with all the main stakeholders. This has become a more relevant need as rising costs such as feed costs, spurred in part due to the impact of COVID, is having a determinental effect on the sector.

The lack of a skilled workforce is identified in the SWOT as a weakness which is also constraining the growth of rural businesses. Improved management skills and innovation in productivity and product development are urgently required, in order to add value and increase returns to livestock businesses. In the sheep and goat sector, for instance, greater co-operation between cheese producers could see more effective supply chain development based upon a more consistent product and improved bargaining power with retailers and caterers. This type of development is likely to offer valuable new business opportunities to younger members of farm families, encouraging successful intergenerational transfer.

4.2.4. Water, wastes and energy: improving sustainable use and generating renewable energy

Priorities/Focus Areas

- 1A) Fostering innovation, cooperation, and the development of the knowledge base in rural areas
- 1B) Strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of improved environmental management and performance
- 1C) Fostering lifelong learning and vocational training in the agricultural and forestry sectors
- 2A) Improving the economic performance of all farms and facilitating farm restructuring and

modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification

- 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints and high nature value farming, as well as the state of European landscapes
- 4B) Improving water management, including fertiliser and pesticide management
- 5A) Increasing efficiency in water use by agriculture
- 5B) Increasing efficiency in energy use in agriculture and food processing
- 5C) Facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non food raw material for the purposes of the bio-economy
- 5D) Reducing green house gas and ammonia emissions from agriculture

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

Description

Improving resource efficiency &management &exploring the potential for renewable energy is identified as an opportunity in the SWOT.

Water & energy are significant inputs in the sector. Given that livestock production is almost entirely indoors, energy use & water consumption have a significant impact on operational costs. Collective action among farmers can contribute towards maximising the use of these resources. Interventions will also contribute towards climate change. Knowledge exchange measures will also need to address the benefits & scope for adaptation to future potential changes. Farmers also recognise the potential to invest renewable energy, both wind & solar energy.

All wastes have nutrient value, representing a source for enriching soils if used appropriately. There is a need to valorise livestock/pig wastes more sustainably. This should aim to enable organic manure to be used to generate energy through biodigestion. Such a shift also has potential to increase soil organic matter levels,. For major investments such as biogas installations, co-operation is likely to be needed to ensure cost-effective use of funds & connection to the grid, whilst ensuring adequate & timely collection & management of feedstocks.

Switching a much greater proportion of agricultural water use to effective rainwater harvesting, would significantly benefit groundwater reserves. Efficiency in water use, encouraged by more effective training, demonstration, skills development & appropriate technology, is essential. These changes would represent an effective adaptation to climate change impacts & would bring benefits to biodiversity through reduced demand for groundwater in agriculture.

There is also the need for training & demonstration in ways which are attractive & accessible to the majority of farmers. Offering management services to enable farmers to leave their farms to attend training &

demonstration sessions will be considered.

4.2.5. Wider rural economy and quality of life: developing rural tourism, rural skills and promoting social inclusion

Priorities/Focus Areas

- 1A) Fostering innovation, cooperation, and the development of the knowledge base in rural areas
- 1C) Fostering lifelong learning and vocational training in the agricultural and forestry sectors
- 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification
- 2B) Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal
- 6A) Facilitating diversification, creation and development of small enterprises, as well as job creation
- 6B) Fostering local development in rural areas
- 6C) Enhancing the accessibility, use and quality of information and communication technologies (ICT) in rural areas

Cross cutting objectives

- Environment
- Climate change mitigation and adaptation
- Innovation

Description

Rural, eco-tourism and the increasing recognition of the value of landscape and historical environmental assets have been identified as an opportunity. Actions in the following areas are seen as having the potential for development:

- Rural Tourism: establishing a strategic plan for development, funding projects in rural locations & restoration of cultural heritage, developing farm-based visitor welcome & sales opportunities; helping farm family members through training measures, investments by municipalities & entrepreneurs;
- 3 LEADER LAGs in micro-business & community development;
- Support for young farmers& training of future entrepreneurs; &
- Grants for new ventures, market research & planning, visits & mentoring, loans & cultural events.

Actions may also target small businesses targeting climate change in order to increase contributions to climate change objectives.

There is a need to develop networks/organisations & communication to enable local actors to develop & market products, rural tourism experiences, rural shops & restaurants serving Maltese produce. The development of a central organised market which is accessible to rural communities will contribute towards the quality of life of rural communities.

Co-operation will be needed, as well as aid for market research, advice, training & skills development & micro-business investment.

'Wider rural economy & quality of life' aims to improve the sustainability of rural communities by adding value to the social, environmental & economical aspects. Measures will enhance the quality of life within rural areas. LEADER[1] Local Development Strategies (LDSs) , drafted & implemented by LAGs, will play an important role by involving relevant local actors.

In addition to cultural, touristic & artisanal interventions, LEADER will support interventions aimed at fostering local development. Interventions which encourage economic preservation and job creation, innovation, capitalisation of rural assets, family farming, diversification, cooperation & knowledge transfer, & use of ICT, will be supported.

[1] The administrative set up to be used for LEADER will be based on the framework that is already in place.

5. DESCRIPTION OF THE STRATEGY

5.1. A justification of the needs selected to be addressed by the RDP, and the choice of objectives, priorities, focus areas and the target setting based on evidence from the SWOT and the needs assessment. Where relevant, a justification of thematic sub-programmes included in the programme. The justification shall in particular demonstrate the requirements referred to in Article 8(1)(c)(i) and (iv) of Regulation (EU) No 1305/2013

Strategic Approach: A renewed Rural Development Programme

This section outlines the background for the choice of objectives and justification of the five themes based on the SWOT analysis, the needs assessment and the consultation process

Mid-way through the implementation of the programme, Malta carried out an assessment of the RDP in order to reflect developments within the local context. Between 2016 and 2017, whilst the Managing Authority for Rural Development was making the necessary efforts to promote the Programme amongst local stakeholders, the uncertainty brought about by the general election, has led to a limited submission of project proposals, particularly in relation to investment projects. In this regard, the implementation of the Programme took longer than expected to take off.

Within this context, the proposed changes to the RDP aim to take into account Malta's ambitions for the agricultural sector in line with the draft agricultural policy for Malta[1] which aims to further strengthen the competitiveness of the agricultural and farming sectors as well as ensure a higher environmental contribution.

The RDP modification also takes into account the findings of the ex post evaluation of the 2007-2013 RDP, which has provided insights on the implementation of the rural development fund. Amongst others, the ex post evaluation highlighted the general lack of participation in quality schemes and the limited scope for cooperation between farmers.

Justification of needs and main thematic priorities

The objectives under the RDP 2014-2020 have been mapped against the following thematic needs and in line with the needs outlined in the SWOT as set out under chapter 4. These thematic needs are as follows:

- improve the efficiency of resource use in agriculture (thematic needs 1 (S3-S6, S8-S9, S12, S15-S16, S19; W1-W2, W4-W9, W11, W13, W16, W19, W22, W27, W31, W33-W34, W36,-W37; O1-O14, O16- O25; T1- T18, T20-T23.), 2 (S1, S7 - S19; W1, W2, W4, W5, W7-W17, W19, W20, W22-W30, W32- W39; O1-O25; T1- T9, T11, T12, T16- T23.), 3 (S2, S7, S11, S12, S14- S17, S19; W1-W3, W9- W11, W18, W19, W21, W23, W24, W25, W26, W28, W33- W37; O1- O6, O12- O21, O23 - O25; T1-T6, T9-T22.), 4 (S8, S12, S15 - S19; W1-W2, W4, W9-W11, W14, W18, W22, W25, W31-37; O1-O6, O10-O14, O16-O20, O22-O25; T1-T9, T11-T15, T18, T20-T22.) and 5 (S8, S9, S11-S12, S15- S16, S18-S19: W1 -W5, W8, W11-W14, W16 - W20, W22, W27, W31-W32, W34-W37; O1-O4, O6-O14, O18-O21, O23-O25; T1-T12, T16- T18, T20- T23 and cross cutting themes);
- pursue higher quality, greater productivity, technical efficiency and environmental sustainability in Maltese farming (thematic needs 1, 2, 3, 4and 5 and cross cutting themes – for SWOT mapping of

the relevant thematic needs same as above);

- improve returns to primary production, including adding value (thematic needs 1, 2 and 5 cross cutting themes – for SWOT mapping of the relevant thematic needs same as above);
- continue commitment to the vital role of farming in supporting rural incomes and employment (thematic needs 1, 2, 3, 4 and 5and cross cutting themes – for SWOT mapping of the relevant thematic needs same as above);
- enhance sustainable management of water, biodiversity and the rural landscape (thematic needs 2, 3 and 4 and cross cutting themes – for SWOT mapping of the relevant thematic needs same as above); and
- retain and strengthen the non-agricultural economic activities that take place in rural areas (thematic needs 2 and 3 and cross cutting themes – for SWOT mapping of the relevant thematic needs same as above).

These themes are also consistent with the priorities outlined in the draft National Policy on Agriculture 2018-2028 that has been launched in 2018.

Key to achieving these goals will remain the tools of knowledge exchange and advisory support in order to help farmers and rural actors to acquire the skills, knowledge and business confidence to improve and to build the networks and generate projects to tackle these goals in an efficient and cost-effective manner. Another important feature of the strategy is the close relationship between the design of the selected measures, the EU priority and focus areas, and the proposed delivery approaches for different strategic elements of the RDP. The five thematic needs presented in this programme have immediate resonance with farmers and other rural actors and each links closely to a distinct delivery approach involving different groups of actors.

The RDP for 2014-2020 aims to address the current issues afflicting rural areas in Malta. The five needs aim to enable EU support to be utilised in a manner that deals in an integrated way with key problems currently limiting the development of a sustainable agriculture and rural economy, as described in Chapter 4.

Knowledge transfer is a key component towards successful development. Promotion and advice are needed to improve the understanding of the relationship between farming practices and the nitrate and pesticide levels in soils and groundwater, amongst other areas, where at present there is a limite scope for research and development. Knowledge transfer is also central to the pursuit of Maltese quality produce: to help farmers to add value and to shorten the supply chain between primary producer and final consumer, and to give them the skills and knowledge to improve product quality, traceability and branding. It will also be a critical element in promoting sustainable livestock production; for example in helping to improve production efficiency and enhance the quality of home-grown fodder so that the sector can be relatively less reliant upon feed importation; and can make a positive contribution to lower ammonia levels climate mitigation. Advice and information are central to the goals of soils and water, and landscape and environmental management, so that farmers are given the knowledge and understanding to adapt their practices to protect biodiversity and the cultural landscape. Knowledge transfer, innovation, demonstration and skills, where necessary, will serve as means to increase the capacity of small businesses and producers to improve product quality, and to capture the benefits from developing rural tourism and new enterprises in the leisure and service sectors. Support for demonstration activities, however, could not be provided, given that preparations for the launch of this measure were hampered by the onset of the COVID-19 pandemic.

A major focus on knowledge exchange and skills development is required. Building on interventions in farm modernisation under the RDP 2007-2013, efforts to improve agricultural production in Malta remain necessary. Input costs are high, partially due to the peripheral island situation, but also due to poor levels of

knowledge on nutrient budgeting, soils management and lack of adequate support services. Taken together, these challenges suggest a clear need for a major step-change in Malta's provision for knowledge exchange, demonstration and innovative actions in the agriculture sector. In this regard, improvements to farms shall look not only at improving efficiency in production but also at changing processing and marketing to ensure a sustainable market within Malta for a range of fresh and processed products.

The SWOT analysis demonstrates an opportunity to invest in improvements, in particular where there are clear opportunities for incomes to increase. There is a significant amount of interest in solar technology, for example, as farmers have seen the potential to decrease energy costs through installation of photovoltaic systems. On the other hand, some livestock farmers have already invested under the RDP 2007-2013 but further improvements in income are necessary. Addressing environmental issues remains a main priority under this RDP. Such measures will be followed by efforts to increase productivity and competitiveness within the sector, primarily through investments in rural roads. Such investments will not only lead to increased competitiveness through improved accessibility and more efficient transportation of equipment and produce, but will also aim to reduce land and farm abandonment and foster diversification.

In addition, there needs to be further scope for improved resource efficiency of production and/or improvements to income through improved quality or value added activities such as better infrastructure. Investment into improving farm efficiency must take an integrated approach that examines not just investment in production but also in adding value through processing, quality assurance, marketing and promotion and addressing outstanding and emerging environment and climate issues.. Malta faces significant import pressures and needs to differentiate its products, building on the benefits of freshness and proximity to production. Reducing input costs, and/or investing in new buildings and road infrastructure need to be complemented with measures for Maltese farmers who need to develop improved sales and marketing, provide quality assured produce, and cooperate through supply chains to develop sustainable markets. The SWOT analysis also identifies the need to invest in risk prevention measures. In this regard, farmers may benefit from training and advisory opportunities aimed at mitigating the impact of climate change on the productivity of holdings , and to reduce the risk of loss of crop and produce due to the introduction or proliferation of diseases. Within this context, the RDP will aim to create awareness on such risks as well as support investments aimed at mitigating risk.

Developing shorter and more secure supply chains links is essential to secure long-term sustainability of the agricultural sector. The fact that Maltese agriculture has survived fourteen years of open competition within the EU, and cheaper imports, provides underlying confidence that local produce is appreciated. However, recent developments within the local scenario such as the significant economic growth, have continued to undermine the competitiveness of the sector and its ability to attract investment and new business. Thus the agricultural sector is at a crisis point with an aging farm structure and a cost-price squeeze resulting in declining returns to producers. Within this context, the sector needs to be regenerated through reducing input costs and raising returns to primary producers by adding value through improving quality.

Through the implementation of the RDP, the Programme aims to encourage farmers to implement measures including the sustainable use of pesticides, so as to ensure the application of pesticides only when required, resulting ultimately in the protection of biodiversity, local ecosystems including water and public health. In order to aid the implementation of such action, focused training courses will be organised in order to improve the farmers' knowledge-base. Such courses will aim to change agronomic practices such as crop rotation, tillage practices, use of fertilisers, irrigation and use of ecological infrastructure to manage plant pests and also to promote alternative methods to using chemical methods for treating plant pests.

The RDP will support actions aimed at further ensuring adequate use of fertiliser. This will contribute to

protect groundwater, reduce emissions of greenhouse gases such as nitrous oxide, aid air quality through reducing emissions of ammonia and also aiding biodiversity. Use of compost will be encouraged, which contains macro and micronutrients (often absent in synthetic fertilizers), acts as a pH buffer, helps retain water and nutrients, and improves drainage and aeration of soil.

The RDP also recognises the importance of biodiversity and high quality ecosystems, particularly in a small densely populated country such as Malta, and the central role of agriculture in delivery. The area of need titled 'Landscape and environment' addresses agri-environment interactions and suggests a range of processes in all agricultural land and natural habitats such as garigue. A number of measures will also contribute towards Natura 2000 areas. The new Biodiversity Strategy for Malta[2] also identifies the need to integrate policy approaches across different sectors and recognises the challenges related to the protection of biodiversity in Malta in the face of development pressures and agricultural change. The programme will aim at enhancing the rural landscape of Malta by supporting forestry-related actions which include afforestation and creation of woodland areas. Such measures will aim to target approximately 0.5% of land. The lessons learnt from agri-environmental measures under the previous programmes, particularly with respect to the differences in the uptake of measures related to organic farming, rubble wall restoration and AEMs, has led to a re-think of the strategy for these measures. Closer consultation with farmers and Maltese environmental authorities has enabled the identification of new measures and approaches that seem likely to further encourage the uptake of measures and achieve biodiversity, climate and landscape benefits. Moreover, also key to success will be the use of co-operation, training and advice, which aim to help plan and co-ordinate AECMs across coherent areas of land, representing multiple landholdings. Such measures will be enhanced through promotion and regular contact with stakeholders. Whilst understanding that a complete shift to organic farming is difficult to achieve on Malta due to the small parcel size and close proximity of land being cultivated in different ways, which would make organic farming very challenging, a new thrust towards organic farming will also be supported under the 2014-2020 RDP. The RDP will also continue to support areas facing natural and other specific constraints (previously known as less favoured areas) in a continued effort to address the risk of land abandonment.

As indicated in the analysis, problems of groundwater pollution from salt water intrusion and agricultural chemicals, and the large amounts of groundwater abstracted for irrigation, continue to afflict the Maltese landscape. The SWOT analysis identified the need to mitigate water scarcity and improve water management to ensure its sustainability. Within this context, the implementation of the Water Framework, Nitrates & Pesticides Directives in Malta and the creation of a new water agency and water policy will serve as the basis to overcome these limitations through measures such as increased rainwater harvesting, reduced groundwater abstraction, reduced pollution of water by farm inputs and farm wastes and greater efficiency in water use within agriculture. Moreover, the SWOT analysis has already identified potential opportunities through shared management of water reservoirs and distribution systems through the use of cooperation and investment aids in order to ensure better water management.

There is also scope for the utilisation of treated sewage effluent (TSE), building on existing activity and which may necessitate cooperative action to establish a distribution network. Within this context, MA aims to ensure that measures under the 2014-2020 RDP will contribute towards increased sustainability in water use and resources. Such measures will complement Government's commitment to maximise the use of ESI funds to address water related issues as outlined in Malta's Partnership Agreement.

The SWOT analysis revealed a need to develop the wider rural economy including through the development of micro-business. The analysis indicated opportunities for diversification and new business development through tapping into the wide tourism market. The analysis and development in sustainable rural tourism policy suggest that Gozo offers most potential for developing 'rural tourism' to benefit the wider economy,

but other areas may also benefit from specific investments. Niche visitors, the desire for more active holidays such as walking and biking, and the changing tourism demographics suggest there is a demand for engaging more deeply with rural areas. In addition, there is a huge amount of cultural heritage in rural areas on which to build. The programme will aim to generate farm and business development in rural areas, placing a particular emphasis on encouraging young farmers to develop farm businesses as the heads of the holding.

Cooperation through supply chains linking local producers, tour operators, local authorities and tourists, and those involved will be supported. There is also an important and distinctive role for LEADER in bringing together partnerships and providing a means for bottom-up development. Within this context, the MA will support measures aimed at maximising the islands' potential for rural development, whereby specific measures under the RDP 2014-2020 will focus on this aim.

This strategy was reviewed in light of the transitional arrangements and the incorporation of the European Union Recovery Instrument (EURI) into the Rural Development Programme. It was considered that the strategy continues to reflect the needs of the territory and the priorities identified in the transitional regulation for the EU Recovery Instrument for a resilient, sustainable and digital economic recovery in line with the objectives of the EU's environmental and climate commitments.

The allocation of expenditure increases the countries ambition towards reaching environmental objectives and respects the non-regression principle while providing continuity to the farmers in order to strengthen their resilience and contribute towards building their competitiveness and sustaining their recovery. Programming of the EURI will provide additional funding towards M13 contributing towards the achievement of the climate and environmental challenges including the restoration of biodiversity. Support through EURI funds will also be provided for additional investment through M04 by agricultural holdings allowing more farmers to modernise their holdings and invest in modern equipment and technologies.

By extending the programme to 31 December 2022, as provided for in Regulation (EU) 2020/2220, the RDP has at its disposal both resources from the Multiannual Financial Framework (MFF) and additional resources under the European Union Recovery Instrument (EURI), established by Regulation (EU) 2020/2094, which finance measures under Regulation (EU) 1305/2013 with the aim of addressing the impact of the COVID-19 crisis and its consequences for the agricultural sector.

The additional resources for the two-year period 2021-2022 have also been established as follows:

- MFF resources amounting to €43,186,506.36 of EAFRD, or €57,582,008.48 of public resources;
- Additional resources for recovery (EURI) of €8,750,475.00 EAFRD.

By way of REGULATION (EU) 2022/1033 as regards a specific measure to provide exceptional temporary support under the European Agricultural Fund for Rural Development (EAFRD) in response to the impact of Russia's invasion of Ukraine, the RDP will make use of this emergency measure to safeguard and mitigate the threat of producers to seek employment in other sectors leading to land abandonment and impact other priorities such as generation renewal whilst putting further strains on Malta's efforts to deal with food security.

[1] Draft National Agricultural Policy for the Maltese Islands 2018 – 2028.

[2] National Biodiversity Strategy and Action Plan 2012-2020.

5.2. The combination and justification of the rural development measures for each focus area including the justification of the financial allocations to the measures and the adequacy of the financial resources with the targets set as referred to in Article 8(1)(c)(ii) and (iii) of Regulation (EU) No 1305/2013. The combination of measures included in the intervention logic shall be based on the evidence from the SWOT analysis and justification and prioritisation of needs referred to in point 5.1

5.2.1. P1: Fostering knowledge transfer and innovation in agriculture, forestry and rural areas

5.2.1.1. 1A) Fostering innovation, cooperation, and the development of the knowledge base in rural areas

5.2.1.1.1. Choice of rural development measures

- M01 - Knowledge transfer and information actions (art 14)
- M02 - Advisory services, farm management and farm relief services (art 15)
- M16 - Co-operation (art 35)

5.2.1.1.2. Combination and justification of rural development measures

Interventions under this focus area (FA) will enable research and development amongst the farming and agricultural community. The primary aims are to increase knowledge and expertise, leverage economies of scale foster rural tourism, diminish the dependence on seasonality within the tourism industry as well as reduce the vulnerability of agricultural land to pests and diseases and mitigate nitrate and pesticide levels, through increased awareness, efficiency, product development and improved practises. The primary interventions will relate to the implementation of research pilot projects. Such interventions are expected to increase cooperation amongst the farming community and improve skills and competences amongst farmers, particularly regarding quality control, added value, marketing and promotion.

Expenditure under other focus areas (FAs) will contribute indirectly to FA1A. The combined public expenditure across the programme for M01, M02 & M16 will be circa 3.5% of the total, signifying the importance of these measures to achieving all the goals of the RDP. This will enable some significant & innovative cooperation contributing to Priorities 2, 4 & 5, as well as a wide variety of knowledge exchange operations and advisory actions targeting each of the priority areas of the programme, many co-ordinated through the rural advisory & training hub.

Justification for expenditure of the above-mentioned measures as well as the combination of measures is described under other FAs. Significant investment will be devoted to ensuring farmers have the necessary knowledge & advice, allow for increased cooperation & collaboration, innovation & spreading the adoption of more sustainable & competitive farming practices.

Nutrient management requires better understanding & knowledge by farmers. Thus, training & advisory support will help farm & food businesses to improve their knowledge & skills concerning quality control, adding value, marketing, & promotional skills.

Livestock producers will be enabled to appoint technical advisers with a view to improve efficiency & optimise the use of resources. Training & advice for improved animal welfare & reducing gaseous emissions from livestock will also be supported.

Training needs assessments will be used within the defined territorial areas to identify requirements in terms of Natura 2000 & Water Framework Directive needs, landscape management, biodiversity & ecological understanding & soil management amongst others. The development of appropriate training & advice support is deemed necessary to help rural businesses engage more effectively with rural tourism.

5.2.1.2. 1B) Strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of improved environmental management and performance

5.2.1.2.1. Choice of rural development measures

- M16 - Co-operation (art 35)

5.2.1.2.2. Combination and justification of rural development measures

Expenditure targeted under focus area 1B will be delivered under other focus areas. The objective of this focus area will be to promote cooperation particularly with respect to needs 3 and 4, covering landscape and environment and water, waste and energy respectively.

The main aims under this focus area are to reduce reliance on fertilisers, manure and pesticides that harm the environment, increase cooperation between research and economic activities as well as improve environmental performance. Such aims will be achieved through the roll out of pilot projects in an effort to identify best and improved practises within the sector. Such investments will complement interventions under priority 4 whereby the main interventions related to biodiversity will be supported.

Targets set for the programme under the Priority are based on the total number of expected cooperation operations to be delivered under Measure 16. Building on lessons learnt from the previous Programme, and taking into account the limitations of cooperation measures within the local context, a smaller scale of cooperation amongst producers will be encouraged in an effort to achieve the necessary economies of scale.

Innovation Partnerships will offer support for partnership work to explore and develop solutions, operating pilot schemes to address complex problems that require an integrated approach and new knowledge.

Furthermore, as outlined under section 4, there is scope for closer integration of agriculture and forestry through the exploration of novel agroforesty systems (which exist in other Mediterranean areas). Thus, increasing the area of woodland, and improving the maintenance and resilience of existing wooded areas will contribute to environmental benefits through the increase of habitat diversity.

5.2.1.3. 1C) Fostering lifelong learning and vocational training in the agricultural and forestry sectors

5.2.1.3.1. Choice of rural development measures

- M01 - Knowledge transfer and information actions (art 14)

5.2.1.3.2. Combination and justification of rural development measures

Expenditure targeted under FA1C will be delivered under other focus areas. The target indicator in this Focus Area is the sum of all participants in RDP training under the other Focus Areas, which represents a significant increase compared to the previous programme and reflects the new approach to delivery which will be rolled out under the 2014-2020 RDP.

Fostering lifelong learning forms the main area of intervention under this focus area as well as under Union Priority 1 as a whole. Support will be for a wider diffusion of both sector-specific technical skills and general farm management training to help improve productivity and competitiveness; it will also support the uptake of innovation, climate change mitigation and adaptation activities, and target a significant improvement in environmental performance. Training related to priority 4 concerning the restoration, preservation and enhancement of ecosystems related to agriculture and forestry as well as priority 5 regarding the promotion of resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors, will also be explored.

Increased levels of knowledge and awareness in all areas of rural development and encompassing all five themes developed under the RDP for Malta are required. The local farming industry has a desire to innovate and learn the latest techniques and farming methods, particularly among young farmers, an aspiration to learn from other countries, and a need for support services such as ICT, technical and business expertise to support diversification and innovative developments. In the fresh produce sector, there is a need for improving quality through varietal selection, production methods that reduce input costs, means of adding value, grading, storage, and packaging, improvements in marketing skills, quality assurance systems, and consumer education. In the livestock sector many of the same basic business and marketing skills are required along with improved understanding of animal nutrition and welfare. Both sectors have a need for improved skills associated with improving production efficiencies, air, soil and water management, renewable energy generation, and environmental and landscape management. Within this context, the MA aims to ensure an efficient and effective delivery of training addressing the above-mentioned needs of the sector.

5.2.2. P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests

5.2.2.1. 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification

5.2.2.1.1. Choice of rural development measures

- M04 - Investments in physical assets (art 17)
- M22 - Exceptional temporary support to farmers and SMEs particularly affected by the impact of Russia's invasion of Ukraine (39c)

5.2.2.1.2. Combination and justification of rural development measures

Around €46.0M, including EURI (23% public expenditure) will be allocated under FA2A The focus on improving the competitiveness of the agricultural and farming sector is deemed catalyst to ensure that the sector not only survives but also thrives in the years to come. The dynamic local economic context coupled with the unfavourable climatic conditions of the Maltese islands continue to impinge on the profitability of the sector, ever more strongly. Furthermore, the need to strengthen its support for investments in order to increase competitiveness has been identified by the ex post evaluation of the 2007-2013 programme, the new draft agricultural policy as well as the new administration's focus on improving the economy at large. Interventions under FA2A will form the bulk of investments under P2, deemed crucial for the development within the sector.

Interventions under this focus area, which have a renewed impetus reflecting the increase in allocation for this priority, will focus on investment in roads within rural areas and those leading to farms as well as the restructuring of farms to improve competitiveness, efficiency and shift towards more efficient management systems, amongst others. The need to invest in the upgrade of rural roads has been outlined in the Malta's National Transport Master Plan[1] that was published in 2016, whereby the impact of climate change (particularly increased flooding) on the rural road network is identified as a threat that requires attention. In this regard, road infrastructure is necessary to ensure not only an increase in competitiveness as well as accessibility, but also to mitigate risks brought by adverse weather conditions and thus ensure the sustainability of farm utilisation. Through support for investments, the RDP will continue to enable the sector to become more competitive, enabling farmers and those in the food supply chain to innovate and improve business performance. Support will be targeted in line with the 5 needs identified in the strategy,[2].

Furthermore, in an effort to increase productivity and competitiveness, investment aimed at mitigating the effects of climate change as well as reducing risks emanating from damaging storms, hail, heavy rainfall and draught, including the development of a risk reduction strategy, will also be supported.

Farm restructuring will require advisory support to maximise RDP benefits. Restructuring is required by livestock farms to improve efficiency and enable more efficient management of animal wastes, amongst others. Moreover, the horticultural sector requires support for improvements in water capture, storage, distribution, smart irrigation, soil testing, renewable energy and physical infrastructure, including the resurfacing of rural roads, to support value added activities and quality assurance. This environment related knowledge transfer, that includes both training and advice, will be captured under P4 and P5. EURI funding

under (measure 4) will provide a contribution to this focus area.

As outlined in the analysis, Malta faces several sources of risk including animal and plant diseases (introduced from abroad, and/or due to climate change) and an increasing frequency and severity of environmental incidents such as flooding from torrential rain and hail-storms which damage crops. Within this context, enabling those affected by disease or environmental impacts to access preventive equipment would provide security and greater stability in the sector. In this regard, Malta will also support investments aimed at risk-prevention actions.

1] National Transport Master Plan 2025, page 45.

[2] With respect to climate change, which is a cross-cutting theme, further information particularly relating to selection principles under M4, M6 and M11 may be found under Chapter 8 of this document.

5.2.2.2. 2B) Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal

5.2.2.2.1. Choice of rural development measures

- M06 - Farm and business development (art 19)

5.2.2.2.2. Combination and justification of rural development measures

Aroubd €6.2M (3.0% public expenditure) will be allocated to this FA, including expenditure targeting young farmer start-ups. The SWOT analysis revealed an ageing farm population and significant barriers to entry into farming, making it difficult for young people to enter the industry. In this regard, through this FA, the RDP aims to improve farm management, diversify the farming age profile, reduce barriers for youths to enter the agricultural sector and make farming more financially viable and competitive.

The analysis shows that business start-up aid for young farmers setting up for the first time is required, which would include potential for linked activities in terms of advice, investments in physical assets, farm management including accounting for sustainability and resource efficiency and farm relief services, cooperation, and investment in non-agricultural activities. This would be supported through the RDP under Needs 2 and 3, with support for 'Maltese quality produce' targeting the land-based sector and food processing, while 'sustainable livestock' actions targeting new livestock enterprises, particularly sheep and goats.

Support will help new entrants invest in and operate their business during the early years of the business. In this regard, the RDP will foster more business development opportunities and sustainable careers for young farmers. The MA is testing out this approach and expect to provide grants of €70,000 start-up or business support to around 90 farmers. Thus young farmers will be eligible for support under Measure 6 which will assist them in building businesses and sustainable careers in agriculture. This will include both technical and business skills provision, that may not be supported through the RDP, and early capital investments based on business plans. Advice will be supported under Measure 2.

5.2.3. P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

5.2.3.1. 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and inter-branch organisations

5.2.3.1.1. Choice of rural development measures

- M04 - Investments in physical assets (art 17)
- M16 - Co-operation (art 35)

5.2.3.1.2. Combination and justification of rural development measures

Albeit re-dimensioned (from €13.3m to €6.7M, public), the main areas of interventions under this focus area will continue to be on addressing barriers to the delivery of more robust food supply chains as well as ensuring and promoting quality produce. The analysis identified the need to improve marketing procedures & address the limited quality assurance schemes. Producers currently suffer from opaque marketing systems that create uncertainty, and do not provide adequate returns to the primary producer. Notwithstanding this need, thus far the only scheme which is currently in the pipeline pertains to the quality of dairy milk, which however could not be supported through the RDP. The process involved in the establishment of quality standards and subsequently quality schemes is rather lengthy and although support for quality schemes remains relevant, this could not materialise within the timeframes of the RDP and therefore, the RDP amendment carried out in 2024 has withdrawn Measure 3.1 from the RDP, whereas the amendment carried out in 2025 has withdrawn Measure 3.2 from the RDP.

Furthermore, investments to support primary producers and food processors in shifting towards improved production are also foreseen. Such interventions, which include investments primarily related to the purchase of equipment, will aim to enable primary producers to become more competitive. Producers are competing against imported goods. As a complimentary effect, any improvements which reduce energy consumption for producers and/or processors will therefore benefit the sector and lead to improved efficiency, as well as provide beneficial environmental effects both locally and globally (reducing carbon emissions).

The analysis revealed limited awareness on the part of producers regarding new energy saving technology and alternative production systems. Processors tend to be more aware of potential energy saving opportunities but field visits indicated that there is still potential for improvement in energy savings through updating technological processes, and year round utilisation of capacity.

Due consideration is being given to food miles & carbon footprint as part of national quality assurance schemes. Another challenge is the lack of cold storage & processing facilities, which would enable improvements in quality & in marketing of fresh produce. In order for primary producers, processors, & retailers to benefit from improved marketing cooperation across supply chains is required. Thus interventions, including cooperative type actions, will aim to integrate marketing & retail aspects of

production.

RDP also aims to improve cooperation between farmers, including amongst those producing the same product within the limited local market, overcome the limitations of small-scale farming. Improved cooperation & collaboration will enable businesses to respond to market demand and increase their competitiveness. Since these measures will target co-operatives representing many very small producers, the proportion of total holdings reached by them will be higher than the proportion benefiting from direct investments under priority.

Taking into account the limitations imposed by the local scenario, mitigation measures such as better management of natural resources particularly with respect to soil & water will also be supported under the RDP.

5.2.3.2. 3B) Supporting farm risk prevention and management

5.2.3.2.1. Choice of rural development measures

5.2.3.2.2. Combination and justification of rural development measures

N/A

5.2.4. P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry

5.2.4.1. 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints and high nature value farming, as well as the state of European landscapes

5.2.4.1.1. Measures for agricultural land

- M01 - Knowledge transfer and information actions (art 14)
- M02 - Advisory services, farm management and farm relief services (art 15)
- M04 - Investments in physical assets (art 17)
- M10 - Agri-environment-climate (art 28)
- M11 - Organic farming (art 29)
- M13 - Payments to areas facing natural or other specific constraints (art 31)
- M16 - Co-operation (art 35)

5.2.4.1.2. Measures for forestry land

5.2.4.1.3. Combination and justification of rural development measures

Interventions under this FA will remain key towards reaching Malta's environmental objectives including Biodiversity 2020 & Natura2000, through a Public expenditure under FA 4A of €43.0M, including EURI. The main areas of intervention will also include support for actions that have a positive indirect impact on the landscape and environment, the restoration of habitats as well as soil conservation; these interventions shall also positively indirectly impact water management. A renewed thrust for valley management will also be supported and encouraged under this priority, with particular focus on the restoration and management of valleys in Gozo. Furthermore, the promotion of area-based management partnerships (collective investment) and the provision of advice in relation to the adoption of integrated farming practices will also be supported. Through the new strategic amendment to the programme, The MA aims to give a new impetus to interventions targeting the preservation and enhancement of biodiversity. In this regard, such interventions will be at the core of the RDP, whereby the highest share of budgetary allocation is being dedicated towards priority 4 (Measure 4.4) in line with Government's commitment to increase the RDP's environmental contribution. Such intervention will also be in line with the draft national agricultural policy.

Maintaining the natural character of specific habitats remains a priority. Through an increase in focus as well as budgetary allocation, the MA will aim to significantly support biodiversity positive measures. In line with Malta's NBSAP, Natura2000 will be addressed horizontally whilst taking into consideration relevant management plans in view of their importance & ensuring broad coverage. The payment rate for ANC is the minimum amount considered sufficient to attract very small holdings (average size <1 hectare) to maintain as much land in active management as possible. EURI funding under (Measure 13) will also provide a contribution to this focus area.

The RDP supports farmers in carrying out actions that have a positive impact on the landscape and environment. M10 (AECMs) will be giving priority, where necessary, to interventions in or which positively impact Natura 2000 areas.

M10 will also support the restoration of habitats, soil conservation & water management where there is no significant economic return to a farm or other rural business. Promotion of area-based management partnerships should ensure good value for money in the uptake of M10. M04 will target rubble wall restoration & appropriate landscape features.

In an effort to reduce the reliance on pesticides and to shift towards better environmental practices, as outlined in the SWOT, particular support will also be given towards interventions which incentivise production in an environmentally conscious manner. In particular, M11 will support organic farming. Despite that organic farming will remain difficult in Malta due to small parcel size, efforts are being made to address particular areas where this can contribute towards this FA (e.g. viticulture, olive production).

M02 is also required to meet obligations of the EU Nitrates and Pesticides Directives.

Planting of trees contributes towards enhancement of biodiversity through a wider range of habitats, soil conservation to reduce run-off and wind erosion and meeting carbon sequestration goals as well as valley management. No adverse impact is foreseen from hunting and trapping practises on the RDP goals under Measures 4 &10.

5.2.4.2. 4B) Improving water management, including fertiliser and pesticide management

5.2.4.2.1. Measures for agricultural land

- M01 - Knowledge transfer and information actions (art 14)
- M02 - Advisory services, farm management and farm relief services (art 15)
- M04 - Investments in physical assets (art 17)
- M10 - Agri-environment-climate (art 28)
- M11 - Organic farming (art 29)
- M13 - Payments to areas facing natural or other specific constraints (art 31)
- M16 - Co-operation (art 35)

5.2.4.2.2. Measures for forestry land

5.2.4.2.3. Combination and justification of rural development measures

The approach taken to deliver environmental land management priorities is designed to restore and preserve biodiversity, improve water and soil management and prevent soil erosion. Measures under this focus area will aim to contribute towards the achievement of environmental objectives, including Biodiversity 2020 and Water Framework, nitrates and pesticides Directives (WFD, ND, SUD) commitments. The Public expenditure under FA 4B is €3.7M (public).

Infrastructural development will be required (M4), particularly in relation to territorially focused water management organisations which may need to consider improvements or restoration of on farm water retention systems, new reservoirs and distribution systems, and shared irrigation. An IPM under M10 (AECM4) will also assist in the creation of a suitable ecological infrastructure within the agricultural landscape with the aim to reduce pesticide use, which reduces the chances of environmental contamination and diffuse pollution. AECMs 2 will assist in the creation of a suitable ecological infrastructure, positively impacting water quality and conservation whilst reducing diffuse sources of pollution. The RDP directly addresses nutrient overload in water bodies through the only available option, ie. the splitting of fertiliser application in AECM 1.

5.2.4.3. 4C) Preventing soil erosion and improving soil management

5.2.4.3.1. Measures for agricultural land

- M01 - Knowledge transfer and information actions (art 14)
- M02 - Advisory services, farm management and farm relief services (art 15)
- M04 - Investments in physical assets (art 17)
- M10 - Agri-environment-climate (art 28)
- M11 - Organic farming (art 29)
- M13 - Payments to areas facing natural or other specific constraints (art 31)
- M16 - Co-operation (art 35)

5.2.4.3.2. Measures for forestry land

5.2.4.3.3. Combination and justification of rural development measures

The broad rationale for delivery of Focus Area 4C is set out under Focus Area 4A , and interventions listed in FA 4A shall also broadly contribute towards FA 4C. This is designed to restore and preserve biodiversity, improve water and soil management and prevent soil erosion. The Public expenditure allocation under FA4C is €2.1M (public).

Soil has been identified as a key resource where improved understanding and management could enhance the utilisation of the resource. The analysis identified over application of fertilisers as a potential cause for nitrate pollution and use of pesticides, as well as contributing to higher farm input costs. Over-application occurs due to limited understanding of soil processes and faith in soil testing, and limited access to laboratory and advisory services. Within this context, support is required to train farmers on how to test and assess the condition of their soil, determine correct levels of chemical application, and then to demonstrate no loss of yield in order to increase confidence in this approach (Measures 1 and 2), that are however linked to FA4A. The adoption of integrated farming practices will bring significant benefits to soils (Measure 10).

5.2.5. P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors

5.2.5.1. 5A) Increasing efficiency in water use by agriculture

5.2.5.1.1. Choice of rural development measures

- M04 - Investments in physical assets (art 17)

5.2.5.1.2. Combination and justification of rural development measures

Resilience to climate change will be met through various measures, primarily water management. Support across P5 is around €70.0M (public expenditure), with €43.2M for this FA. This FA will support investment (M04) in equipment whereby physical investments in enhanced equipment & infrastructure will serve as the basis for further development. RDP supported investments in improvements to existing irrigation installations/irrigation infrastructure must offer potential water savings of at least 5%. This value has been set due to difficulties in achieving greater efficiency improvements, given the investments undertaken in previous years to significantly optimise local water use characteristics. Notwithstanding these challenges, the MA continues to remain ambitious in its efforts to shift towards more efficiency in water use within the sector and therefore this FA carries the largest allocation under priority 5.

Many farms in Malta suffer from limited investment in basic infrastructure, which if improved, could contribute to reducing labour & input production costs. Main areas of support include: distribution and access to second class water, soil conservation, water management & renewable energy.

5.2.5.2. 5B) Increasing efficiency in energy use in agriculture and food processing

5.2.5.2.1. Choice of rural development measures

5.2.5.2.2. Combination and justification of rural development measures

N/A

5.2.5.3. 5C) Facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non food raw material for the purposes of the bio-economy

5.2.5.3.1. Choice of rural development measures

- M16 - Co-operation (art 35)

5.2.5.3.2. Combination and justification of rural development measures

Under Focus Area 5C, around €2.7M (public expenditure) will be used for co-operation support, aimed to help groups come together to achieve a circular economy by maximising the use of resources from animal waste for the production of energy, as well as essential nutrients like nitrogen and phosphorus, water, and carbon for use as soil improvers, biochar, or fuel.

5.2.5.4. 5D) Reducing green house gas and ammonia emissions from agriculture

5.2.5.4.1. Choice of rural development measures

5.2.5.4.2. Combination and justification of rural development measures

N/A

5.2.5.5. 5E) Fostering carbon conservation and sequestration in agriculture and forestry

5.2.5.5.1. Choice of rural development measures

- M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)
- M10 - Agri-environment-climate (art 28)

5.2.5.5.2. Combination and justification of rural development measures

Carbon sequestration through forestry remains relatively unexploited in Malta due to the low level of trees and woodland. Nevertheless, Government understands the importance of investing towards such measures. The funding allocation to this focus area will enable the realisation of the potential opportunities for woodland extension, mainly involving public forest land, and increased tree-planting for landscape and biodiversity enhancement in between cropped fields, on farmland. The allocation to this area is around €24.2M (public expenditure).

Trees and woodland also provide opportunities for the enhancement of biodiversity through the provision of a wider range of habitats, and for soil conservation to reduce run-off and wind erosion. Conserving existing woodlands and supporting new planting will contribute to improved habitat and biodiversity across the islands as well as to meet carbon sequestration goals. In this respect, there is also potential for public sector tree planting in a limited number of rural areas or organic farming areas and create more resilience in public amenity forest areas (Measure 8). Tree planting and improvements to existing woodland will have multiple ecological and public amenity benefits. As there is no private sector interest in forestry, such planting would be undertaken by public authorities, or NGOs managing land for conservation purposes on Government land, or land formerly leased for agriculture but now abandoned.

There is also scope for extending existing wooded areas. So far, small scale planting has occurred in some coastal bays in the north-west area of Malta for slope stabilisation, and small areas of abandoned land in the north-west and south-east areas for nature conservation purposes. More such works can be encouraged through targeted, area-based valley or landscape management partnerships using agri-environment-climate

measures (Measure 10). The implementation of a soil management plan on holdings also aims to reach the objectives of this FA (Measure 10)

5.2.6. P6: Promoting social inclusion, poverty reduction and economic development in rural areas

5.2.6.1. 6A) Facilitating diversification, creation and development of small enterprises, as well as job creation

5.2.6.1.1. Choice of rural development measures

- M06 - Farm and business development (art 19)

5.2.6.1.2. Combination and justification of rural development measures

The RDP will allocate €0.6M (public expenditure) to this focus area. Expenditure on priority 6 in the 2014-2020 programming period will ensure a more diverse range of business opportunities for farm families, building on the experience gained from the 2007-2013 programme as well as to foster rural tourism. This priority has been designed to complement and enhance the goals of Malta's tourism strategy which includes a new focus on rural tourism and the need to develop these opportunities. Investment is required to enable farmers, or farmers' partners, to diversify into non-agricultural activities (such as small-scale processing of local food including preserves, provision of accommodation, or operating rural walks and rides).

The level of support allocated is based on the local needs identified through the RDP stakeholder consultation process, in Gozo and across the island of Malta, and draws upon the experience and opinions of the LEADER groups and key farm sector co-operatives.

Investment is required to enable farmers, or farmers' partners, to diversify into non-agricultural activities (such as small-scale processing of local food including preserves, provision of accommodation, or operating rural walks and rides).

Interventions under this focus area aim to complement investments under LEADER, which are also supported through this programme under focus area 6B.

5.2.6.2. 6B) Fostering local development in rural areas

5.2.6.2.1. Choice of rural development measures

- M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)

5.2.6.2.2. Combination and justification of rural development measures

Interventions under this FA will primarily focus on the implementation of the Local Development Strategies as defined by Local Action Groups. The justification for the resources devoted to this FA is provided under FA 6A. A total of €9.5M (public expenditure) will be allocated to this FA, complementing actions under priority 6 whilst ensuring that all rural population is covered by LAG and LEADER activities.

The positive outcomes of the implementation of LEADER within rural communities have been highlighted in the ex post evaluation of the 2007-2013 programme. Furthermore, the need for the continuation of LEADER was also highlighted in the extensive consultations carried out prior to the adoption of the RDP. This was further segmented through the submission of Local Development Strategies and the establishment of LAGs in 2017. Taking into consideration the strategic role of LAGs in bringing national policy closer to rural communities, support for LEADER will continue and shall serve as the backbone of interventions under Priority 6.

Efforts will aim to further develop rural tourism particularly since LAGs have a key role to play in developing networks or clusters of small-scale producers & other stakeholders that can work together to develop rural tourism activities. LAGs also need support to engage in trans-national co-operation projects with a view to learn about similar activities in other Member States & networking.

In this regard, LEADER will be an important tool for the delivery of EAFRD. One of the main aims of the RDP will be to improve the sustainability of rural communities by adding value to the social, environmental economic aspects of the territory through investment in key infrastructure, training and development projects in rural areas. The LEADER Local Development Strategies(LDSs) aim to involve local actors such as NGOs, farmers, SMEs, Local Councils, amongst others.

In addition to cultural, touristic and artisanal interventions, LEADER will also support interventions aimed at fostering local development whilst promoting social inclusion and reducing poverty. Interventions which encourage economic growth & jobs, innovation, capitalisation of rural assets, family farming, farm diversification, cooperation and knowledge transfer, and use of ICT, will be supported. In addition, LAGs will also implement a number of cooperation measures.

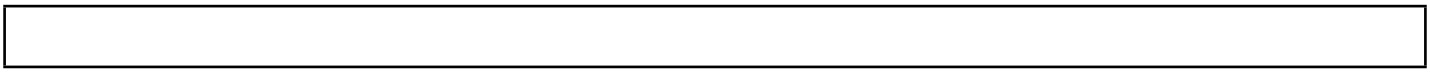
The administrative set up used for LEADER under this programme is based on the framework adopted for the 2007 – 2013 period, whereby LAGs are responsible for drafting and implementing the LDSs in line with Malta's RDP 2014-2020 & in line with the guidelines provided by the MA, designed to reflect the specific needs of the designated territory

5.2.6.3. 6C) Enhancing the accessibility, use and quality of information and communication technologies (ICT) in rural areas

5.2.6.3.1. Choice of rural development measures

5.2.6.3.2. Combination and justification of rural development measures

N/A



5.3. A description of how the cross-cutting objectives will be addressed, including the specific requirements in Article 8(1)(c)(v) of Regulation (EU) No 1305/2013

Innovation

As outlined in Malta's National Research and Innovation Strategy 2020, promoting value-added and innovation in agriculture and rural development can help off-set the impact of the sector's structural constraints. In this respect, the RDP for Malta incorporates a significant number of initiatives and delivery approaches designed to foster a climate in which innovation and cooperation are encouraged.

Water, wastes and energy: improving sustainable use and generating renewable energy

Addressing the management needs of water wastes and energy will require novel approaches to the management of water and wastes on farms, and will encourage innovation in renewable energy generation and application on farms and in rural businesses. An area-wide or valley management approach will be the focus for water and waste management using the support for cooperation under Article 35 of Regulation (EU) No. 1305/2013. The intention is to improve and integrate water and waste management.

The area/valley management approach will also incorporate measures to control and capture rainfall in an effort to reduce energy consumption from pumping and reduce groundwater consumption.

Maltese quality produce: improving quality, traceability, strategic marketing, adding value, branding and promotion

A key focus of improving quality produce is to provide structures and learning processes that enable technical innovation in fruit and vegetable production (new varieties) and in processed products. Support will be given to identify potential markets for new products/varieties and to create an integrated programme of support that incorporates technical expertise from outside Malta if required, training and skills development, marketing and promotional campaigns.

Sustainable livestock: improving resource efficiency, competitiveness and productivity, and welfare

The livestock sector suffers in particular from increasing feed costs whilst the quality of locally produced fodder remains low. The RDP will thus promote innovation in the specific area of forage production, amongst others, to enhance quality of fodder locally. In addition support will be provided for adding value to dairy and meat products to enhance market shares and exploit new consumer tastes and markets. A cooperative approach will be encouraged in both improving fodder and for adding value in which researchers and producers will need to work together to realise benefits.

Wider rural economy and quality of life – developing rural tourism, rural skills and promoting social inclusion

The wider rural economy will be targeted for training and skills development in order to promote more confidence and capacity-building among non-farm rural entrepreneurs which should in turn foster business innovation. LEADER groups (LAGs) will play a key role in translating these activities into applicable developments on the ground.

Environment

Environment is a key focus of the entire RDP for Malta. The needs analysis identified a series of key problems which Malta faces including: over-abstraction of groundwater, groundwater pollution (e.g. from Nitrates), increased energy consumption from intensive rearing of livestock, soil erosion, biodiversity decline and loss of habitat, and a steady increase in greenhouse gas emissions (from livestock, manures, and increased energy consumption).

The context of rural development and agricultural activity on small parcels of land and fragmented holdings in Malta make cooperative and territorial approaches essential. The integrated nature of the RDP will manage these and related problems through the following activities:

- A centralised centre which provides technical support and access to expertise to reduce negative externalities of agriculture, and links farm advice with cooperative actions and operational research groups;
- Support for cooperation through area-wide/valley partnerships to manage water, soil and wastes, and to support renewable energy generation;
- Area-wide/valley approaches to rubble wall restoration which will contribute to soil conservation and habitat improvement, including through individual or multiple actors;
- Support through agri-environment measures and for managing areas of natural constraint;
- A results oriented approach to deliver fragile natural resources especially for soil and water on farmland and for habitats and species especially in Natura 2000 areas; and
- Training, advisory services, and support for investment in a wide range of improvements which will be closely linked to ensure that knowledge and understanding of environmental issues is increased, and the capacity for managing environmental issues is enhanced through improved skills and application of best practice techniques.

Landscape and environment – managing habitats and features

Landscape and environment will benefit from the area-wide/valley partnerships suggested above, particularly in the case of restoration of rubble walls, and soil conservation. Rubble walls play a key role in soil conservation and provision of habitat for certain species. Management of rubble walls on an area-wide basis will enable more effective targeting of funds and more cost-effective use of limited resources which can be targeted where they will provide maximum benefit. The RDP also provides the opportunity to investigate the scope for innovation in agro-forestry through agri-environment measures, providing potential for diversification into a wider range of tree crops than is currently considered, bringing with it improvements in habitat and biodiversity.

The targeting and allocation strategy for funding to achieve environmental priorities in land-based farm sectors is explained in detail under section 5.2 priority 4. For livestock sectors, which are also a significant target for enhanced environmental performance, the targeting strategy and justification for funding are discussed in section 5.2 priority 5 (this is also referred to under climate change, below).

Climate change

The focus on improving efficiency, particularly in relation to reducing water and energy consumption, managing wastes, and developing renewable sources of energy will have impacts on reducing greenhouse gas emissions and on ensuring the sustainability of the environment. Improved water efficiency and reduced water consumption within the agricultural sector through access to highly polished tertiary treated

water will mean reduced energy use, supporting investment in renewable and energy efficient technology will also reduce energy consumption from fossil fuel resources. Reducing use of imported fertilisers through utilising organic manures will also contribute through reducing emissions both locally and indirectly from those generated through production and transport of imported chemicals.

A key aspect of the proposed programme is to link training and advisory support to investment activity in order to improve understanding of how agricultural activity and economic development can impact on climate. When understanding is improved the measures supporting investment in infrastructure improvements are likely to be more effective in relating measure objectives to climate change mitigation.

The greatest climate challenge for the Maltese Islands however arises from the need to adapt to the predicted impacts. The territorial features coupled with their location in the southern part of the Mediterranean basin, places the Maltese Islands at a very vulnerable position. The second National Communication of Malta to the United Nations Framework Convention on Climate Change prepared in 2010 provided a comprehensive assessment of Malta's vulnerability. This work paved the way for the preparation of the National Adaptation Strategy published in 201280 establishing adaptation policy actions which complement measures in the area of mitigation. The effects and policy counter measures that may be adopted as a consequence of climate change and adaptation at national level are still very much in their infancy particularly due to two main limitations, namely the:

- limits of modelling technology available render it next to impossible to model climate change and adaptation scenarios at a resolution of relevance to Malta; and

- limited capacity in place for action.

These, coupled with the need to ensure increased awareness-raising across different sectors and stakeholders, have been identified as key elements that will influence adaptation action. Support for biodiversity and habitat improvement, rubble wall restoration, and forest management (making forests and habitats more resilient) will all play a role in raising awareness of the impacts of climate change on Malta, and how to enable adaptation.

5.4. A summary table of the intervention logic showing the priorities and focus areas selected for the RDP, the quantified targets, and the combination of measures to be used to achieve them, including the planned expenditure (table automatically generated from the information provided in sections 5.2 and 11)

Priority 1				
Focus Area	Target indicator name	Target value 2025	Planned expenditure	Combination of measures
1A	T1: percentage of expenditure under Articles 14, 15 and 35 of Regulation (EU) No 1305/2013 in relation to the total expenditure for the RDP (focus area 1A)	3.54%		M01, M02, M16
1B	T2: Total number of cooperation operations supported under the cooperation measure (Article 35 of Regulation (EU) No 1305/2013) (groups, networks/clusters, pilot projects…) (focus area 1B)	4.00		M16
1C	T3: Total number of participants trained under Article 14 of Regulation (EU) No 1305/2013 (focus area 1C)	1,500.00		M01
Priority 2				
Focus Area	Target indicator name	Target value 2025	Planned expenditure	Combination of measures
2A	T4: percentage of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)	1.79%	41,227,624.00	M04, M22
2B	T5: percentage of agricultural holdings with RDP supported business development plan/investments for young farmers (focus area 2B)	0.71%	6,230,000.00	M06
Priority 3				
Focus Area	Target indicator name	Target value 2025	Planned expenditure	Combination of measures
3A	T6: percentage of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations (focus area 3A)		6,699,000.00	M04, M16
	Nr of operations supported under M4.2 contributing to FA3A (M4.2) (operations)	19.00		
Priority 4				
Focus Area	Target indicator name	Target value 2025	Planned expenditure	Combination of measures
4A (agri)	T9: percentage of agricultural land under management contracts supporting biodiversity and/or	6.17%	48,727,930.60	M01, M02, M04, M10, M11, M13, M16

	landscapes (focus area 4A)			
4B (agri)	T10: percentage of agricultural land under management contracts to improve water management (focus area 4B)	2.98%		
4C (agri)	T12: percentage of agricultural land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)	2.98%		

Priority 5

Focus Area	Target indicator name	Target value 2025	Planned expenditure	Combination of measures
5A	T14: percentage of irrigated land switching to more efficient irrigation system (focus area 5A)	3.18%	43,150,000.00	M04
5C	T16: Total investment in renewable energy production (€) (focus area 5C)		2,728,000.00	M16
5E	T19: percentage of agricultural and forest land under management contracts contributing to carbon sequestration and conservation (focus area 5E)	5.31%	24,154,058.00	M08, M10

Priority 6

Focus Area	Target indicator name	Target value 2025	Planned expenditure	Combination of measures
6A	T20: Jobs created in supported projects (focus area 6A)	7.50	600,000.00	M06
6B	T21: percentage of rural population covered by local development strategies (focus area 6B)	99.97%	9,493,332.91	M19
	T22: percentage of rural population benefiting from improved services/infrastructures (focus area 6B)			
	T23: Jobs created in supported projects (Leader) (focus area 6B)	4.50		

5.5. A description of the advisory capacity to ensure adequate advice and support for the regulatory requirements and for actions related to innovation to demonstrate the measures taken as required in Article 8(1)(c)(vi) of Regulation (EU) No 1305/2013

On the basis of the lessons learnt from the 2007-2013 programming period, and picking up on the recommendations and guidance provided at EU-level, Malta has identified a number of actions to be implemented throughout the 2014-2020 programming period with the aim of ensuring a more efficient and effective implementation of its RDP.

In order to ensure the effective implementation of Malta's RDP, a sufficient advisory structure will be put in place with the aim of ensuring adaptation to rural development requirements and regulations whilst enhancing the quality of projects supported by the EAFRD.

The farm advisory service (FAS), which was set up during the 2007-2013, will be strengthened further with the aim of enhancing its effectiveness. The FAS will provide support and guidance to beneficiaries, particularly with regards to regulatory requirements concerning agri-environment-climate measures, organic farming measures, and support provided for areas facing natural and other specific constraints. The expertise and knowledge provided by the FAS will permit beneficiaries to enhance the performance of their agricultural holding and enhance the marketing and quality of their local produce, adapt to cross-compliance obligations, whilst ensuring adherence to good agricultural and environmental conditions (GAEC), amongst others.

Malta will also support potential beneficiaries requiring guidance and information on funding opportunities, better quality projects, potential partners for innovation projects under the EIP umbrella, application and project selection processes, and general information related to EAFRD and the RDP through Front Office services (one-stop shop service) as well as a Farm Extension Service, aimed at providing additional support to farmers and who can also direct beneficiaries to the most suitable source of advisory services and expertise.

The Managing Authority will build upon what was already accomplished through the 2007-2013 programme and continue to provide advice and information on the RDP, also taking into account developments within the National Rural Network. The provision of information will be continuously developed throughout the life of the new RDP based on the requirements at the time, and on the requirement to reach the cross-cutting rural development objectives as well as relevant EU 2020 targets. Such information will be provided through the organisation of information seminars and workshops, as well as through newsletters, leaflets and other information material as required. The MA's website will also be enhanced and upgraded in order to serve as a more accessible and user-friendly forum of information for rural development stakeholders and potential beneficiaries . Innovation support will form a particular aspect of work within the rural network in order to ensure specialised advice and support in areas targeted for innovation activities. MA and rural network personnel will be trained in the early stages of the RDP programming cycle to support activities related to innovation partnership formation. Training and development actions for staff of the national authorities relevant for the implementation of the new RDP particularly the Managing Authority and Paying Agency staff, will be provided continuously with the sole objective of building upon the experience gained throughout the past years in order to develop the capabilities and knowledge of relevant staff. Furthermore, a portion of the technical assistance budget will be devoted to attendance of meetings, conferences and workshops organised at EU-level in order to ensure that MA and PA staff are provided with adequate and effective training. Specific and targeted training programmes using expertise from, and visits to, other EU Member States will form part of the training of MA and PA personnel in order to provide exposure to best practice within the EU. Training needs will be

identified at the start of the programme and will be implemented in relation to RDP requirements.

All the actions outlined above, together with any other necessary actions which may arise throughout the life of the programme, will be undertaken in order to ensure that adequate advisory capacity is in place ensuring the adherence to all relevant regulatory requirements, availability of support for innovation actions and effective programme implementation.

6. ASSESSMENT OF THE EX-ANTE CONDITIONALITIES

6.1. Additional information

NA

6.2. Ex-ante conditionalities

Applicable ex-ante conditionality at national level	Applicable ex-ante conditionality fulfilled: Yes/No/Partially	Assessment of its fulfilment	Priorities/Focus Areas	Measures
P3.1) Risk prevention and risk management: the existence of national or regional risk assessments for disaster management taking into account climate change adaptation	no		3B	M17
P4.1) Good Agricultural and Environmental Conditions (GAEC): standards for good agricultural and environmental condition of land referred to in Chapter I of Title VI of Regulation (EU) No 1306/2013 are established at national level	yes	Refer to section 6.2.	P4	M11, M10
P4.2) Minimum requirements for fertilisers and plant protection products: minimum requirements for fertilisers and plant protection products referred to in Article 28 of Chapter I of Title III of Regulation (EU) No 1305/2013 are defined at national level	yes	Refer to section 6.2.	P4	M11, M10
P4.3) Other relevant national standards: relevant mandatory national standards are defined for the purpose of Article 28 of Chapter I of Title III of Regulation (EU) No 1305/2013	yes	Refer to section 6.2.	P4	M11, M10
P5.1) Energy efficiency: actions have been carried out to promote cost effective improvements of energy end use efficiency and cost effective investment in energy efficiency when constructing or renovating buildings.	partially	Refer to section 6.2.	5B	M04, M16, M06
P5.2) Water sector: the existence of a) a water pricing policy which provides adequate incentives for users to use water resources efficiently and b) an adequate contribution of the different water uses to the recovery of the costs of water services at a rate determined in the approved river basin management plan for investment supported by the programmes.	no		5A	M16, M04
P5.3) Renewable energy: actions have been carried out to promote the production and distribution of renewable energy sources	yes	Refer to section 6.2.	5C	M16, M06, M04
G1) Anti-Discrimination: the existence of administrative capacity for the implementation and application of Union anti discrimination law and policy in the field of ESI Funds.	yes	Refer to section 6.2.	6B	M16, M01, M19, M02
G2) Gender Equality: the existence of administrative capacity for the implementation and application of Union gender equality law and policy in the field of ESI Funds.	yes	Refer to section 6.2.	6B, 6A	M06, M02, M01, M16, M19
G3) Disability: the existence of administrative capacity for the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC	yes	Refer to section 6.2.	6A, 6B	M16, M19, M06
G4) Public Procurement: the existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds.	yes	Refer to section 6.2.	5B, 2A, 5A, 5C, 6B	M01, M16, M02, M04, M06, M19

application of Union State aid rules in the field of the ESI Funds.			5E, 1C, 2A	M16, M10, M04, M03, M06, M20, M19, M01, M08
G6) Environmental legislation relating to Environmental Impact Assessment (EIA) and, Strategic Environmental Assessment (SEA): the existence of arrangements for the effective application of Union environmental legislation related to EIA and SEA.	yes	Refer to section 6.2.	P4, 6C, 5A, 5E, 6A, 5C, 2A, 5B, 5D, 3A	M10, M13, M04, M06, M11, M16, M08
G7) Statistical systems and result indicators: the existence of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.	yes	Already fulfilled through Common Monitoring and Evaluation System (CMES)		

Applicable ex-ante conditionality at national level	Criteria	Criteria fulfilled (Yes/ No)	Reference (if fulfilled) [reference to the strategies, legal acts or other relevant documents]	Assessment of its fulfilment
P3.1) Risk prevention and risk management: the existence of national or regional risk assessments for disaster management taking into account climate change adaptation	P3.1.a) A national or regional risk assessment with the following elements shall be in place: A description of the process, methodology, methods and non-sensitive data used for risk assessment as well as of the risk-based criteria for the prioritisation of investment;	No		A national risk assessment for disaster management is being developed. Following completion of the necessary procurement procedures the DoC communicated that the contract was signed on the 21st May 2015 and its duration is for six months (till 21st November 2015. Furthermore, the Inception Report was submitted on the 1st June 2015. Ministerial Committees dealing with infrastructure protection have already been set up and are being consulted by the winning bidder in the formulation of the risk assessment.
	P3.1.b) A national or regional risk assessment with the following elements shall be in place: A description of single-risk and multi-risk scenarios;	No		A national risk assessment for disaster management is being developed. Following completion of the necessary procurement procedures the DoC communicated that the contract was signed on the 21st May 2015 and its duration is for six months (till 21st November 2015. Furthermore, the Inception Report was submitted on the 1st June 2015. Ministerial Committees dealing with infrastructure protection have already been set up and are being consulted by the winning bidder in the formulation of the risk assessment.
	P3.1.c) A national or regional risk assessment with the	No		A national risk assessment for disaster management is being developed, taking into account the following documents published here: Malta Climate Change Adaptation Strategy

	following elements shall be in place: Taking into account, where appropriate, national climate change adaptation strategies.			National Climate Change Mitigation Strategy: http://environment.gov.mt/en/Document%20Repository/Malta%20Climate%20Change%20Adaptation%20Strategy/National%20Climate%20Change%20MITIGATION%20Strategy.pdf National Adaptation Strategy: http://environment.gov.mt/en/Document%20Repository/Malta%20Climate%20Change%20Adaptation%20Strategy/National%20Adaptation%20Strategy.pdf National Climate Change Adaptation Strategy (Consultation Report): http://environment.gov.mt/en/Document%20Repository/Malta%20Climate%20Change%20Adaptation%20Strategy/National%20Climate%20Change%20Adaptation%20Strategy%20(Consultation%20Report).pdf Following completion of the necessary procurement procedures the DoC communicated that the contract was signed on the 21st May 2015 and its duration is for six months (till 21st November 2015. Furthermore, the Inception Report was submitted on the 1st June 2015. Ministerial Committees dealing with infrastructure protection have already been set up and are being consulted by the winning bidder in the formulation of the risk assessment.
P4.1) Good Agricultural and Environmental Conditions (GAEC): standards for good agricultural and environmental condition of land referred to in Chapter I of Title VI of Regulation (EU) No 1306/2013 are established at national level	P4.1.a) GAEC standards are defined in national law and specified in the programmes	Yes	Schedule III of LN207 of 2009- Cross compliance related to EU Aid applications in terms of the Paying Agency (Amended) Regulations. (link: http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lp&itemid=20911&l)	Malta's ARPA conducts controls through the Control Unit on farmer holdings. Furthermore, GAEC standards are implemented in accordance with LN 207/2009. Farmers are required to comply with a specific set of Good Agricultural Environmental Conditions established in accordance with EC Regulation 1306/2013. Inspections are conducted on a regular basis to ensure farmers are in compliance with these standards. Deductions on aid due under Pillar I and Pillar II will be affected should breaches be noted as per Cross Compliance Regulation.
P4.2) Minimum requirements for fertilisers and plant protection products: minimum requirements for fertilisers and plant protection products referred to in Article 28 of Chapter I of Title III of Regulation (EU) No 1305/2013	P4.2.a) Minimum requirements for fertilisers and plant protection products referred to in Chapter I of Title III of Regulation (EU) No 1305/2013 are specified in the programm	Yes	LN321 of 2011 – Nitrates Action Programmes Regulations 2011. (Link: http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lp&itemid=22459&l LN358 of 2009 – Plant Protection Products regulations.(Link: http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lp&itemid=21079&l LN77 of 2013 – Nitrates action Programme (Amended) Regulations. (link: http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lp&itemid=24707&l=	Minimum requirements for fertilisers are being addressed with year round inspections taking place, an established front office to register farmers and a training scheme under M 111 launched and implemented. The Nitrates Regulations (and consequently the NAP) are being implemented by the responsible Competent Authority, which as part of its continuous evaluations has identified the need to review particular legislative provisions in order to improve its monitoring and control implementation. Farmers are expected to comply with the provisions laid down in LN321 of 2011 and the Nitrates Action Programme. Farmers are subject to "On The Spot" controls performed by the competent authority in which monitoring and enforcement procedures are undertaken as per provisions laid down in the national legislation and standard of procedures. Furthermore, farm holdings are obliged to have a fertiliser plan and implement it according to LN 321/2011 regulation 4 and should be on the basis of sub-regulation (3) of this regulation: (3) The fertiliser plan shall: (a) indicate the area intended to be planted; (b) indicate the type of crops to be planted and the month when such crop will be planted; (c) calculate the optimum amount of nitrogen fertiliser required in relation to each crop on each production unit of the holding for that year,

are defined at national level	es;		LN78 of 2013- Protection of water against pollution caused by nitrates from agricultural sources regulations. (Link: http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lp&itemid=24707&l L.N 94 of 2015 Protection of water against pollution caused by nitrates from agricultural sources regulations. http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lp&itemid=26742&l=1 LN321 of 2011 – Nitrates Action Programmes Regulations 2011. (Link: http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lp&itemid=22459&l) Plant Protection Products (Implementation), Regulations 2011 (LN 284 of 2011) .(Link: http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=11693&l=1); Sustainable Use of Pesticides Regulations, 2011 (LN 489 of 2011)..(Link: http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=11822&l=1)	taking into account the crop's nutrient requirements and the amount of nitrogen available from soil and water based on adequate soil and water analysis; and (d) include a Schedule of Fertilisation indicating fertiliser types and quantities to be used. (4) No fertiliser shall be applied to any crop in that year prior to the preparation of a complete fertiliser plan as required in terms of this regulation. As per Legal Notice 489 of 2011, which transposes Directive 128/2009, farmers should adhere to IPM guidelines which require that careful consideration of all available plant protection methods and subsequent integration of appropriate measures that discourage the development of populations of harmful organisms and keep the use of plant protection products and other forms of intervention to levels that are economically and ecologically justified and reduce or minimize risks to human health and the environment. Integrated pest management emphasises the growth of a healthy crop with the least possible disruption to agro-ecosystems and encourages natural pest control mechanisms. The same Legal Notice requires that appropriate incentives to encourage professional users to implement crop or sector-specific guidelines for integrated pest management are established. IPM Guidelines require that of herbicides are only prohibited from areas used by the general public or by vulnerable groups such as public parks and gardens, sports and recreation grounds, school grounds and children's playgrounds and in the close vicinity of healthcare facilities; and even in this case there is the option that with the implementation of appropriate risk mitigation measures the use herbicides is used in very urgent cases where there are no other alternatives. The complete control of weeds through mechanical means does not provide satisfactory pest control in the Maltese climatic environment. In addition the spread of seeds for certain weeds if controlled solely through mechanical means would not be economically and ecologically viable.
P4.3) Other relevant national standards: relevant mandatory national standards are defined for the purpose of Article 28 of Chapter I of Title III of Regulation (EU) No 1305/2013	P4.3.a) Relevant mandatory national standards are specified in the programmes	Yes	Article 28 of Regulation (EU) 1305/2013 on Agri-environment-climate. The minimum standards are those referred under Cross Compliance and the relative Legislation are Regulations (EU) No. 1306/2013 and 1307/2013. These standards have been transposed into National Legislation through L.N 146 of 2005.	L.N 94 of 2015 lays down provisions that ultimately aim to make more effective control procedures, reducing unnecessary administrative burden and clarifying obligations needed at farmer level.
P5.1) Energy efficiency: actions have been carried out to promote cost effective improvements of energy end use efficiency and cost effective investment in	P5.1.a) Measures to ensure minimum requirements are in place related to the energy performance of buildings consistent with	No		Energy Performance of Building Regulations: http://www.buildupskillsmalta.com/pdf/LN%20376%2012%20Energy%20Performance%20of%20Buildings%20Regulations.pdf Malta has established two methodologies for calculating the energy performance of buildings. Both methodologies are in conformity with Annex I of Directive 2010/31/EU. The following references are being provided: • Energy Performance Rating of Dwellings in Malta - Annex 4; • Simplified Building Energy Model for Malta User Guide (Annex 5) and Technical manual (Annex 6).

energy efficiency when constructing or renovating buildings.	Articles 3, 4 and 5 of Directive 2010/31/EU of the European Parliament and the Council;			Report on cost optimal levels of minimum energy performance requirements for residential buildings – Annex 7, for elemental components in residential buildings - Annex 8 – and for new and existing office buildings – Annex 9. The Cost Optimality Reports have been carried out in conformity with Annex I of the Commission delegated regulation No 244/2012. Further work is needed in order to address the gap between current requirements and the updated cost-optimal levels. Present minimum requirements are in Technical Guidance doc F (currently being revised as per draft found at: http://www.epc.gov.mt/)requirements and the updated costoptimal levels.–
	P5.1.b) Measures necessary to establish a system of certification of the energy performance of buildings consistent with Article 11 of Directive 2010/31/EU;	No	The measures necessary to establish this system of certification as requiredby Article 11 (1) of the Directive are transposed by means of Articles 12 (1) and (2) of the Energy Performance of Buildings Regulations, 2012 (Legal Notice 376 of 2012 - http://www.buildupskillsmalta.com/pdf /LN%20376%2012%20Energy%20Performance%20of%20Buildings%20Regulations.pdf),	This is the legal basis of the system of certification which concerns residential and non-residential buildings. All Energy Performance Certificates issued are registered in a central database administered by the Building Regulation Office. Annex 10 shows a specimen of the Energy Performance Certificate for dwellings whilst Annex 11 shows a specimen of the Energy Performance Certificate for non-residential buildings. Further information: https://secure2.gov.mt/epc/News-Details?nid=18&l=1 Energy Performance Certificate needs further updating to ensure its compliance with the provisions of Article 11 of the EPBD. The Building Regulation Office (BRO) is implementing the contents of the EU Pilot Reply by Malta and intends to insert a reference to the BRO website within the certificate. On this website, visitors will be able to access information regarding cost-effective recommendations.
	P5.1.c) Measures to ensure strategic planning on energy efficiency, consistent with Article 3 of Directive 2012/27 EU of the European Parliament and the Council;	Yes	http://ec.europa.eu/energy/efficiency/eed/neep_en.htm (NEEAP 2014)	The National Energy Efficiency Action Plan (NEEAP) was published in 2008 and subsequently reviewed in 2011 and 2014. Refer to Annex 12 for the 2014 version which is the latest updated document vis-a-vis energy efficiency.
	P5.1.d) Measures consistent with Article 13 of Directive 2006/32/EC of the European Parliament and the Council	Yes	Metering and Billing are regulated under the Energy Efficiency and Cogeneration Regulations, 2014 L.N. 196 of 2014, Article 11, which can be found at: http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lp&itemid=26107&l=1 Information about energy efficiency improvement measures is available from the Enemalta website on the following webpage:	In line with Article 48 of the Electricity Supply Regulations S.L. 423.01, the supply of electricity current shall be measured by a meter provided and maintained in proper working order by the distribution system operator. This provision is implemented by Malta's only distribution system operator, Enemalta. Furthermore, in line with a decision taken in 2009, a process of smart meter installation was launched. By mid 2015, Enemalta had installed around 274,000 smart meters, this being 92.3% of the total, number of customer services installed. Malta has no natural gas, district heating, district cooling and district hot water systems. Consumers may also obtain information about billing, including on how these show current actual prices and actual consumption of energy; comparisons of the final customer's current energy consumption with consumption for the same period in the previous year, can be found on the Automated Revenue

	on energy end use efficiency and energy services to ensure the provision to final customers of individual meters in so far as it is technically possible, financially reasonable and proportionate in relation to the potential energy savings.		http://www.enemalta.com.mt/index.aspx?cat=7&art=15	management services (ARMS) Ltd website - https://www.smartutilities.com.mt/wps/portal/Public%20Area/armsHelp/Help.ContactUs/!ut/p/c4/04_SB8K8xLLM9MSSzPy8xBz9CP0os3hnf99gQxPTADNnM38LA09HH_cAT1MXYxMXI3g3BL9gmxHRQCUscYB/ and from: http://www.enemalta.com.mt/enemaltastorage/images/files/arms/your%20residential%20electricity%20and%20water%20bill%20has%20changed%20-%20ar.pdf
P5.2) Water sector: the existence of a) a water pricing policy which provides adequate incentives for users to use water resources efficiently and b) an adequate contribution of the different water uses to the recovery of the costs of water services at a rate determined in the approved river basin management plan for investment supported by the programmes.	P5.2.a) In sectors supported by the EAFRD, a Member State has ensured a contribution of the different water uses to the recovery of the costs of water services by sector consistent with Article 9, paragraph 1 first indent of the Water Framework Directive having regard where appropriate, to the social, environmental and economic effects of the recovery as well as	No		Malta's water pricing is established by the Water Supply regulations (vide: http://mra.org.mt/wpcontent/uploads/2012/08/3.Water-Supply-Regulations.pdf). These are established in line with Malta's water policy (refer to Annex 14) and the River Basin Management Plan, which has been renamed the Water Catchment Management Plan (WCMP – Annex 15) for the Maltese Islands downloadable from: http://www.mepa.org.mt/file.aspx?f=5832, both of which take into consideration the tenets of the Water Framework Directive. Malta is currently developing its 2nd River Basin Management Plan (RBMP) according to the requirements of the Water Framework Directive. Further measures are currently being considered in the frame of the development of Malta's second River Basin Management Plan. Full assessment (Annex 27) as presented in the approved PA shall apply. Reference is made to Article 15 of the Water Supply Regulations (SL423.03) which established a charge of Eur0.093/m3 for the supply of non-potable water for agricultural purposes by the Water Services Corporation. The Legislation clarifies that this rate does not include the charge due for carrying and, or distributing such water. It is further noted that the same Legislation, under Article 16 establishes a rate of Eur83.36 per hectare per annum for the supply of treated sewage effluent to potentially irrigable land. In the case of processors of agricultural goods, these users fall under the category of 'non-residential users' under the tariff schemes of the Water Services Corporation. The tariff scheme applied to these users is outlined in the second schedule to the Water Supply Regulations (SL423.03), namely: (a) a service charge of Eur 130 (b) a tariff for the consumption of water of Eur2.10/m3 for any volume not exceeding 168m3; of Eur2.50/m3 for any quantity from 168m3 up to 40,000m3 and of Eur1.75/m3 for any quantity exceeding 40,000m3.

	the geographic and climatic conditions of the region or regions affected.			
P5.3) Renewable energy: actions have been carried out to promote the production and distribution of renewable energy sources	P5.3.a) Transparent support schemes, priority in grid access or guaranteed access and priority in dispatching, as well as standard rules relating to the bearing and sharing of costs of technical adaptations which have been made public are in place consistent with Article 14(1) and Article 16(2) and (3) of Directive 2009/28/EC;	Yes	Electricity Market Regulations, (Legal Notice 166/2011 as amended – Subsidiary Legislation 423.22) - http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=10685 Feed in Tariffs Regulations 422/2010 as amended - SL423.46: http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=11430&l=1	Government has established its policy objectives through the adoption of the National Renewable Energy Action Plan 2010 and 2011 that can be found on http://www.ebb-eu.org/legis/ActionPlanDirective2009_28/national_renewable_energy_action_plan_malta_en.pdf (NREAP 2010) http://www.buildup.eu/publications/22827 (NREAP 2011) Subsidiary Legislation has also been adopted thus providing a framework for the uptake of PVs. Nationally and EU Funded Grant schemes have been launched to support RES installations such as PV systems and solar water heaters. Information about the support measures available to investors in RES is available on the Malta Resource Authority website (http://mra.org.mt/schemes/support-schemes/). This includes both grant schemes and Feed in tariffs as amended from time to time. Rules in relation to the sharing of costs of technical adaptations are in line with the Electricity Supply regulations (423.01). Refer to the below link: http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=10667 The costs of connecting PV systems, Micro Wind and Combined Heat & Power Plant are available on the application forms downloadable from the ARMS Ltd website (under downloads) https://www.smartutilities.com.mt/wps/portal/
	P5.3.b) A Member State has adopted a national renewable energy action plan consistent with Article 4 of Directive 2009/28/EC	Yes	The National Renewable Energy Action Plan 2010 and 2011 can be found on http://www.ebb-eu.org/legis/ActionPlanDirective2009_28/national_renewable_energy_action_plan_malta_en.pdf (NREAP 2010) http://www.buildup.eu/publications/22827 (NREAP 2011). Measures in the NREAP to achieve the national overall targets for 2020 have been considered as adequate since the interim targets for 2011-2012 in accordance with the RES Directive 2009/28/EU and the NREAP trajectory for 2012 have been achieved as indicated in Annex 13.	Malta managed to meet its 2011-2012 interim RES target and is on track to meet the 2013-2014 target.

G1) Anti-Discrimination: the existence of administrative capacity for the implementation and application of Union anti discrimination law and policy in the field of ESI Funds.	G1.a) Arrangements in accordance with the institutional and legal framework of Member States for the involvement of bodies responsible for the promotion of equal treatment of all persons throughout the preparation and implementation of programmes, including the provision of advice on equality in ESI fund related activities.	Yes	The National Commission for the Promotion of Equality (NCPE) is an independent, government funded body set up, by virtue of Chapter 456 of the Laws of Malta in January 2004. Refer to link: http://www.hsph.harvard.edu/population/womenrights/malta.women.03.pdf	The NCPE works to ensure that Maltese society is a society free from any form of discrimination based on: (i) sex/gender and family responsibilities, sexual orientation, age, religion or belief, racial or ethnic origin, and gender identity in employment; banks and financial institutions, as well as education; and (ii) racial / ethnic origin and gender in the provision of goods and services and their supply. Refer to link: http://ncpe.gov.mt/en/Pages/NCPE_Home.aspx The NCPE provides advice on Equal Opportunities Legislation in Malta to applicants applying for EU funds as well as guidance on how best to integrate equal opportunities in projects. The NCPE works closely with the Managing Authority and attends information sessions held when a Call for Project Applications is launched. NCPE offers training to various groups in society and will continue to be a key stakeholder in the preparation and implementation of the programmes as well as being actively involved on the Monitoring Committee particularly in relation to anti discrimination issues. For Disability a separate body is responsible for these arrangements – National Commission For Persons with Disability (Please refer to General Ex-ante conditionality 3 on Disability).
	G1.b) Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of Union anti discrimination law and policy.	Yes	The National Commission for the Promotion of Equality (NCPE) is an independent, government funded body set up by virtue of Chapter 456 of the Laws of Malta in January 2004. http://www.hsph.harvard.edu/population/womenrights/malta.women.03.pdf	A Training Plan on anti-discrimination and equality mainstreaming has been drawn up by NCPE, which it will be implementing together with the Managing Authorities staff. Training will be offered for all current officers and to all newly engaged officers responsible for ESI Funding Programmes 2014-2020 across the Public Service. Such training is also being carried out during 2015. Training will be provided to the authorities involved in ESI funds, such as: •Ad hoc training provided at the authority / entity's request
G2) Gender Equality: the existence of	G2.a) Arrangements in	Yes	The National Commission for the Promotion of Equality (NCPE) is an independent, government funded body set up by virtue of	The NCPE as the equality body provides the necessary arrangements throughout the preparation and implementation of programmes The NCPE works closely with the Managing Authority and attends information sessions held when a Call for Project Applications is launched. NCPE will continue to be a key stakeholder in the preparation and implementation of the programmes as well as being actively involved on the Monitoring Committee particularly in

administrative capacity for the implementation and application of Union gender equality law and policy in the field of ESI Funds.	accordance with the institutional and legal framework of Member States for the involvement of bodies responsible for gender equality throughout the preparation and implementation of programmes, including the provision of advice on gender equality in ESI Fund related activities.		Chapter 456 of the Laws of Malta in January 2004. http://www.hsph.harvard.edu/population/womenrights/malta.women.03.pdf NCPE developed publications and tools to further support applicants and beneficiaries. These tools are available on http://msdc.gov.mt/en/NCPE/Pages/Our_Publications_and_Resources/Resources_and_Tools.aspx	relation to gender equality. The NCPE provides advice and guidance to applicants and beneficiaries on the implications and application of gender equality in their projects.
	G2.b) Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of Union gender equality law and policy as well as on gender mainstreaming.	Yes	According to the Training Plan the NCPE will be delivering training to the Managing Authorities' staff focusing on EU gender equality at the start of Programming Period for all current officers and to all newly engaged officers responsible for ESI Funding Programmes 2014-2020 across the Public Service. Furthermore, the NCPE offers training to various groups in society.	Requests for training are discussed with the interested organisation/group being in the private and public sector as well as NGO's, Civil Society Organisations and Educational Institutions to ensure that the training provided addresses their needs. Types of training provided include: •Ad hoc training provided at the authority / entity's request •One-to-one meetings with applicants, beneficiaries or consultancy firms upon their request •Through the EU-funded project entitled Gender Mainstreaming – in Practice (GMIP) specific training was given on the horizontal policy of equal opportunities to government departments and public sector organisations, many of which are beneficiaries of EU funds. In view of this and in conjunction with the Office of the Prime Minister, a circular was issued: - OPM Circular No. 15/2012 Gender Mainstreaming in Practice: http://msdc.gov.mt/en/NCPE/Documents/Projects_and_Specific_Initiatives/Gender_Mainstreaming-in_Practise/circular.pdf
G3) Disability: the existence of administrative capacity for	G3.a) Arrangements in accordance with the institution	Yes	Functions of the National Commission Persons with Disability are prescribed in Article 22 of the Equal Opportunities Act (http://www.knpd.org/legislation/eoa.html). Activities of the KNPD can be referred at: http://www.knpd.org/	The Equal Opportunities Act is divided into various sections, with Section III stating that there can be no discrimination made against people on the basis of their disability. These sections are grouped under 5 main headings which are: Employment; Education; Access (physical); Provision of goods, facilities or services; Accommodation (housing). Heading No. 6 under this same act provides information on exemptions. Additionally it safeguards persons with disability from discrimination in relation

the implementation and application of the United Nations Convention on the rights of persons with disabilities (UNCRPD) in the field of ESI Funds in accordance with Council Decision 2010/48/EC	al and legal framework of Member States for the consultation and involvement of bodies in charge of protection of rights of persons with disabilities or representative organisations of persons with disabilities and other relevant stakeholders throughout the preparation and implementation of programmes.		Equal Opportunities Compliance Unit: http://www.knpd.org/pubs/pdf/fs09%20Equal%20Opportunities%20Compliance%20Unit.pdf Access for all – Design Guidelines: http://www.knpd.org/legislation/accessforall.html	to insurance. The NCPD was appointed as the independent mechanism. The Focal Point for UNCRPD was appointed within the Ministry for Family and Social Solidarity. The NCPD provides assistance and guidance for applicants of EU Funds on all disability-related aspects of the implementation of the ESI Funds, including accessibility, equality of opportunities and non-discrimination issues raised in their projects.
	G3.b) Arrangements for training for staff of the authorities involved in the management and control of the ESI Funds in the fields of applicable Union and national disability law and policy, including accessibility and the practical application of the UNCRPD as reflected	Yes	Activities of the NCPD can be referred at: http://www.knpd.org/	The National Commission Persons with Disability (NCPD) (refer to link: http://www.knpd.org/legislation/eoa.html) will continue to deliver training to the Managing Authority staff focusing on Malta's obligations in relation to disabled people's rights and, specifically, the UN Convention on the Rights of Persons with Disabilities and the Equal Opportunities (Persons with Disability) Act (Cap. 413). Such training is also being carried out during 2015.

	in Union and national legislation, as appropriate.			
	G3.c) Arrangements to ensure monitoring of the implementation of Article 9 of the UNCRPD in relation to the ESI Funds throughout the preparation and the implementation of the programmes.	Yes	A monitoring mechanism for the implementation of Article 9 of the UNCRPD covering the whole cycle of ESI Funds has been set up between the NCPD and the MA. For infrastructural projects, the NCPD vets these projects for accessibility based on the *'Access for All – Design Guidelines'* (refer to link: http://www.knpd.org/legislation/accessforall.html) at the permitting stage through the normal planning process; http://www.knpd.org/pubs/pdf/fs09%20Equal%20Opportunities%20Compliance%20Unit.pdf	The monitoring mechanism involves three main tasks: 1. Beneficicaries are invited to consult the NCPD during the drafting of the project application to ensure that activities take into consideration the needs of disabled persons at the design stage of the project activities; 2. The MA will ask the beneficiaries to consult the NCPD formally once projects are approved so that an agreement is in place on how the needs of disabled persons are being taken into consideration within the project activities. It is to be noted that in Malta, the NCPD already provides assistance and guidance for applicants of EU Funds on all disability-related aspects of the implementation of the ESI Funds., including accessibility, equality of opportunities and non-discrimination issues raised in their projects. 3. At closure of project, the NCPD will evaluate how the commitments taken at selection stage were implemented during the implementation. The NCPD also established the Equal Opportunities Compliance Unit.
G4) Public Procurement: the existence of arrangements for the effective application of Union public procurement law in the field of the ESI Funds.	G4.a) Arrangements for the effective application of Union public procurement rules through appropriate mechanisms.	Yes	The Department of Contracts (DOC) is the single centralised public procurement institution for most functions on the national level (www.contracts.gov.mt). Public Procurement in Malta is regulated through three legislative documents these being: • S.L.174.04, which can be downloaded from the following link: http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=9532&l=1 • S.L.174.06, which can be downloaded from the following link : http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=9534&l=1 • S.L 174.08 which can be downloaded from the following link: http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=11764&l=1	The DOC is responsible for developing standard procedures and routines, for developing a procurement policy, for the preparation of guidelines and instructions, the national contribution to EU advisory committees, the Maltese Public Procurement Network participation (PPN), the preparation of an annual report to the government on the functioning of the public procurement system, the collection of statistical and other data, the permission of less competitive procedures, the use of exceptions, extensions, the use of the accelerated procedures, and advising the government on public procurement policy. In Malta any aggrieved bidder can lodge an appeal in front of the Public Contracts Review Board (PCRB). This board is independent and autonomous of any contracting authority. Furthermore bidders who are not satisfied with the decision of the PCRB have the benefit of a further appeal in front of the Court of Appeal of Malta in its superior Jurisdiction.
	G4.b) Arrangements which ensure transparent contract award procedures	Yes	The DOC's main function is its role as a Central Government Authority for all tenders which have an estimated value exceeding €120,000. An exception to this is to be found in the case of Schedule 3 entities whereby authorities listed in Schedule 3 of S.L. 174.04 (refer to link above) administer their own procurement in line with the procurement regulations. Tenders which have an estimated value less than €120,000 are administered by the Contracting Authority	The evaluation of each call for tenders is carried out by an ad hoc evaluation committee that is appointed to carry out such evaluations. In administering the tendering process and in particular the award of each call for tenders as well as the requests for clarification by the respective evaluation committees, the DOC is supported by the General Contracts Committee (GCC). The role and the functions of the GCC as well as their procedures are regulated by regulation 11 of S.L.174.04. A similar body exists for Departmental Tenders i.e. tenders which have an estimated value of less than €120,000. Both the GCC and the Departments Contract Committee (DCC) are created in terms of Regulation 9 of S.L.174.04. In Malta any aggrieved bidder can lodge an appeal in front of the Public Contracts Review Board (PCRB). This board is independent and autonomous of

	.		which carries the procurement in question.	any contracting authority. Furthermore bidders who are not satisfied with the decision of the PCRB have the benefit of a further appeal in front of the Court of Appeal of Malta in its superior Jurisdiction.
	G4.c) Arrangements for training and dissemination of information for staff involved in the implementation of the ESI funds.	Yes	On a regular basis the DOC carries out training of Public Officers: http://cdrt.gov.mt/corporate_services http://cdrt.gov.mt/epp http://cdrt.gov.mt/igpp http://cdrt.gov.mt/pca http://cdrt.gov.mt/pprp Officers from the DOC are also regularly sent abroad to attend training sessions.	This training, organised with the collaboration of Government's Training Agency, the CDRT (Centre for Development, Research and Training) usually covers local legislation. Furthermore officers from the Department of Contracts are also regularly sent abroad to attend training sessions. The Department of Contracts is proceeding with the implementation of the e-procurement strategy and has implemented a full blown e-procurement system aimed at increasing the efficiency and transparency of the procurement process in Malta as well as increasing the exposure to greater market of tenders published by the Department of Contracts. In coordination with the Centre for Development, Research and Training (CDRT), the Department formally started to deliver hands-on training to Contracting Authorities and economic operators related to e-procurement. The DoC makes use of its website in the dissemination of information relating to public procurement since under the heading "resources" the DoC uploads reference material and the circulars it publishes.
	G4.d) Arrangements to ensure administrative capacity for implementation and application of Union public procurement rules.	Yes	The DOC is in the process of increasing staff complement in parallel with a restructuring of the department.The DOC has a pool of procurement managers including a number who shall also be deployed within ministries to assist and guide Contracting Authorities in relation to EU-funded procurement. is also implementing a training plan for a career in public procurement through on the job training, possibility of a Diploma in Procurement and Supply, training on the introduction of new directives.	The Pre-Contracts section caters for all administrative procedures, from the publication of the tender notice to the signature of the contract. The Post-Contracts unit caters for any issues arising during the implementation of the contract, including litigation. The Secretariat to the General Contracts Committee is responsible for vetting the evaluation reports and requests for clarifications prior to their submission to the Committee. Officers are sent abroad to attend training sessions.
G5) State Aid: the existence of arrangements for the effective application of Union State aid rules in the field of the ESI Funds.	G5.a) Arrangements for the effective application of Union State aid rules.	Yes	The State Aid Monitoring Board (SAMB) is the competent national authority responsible for all State Aid issues in Malta. Art 57 and 58 of the Business Promotion Act: http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=8799&l=1 State aid rules of procedure: http://justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=9792&l=1 SAMB is the national contact point on state aid issues involved in EU funded projects.	State Aid monitoring rules outline the procedures with regards to the notification obligations regarding new aid, the treatment of non-notified aid and suspension provisions as well as with the directly applicable EU the recovery of unlawful aid in line Council Regulation (EC) No 659/1999. The rules of procedure also establish the reporting obligations to SAMB by State aid grantors of aid granted, including de minimis measures and block exempted initiatives. The SAMB keeps regular contact with key State aid grantors and in the case of EU Funds with the respective managing Authorities and Intermediate Bodies (IB). Moreover, meetings are held with prospective State aid grantors and other bodies to provide the necessary guidance on state aid matters. Assistance is also provided in the formulation by State aid grantors and IBs of scheme guidelines and manuals intended to provide potential applicants and beneficiaries with details on the implementation of State Aid measures.

	G5.b) Arrangements for training and dissemination of information for staff involved in the implementation of the ESI funds.	Yes	The staff working at SAMB is supported to participate and attend specialised State aid courses organised by international institutions. Dissemination of knowledge and technical expertise on state aid issues is provided to Government Ministries and agencies involved in state aid, prospective beneficiaries, the Managing Authority, intermediate bodies, and other local entities responsible for auditing and certifying the implementation of funds.	The SAMB also guides the State aid grantors so that the necessary checks are carried out to ensure that undertakings in difficulty are excluded from benefiting from aid measures. The SAMB participated in Multilateral Meetings and Advisory Committees on State aid that have been organised by the European Commission in the process of review of the State Aid acquis as part of the State Aid Modernisation initiative. Malta has confirmed its acceptance to the appropriate measures proposed by the European Commission under the newly adopted rules. The SAMB will assist all granting authorities to bring their existing State aid schemes in line with the newly adopted State aid rules. The SAMB gathers the necessary information on State aid measures. The transparency requirement of setting up a State aid website will be met by June 2016. Moreover, active steps are being taken to ensure compliance with ex post evaluation requirements, also through external expertise.
	G5.c) Arrangements to ensure administrative capacity for implementation and application of Union State aid rules.	Yes	The Board ensures to maintain at all times the appropriate administrative capacity necessary to provide its function. Training and participation in international courses/conferences is supported. The SAMB actively participates in Multilateral Meetings and Advisory Committees on State Aid organised by European Commission. In order to substantiate its own resources, the Board is subscribed to specialised State aid Journals and has over the years gathered its own internal resources of publications.	With regards the application of EU State aid rules, the SAMB actively participates in Multilateral Meetings and Advisory Committees on State aid that are organised by the European Commission in the process of review of State aid acquis. The SAMB also keeps regular contact with key State aid grantors. Meetings are held with existing and prospective State aid grantors to inform such grantors of the latest developments in the Acquis in this area, including any change in EU regulations, the applicable reference and discount rate as revised periodically by the European Commission, and information about any landmark Commission decision or Court judgement. The Board also assists State aid grantors with the drafting of new State aid measures and carries out the necessary notifications with the European Commission for the approval of State aid schemes. The SAMB also participates in other bilateral fora in Malta to disseminate general information concerning State Aid issues.
G6) Environmental legislation relating to Environmental Impact Assessment (EIA) and, Strategic Environmental Assessment (SEA): the existence of arrangements for the effective application of Union environmental legislation related to EIA and SEA.	G6.a) Arrangements for the effective application of Directive 2011/92/EU of the European Parliament and of the Council (EIA) and of Directive 2001/42/EC of the European Parliament and of the Council (SEA);	Yes	Malta has transposed the provisions of the SEA Directive through: http://www.justiceservices.gov.mt/DownloadDocument.aspx?app=lom&itemid=11579&l=1 Further information: http://www.mepa.org.mt/permitting-ea-sea Malta has transposed the EIA Directive through: Legal Notice 114 of 2007 Legal Notice 438 of 2011 MEPA Act: http://www.mepa.org.mt/lpgdocuments/LNs/LN114%20english.pdf Guidance: http://www.mepa.org.mt/LpDocumentDetails?syskey=1402	The SEA Focal Point (FP), last appointed in June 2014 as per Part III of the SEA Regulations, is the Competent Authority for the SEA Regulations 2010. The current EIA regulations are updated from time to time in response to identified areas for improvement and will eventually have to be revised to take into account the revisions to the EIA Directive at EU level. EIA Competent Authority (MEPA) has a dedicated team which coordinates and administers EIAs on a daily basis. The EIA team is always available to give advice on application of the EIA legislation. The MEPA Act (Art 40 and 41) establishes the necessary arrangements to provide access to justice for the public concerned, including non-governmental organizations (NGOs) in relation to all environmental legislation including SEA and EIA processes. This is addressed primarily through the Planning and Environmental Tribunal and, to a lesser extent (depending on the legal merits of the case) the Courts of Justice.

			http://www.mepa.org.mt/permitting-ea-main	
	G6.b) Arrangements for training and dissemination of information for staff involved in the implementation of the EIA and SEA Directives.	Yes	Training for public officials involved in the implementation organised through the CDRT of EIA and SEA Directives: http://cdrt.gov.mt/psd http://cdrt.gov.mt/sdp Through ongoing Government capacity building exercise, the SEA and EIA teams will continue to receive focused training through seminars, webinars, conferences, e-learning and job shadowing. MEPA website provides information on EIA and SEA processes http://www.mepa.org.mt/permitting-ea-main http://www.mepa.org.mt/permitting-ea-sea	The SEA Focal Point organises one day information conferences for public employees and NGOs to build the necessary capacity in respect of SEA and an annual training event on SEA Directive is held with all the relevant stakeholders. The SEA Focal Point (FP) Team participates in meetings held by UNECE on the Espoo Convention and in the Environmental Analysts Association Conference. EIA Team attended/s: - Leonardo da Vinci job shadowing experience - Commission's EIA/SEA Experts Meeting - Meetings held by UNECE on the Espoo Convention - Webinars organised by the Institute of Environmental Management and Assessment (IEMA) on EIA - Training courses organised by IEMA on EIA methods and techniques including EIA review In February 2015, Malta organised a training course for officials working on EIAs. This training was delivered by Ms. Ursula Stevenson from Parsons Brinckerhoff (through the Institute of Environment Management and Assessment) and it has been concluded successfully.
	G6.c) Arrangements to ensure sufficient administrative capacity.	Yes	The SEA Focal point (FP) works with Ministries which are responsible for first line decision making on the need or otherwise of a SEA for their plans and projects. The SEA FP provides the necessary guidance on application of the SEA legislation. https://secure2.gov.mt/SEA/theseaauditteam?l=1 MEPA has a dedicated team on EIAs. MEPA gives advice on the application of EIA legislation, develops the Terms of Reference and assess and consults on EIA reports. http://www.mepa.org.mt/permitting-ea-main	Training for public officials involved in the implementation of SEA directives is provided to ensure that they are equipped with the necessary knowledge and skills to implement the directive. The EIA team within MEPA is supported with training at national,European and International level including job shadowing and e-learning courses to ensure the necessary expertise in the sector. Refer to more information on training to details in above criteria 2.
G7) Statistical systems and result indicators: the existence	G7.a) Arrangements for timely collection and	Yes	Common Monitoring and Evaluation System (CMES) elaborated by the European Commission with the Member States.	According to Annex1, Part 4 of Regulation (EU) 808/2014 laying down detailed rules for the implementation of Regulation (EU) 1305/2013, this criterion is already fulfilled.

of a statistical basis necessary to undertake evaluations to assess the effectiveness and impact of the programmes. The existence of a system of result indicators necessary to select actions, which most effectively contribute to desired results, to monitor progress towards results and to undertake impact evaluation.	aggregation of statistical data with the following elements are in place: the identification of sources and mechanisms to ensure statistical validation			The Common Monitoring and Evaluation System prepared by the European Commission with the Member States contains elements under Article 14 of EU Regulation 808/2014 for laying down detailed rules on the implementation of Regulation (EU) 1305/2013.
	G7.b) Arrangements for timely collection and aggregation of statistical data with the following elements are in place: arrangements for publication and public availability of aggregated data	Yes	Common Monitoring and Evaluation System (CMES) elaborated by the European Commission with the Member States.	According to Annex1, Part 4 of Regulation (EU) 808/2014 laying down detailed rules for the implementation of Regulation (EU) 1305/2013, this criterion is already fulfilled. The Common Monitoring and Evaluation System prepared by the European Commission with the Member States contains elements under Article 14 of EU Regulation 808/2014 for laying down detailed rules on the implementation of Regulation (EU) 1305/2013.
	G7.c) An effective system of result indicators including: the selection of result indicators for each programme providing information on what motivates the selection of policy actions financed by the programm	Yes	Common Monitoring and Evaluation System (CMES) elaborated by the European Commission with the Member States.	According to Annex1, Part 4 of Regulation (EU) 808/2014 laying down detailed rules for the implementation of Regulation (EU) 1305/2013, this criterion is already fulfilled. The Common Monitoring and Evaluation System prepared by the European Commission with the Member States contains elements under Article 14 of EU Regulation 808/2014 for laying down detailed rules on the implementation of Regulation (EU) 1305/2013.

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	G7.d) An effective system of result indicators including: the establishment of targets for these indicators	Yes	Common Monitoring and Evaluation System (CMES) elaborated by the European Commission with the Member States.	According to Annex1, Part 4 of Regulation (EU) 808/2014 laying down detailed rules for the implementation of Regulation (EU) 1305/2013, this criterion is already fulfilled. The Common Monitoring and Evaluation System prepared by the European Commission with the Member States contains elements under Article 14 of EU Regulation 808/2014 for laying down detailed rules on the implementation of Regulation (EU) 1305/2013.
	G7.e) An effective system of result indicators including: the consistency of each indicator with the following requisites: robustness and statistical validation, clarity of normative interpretation, responsiveness to policy, timely collection of data	Yes	Common Monitoring and Evaluation System (CMES) elaborated by the European Commission with the Member States.	According to Annex1, Part 4 of Regulation (EU) 808/2014 laying down detailed rules for the implementation of Regulation (EU) 1305/2013, this criterion is already fulfilled. The Common Monitoring and Evaluation System prepared by the European Commission with the Member States contains elements under Article 14 of EU Regulation 808/2014 for laying down detailed rules on the implementation of Regulation (EU) 1305/2013.
	G7.f) Procedures in place to ensure that all operations financed by the programme adopt an effective system of indicators	Yes	Common Monitoring and Evaluation System (CMES) elaborated by the European Commission with the Member States.	According to Annex1, Part 4 of Regulation (EU) 808/2014 laying down detailed rules for the implementation of Regulation (EU) 1305/2013, this criterion is already fulfilled. The Common Monitoring and Evaluation System prepared by the European Commission with the Member States contains elements under Article 14 of EU Regulation 808/2014 for laying down detailed rules on the implementation of Regulation (EU) 1305/2013.

6.2.1. List of actions to be taken for general ex-ante conditionalities

Applicable ex-ante conditionality at national level	Criteria Not Fulfilled	Action to be taken	Deadline	Bodies responsible for fulfillment

6.2.2. List of actions to be taken for priority linked ex-ante conditionalities

Applicable ex-ante conditionality at national level	Criteria Not Fulfilled	Action to be taken	Deadline	Bodies responsible for fulfillment
P3.1) Risk prevention and risk management: the existence of national or regional risk assessments for disaster management taking into account climate change adaptation	P3.1.a) A national or regional risk assessment with the following elements shall be in place: A description of the process, methodology, methods and non-sensitive data used for risk assessment as well as of the risk-based criteria for the prioritisation of investment;	A national risk assessment for disaster management is being developed. In order to fulfil this ex-ante conditionality, the following action plan is being followed: • Draft and Publish an Invitation to Tender for Interested Economic Operators to carry out the Risk Assessment (completed) • Adjudication and Award of Tender (completed) • Hold meetings with stakeholders and analyse the feedback received – 31/09/2015 • Formulation of the risk assessment document and finalisation – 31/12/2015 The contracting authority (MHAS/CPD) is following the tender implementation closely, so as to abide by the committed deadlines. The OPM/MCIP is facilitating the process.	31-12-2015	Ministry for Home Affairs and National Security (MHAS) Civil Protection Department (CPD) Malta Critical Infrastructure Protection Unit (OPM/MCIP)
	P3.1.b) A national or regional risk assessment with the following elements shall be in place: A description of single-risk and multi-risk scenarios;	A national risk assessment for disaster management is being developed. In order to fulfil this ex-ante conditionality, the following action plan is being followed: • Draft and Publish an Invitation to Tender for Interested Economic Operators to carry out the Risk Assessment (completed) • Adjudication and Award of Tender (completed) • Hold meetings with stakeholders and analyse the feedback received – 30/09/2015 • Formulation of the risk assessment	31-12-2015	Ministry for Home Affairs and National Security (MHAS) Civil Protection Department (CPD) Malta Critical Infrastructure Protection Unit (OPM/MCIP)

		document and finalisation – 31/12/2015 The contracting authority (MHAS/CPD) is following the tender implementation closely, so as to abide by the committed deadlines. The OPM/MCIP is facilitating the process.		
	P3.1.c) A national or regional risk assessment with the following elements shall be in place: Taking into account, where appropriate, national climate change adaptation strategies.	A national risk assessment for disaster management is being developed. In order to fulfil this ex-ante conditionality, the following action plan is being followed: • Draft and Publish an Invitation to Tender for Interested Economic Operators to carry out the Risk Assessment (completed) • Adjudication and Award of Tender (completed) • Hold meetings with stakeholders and analyse the feedback received – 31/09/2015 • Formulation of the risk assessment document and finalisation – 31/12/2015 The contracting authority (MHAS/CPD) is following the tender implementation closely, so as to abide by the committed deadlines. The OPM/MCIP is facilitating the process.	31-12-2015	Ministry for Home Affairs and National Security (MHAS) Civil Protection Department (CPD) Malta Critical Infrastructure Protection Unit (OPM/MCIP)
P5.1) Energy efficiency: actions have been carried out to promote cost effective improvements of energy end use efficiency and cost effective investment in energy efficiency when constructing or renovating buildings.	P5.1.a) Measures to ensure minimum requirements are in place related to the energy performance of buildings consistent with Articles 3, 4 and 5 of Directive 2010/31/EU of the European Parliament and the Council;	In order to review the minimum requirements for dwellings and non-dwellings, the following action plan is being followed: • Setting-up of a committee, to be chaired by the Building Regulation Office involving all relevant stakeholders in order to implement the action plan for the review of minimum requirements for dwellings and non-dwellings (completed). • Public discussion process with stakeholders on the basis of the findings and implications of the report (31/08/2015:	01-01-2016	Acting as the technical arm reporting to the Ministry for Transport and Infrastructure, the Building Regulations Office (BRO)

		vide https://secure2.gov.mt/epc/home?l=1)) • Drawing up of updated minimum technical requirements and relevant Legal Notice on basis of outcome of above consultations (30/09/2015) • Promotional campaign with public and relevant stakeholders (estate agents, contractors etc.) including the holding of a seminar and publication/dissemination of promotion material; (31/12/2015) • Enter into force of new Minimum Technical Requirements (01/01/2016)		
	P5.1.b) Measures necessary to establish a system of certification of the energy performance of buildings consistent with Article 11 of Directive 2010/31/EU;	Updating of Energy Performance Certificate to ensure its compliance with the provisions of Article 11 of the EPBD. In order to fulfil this ex-ante conditionality, the following action plan is being followed: • Prepare and evaluate technical information to be included in the new Certificate (30/09/2015) • Draft new Certificate on the basis of the technical information required (30/09/2015) • Web Portal will be upgraded to be able to generate certificates in the new format (31/12/15)	31-12-2015	Building Regulations Office (BRO)
P5.2) Water sector: the existence of a) a water pricing policy which provides adequate incentives for users to use water resources efficiently and b) an adequate contribution of the different water uses to the recovery of the costs of water services at a rate determined in the approved river basin management plan for investment supported by the programmes.	P5.2.a) In sectors supported by the EAFRD, a Member State has ensured a contribution of the different water uses to the recovery of the costs of water services by sector consistent with Article 9, paragraph 1 first indent of the Water Framework Directive having regard where appropriate, to the social, environmental and economic effects of the recovery as well as the geographic and climatic conditions of the region or regions affected.	MT is developing its 2nd RBMP according to the requirements of the WFD. **This process is on track, :** • 2nd RBMP - MT undertakes that as required by Art 9 of the WFD, MT's 2nd RBMP will take into account the principle of recovery of costs of water services. The 2nd RBMP will incorporate the pertinent economic analysis. (completed) • Public Consultation on (Draft) 2nd RBMP (300/9/2015) • Review of the (Draft) 2nd RBMP (30/11/2015) • Publication of 2nd RBMP (20/12/2015)	22-12-2015	Water Policy Unit (MEH) MSDEC MEPA Malta Resources Authority

		• Submission of 2nd RBMP through WISE (30/03/2016) The 2nd RBMP will fulfil ALL the requirements outlined. Specifically with regards to surface water bodies, discussions are ongoing between the Maltese Authorities (MEPA) and DG Environment on the implementation of the WFD. MT needs to prepare : 1. a monitoring programme for inland surface waters 2. an updated Programme of Measures and an economic assessment. Detailed action plan (Annex 27) presented in the approved PA shall apply. in Annex VII to the WFD.		

7. DESCRIPTION OF THE PERFORMANCE FRAMEWORK

7.1. Indicators

Priority	Applicable	Indicator and measurement unit, where appropriate	Target 2025 (a)	Adjustment top ups (b)	Adjustment EURI (C)	Target absolute value (A-B-C)
P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests	X	Number of agricultural holdings with RDP support for investment in restructuring or modernisation (focus area 2A) + holdings with RDP supported business development plan/investment for young farmers (focus area 2B)	313.00		65.00	248.00
	X	Total Public Expenditure P2 (EUR)	47,457,624.00		4,812,761.00	42,644,863.00
P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture	X	Total Public Expenditure P3 (EUR)	6,699,000.00			6,699,000.00
		Number of supported agricultural holdings receiving support for participating in quality schemes, local markets/short supply circuits, and producer groups (focus area 3A)				

		Number of agricultural holdings participating in risk management schemes (focus area 3B)				
P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry	X	Total Public Expenditure P4 (EUR)	48,727,930.60		3,502,714.00	45,225,216.60
		Agricultural land under management contracts contributing to biodiversity (ha) (focus area 4A) + improving water management (ha) (focus area 4B) + improving soil management and/preventing soil erosion (ha) (focus area 4C)	686.50			686.50
P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors	X	Total Public Expenditure P5 (EUR)	70,032,058.00			70,032,058.00
	X	Agricultural and forest land under management to foster carbon sequestration/conservation (ha) (focus area 5E) + Agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (ha) (focus area 5D) + Irrigated land	680.00			680.00

		switching to more efficient irrigation system (ha) (focus area 5A)				
		Number of investment operations in energy savings and efficiency (focus area 5B) + in renewable energy production (focus area 5C)				
P6: Promoting social inclusion, poverty reduction and economic development in rural areas	X	Total Public Expenditure P6 (EUR)	10,093,332.91			10,093,332.91
		Number of operations supported to improve basic services and infrastructures in rural areas (focus areas 6B and 6C)				
	X	Population covered by LAG (focus area 6B)	268,733.00			268,733.00

7.1.1. P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests

7.1.1.1. Number of agricultural holdings with RDP support for investment in restructuring or modernisation (focus area 2A) + holdings with RDP supported business development plan/investment for young farmers (focus area 2B)

Applicable: Yes

Target 2025 (a): 313.00

Adjustment top ups (b):

Adjustment EURI (C): 65.00

Target absolute value (A-B-C): 248.00

7.1.1.2. Total Public Expenditure P2 (EUR)

Applicable: Yes

Target 2025 (a): 47,457,624.00

Adjustment top ups (b):

Adjustment EURI (C): 4,812,761.00

Target absolute value (A-B-C): 42,644,863.00

7.1.2. P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

7.1.2.1. Total Public Expenditure P3 (EUR)

Applicable: Yes

Target 2025 (a): 6,699,000.00

Adjustment top ups (b):

Adjustment EURI (C):

Target absolute value (A-B-C): 6,699,000.00

7.1.2.2. Number of supported agricultural holdings receiving support for participating in quality schemes, local markets/short supply circuits, and producer groups (focus area 3A)

Applicable: No

Target 2025 (a): 0.00

Adjustment top ups (b):

Adjustment EURI (C):

Target absolute value (A-B-C): 0.00

7.1.2.3. Number of agricultural holdings participating in risk management schemes (focus area 3B)

Applicable: No

Target 2025 (a): 0.00

Adjustment top ups (b):

Adjustment EURI (C):

Target absolute value (A-B-C): 0.00

7.1.3. P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry

7.1.3.1. Total Public Expenditure P4 (EUR)

Applicable: Yes

Target 2025 (a): 48,727,930.60

Adjustment top ups (b):

Adjustment EURI (C): 3,502,714.00

Target absolute value (A-B-C): 45,225,216.60

7.1.3.2. Agricultural land under management contracts contributing to biodiversity (ha) (focus area 4A) + improving water management (ha) (focus area 4B) + improving soil management and/preventing soil erosion (ha) (focus area 4C)

Applicable: No

Target 2025 (a): 686.50

Adjustment top ups (b):

Adjustment EURI (C):

Target absolute value (A-B-C): 686.50

7.1.4. P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors

7.1.4.1. Total Public Expenditure P5 (EUR)

Applicable: Yes

Target 2025 (a): 70,032,058.00

Adjustment top ups (b):

Adjustment EURI (C):

Target absolute value (A-B-C): 70,032,058.00

7.1.4.2. Agricultural and forest land under management to foster carbon sequestration/conservation (ha) (focus area 5E) + Agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions (ha) (focus area 5D) + Irrigated land switching to more efficient irrigation system (ha) (focus area 5A)

Applicable: Yes

Target 2025 (a): 680.00

Adjustment top ups (b):

Adjustment EURI (C):

Target absolute value (A-B-C): 680.00

7.1.4.3. Number of investment operations in energy savings and efficiency (focus area 5B) + in renewable energy production (focus area 5C)

Applicable: No

Target 2025 (a): 0.00

Adjustment top ups (b):

Adjustment EURI (C):

Target absolute value (A-B-C): 0.00

7.1.5. P6: Promoting social inclusion, poverty reduction and economic development in rural areas

7.1.5.1. Total Public Expenditure P6 (EUR)

Applicable: Yes

Target 2025 (a): 10,093,332.91

Adjustment top ups (b):

Adjustment EURI (C):

Target absolute value (A-B-C): 10,093,332.91

7.1.5.2. Number of operations supported to improve basic services and infrastructures in rural areas (focus areas 6B and 6C)

Applicable: No

Target 2025 (a): 0.00

Adjustment top ups (b):

Adjustment EURI (C):

Target absolute value (A-B-C): 0.00

7.1.5.3. Population covered by LAG (focus area 6B)

Applicable: Yes

Target 2025 (a): 268,733.00

Adjustment top ups (b):

Adjustment EURI (C):

Target absolute value (A-B-C): 268,733.00

7.2. Alternative indicators

Priority	Applicable	Indicator and measurement unit, where appropriate	Target 2025 (a)	Adjustment top ups (b)	Adjustment EURI (C)	Target absolute value (A-B-C)
P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests	X	Surface Area (sqm) of upgraded farm access roads	460,000.00			460,000.00
P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture	X	Nr of operations supported under M4.2 contributing to FA3A (M4.2)	19.00			19.00
P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry	X	Area (ha) under specific constraints (4A) + improving water management (ha) (focus area 4B) + improving soil management and/preventing soil erosion (ha) (focus area 4C)	9,312.10			9,312.10

	X	Nr of operations supported by M04	203.00			203.00

7.2.1. P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests

7.2.1.1. Surface Area (sqm) of upgraded farm access roads

Applicable: Yes

Target 2025 (a): 460,000.00

Adjustment top ups (b):

Adjustment EURI (C):

Target absolute value (A-B-C): 460,000.00

7.2.2. P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

7.2.2.1. Nr of operations supported under M4.2 contributing to FA3A (M4.2)

Applicable: Yes

Target 2025 (a): 19.00

Adjustment top ups (b):

Adjustment EURI (C):

Target absolute value (A-B-C): 19.00

7.2.3. P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry

7.2.3.1. Area (ha) under specific constraints (4A) + improving water management (ha) (focus area 4B) + improving soil management and/preventing soil erosion (ha) (focus area 4C)

Applicable: Yes

Target 2025 (a): 9,312.10

Adjustment top ups (b):

Adjustment EURI (C):

Target absolute value (A-B-C): 9,312.10

7.2.3.2. Nr of operations supported by M04

Applicable: Yes

Target 2025 (a): 203.00

Adjustment top ups (b):

Adjustment EURI (C):

Target absolute value (A-B-C): 203.00

7.3. Reserve

Priority	Performance reserve (€)
P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests	1,334,747.19
P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture	
P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry	2,354,842.63
P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors	2,150,024.07
P6: Promoting social inclusion, poverty reduction and economic development in rural areas	
Total	**5,839,613.88**

8. DESCRIPTION OF THE MEASURES SELECTED

8.1. Description of the general conditions applied to more than one measure including, when relevant, definition of rural area, baselines, cross-compliance, intended use of financial instruments, intended use of advances and common provisions for investments, including the provisions of Articles 45 and 46 of regulation (EU) No 1305/2013

The following provisions of Chapter II of Regulation (EU) No1305/2013 shall apply:

Article 45 - Investments

In order to be eligible for EAFRD support, investment operations shall be preceded by an assessment of the expected environmental impact in accordance with law specific to that kind of investment where the investment is likely to have negative effects on the environment.

Expenditure that is eligible for EAFRD support shall be limited to:

- the construction, acquisition, including leasing, or improvement of immovable property;

- the purchase or lease purchase of new machinery and equipment up to the market value of the asset; general costs linked to expenditure referred to in points (a) and (b), such as architect, engineer and consultation fees, fees relating to advice on environmental and economic sustainability, including feasibility studies. Feasibility studies shall remain eligible expenditure even where, based on their results, no expenditure under points (a) and (b) is made;

- the following intangible investments: acquisition or development of computer software and acquisitions of patents, licenses, copyrights, trademarks;

- the costs of establishing forest management plans and their equivalent.

In the case of agricultural investments, the purchase of agricultural production rights, payment entitlements, animals, annual plants and their planting shall not be eligible for investment support.

Beneficiaries of investment related support may request the payment of an advance of up to 50 % of the public aid related to the investment from the competent paying agencies.

Second hand equipment will not be considered as eligible expenditure.

Article 46 -Investments in irrigation

Without prejudice to Article 45 of this Regulation, in the case of irrigation in new and existing irrigated areas, only investments that fulfil the conditions in this Article shall be considered as eligible expenditure.

Actions that have been stipulated in the river basin management plan and which fall within its defined territory.

Water metering enabling measurement of water use at the level of the supported investment shall be in place or shall be put in place as part of the investment.

An investment in an improvement to an existing irrigation installation or element of irrigation infrastructure shall be eligible only if it is assessed ex ante as offering potential water savings of a minimum of between 5 % and 25 % according to the technical parameters of the existing installation or infrastructure.

If the investment affects bodies of ground- or surface water whose status has been identified as less than good in the relevant river basin management plan for reasons related to water quantity:

- the investment shall ensure an effective reduction in water use, at the level of the investment, amounting to at least 50 % of the potential water saving made possible by the investment;

- in the case of an investment on a single agricultural holding, it shall also result in a reduction to the holding's total water use amounting to at least 50 % of the potential water saving made possible at the level of the investment. The total water use of the holding shall include any water sold by the holding.

None of the conditions in paragraph 4 shall apply to an investment in an existing installation which affects only energy efficiency or to an investment in the creation of a reservoir or to an investment in the use of recycled water which does not affect a body of ground or surface water.

An investment resulting in a net increase of the irrigated area affecting a given body of ground or surface water shall be eligible only if:

a. the status of the water body has not been identified as less than good in the relevant river basin management plan for reasons related to water quantity; and
b. an environmental analysis shows that there will be no significant negative environmental impact from the investment; such an environmental impact analysis shall be either carried out by or approved by the competent authority and may also refer to groups of holdings.

Areas which are not irrigated but in which an irrigation installation was active in the recent past, to be established and justified in the programme, may be considered as irrigated areas for the purpose of determining the net increase of the irrigated area.

By way of derogation from point (a) of paragraph 5 investments resulting in a net increase of the irrigated area may still be eligible if:

a. the investment is combined with an investment in an existing irrigation installation or element of irrigation infrastructure assessed ex ante as offering potential water savings of a minimum of between 5 % and 25 % according to the technical parameters of the existing installation or infrastructure and
b. the investment ensures an effective reduction in water use, at the level of the investment as a whole, amounting to at least 50 % of the potential water saving made possible by the investment in the existing irrigation installation or element of infrastructure.

Furthermore, by way of derogation, the condition in point (a) of paragraph 5 shall not apply to investments in the establishment of a new irrigation installation supplied with water from an existing reservoir approved by the competent authorities before 31 October 2013 if the following conditions are met:

a. the reservoir in question is identified in the relevant river basin management plan and is subject to the control requirements set out in article 11(3)(e) of the Water Framework Directive;
b. on 31 October 2013, there was in force either a maximum limit on total abstractions from the reservoir or a minimum required level of flow in water bodies affected by the reservoir;
c. that maximum limit or minimum required level of flow complies with the conditions set out in Article 4 of the Water Framework Directive; and
d. the investment in question does not result in abstractions beyond the maximum limit in force on 31 October 2013 or result in a reduction of the level of flow in affected water bodies below the minimum required level in force on 31 October 2013.

Article 47- Rules for area related payments

The number of hectares to which a commitment pursuant to Articles 28 and 29 applies may vary from year to year in the case where the commitment in question does not apply to fixed parcels and when proven that the achievement of the commitment's objective is not jeopardised.

Where all or part of the land under commitment or the entire holding is transferred to another person during the period of that commitment, the commitment, or part thereof corresponding to the land transferred, may be taken over for the remainder of the period by that other person or may expire and reimbursement shall

not be required in respect of the period during which the commitment was effective.

Where a beneficiary is unable to continue to comply with commitments given because the holding or part of the holding is re-parcelled or is the subject of public land consolidation measures or land consolidation measures approved by the competent public authorities, the commitments may be adapted to the new situation of the holding. If such adaptation proves impossible, the commitment shall expire and reimbursement shall not be required in respect of the period during which the commitment was effective.

Reimbursement of the aid received shall not be required in cases of force majeure and exceptional circumstances as referred to in Article 2 of Regulation (EU) No 1306/2013.

Article 49- Selection of operations

Without prejudice to point (d) of Article 34(3) of Regulation (EU) No 1303/2013, the Managing Authority of the rural development programme will define selection criteria for operations following consultation with the Monitoring Committee.

Selection criteria shall aim to ensure equal treatment of applicants, better use of financial resources and targeting of measures in accordance with the Union priorities for rural development. In defining and applying selection criteria the principle of proportionality shall be taken into account in relation to the size of the operation.

The Managing Authority shall ensure that operations, with the exception of operations under Articles 28 to 31, and 36 to 39, are selected in accordance with the selection criteria referred to in point i and according to a transparent and well documented procedure.

Where appropriate, the beneficiaries may be selected on the basis of calls for proposals, applying economic and environmental efficiency criteria.

Article 50 – Rural Area Definition

Territory

Depending on their specificity, every measure and sub-measure programmed under the Rural Development

Programme for Malta 2014-2020 may refer to:

- the whole territory of Malta;
- the rural areas as defined in this programme;
- LEADER territories.

Rural Areas

For the purpose of this programme rural areas are being defined as follows:

- having a population density lower than 5,000 persons per square kilometre
- having not less than 10% of the area of the locality agricultural land,
- having not less than 35% of the locality outside development zone.

In total there are 68 such "localities" in Malta, which are represented by an elected Local council (54 in Malta and 14 in Gozo). The term locality is defined as “an area within set boundaries as designated in the Second Schedule to the Local Councils Act (Cap.363).”

Thus, there are 21 urban localities found on the island of Malta, mainly in the Northern and Southern Harbour Districts. This is where the island’s major conurbation is located. The remaining 47 rural localities where agricultural activity, countryside recreation and nature conservation are practiced are mainly located in the remaining 4 Districts namely Northern, Western, South Eastern and Gozo and Comino Districts.

Local rural areas cover some 289 Km2 or 94% of the total surface area of the island with a total population of 276,082 inhabitants or 66% of the total population. The average population density is of 955 persons per Km2. The remaining 34% or 141,350 inhabitants live in the urban localities which occupy around 6% of the island’s surface area resulting in a high average population density of 7,661 persons per Km2.

LEADER Territories

Localities considered as rural by means of the definition adopted for the scope of this programme are eligible as LEADER areas. The boundaries of the territory have to be contiguous and no locality can form part of more than one LAG. The total population of the designated area shall not be less than 10,000 and not more than 150,000 inhabitants.

In-kind contribution

In accordance with Art. 61 (3) of Regulation (EU) 1305/2013 contributions in kind in the form of provision of works, goods, services, land and real estate for which no cash payment supported by invoices or documents of equivalent probative value has been made, may be eligible for support provided that the conditions of Article 69 of Regulation (EU) No. 1303/2013 are fulfilled.

Advance payments

Pursuant to the provisions of Art. 42, Art. 45 and Art. 63 of Regulation (EU) 1305/2013 the facility for advance payments is possible in the case of investments as well as for Local Action Groups.

Financial instruments

No financial instruments are being programmed.

Subrogation

Subrogation requests, namely payments to assignees, can be made by all beneficiaries, where approved by the Paying Agency. Subrogation shall be possible for all measures, except measure 10.1, 11 and 13.

Subrogation is optional for beneficiaries and when the beneficiary adopts subrogation to an assignee, the following shall apply:

- Payments by Paying Agency to the assignee are subject to the payment by the beneficiary of his/her own private contribution to the project costs;
- No delay for payments can be imposed by the assignee to the PA;
- In case of financial corrections to the assignee (following controls), the latter can only claim the corresponding payment reduction to the beneficiary, and not to the Managing Authority or Paying Agency.

Specifications on cross-compliance and relevant reference level

a. ***Cross-compliance***

Pursuant to the provisions of Art. 92 of Regulation (EU) no. 1306/2013, the beneficiaries of measures foreseen under Art. 28, 29 and 31 of Regulation (EU) no. 1305/2013 shall observe the cross compliance standards at the level of the entire farm, these including the Good Agricultural and Environment Conditions (GAEC) and the Statutory Management Requirements (SMR).

The list of Directives/Legislation establishing the Cross Compliance requirements to be adhered to in Malta is the following:

ENVIRONMENT

- Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources (OJ L 375, 31.12.1991, p. 1)
- Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds (OJ L 20, 26.1.2010, p. 7)
- Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild flora and fauna (OJ L 206, 22.7.1992, p. 7)
- Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety (OJ L 31, 1.2.2002, p. 1)
- Council Directive 96/22/EC of 29 April 1996 concerning the prohibition on the use in stockfarming of certain substances having a hormonal or thyrostatic action and beta-agonists, and repealing Directives 81/602/EEC, 88/146/EEC and 88/299/EEC (OJ L 125, 23.5.1996, p. 3).

PUBLIC HEALTH AND ANIMAL WELFARE

- Council Directive 2008/71/EC of 15 July 2008 on identification and registration of pigs (OJ L 213, 8.8.2005, p. 31)
- Regulation (EC) No 1760/2000 of the European Parliament and of the Council of 17 July 2000 establishing a system for the identification and registration of bovine animals and regarding the labelling of beef and beef products and repealing Council Regulation (EC) No 820/97(OJ L 204, 11.8.2000, p. 1)
- Council Regulation (EC) No 21/2004 of 17 December 2003 establishing a system for the identification and registration of ovine and caprine animals and amending Regulation (EC) No 1782/2003 and Directives 92/102/EEC and 64/432/EEC (OJ L 5, 9.1.2004, p. 8)
- Regulation (EC) No 999/2001 of the European Parliament and of the Council of 22 May 2001 laying down rules for the prevention, control and eradication of certain transmissible spongiform encephalopathies (OJ L 147, 31.5.2001, p. 1)
- Regulation (EC) No 1107/2009 of the European Parliament and of the Council of 21 October 2009 concerning the placing of plant protection products on the market and repealing Council Directives 79/117/EEC and 91/414/EEC (OJ L 309, 24.11.2009, p. 1)
- Council Directive 2008/119/EC of 18 December 2008 laying down minimum standards for the protection of calves (OJ L 10, 15.1.2009, p. 7)
- Council Directive 2008/120/EC of 18 December 2008 laying down minimum standards for the protection of pigs (OJ L 47, 18.2.2009, p. 5)
- Council Directive 98/58/EC of 20 July 1998 concerning the protection of animals kept for farming purposes(OJ L 221, 8.8.1998, p. 23)

GAEC

- Subsidiary Legislation 146.05: Cross Compliance related to EU Aid Applications in terms of the Paying Agency Regulations 25th October, 2005; refers to the Cross Compliance requirements, including GAEC standards, that farmers must comply with.

Relevant baseline

Pursuant to the provisions of art. 28 (3) and 29 (2) in Regulation (EU) no. 1305/2013, the baseline

requirements for payments granted under the agro-environment and climate commitments and under organic farming commitments represent the minimum mandatory non-remunerated level, and consist of:

- relevant mandatory standards established pursuant to title VI chapter I in Regulation (EU) no.1306/2013;
- relevant criteria and minimum activities established pursuant to article 4 paragraph (1) letter (c) points (ii) and (iii) in Regulation (EU) no 1307/2013;
- minimum relevant requirements on the use of fertilisers and plant protection products foreseen by the national legislation;
- other relevant mandatory requirements foreseen by the national legislation.

Eligibility of beneficiaries

- As referred to for every measure description in Chapter 8.2 the beneficiaries for aid under this programme (indicative list) may fall under one or more of the following categories:
- Public and/or private entities, including associations thereof – legal persons with competencies in the field of vocational training, information, advisory services and promotion
- Farmers for which specific conditions are described in the measure fiches
- Members of an agricultural household
- Young farmers pursuant to the definition foreseen under Art. 2 of Reg. (EU) no. 1305/2013)
- Private legal persons pursuant to the national legislation, the specific conditions as described in the measure fiches
- Local Councils
- Producer groups and farmer organisations, associations and cooperatives
- Research and development bodies, both public and private
- Partnerships between producers/producer groups/processors/public and/or private research and development bodies
- Public and private holders of agricultural and non-agricultural land and associations thereof
- Woodland/Forest owners/managers and/or associations thereof
- Non-governmental organisations
- Operational groups
- Local Action Groups
- Public-private partnerships of LAG type
- Managing Authority, Paying Agencies, other bodies involved in the implementation of the RDP

Provisions on eligibility of expenditures

The eligibility of expenditures will comply with the provisions of art. 45, 60 and 61 of Regulation (EU) 1305/2013.

Publicity costs in line with Article 13 and Annex III of Regulation (EU) No 808/2014 are eligible under M4, M19 and M20.

Non-eligible expenditures

Non-eligible expenditures will comply with the provisions of art.69 of R.1303/2013 and art. 45 of R. 1305/2013, the costs below not being eligible for contribution from ESI funds:

(a) interest expenses, except those corresponding to grants awarded in the form of interest subsidies or guarantee fee subsidies;

(b) acquisition of non-build lands and of built lands for an amount 10% above the total eligible expenditures corresponding to that respective action;

(c) value added tax, except for the case when it cannot be recovered pursuant to the national legislation on VAT.

(d) in case of agricultural investments, acquisition of agricultural production rights, of payment entitlements, of animal and annual plants, as well as the planting of the latter.

Complementarity

Malta will not be making use of the equivalent practices. Therefore in accordance with Articles 43-48 of Regulation (EU) No. 1307/2013, farmers with more than 10 ha of arable land must observe Crop Diversification and those with over 15 ha arable land are obliged to follow the Ecological Focus Areas rules.

Therefore, this means that no agri-environmental measures can apply to exempt the farmers from the actual greening obligations. Registered organic farmers may be exempt from these obligations on those parcels which are registered as organic. Payment for such farmers under the organic measure with over 10ha (currently no farmers have registered organic land this large) will be decreased accordingly in order to avoid double funding.

The agri-environmental-climate measures programmed under Malta's RDP 2014-2020 will not have the same obligations of the greening scheme and thus there is no risk of double-funding. With respect to the ANC measure, there will be no risk of double-funding as Malta will not apply the payment of natural constraints under Pillar 1.

Selection principles

For each measure adopted in the RDP a set of principles is proposed with the aim of ensuring that selected projects contribute to the achievement of the programme objectives. The principles for the selection criteria will ascertain that the objectives of the measures/type of operations, is in line with the SWOT analysis and development needs assessment of the programme. In addition, the selection principles will also take due note towards the contribution to the cross cutting objectives including innovation, environment and climate

change. The description of the selection principles will have a general but sufficient nature so as to reflect the target of the financial support, the beneficiaries/groups of beneficiaries and to enable the subsequent elaboration of selection criteria specific to each individual measure.

The selection criteria will then be established by the Managing Authority by means of consultations with the Monitoring Committee. These criteria will enable prioritisation of funding applications so that financial support can be targeted to those projects best corresponding to the identified needs in the SWOT and development needs.

The selection criteria will be detailed in the subsequent guidelines and will conform to the provisions of Art. 49 of Regulation (EU) no. 1305/2013.

8.2. Description by measure

8.2.1. M01 - Knowledge transfer and information actions (art 14)

8.2.1.1. Legal basis

- Article 14 of Regulation (EU) No. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No. 1698/2005;
- Commission Delegated Regulation (EU) No. 807/2014 supplementing Regulation (EU) No. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and introducing transitional provisions
- Commission Implementing Regulation (EU) No. 808/2014 laying down rules for the application of Regulation (EU) No. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)

8.2.1.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

Training is required to meet the five areas of need identified by the SWOT analysis and described hereafter. Whenever possible, training objectives will contribute to the achievement of relevant national strategies and priorities. Some training topics are relevant to non-farmers as well, in which cases the approach may require differentiation to ensure that all groups are offered services suited to their needs and capabilities.

Need 1. Water, wastes and energy: improving sustainable use and generating renewable energy

Energy, water and waste management are closely linked and all exhibit current weaknesses which are linked in part to a lack of awareness and expertise among the farm population, to achieve improved management. Farmers require increased capacity to deal with the challenges faced by Malta's agriculture and rural development in order to ensure their future sustainability.

Given the state of Malta's water reserves and its current dependence upon increasingly high-cost imported fuels and other inputs, it is a priority for primary producers and other stakeholders to have improved knowledge and understanding in the following topics:

- Nutrient budgeting;
- Waste management;
- Energy efficiency and use of renewable energy;
- Efficient water management and use;
- Less water-dependent practices in agri-food industry;
- Good soil management;
- Irrigation techniques and more water-conserving alternatives;
- Cropping practices to minimise water and energy use.

Skills development is required to ensure that those operating in rural areas have the capacity to use or achieve the following but not exclusively:

- Modern IT systems to enable better management of nutrients;
- Efficient and safe management of manures and slurries;
- Soil conservation and water quality testing and its use in improving efficiency of input use;
- Requirements and operation of biodigestion plants;
- Operation and management of other renewable energy generation equipment;
- Operation of efficient irrigation systems including SMART techniques, managing water capture, storage and use based on the regulatory management provided by the WFD.

For all the issues identified above, the provision of expert training through an integrated programme is required in order to help farmers to improve the efficiency of their resource management, minimise pollution and reduce groundwater abstraction.

Need 2. Maltese quality produce: improving quality, traceability, strategic marketing, adding value, branding and promotion

The SWOT identified significant barriers to enhanced added value in Maltese food supply chains, including lack of relevant expertise among farmers and others in the food sector. Training will need to address all issues associated with improving quality, marketing, adding value and quality assurance. Knowledge regarding marketing, quality assurance and branding are extremely limited and skills are in even shorter supply. Training will range from improving basic understanding to advanced and customised courses focused on specific aspects of the supply chain. Building capacity will require improvements in knowledge concerning food quality, safety and traceability and understanding consumer demand, as well as skills development in respect of new and better quality products.

Knowledge and training, skills development

Knowledge and skills required include:

- The principles of Quality Assurance schemes, their operation and advantages;
- Improved quality production – standards, handling, storing and packing, inspection and control;
- Production planning, better marketing and promotion of a wide range of products, including exposure to alternative marketing approaches such as direct sales and box schemes;
- Realistic options and techniques for adding value to primary produce;
- Strategies for enhanced marketing and promotion taking into account where appropriate environmental and climate credentials of the produce to valorise and capitalise further as a means of improved sales;
- Developing and managing brands and quality marks to add value;
- Assuring quality through traceability and record keeping;
- Basic business development for small-scale producers.

Need 3. Sustainable livestock: improving resource efficiency, competitiveness and productivity, and welfare

The SWOT presented evidence of an opportunity to pursue significant gains in resource efficiency, quality and productivity in these sectors. The aim is to achieve an improvement in the economic and environmental sustainability of the livestock industry, by improving the efficiency and quality of production systems, enhancing the health and welfare of farmed animals, and improving competitiveness through enhanced management and marketing skills.

Knowledge and skills required include:

- How to improve the quality of Maltese fodder and prepared feeds to increase their value to livestock
- Preserving the biodiversity that thrives on the current fodder availability
- Improving business performance among farms in each sector
- Updating farmers on health and welfare issues for all types of livestock

- Improved nutrition for rabbit, poultry, pig, bovine, ovine and caprine sectors
- Calf and young stock rearing;
- Enhancing knowledge and skills of small livestock producers, who have little access to specialised veterinary advice or information

Need 4. Landscape and environment – managing habitats and features

Whilst training in needs 1-3 primarily targets farmers and food producers and processors, this element should in addition be available to all rural land managers and other economic actors such as SMEs operating in rural areas who have interests in landscape or nature protection and enhancement.

Knowledge and skills in these topics should be increased in order to encourage better management and protection of the rural environment. This should include:

- Improved understanding of the relationship between agricultural practice and natural processes and ecosystems, effective stewardship and management, andandgood practice in sustainable techniques
- Protection from pollution by nutrients and pesticides/veterinary products, at farm and field level based on the sustainable use of pesticides directive and the obligatory integrated pest management requirements
- Collective training for rural actors within the context of new area/valley management partnerships, covering landscape planning and management, ecological understanding, conservation, and practical skills, at various levels (e.g. basic, advanced, or specialised).

Need 5. Wider rural economy and quality of life – developing rural tourism, rural skills and promoting social inclusion

The most significant needs in relation to the wider rural economy relate to helping rural producers and processors to make positive and stronger links with the tourism market. Developing the wider rural economy requires training to target the acquisition of improved business skills, enhanced marketing and hospitality know-how, and stronger promotional skills among farmers and others keen to sell products, locations and activities to tourists and local visitors.

Knowledge and skills required at basic to advanced levels include:

- Training farm family members to establish or work for complementary businesses in rural tourism ;
- Hospitality management;
- Marketing and promotion of associated products and services;
- Quality assurance of service delivery;
- Familiarisation with best practice from outside Malta;
- Training in entrepreneurial skills;
- Training in traditional craft skills and heritage asset management;
- Training for trainers – building local capacity by improving the skills and knowledge.

Under Measure 1, Malta will be programming sub-measures:

- 1.1 - support for vocational training and skills acquisition actions

Contribution to Focus Areas and cross-cutting objectives

Contribution to Focus Area

Focus Area 1A: Fostering innovation and the knowledge base in rural areas

Training under all Malta's needs 1-5, supported directly through sub-measure 1.1, will contribute to this focus area. Knowledge transfer (KT) is an essential part of capacity building in the rural and farm sectors, which still suffer from problems of poor levels of formal education, a lack of knowledge regarding recent developments and best practice. Malta requires improved quality of human capital among rural actors, so that innovative ideas can take root.

Producers require enhanced knowledge and skills in order to become more efficient, more innovative, and more capable of developing business opportunities, in particular in relation to improving quality and marketing products. Regulators require training in order to improve programme delivery, understand the issues faced by producers and entrepreneurs in rural areas, engage with barriers preventing growth, and improve enforcement capabilities in relation to quality assurance.

Consumers also require improvements in knowledge and awareness regarding Maltese based produce and quality assurance marks that will be developed to encourage consumption of locally produced goods.

Focus Area 1C: Fostering lifelong learning and vocational training in the agriculture and forestry sectors

Current levels of vocational training are severely limited by a lack of relevant expertise, especially for the delivery of more advanced and specialised knowledge and skills that are required to deliver a modernised, productive and resource-efficient agriculture. Some training and skills development under Maltese needs 1 to 5 (directly through sub-measure 1.1) will need to include actions to establish networks among like-minded farmers to enable them to engage with appropriate training throughout their career, building and sustaining a culture of continuing professionalization and professional development in farming. In some sectors, co-operatives may be well-placed to develop this approach among their members. In other situations, new groups could be brought together through outreach training initiatives which then develop an ongoing programme of events and activities to keep the group engaged (directly through sub-measure 1.2).

Focus Area 2A: Facilitating restructuring of farms facing major structural problems, notably farms with a low degree of market participation, market-oriented farms in particular sectors and farms in need of agricultural diversification

Malta has a large number of small and part-time farmers and very limited opportunities for restructuring under current land tenure systems. The SWOT analysis identified opportunities to address this focus area particularly through training (directly through sub-measure 1.1) in need 2 for direct sales, niche marketing, and diversification as ways to develop more economically sustainable businesses among these small farms.

Focus Area 4B: Improving water management

Training to address Malta's need 1 will directly promote improved water management, reduced groundwater abstraction and enhanced efficiency in rainwater capture and use (directly through sub-measure 1.1).

Focus Area 4C: Improving soil management

Knowledge about soils and soil management is low in Malta. Training under Malta's need 1 will seek improved knowledge about nutrient budgeting, soil organic matter, soil sealing, etc to enhance capacity for more effective soil management, prevent soil erosion and achieve a reduction in contamination of Maltese soil (directly through sub-measures 1.1).

Focus Area 5A: Increasing efficiency in water use by agriculture

This focus area will also be a major target of training under Malta's need 1. A large scale metering operation has taken place to enable monitoring of water pumping from boreholes. Agriculture uses large quantities of water for both livestock and arable activities. Training and skills development is essential to enable farmers to understand the potential for reducing consumption and making more efficient use of water (directly through sub-measure 1.1).

Focus Area 5B: Increasing efficiency in energy use in agriculture and food processing

The SWOT analysis indicated high levels of support for investments in renewable energy, but limited knowledge regarding different renewable technologies or energy efficiency investments that might take place. One element of training under Malta's need 1 will focus on improving knowledge and skills in understanding energy consumption, energy savings that can be made from more efficient production systems, and alternative forms of renewable energy (directly through sub-measure 1.1).

Focus Area 5D: Reducing nitrous oxide and methane emissions from agriculture

Training under Malta's needs 1 and 3 in particular will contribute to this focus area (directly through sub-measure 1.1).

Focus Area 6C: enhancing accessibility to use and quality of information and communication technologies (ICT) in rural areas

Malta's rural areas are not isolated as they are in some member states due to the short distances between rural and built-up areas, so access to many services is not problematic. The SWOT analysis did reveal, however, a number of problems relating to IT use stemming partly from low education levels among older farmers, partly due to inadequate training provided where investments in IT have been made. This aspect of the programme will be addressed under Malta's needs 1, 2, 3 and 5, and focus on customised training to ensure that where investments in IT equipment are made the benefits of the investment are maximised (directly through sub-measures 1.1).

Contribution to Cross-Cutting Objectives

Environment

Improved knowledge of environmental and ecological systems promoted by training under Malta's needs 1 and 4, also in need 5, will lead to more environmentally friendly farming practice (directly through sub-measures 1.1). There is limited understanding across all sectors of society of the value of biodiversity and the natural capital in Malta. KT will assist in raising understanding and awareness of the potential damage that can be done to Malta's natural environment, and the potential that investment in improvements might bring. Specific training on issues central to the AECM and long-term environmental planning will be provided although these will not be obligatory to the commitment. Training in water management will result in reduced water consumption, and possibly some return to dry land farming and other traditional practices in horticulture, fodder and permanent crops production, which will mean lower energy use for pumping groundwater.

Climate change

Training under Malta's needs 1, 3 and 4 will have beneficial effects through mitigation of emissions, and through making Maltese agriculture more adaptable and resilient to climate change (directly through sub-measures 1.1). There is room for skills improvement in farm risk management with the need to instil a culture where adaptation should serve as a primary tool for risk management, restoring and preserving biodiversity and improving water management to enhance the contribution to adaptation. Improved knowledge of nutrient budgeting will lead to reduced fertiliser applications, better use of organic wastes, and indirectly result in reductions in CO2 emissions from reduced chemical fertiliser use. Improved soil management as a result of training and skills development will result in reduced energy consumption, adoption of reduced tillage and/or indirectly, through reduced fertiliser, groundwater and pesticide usage resulting from adoption of integrated farming systems practices and techniques and decreases in CO2 emissions with possibly also increased C-storage from soil. Protection of biodiversity and landscape will have positive benefits for soil carbon storage and CO2 absorption, and more effective use of Maltese forage as well as reduced inorganic fertiliser use, will reduce the carbon footprint of Maltese agriculture by reducing its reliance on imports and transportation. Safer use and re-use of manures from pigs, poultry and cattle in AD digesters and then as organic fertiliser incorporated into soil (using appropriate small-scale equipment) should reduce methane emissions to the atmosphere, by comparison with current practices of either surface application to land, or disposal into the sewage system.

Innovation

KT under all Malta's thematic needs will contribute to improved knowledge and skills capacity among those involved in rural development among primary producers, processors, and entrepreneurs (directly through sub-measure 1.1). In turn, this will promote and foster innovation in seeking solutions to Malta's many agricultural and rural challenges. The SWOT analysis for Malta recognised the value of innovation in terms of adding value to products, supporting diversification, and making farms more efficient in terms of their use of water, energy, and wastes. There is a great opportunity for skills improvement in farm risk management (especially to instil a culture where adaptation serves as a primary tool for risk management), restoring and preserving biodiversity and improving water management to enhance the contribution to adaptation.

Obligatory Training

- Measure 10 – training will be obligatory for land managers benefitting under one or more AECMs set in Malta's Rural Development Programme 2014-2020. Land managers must attend a training

module relevant to the measure within 3 years of acceptance on the scheme

- Measure 11.1 – training will be obligatory for beneficiaires of sub-measure 11.1 of the RDP. Beneficiaries receiving support under sub-measure 11.1 are required to attend a training module relevant to the measure as detailed in the respective measure Guidance Notes.

Complementarity with other ESI Funds

The development of ICT within the agricultural sector, particularly in terms of training and the promotion of competences in IT is not only envisaged through the EF and ERDF, but also EAFRD. In particular the EAFRD will provide support in specialised ICT skills specifically earmarked for farmers, such as training programmes on the use and application of specialised software for herd management, milk recording, breeding and selection programmes, feed mix and rationalisation, nutrient management, crop planning and landscape management and agronomic practices. For additional information on complementarity of the ESI funds see Malta's Partnership Agreement, Section 2.1.1.

8.2.1.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regard to the setting of selection criteria

8.2.1.3.1. 1.1 - Support for vocational training and skills acquisition actions

Sub-measure:

- 1.1 - support for vocational training and skills acquisition actions

8.2.1.3.1.1. Description of the type of operation

This is a key operation for the whole of the RDP, as it will be applied across all five identified needs to promote positive impacts and outcomes. There was clear evidence in the SWOT analysis that a major weakness in the (2007-13) RDP was the lack of expertise and skills among those operating in rural areas. Opportunities that were identified indicated the need to engage in more advanced training and skills development. The analysis also identified the lack of capacity in Malta to provide advanced levels of skills development and KT, indicating the importance of enabling access to relevant expertise from outside of the country, and engage in exchanges and visits abroad for Maltese stakeholders.

Given the importance of operations supported under sub-measure 1.1, together with the potential to develop diverse and innovative training actions on a wide range of topics as necessary, it is envisaged that implementation will contribute directly to the achievement of the aims and objectives stipulated under all Focus Areas (bar FAs 5C) and cross-cutting objectives. Training will therefore be a critical ingredient in ensuring that farmers, farm families (including women and youths), and rural entrepreneurs are equipped to act effectively to promote rural development.

Provision of training under Malta's five needs will enhance knowledge and develop skills in a wide range of areas from business management and IT to understanding ecological systems, biodiversity, nutrient budgeting, marketing and promotion of products, and quality assurance systems. A 'rural hub' is envisaged using animators established within and/or working closely with, the NRN to co-ordinate and facilitate access to relevant support systems for knowledge, training, and skills development.

8.2.1.3.1.2. Type of support

Type of support: Grants

Support will be in the form of:

- contracts with training bodies within and beyond Malta to develop and deliver specific levels, types and amounts of training as defined for one or more of the specific areas of need

- vouchers that can be redeemed by individuals or organisations to help them to access the training offered by these providers and other approved providers. These vouchers may be obtained from the Managing Authority/Paying Agency by end beneficiaries (recipients of training) who pronounce their intention to participate in a supported activity. Such requests should be backed by the relevant course description/information which the individual/organisation wishes to attend. The voucher system may only be adopted in case the MA call covers the costs for travel, accommodation and per diem expenses of participants in knowledge transfer and information actions referred to in Article 14 of Regulation (EU) No 1305/2013 as well as related costs for the replacement of farmers through a system of vouchers or another system of equivalent effect.

It is important to note that vouchers will be valid for a maximum of one year. When vouchers are presented for reimbursement, these will only be reimbursed if proof is provided that the training for which said voucher was used, was carried out during the one-year validity period.

8.2.1.3.1.3. Links to other legislation

- Regulation (EU) No. 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No. 1083/2006.
- Malta's Partnership Agreement for the Programming Period 2014-2020.
- Public Procurement Regulations – Legal Notice 296 of 2010, as amended by Legal Notices 47, 104, 255 and 312 of 2012, 65 and 397 of 2013, and 55 and 132 of 2014

8.2.1.3.1.4. Beneficiaries

The eligible beneficiaries (in the sense of recipients of funds) for support under this measure are entities or bodies that will provide knowledge transfer and/or information actions to the profit of persons engaged in the agricultural, food and forestry sector, land managers, economic actors/SMEs operating in rural areas.

There is no limit on the size of the farm, food and forestry holding that can take part in the activities promoted under this measure.

Beneficiaries (service providers) will be required to demonstrate that trainers have the required skills and qualifications as outlined in the relevant section below (according to Article 14(3) of Regulation (EU) No 1305/2013).

Service providers will be selected by an independent Selection Board following launch of a call for applications by the Managing Authority, which will stipulate requirements and eligibility conditions, selection criteria, and type of training required (when necessary). Selected beneficiary will be supported through a grant procedure. Payment will be conditional upon number of trainees successfully completing training provided.

8.2.1.3.1.5. Eligible costs

Eligible expenditure under sub-measure 1.1 includes the cost of organizing and delivery of the knowledge transfer or information action, more specifically:

- Cost of attending a training course. In cases of lack of capacity, competence or expertise in organising a certain training course in Malta, beneficiaries will be eligible to attend such training overseas. The eligible costs of travel, accommodation and subsistence are limited to the provisions of Article 70(2)(b) of Regulation (EU) No. 1303/2013
- Hire of facilities to deliver training events
- Venue costs
- Contracts with providers of training and external specialists
- Salaries of employees
- Marketing and promotion of training events/courses
- Publication of training materials – CDs, memory cards/sticks, booklets, folders, handouts
- Development and delivery of training
- SCOs in line with Articles 67(1)(b) based on Article 67(5) (b) and 68 (1)(c) of Reg (EU) 1303/2013
- Publicity costs, in line with Section 8.1 of the RDP and Article 13 and Annex III of Regulation (EU) No 808/2014.

For ‘advanced’ training sessions only and lasting at least one full day or longer: Cost of replacement of farmer is also an eligible expense. It means any person suitable to replace the farmer (head of the holding)

when participating in training. Replacement support of €11.14[1] per hour may be paid by the service provider to the participant requiring such compensation. The service provider will then claim reimbursement of this expense together with other eligible expenditure.

All eligible costs shall be paid to the beneficiary (service provider).

For operations with eligible costs up to EUR 5 000, the reasonableness of the costs may be established by a draft budget agreed ex-ante by the Managing Authority.

[1] Refer to Section 4.1. Labour in annex document "Methodological Assumptions for Payment Calculations" for more information on calculation of rate

8.2.1.3.1.6. Eligibility conditions

To be eligible under this measure the beneficiary (service provider) shall provide evidence of the appropriate capacity of their staff in the provision of the knowledge transfer services. Therefore they have to have the appropriate qualification and be regularly trained to conduct tasks proposed.

The Managing Authority will specify in the calls for applications for each Malta need, the qualifications required in order to be eligible under the measure.

In addition the beneficiaries (service providers) must have access to logistics appropriate to the specific training activity; have the technical and financial capacity required to carry out the specific training activities; not be in financial difficulty.

Beneficiaries (service providers) should not be in bankruptcy.

Training actions which are already part of established educational programmes or curricula are not eligible although new training or expansion of existing curricula to target RDP needs can be supported. This includes courses of instruction or training, which form part of normal education programmes or systems at secondary or higher levels (Article 14(3) of Regulation (EU) No 1305/2013).

8.2.1.3.1.7. Principles with regards to the setting of selection criteria

In 2015, the Maltese Managing Authority held a consultation session with sector stakeholders to discuss draft selection criteria to be established for each measure in the new programming period. Under the Rural Development Programme 2014-2020, preference will be given to applications in which the project proposed targets more than one indicator and/or contributes considerably towards the relevant measure indicators. Preference will also be given to applications showing a high level of preparedness to start the implementation of the project, particularly in instances which could necessitate the approval of permits, the issuing of tenders, the drafting of CBAs etc.

In addition, preference will also be given to applications showing that the organisation submitting the application has the necessary resources to implement the project as well as applications with effective

project costing proposals, to ensure the viability and added value of the proposed project. Moreover, applications which show potential for the proposed project to lead to funding opportunities under other measures and/or funds, will also be favoured.

Proposed intervention/s should aim to contribute towards the promotion of equal opportunities, equality, non-discrimination and improved accessibility whilst targeting sustainable development in the areas of economic growth, social cohesion and environmental protection. In this regard, preference will be given to interventions addressing these principles.

In addition to the general principles for the selection criteria, under this measure, preference will be given to proposals which have a thrust towards innovation, particularly regarding the subjects/elements covered by the training modules, demonstration activities and/or exchanges proposed and which provide relevant information on the methodologies to be applied.

The selection criteria will be detailed in the subsequent guidelines and will conform to the provisions of Art. 49 of Regulation (EU) no. 1305/2013.

8.2.1.3.1.8. (Applicable) amounts and support rates

The public aid granted under this measure, including grants through SCOs in line with Articles 67(1)(b) based on Article 67(5) (b) and 68 (1)(c) of Reg (EU) 1303/2013, shall be 100% of the total eligible expenditure.

8.2.1.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.1.3.1.9.1. Risk(s) in the implementation of the measures

Measure verifiability and controllability shall be based on the results of the ex-post evaluation performed by the Managing Authority and by the Paying Agency, taking into account the results of the controls conducted in the previous programming period.

Risks envisaged in the implementation of sub-measure 1.1:

- Non-respect of public procurement rules by selected service providers;
- Efficient project delivery within timeframes stipulated at application stage;

- Difficulty in ensuring that training being delivered is of sufficient quality.

8.2.1.3.1.9.2. Mitigating actions

Measures envisaged to improve measure implementation and mitigate risks include:

- The development of clear guidelines on the application of the public procurement rules;
- Training of staff preparing and monitoring the implementation of this measure especially in the field of public procurement;
- Closer monitoring of project delivery by using specific tools, such as periodic progress reports; on-the-spot verification/direct observation of the activity performed by the provider of knowledge transfer and information actions;
- Evaluation of the service through dedicated questionnaires on the quality of the service.

8.2.1.3.1.9.3. Overall assessment of the measure

The measure creates the means to fulfil the priorities articulated in the strategy, thereby contributing to the achievement of all envisaged focus areas, as a cross-cutting measure with contributions to different focus areas. The measure provides for a balanced and sustainable development amongst a diverse range of rural actors. Demarcation and complementarity between EAFRD and other funds will be ensured.

Moreover, the measure targets equal treatment of applicants, an effective and efficient use of the financial resources in compliance with the rural development priorities of the Union.

The analysis carried-out by the Managing Authority and by the Paying Agency, based on experience acquired during 2007-2013, concludes that measure verifiability and controllability is ensured – both in terms of vocational training and in terms of improved working procedures so as to prevent all prejudice to the financial interests of the European Union.

In addition an assessment of the persons receiving training will be planned to gauge effective human capital creation.

8.2.1.3.1.10. Methodology for calculation of the amount or support rate, where relevant

In the case of adoption of SCO's, a pre-determined list of SCO's may be used through this sub-measure covering elements of the eligible costs under this measure. The applied simplified cost is based on Art 67 1(b) of (EU) Regulation 1303/2013, as established in line with Art 67 (5)(b) of (EU) Regulation 1303/2013, and Art 68(1)(c) of (EU) Regulation 1303/2013. These rates are set by external experts. The SCO's shall be described in the respective measure guidelines when the measure is launched, as applicable.

8.2.1.3.1.11. Information specific to the operation

Definition of appropriate capacities of bodies providing knowledge transfer services to carry out their tasks in the form of staff qualifications and regular training

To be eligible under this measure the beneficiaries (service providers) shall provide evidence of the appropriate capacity of their staff in the provision of the knowledge transfer services. Therefore they have to have the appropriate qualification and be regularly trained to conduct this task.

Beneficiary (service provider) will be required to demonstrate that trainers (engaged or subcontracted) have as a minimum:

Programme Coordinator

- a recognised undergraduate degree in Management or Training/Human Resource Development/Sciences or equivalent together with a minimum of 1 year experience in project management, preferably in a related field and ideally should have prior work experience on similar projects.
- must possess excellent communication, organisational and interpersonal skills and must be fluent in both written and spoken Maltese and English.

Trainers

- must be experts in the fields covered and possess a recognised, relevant undergraduate degree as well as relevant and demonstrable experience or have a minimum of 3 years' experience in the field they will be lecturing in.

Definition of the duration and content of farm and forest exchange schemes and visits as referred to in Article 3 of Delegated Regulation (EU) No 807/2014

Not applicable for sub-measure 1.1.

8.2.1.4. Verifiability and controllability of the measures and/or types of operations

8.2.1.4.1. Risk(s) in the implementation of the measures

Measure verifiability and controllability shall be based on the results of the ex-post evaluation performed by the Managing Authority and by the Paying Agency, taking into account the results of the controls conducted in the previous programming period.

Risks envisaged in the implementation of Measure 1:

- Non-respect of public procurement rules by selected service providers;
- Efficient project delivery within timeframes stipulated at application stage;
- Difficulty in ensuring that training being delivered is of sufficient quality.

8.2.1.4.2. Mitigating actions

Measures envisaged to improve measure implementation and mitigate risks include:

- The development of clear guidelines on the application of the public procurement rules;
- Training of staff preparing and monitoring the implementation of this measure especially in the field of public procurement;
- Closer monitoring of project delivery by using specific tools, such as periodic progress reports; on-the-spot verification/direct observation of the activity performed by the provider of knowledge transfer and information actions;
- Evaluation of the service through dedicated questionnaires on the quality of the service;

8.2.1.4.3. Overall assessment of the measure

The measure creates the means to fulfil the priorities articulated in the strategy, thereby contributing to the achievement of all envisaged focus areas, as a cross-cutting measure with contributions to different focus areas. The measure provides for a balanced and sustainable development amongst a diverse range of rural actors. Demarcation and complementarity between EAFRD and other funds will be ensured.

Moreover, the measure targets equal treatment of applicants, an effective and efficient use of the financial resources in compliance with the rural development priorities of the Union.

The analysis carried-out by the Managing Authority and by the Paying Agency, based on experience acquired during 2007-2013, concludes that measure verifiability and controllability is ensured – both in terms of vocational training and in terms of improved working procedures so as to prevent all prejudice to the financial interests of the European Union.

In addition an assessment of the persons receiving training will be planned to gauge effective human capital creation.

In addition an assessment of the persons receiving training will be planned to gauge effective human capital creation.

8.2.1.5. Methodology for calculation of the amount or support rate, where relevant

A standard costs for farmer replacement of €11.14 has been established on the basis of average costs/hour/annum factoring in percentile increased between the years used in the study. Based on an average wage plus average percentile increase the figure of €11.14 was established and is justified for use as a standard figure for the RDP 2014- 2020. This may be paid to the participant by the service provider, which may then claim reimbursement together with other eligible expenditure.Further information on calculation may be found in annex document "Methodological Assumptions for Payment Calculations", Section 4.1 Labour.

8.2.1.6. Information specific to the measure

Definition of appropriate capacities of bodies providing knowledge transfer services to carry out their tasks in the form of staff qualifications and regular training

To be eligible under this measure the beneficiaries (service providers) shall provide evidence of the appropriate capacity of their staff in the provision of the knowledge transfer services. Therefore they have to have the appropriate qualification and be regularly trained to conduct this task.

Beneficiary (service provider) will be required to demonstrate that trainers (engaged or subcontracted) have as a minimum:

Programme Coordinator

- a recognised undergraduate degree in Management or Training/Human Resource Development/Sciences or equivalent together with a minimum of 1 year experience in project management, preferably in a related field and ideally should have prior work experience on similar projects.
- must possess excellent communication, organisational and interpersonal skills and must be fluent in both written and spoken Maltese and English.

Trainers

- must be experts in the fields covered and possess a recognised, relevant undergraduate degree as well as relevant and demonstrable experience or have a minimum of 3 years' experience in the field they will be lecturing in.

Definition of the duration and content of farm and forest exchange schemes and visits as referred to in Article 3 of Delegated Regulation (EU) No 807/2014

The duration and content of farm exchanges and farm visits should be designed as most appropriate to the nature of the Malta need, and constraints upon the targeted end beneficiaries (recipients of training). In applying for aid to provide these services, applicants need to set out the rationale for visits, their purpose, duration and justification for the choice of key elements from which costs arise e.g. type and quality of

accommodation, mode(s) of transport, additional expenses, etc.

The duration of farm exchange visit shall not be longer than 5 days excluding travel. The scope of each visit has to be linked to one of the five needs identified in the SWOT and a clear justification of the need to undertake this visit has to be presented. Sufficient evidence of how the visit will assist in improving the operations or practices needs of the individual/s benefitting from the exchange has to be thoroughly described in the proposal.

8.2.1.7. Other important remarks relevant to understand and implement the measure

None.

8.2.2. M02 - Advisory services, farm management and farm relief services (art 15)

8.2.2.1. Legal basis

- Article 15 of Regulation (EU) No. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) no. 1698/2005
- Commission Delegated Regulation (EU) No. 807/2014 supplementing Regulation (EU) No. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and introducing transitional provisions
- Commission Implementing Regulation (EU) No. 808/2014 laying down rules for the application of Regulation (EU) No. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)

- Regulation (EU) No 1303/2013 Of The European Parliament And Of The Council of 17 December 2013, laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006

- Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008

  L.N. 99 of 2019, Supplies and Services Act (CAP. 117) Farm Advisory Services Regulations, 2019

8.2.2.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

The measure will provide a range of advisory support that can be targeted at all of the five thematic areas of need. Advisory support will go beyond simple provision of information and involve understanding of particular issues in an individual farm of business context, in order to provide guidance on improvements.

Need 1- Water, wastes and energy

Support is required to assist farmers, land managers and SMEs operating in rural areas to improve efficiency. Advice includes one-to-one meetings to raise awareness of changes that can be achieved, impact on environment and advisory support for grant funding.

Advice will be provided for agri-environmental-climate measures, raise awareness of climate change issues, less water-dependent practices in the agri-food industry, and to encourage a range of stakeholders to engage in cooperative action to achieve a diverse range of objectives from improving quality assurance to using

water more efficiently.

Need 2 - Maltese quality produce

Advisory support is required to encourage innovation and new product development, quality assurance, market research, product development, and promotion. Advisory support will be needed in the form of helping producers, rural entrepreneurs and others recognise potential opportunities, directing them towards sources of information, and supporting the application process.

Need 3 - Sustainable livestock

The aim is to achieve an improvement in the economic and environmental sustainability of the livestock industry, by improving the efficiency and quality of production systems, enhancing the health and welfare of farmed animals, and improving competitiveness through enhanced advice on management and marketing skills.

Need 4 - Landscape and environment

Advisory support is required to support conservation and enhancement of ecosystem services and environmental features. Advisory action will be required in particular for supporting development of cooperative actions.

Agri-environmental-climate measures will be conditional upon obligatory participation in training (under Measure 1) and advisory services (under Measure 2).

Need 5 - Wider rural economy and quality of life

Advice is required to support the development of rural tourism activities and to help farm diversification. Rural businesses also require a wide range of advisory support to assist in the development of traditional crafts, developing linkages and cooperation with the tourism sector.

Advisory support will be needed in the form of helping producers, rural entrepreneurs and others recognise potential opportunities, directing them towards sources of information, and supporting the application process.

Measure 2 support will be provided in the form of provision of advice to farmers, forest holders, other land managers, SMEs operating in rural areas, support for the setting up of advisory services, together with training of the advisors.

Under Measure 2, Malta will be programming sub-measures:

- 2.1 - support to help benefiting from the use of advisory services

Contribution to Focus Areas and cross-cutting objectives

Contribution to Focus Area

• Focus Area 1C: Fostering lifelong learning and vocational training in the agriculture and forestry sectors

Particularly relevant to Malta needs 1, 2 and 4, Measure 2 will provide a direct contribution to this FA

through support for the provision of advice (sub-measure 2.1) needed to assist farmers and other rural stakeholders to develop skills and knowledge on a wide range of issues linked to the five areas of need identified for Malta.

• Focus Area 4A: restoring and preserving biodiversity, including in Natura 2000 areas and HNV farming and the state of European landscapes

Advisory support (indirect contribution through sub-measure 2.1) provided through the NRN and valley or area management initiatives, in particular (Malta need 4, also need 1) will be essential to assist farmers and other rural stakeholders to engage in best practice and implement effective strategies for biodiversity conservation and landscape management. This will include support for improvements in soil, water and energy management. Training of advisors will also be necessary in order to ensure the provision of the expertise necessary to provide effective advisory support.

• Focus Area 4B: Improving water management

Advisory support (indirect contribution through sub-measure 2.1) under Malta need 1 will be essential to assist farmers and other rural stakeholders to engage in best practice and implement effective strategies for biodiversity conservation and landscape management. This will include support for improvements in water management. Training of advisors will also be necessary in order to ensure the provision of the expertise necessary to provide effective advisory support.

• Focus Area 4C: Improving soil erosion and management

Advisory support (indirect contribution through sub-measure 2.1) under Malta need 1 will be essential to assist farmers and other rural stakeholders to engage in best practice and implement effective strategies for biodiversity conservation and landscape management. This will include support for improvements in soil management. Training of advisors will also be necessary in order to ensure the provision of the expertise necessary to provide effective advisory support.

• Focus Area 5A: Increasing efficiency in water use by agriculture

Advisory support (indirect contribution through sub-measure 2.1) under Malta need 1 will be essential to assist farmers and other rural stakeholders to engage in best practice and implement effective strategies for efficient use of water resources. Training of advisors will also be necessary in order to ensure the provision of the expertise necessary to provide effective advisory support.

• Focus Area 5B: Increasing efficiency in energy use in agriculture and food processing

Advisory support (indirect contribution through sub-measure 2.1) under Malta need 1 will be essential to assist farmers and other rural stakeholders to engage in best practice and implement effective strategies for efficient use of energy resources. Training of advisors will also be necessary in order to ensure the provision of the expertise necessary to provide effective advisory support.

• Focus Area 5C: Facilitating the supply and use of renewable sources of energy, of by-products, wastes, residues and other non-food raw materials for purposes of the bio-economy

Advisory support (indirect contribution through sub-measure 2.1) under Malta needs 1 and 2, also need 5 will be essential to assist farmers and other rural stakeholders to engage in best practice and implement effective strategies for efficient use of renewable energy and waste resources. Training of advisors will also

be necessary in order to ensure the provision of the expertise necessary to provide effective advisory support.

• ***Focus Area 5D: Reducing nitrous oxide and methane emissions from agriculture***

Advisory support (indirect contribution through sub-measure 2.1) under Malta needs 1 and 2 will be essential to assist crop and livestock farmers and other rural stakeholders to engage in best practice and implement effective strategies for reducing nitrous oxide and methane emissions. Training of advisors will also be necessary in order to ensure the provision of the expertise necessary to provide effective advisory support.

Contribution to Cross-Cutting Objectives

Environment

Advisory services will include advice on impacts of agricultural activity on the environment, and the means by which farmers and rural businesses can reduce their impacts. Advice and advisory support (direct contribution to cross-cutting objective through sub-measure 2.1) will be linked closely to training and application for grant funding. Advisory services will provide support for applicants by ensuring business plans take into account environmental impacts in a holistic manner.

Climate change

Advisory services will include support to help applicants under RDP schemes understand the impacts of their activities on climate change, and seek to minimise those effects where possible. Advisory support (direct contribution to cross-cutting objective through sub-measure 2.1) will include information and advice on adaptation to climate change as well as mitigation.

Innovation

Farmers and rural businesses will be supported to develop new processes, adopt new production techniques and technology, and where appropriate to develop new products. Advisory services will provide advice (direct contribution to cross-cutting objective through sub-measure 2.1) on best practice in other parts of the EU, support for obtaining information on new techniques and processes, and links to training and external expertise where needed to help farmers and others in the supply chain to innovate and adopt new methods.

Obligatory Advice

- Measure 10.1 –advisory services (not necessarily FAS in line with Articles 12 to 14 of Regulation (EU) No 1306/2013)) will be obligatory for land managers benefitting under one or more AECMs set in Malta's Rural Development Programme 2014-2020. Land managers must have access to advice relevant to the measure within 3 years from acceptance on the scheme

8.2.2.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regard to the setting of selection criteria

8.2.2.3.1. 2.1 - Support to help benefiting from the use of advisory services

Sub-measure:

- 2.1 - support to help benefiting from the use of advisory services

8.2.2.3.1.1. Description of the type of operation

Advisory support will be targeted at RDP grant applicants and beneficiaries (recipients of advice) and may be targeted at individuals and/or groups, including:

a) Farmers and other land managers. Advice shall be linked to at least one Union priority for rural development and shall cover at least one of the elements of the following issues:

- Under Malta needs 1 and 4: one or more statutory management requirements (SMR) and/or standards for good agricultural and environmental conditions; agricultural practices beneficial for the climate and the environment and the maintenance of agricultural areas; also requirements related to climate change mitigation and adaptation, biodiversity, protection of water and soil, animal and plant disease notification and innovation.
- Sustainable development of the economic activity of small farms (Malta needs 1, 2 and 3) including occupational safety standards, where relevant.
- Other issues linked to the economic, agricultural and environmental performance of the agricultural holding (Malta needs 1-5, e.g. development of a business plan, economic profitability, risk management, production techniques, innovative practices etc.).

b) Woodland holders (Malta need 4):

- Advice will cover as a minimum the relevant obligations under Directive 92/43/EEC (conservation of natural habitats and of wild fauna and flora), Directive 2099/147EC (conservation of wild birds) and Directive 2000/60/EC (framework for the Community action in the field of water policy).Advice may also cover Issues linked to the economic and environmental performance of the forest holding.

c) SMEs operating in rural areas (Malta needs 2 and 5). Advice will cover issues linked to the economic and environmental performance of the enterprise.

8.2.2.3.1.2. Type of support

Type of support: Grants

There shall be two possible types of support under this sub-measure, either;

- a grant supporting the eligible costs actually incurred (Option 1) OR
- a lump sum for specific pre-determined list of services (packages) (Option 2).

The Managing Authority will publish the type of support available upon launching of measure.

8.2.2.3.1.3. Links to other legislation

- Regulation (EU) No. 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No. 1083/2006;
- Art. 12 to 14 of Regulation (EU) No 1306/2013.
- Malta's Partnership Agreement for the Programming Period 2014-2020.
- Art. 13(2) of Regulation (EU) No 1306/2013
- L.N. 99 of 2019, Supplies and Services Act (CAP. 117) Farm Advisory Services Regulations, 2019

8.2.2.3.1.4. Beneficiaries

The eligible beneficiaries for support under this measure are:

- Advice providers, public and/or private entities having competence in the area covered by the sub-measure,

The end beneficiary has to be farmers, young farmers and other land managers, forest holders and SMEs operating in rural areas who will be the recipients of advice.

Advice providers will be selected by an independent Selection Board following launch of a call by the Managing Authority, which will stipulate requirements and eligibility conditions, selection criteria, and other requirements as necessary.

8.2.2.3.1.5. Eligible costs

Depending on the type of support decided by the Managing Authority, the following apply:

Option 1

Eligible costs under this measure include:

• Cost of the advice provided: cost incurred by the advisory service to provide the advice (e.g. salaries of employees, travel, material, cost related with the place where the advice is delivered, etc.).

Expenditure shall be justified and shall correspond to the principles of sound financial management, in particular in terms of price-quality ratio and cost effectiveness.

Option 2:

• Lump sums applicable to specific pre-determined list of services (packages) delivered by the beneficiary (advisory services provider). The 'packages' could cover on-farm one-to-one advice for the provision of information and raising awareness on Cross Compliance Obligations and benefit and requirements of AECMs, on-farm review of arable and livestock farm holding to assess status of compliance with SMRs and GAEC, occupational health and safety on the farm, collection of soil samples and laboratory testing, preparation of fertilizer and nutrient management plans, compilation of farm records obligatory under cross compliance and agri-environmental measures, review of arable farm holding within Natura 2000 sites and assessment of the status and provision of advice on compliance to management plans, technical advice on adaptation and mitigation to climate change, and the preparation of business plans.

8.2.2.3.1.6. Eligibility conditions

To be eligible under this measure the beneficiaries (service providers) shall provide evidence of the appropriate capacity of their staff (or any contracted key expert) in the provision of the advisory services. Therefore they have to have the appropriate qualification and be regularly trained to conduct this task.

The Managing Authority will specify in the call for proposals what they mean by the terms qualification required in order to be eligible under the measure.

Beneficiaries (service providers) must not be in bankruptcy or financial difficulty.

Beneficiary (service provider) will be required to demonstrate that advisers (engaged or subcontracted) possess qualifications that are in line with the Farm Advisory Services Regulation and the respective Guidelines issued by the Farm Advisory Services Registration Board.

The end beneficiary has to be farmers, young farmers and other land managers, forest holders and SMEs operating in rural areas who will be the recipients of the advice.

8.2.2.3.1.7. Principles with regards to the setting of selection criteria

In 2015, the Maltese Managing Authority held a consultation session with sector stakeholders to discuss draft selection criteria to be established for each measure in the new programming period. Under the Rural Development Programme 2014-2020, preference will be given to applications in which the project proposed targets more than one indicator and/or contributes considerably towards the relevant measure indicators. Preference will also be given to applications showing a high level of preparedness to start the implementation of the project, particularly in instances which could necessitate the approval of permits, the issuing of tenders, the drafting of CBAs etc.

In addition, preference will also be given to applications showing that the organisation submitting the application has the necessary resources to implement the project as well as applications with effective project costing proposals, to ensure the viability and added value of the proposed project. Moreover, applications which show potential for the proposed project to lead to funding opportunities under other measures and/or funds, will also be favoured.

Proposed intervention/s should aim to contribute towards the promotion of equal opportunities, equality, non-discrimination and improved accessibility whilst targeting sustainable development in the areas of economic growth, social cohesion and environmental protection. In this regard, preference will be given to interventions addressing these principles.

In addition to the general principles for the selection criteria, under this measure, preference will be given to proposals which include a consultancy services plan on the basis of the quality and level of detail provided therein. Proposals which include information on the dissemination of the results achieved by the project and the promotion of EU funding will also be favoured.

The selection criteria will be detailed in the subsequent guidelines and will conform to the provisions of Art. 49 of Regulation (EU) no. 1305/2013.

8.2.2.3.1.8. (Applicable) amounts and support rates

For both options, support under this measure shall be limited to the maximum support rates laid down in Annex II of the Regulation (EU) 1305/2013.

This maximum amount (€1,500) applies to single ‘events’ under both types of support (refer to section Types of Support). There are no limitations as to the number of ‘event’ services that the recipient of the service (for e.g. the farmer) receives, although the MA may indicate limitations in the dedicated guidelines particularly in view of sound management of the programme and its budget.

Option 1

Cost of the advice provided: maximum €1,500 per advice ‘event’ to one end beneficiary (recipient of

advice).

The public support granted under this measure is 100% of the total eligible expenditure.

Option 2

Pre-determined list of 'packages' may be used through this sub-measure covering the eligible costs under this measure, i.e. the advice provided. The applied simplified cost is based on Art 67 (1)(c) of (EU) Regulation 1303/2013, as established in line with Art 67 (5)(a)(1) and Art 67 (5)(b) of (EU) Regulation 1303/2013. These packages shall be set by external experts based on the number of parcels, livestock units and type of advice. The packages and the rates (lump sums) shall be described in the measure guidelines, as applicable.

The indicative list of main packages is:

- Service Package 1: Compliance to Statutory Requirements and Agri-environment-climate Measures.
- Service Package 2: Technical Services (such as supporting farm business operators in improving efficiency, particularly in relation to reducing water and energy consumption, managing waste and developing renewable sources of energy which will have impacts on reducing greenhouse gas emissions and on ensuring the sustainability of the environment, as well as compilation of technical reports)
- Service Package 3: Business Development (such as support provided to farmers and rural stakeholders with advice, through the compilation of a dedicated business plan, to ensure successful diversification and identification of investment opportunities to engage in a wide range of potential alternative income generating activities).

8.2.2.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.2.3.1.9.1. Risk(s) in the implementation of the measures

Measure verifiability and controllability shall be based on the results of the ex-post evaluation performed by the Managing Authority and by the Paying Agency, taking into account the results of the controls conducted in the previous programming period. A similar measure (M114) was programmed during the 2007-2013 RDP and no particular issues were highlighted during the course of its implementation.

Risks envisaged in the implementation of sub-measure 2.1:

- Efficient project delivery within timeframes stipulated at application stage;
- Difficulty in ensuring that advice being delivered is of sufficient quality;
- Overlap with services which are covered by support under M10.1 (AECM).

8.2.2.3.1.9.2. Mitigating actions

Measures envisaged to improve measure implementation and mitigate risks include:

- Training of staff preparing and monitoring the implementation of this measure;
- Closer monitoring of project delivery by using specific tools, such as periodic progress reports; on-the-spot verification/direct observation of the activity performed by the provider of knowledge transfer and information actions;
- Evaluation of the service through dedicated questionnaires on the quality of the service;

- The MA shall clearly indicate, in the measure guidelines, which services are covered by support rates established under M10.1 (AECM) and hence not eligible for support under M2.1

8.2.2.3.1.9.3. Overall assessment of the measure

The measure creates the means to fulfil the priorities articulated in the strategy, thereby contributing to the achievement of all envisaged focus areas, as a cross-cutting measure with contributions to different focus areas. The measure provides for a balanced and sustainable development amongst a diverse range of rural actors. Demarcation and complementarity between EAFRD and other funds will be ensured.

Moreover, the measure targets equal treatment of applicants, an effective and efficient use of the financial resources in compliance with the rural development priorities of the Union.

The analysis carried-out by the Managing Authority and by the Paying Agency, based on experience acquired during 2007-2013, concludes that measure verifiability and controllability is ensured for the sub-measures programmed so as to prevent all prejudice to the financial interests of the European Union.

8.2.2.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Option 1: Not Applicable.

Option 2:

Pre-determined list of ‘packages’ may be used through this sub-measure covering the eligible costs under this measure, i.e. the advice provided. The applied simplified cost is based on Art 67 (1)(c) of (EU)

Regulation 1303/2013, as established in line with Art 67 (5)(a)(1) and Art 67 (5)(b) of (EU) Regulation 1303/2013. These packages shall be set by external experts based on the number of parcels, livestock units and type of advice. The packages and the rates (lump sums) shall be described in the measure guidelines, as applicable. The methodology applied is described in Annex "Indicative M2.1 FAS Packages and Cost Calculations".

8.2.2.3.1.11. Information specific to the operation

General principles to ensure appropriate resources in the form of regularly trained and qualified staff and advisory experience and reliability with respect to the field of advice. Identification of the elements that the advice will cover

Advisors must be experts in the fields covered and possess qualifications that are in line with the Farm Advisory Services Regulation and the respective Guidelines issued by the Farm Advisory Services Registration Board.

8.2.2.4. Verifiability and controllability of the measures and/or types of operations

8.2.2.4.1. Risk(s) in the implementation of the measures

See relevant section under each sub-measure.

8.2.2.4.2. Mitigating actions

See relevant section under each sub-measure.

8.2.2.4.3. Overall assessment of the measure

See relevant section under each sub-measure.

8.2.2.5. Methodology for calculation of the amount or support rate, where relevant

Not Applicable.

8.2.2.6. Information specific to the measure

General principles to ensure appropriate resources in the form of regularly trained and qualified staff and advisory experience and reliability with respect to the field of advice. Identification of the elements that the advice will cover

To be eligible under this measure the beneficiaries (service providers) shall provide evidence of the appropriate capacity of their staff in the provision of the services. Therefore they have to have the appropriate qualifications and be regularly trained to conduct this task.

The Managing Authority will specify in the call what they mean by the terms qualification required in order to be eligible under the measure.

Service providers will be required to demonstrate that trainers have, as a mimumum, the required skills and qualifications as outlined below:

Advisors

- must be experts in the fields covered and possess qualifications that are in line with the Farm Advisory Services Regulation and the respective Guidelines issued by the Farm Advisory Services Registration Board.

(M2.3) Trainers of trainers/advisors must also possess the mimum requirements outlined above.

8.2.2.7. Other important remarks relevant to understand and implement the measure

It should be noted that there is no limit on the size of the farm and forest holding to benefit from advice. All the farms and forest holdings, regardless of their size can use the advisory services. However there is a limitation to SMEs operating in rural areas which have to comply with the European SME criterion.

Where the provision of advisory services or technical support is undertaken by producer groups or other organisations, membership of such groups or organisations must not be a condition for access to the service. Any contribution of non-members towards the administrative costs of the group or organisation concerned must be limited to the costs of providing the service.

In the context of the measure, advice is a tailor-made service to provide specific solutions to farmers, forest holders, other land managers, rural entrepreneurs, and SMEs in rural areas. Therefore no "parts of advice" are considered.

8.2.3. M04 - Investments in physical assets (art 17)

8.2.3.1. Legal basis

- Article 17 of Regulation (EU) No. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD);
- Articles 37-46 of Regulation (EU) No. 1303/2013 (Common Provisions Regulation);
- Commission Delegated Regulation (EU) No. 807/2014 supplementing Regulation (EU) No. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and introducing transitional provisions;
- Commission Implementing Regulation (EU) No. 808/2014 laying down rules for the application of Regulation (EU) No. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)
- Regulation (EU) 2017/2393 of The European Parliament and of the Council of 13 December 2017 amending Regulations (EU) No 1305/2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD), (EU) No 1306/2013 on the financing, management and monitoring of the common agricultural policy, (EU) No 1307/2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy, (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products and (EU) No 652/2014 laying down provisions for the management of expenditure relating to the food chain, animal health and animal welfare, and relating to plant health and plant reproductive material

8.2.3.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

The measure will provide for on-farm investment aiming at improvement in the overall performance and sustainability of agricultural holdings through investments in productivity, rational use of inputs (4.1), processing, marketing and/or development of agricultural products in all sectors (4.2), provide infrastructure needed for the development of agriculture and forestry, which will be of benefit to a wider range of rural and agricultural stakeholders (particularly for water management, renewable energy and improved access) (4.3) and support non-remunerative investments necessary to achieve environmental aims (particularly the restoration of rubble walls, valley habitats and terraces). (4.4)

The measure will support activity in all five areas of need identified for Malta, as described below.

Water, Wastes and Energy

• New EU requirements on water and nitrates must be met. New equipment and infrastructure is required to help farms improve the efficiency of input use on farms (fertilisers, pesticides and water).

• Renewable energy generation on farms (solar PV, Wind, biogas). To ensure effective action, co-ordination between farms and with the Planning Authorities will be needed particularly for bioenergy and wind installations. Farms able to invest in solar PV on rooftops or other 'unutilised space' can also make a useful contribution to reducing Malta's carbon footprint. Bio-gas plants would most cost-effectively be

developed between groups of livestock farms owned and controlled by the livestock producers themselves. In this regard the cooperation costs may be supported through Measure 16. Support under Measure 4 in relation to renewable energy production or energy efficiency, will take two main forms:

- Support for energy produced for self-consumption – which may include investment in a renewable energy plant on-farm. The selling of electricity into the grid is allowed as far as the self-consumption limit is respected (electricity sold into the grid equals on average the electricity taken out of it over one year)
- Support for energy sold outside the farm holding – if production exceeds the annual self-consumption of the beneficiary, General State Aid Rules shall apply. Support for such investment may also be provided through Measure 6, however, the main difference with Measure 4 is that under the latter the input of the energy production shall always be an Annex I product.

There is a need for investment in more efficient water-saving devices and systems on all farms but particularly cropping farms, also enhanced water and waste storage; and better waste handling and collection facilities and processes. There is scope for much greater rainwater capture, reducing farmers' reliance on boreholes; this requires new investment in infrastructure (reservoirs, gutters and other collecting equipment on buildings, surface channels between fields and new or restored reservoirs). This will also address in part the problem of soil sealing.

Maltese Quality Produce

There is a need to support innovation and new product development; including projects to undertake product development (trials, tests and evaluations), supply chain improvements such as new storage and distribution systems, and promotional materials including packaging and advertising. Projects will be funded to improve the competitiveness of rural businesses through adding value to their primary production of goods and services.

Possibilities for funding include projects to promote the modernization and re-organisation of supply chains, including investments in supply chain infrastructure (e.g. processing space, storage, marketing and sales infrastructure), and where appropriate, the development of exports. Supply chain and marketing support would be available to individuals and to co-operative bids from groups of producers/processors, or other relevant stakeholders.

Sustainable Livestock

Support for improvements in the efficiency of energy and water use, enhanced nutrition and improvements in animal welfare will be prioritised. The measure will support interventions linked to farm re-structuring, investments in new, more efficient equipment and machinery (that reduces water, fertiliser, pesticide use, energy consumption, capture/storage, etc.), and other facilities that will improve the viability and competitiveness of the holding. Livestock farms will also benefit from investments to modernise the storage and handling of manures and slurries, and activities that lead to enhanced nutrient budgeting and management. Arable farms may benefit from investment in improved crop storage or other activity to improve the quality of the product. This may include buildings for specialised handling, storage, provision of ventilation, insulation and refrigeration. Both sectors can benefit from projects to improve the quality and value of home-grown fodder production.

Support would be available to individual farms and to co-operatives of producers.

Landscape and environment

Interventions such as rubble wall restoration could be supported through this Measure. Cooperative actions that focus support in a particular area will improve the effectiveness of investments in structures that inhibit soil erosion and improve access (reducing costs of production through provision of shared access). In addition aid would support the rehabilitation and/or reinstatement of intrinsic landscape feature. Such support will contribute to the amelioration of the Maltese landscapes and conservation of rural areas.

Quality of life

Agricultural diversification will be supported where this can offer new opportunities for farm family employment for households on low incomes. This will aim to align production with the demands from local consumers as well as tourists. The new possibilities to create and develop new products, quality marks and shorter supply chains will result in more sustainable holdings, better return on investment guaranteeing a better quality of life for the farmer and his family. In addition, enhanced farm access roads have also proven significant in improving the ability of farmers to manage land, especially in marginal areas thus increasing the possibility to be more efficient and economically viable.

Under Measure 4, Malta will be programming sub-measures:

- 4.1 – support for investments in agricultural holdings
- 4.2 - support for investments in processing/marketing and/or development of agricultural products
- 4.3 – support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry
- 4.4 - support for non-productive investments linked to the achievement of agri-environment-climate objectives

Contribution to Focus Areas and cross-cutting objectives

Contribution to Focus Area

- Focus Area 2A: Facilitating restructuring of farms facing major structural problems, notably farms with a low degree of market participation, market-oriented farms in particular sectors and farms in need of agricultural diversification, extension of irrigated areas and construction or upgrading of farm access roads. FA2A will be addressed directly through support for investments in agricultural holdings (sub-measure 4.1) and suport for infrastructure (sub-measure 4.3).

• Focus Area 2B: Facilitating generational renewal in the agricultural sector

Young farmers are prepared to invest and undertake innovative developments but often held back by innate conservative approaches of the older generation. Sub-measure 4.1 will contribute directly to FA2B by assisting young farmers in Malta to take over farms and improve their efficiency, environmental performance and productivity.

- Focus Area 3A: Improving competitiveness of primary producers

Farmers need support to encourage investment in new technology (directly through sub-measure 4.1), to adopt innovative new processes or develop new and enhanced products (directly through sub-measure 4.2). A key aim of the RDP is to support farmers to increase incomes through reductions in input costs, improved returns through quality assurance and adding value, and appropriate diversification. Often it is only small scale support that is required to kick-start a project, but there is also scope to benefit larger groups of producers through co-operative action. For example, improving the productivity and nutritional value of home-produced forage could improve the competitiveness of both crop and livestock farms, through collective projects.

- Focus Area 4A: Restoring and preserving biodiversity, including in Natura 2000 areas and HNV farming and the state of European landscapes

Non-productive investments under sub-measure 4.4 (direct contribution) will be very important in restoring some key habitat types in Maltese farmed landscapes. These include rubble walls and traditional channels and small, open reservoirs for water, as well as small areas of semi-natural vegetation in and around farm fields. Many such areas could benefit ecologically from sensitive restoration works including rebuilding of features, elimination of alien and invasive species and clearing of rubbish. These actions would also have significant landscape benefit.

• Focus Area 4B: Improving water management

Investment in new infrastructure, improved pumping and irrigation equipment will help reduce groundwater abstraction. Such interventions will be achieved through direct contribution from support under sub-measure 4.1.

- Focus Area 4C: Improving soil management

Investment in equipment on agricultural holdings will allow for more efficient soil management (indirect contribution through sub-measure 4.1). This may also be achieved through support for non-productive investments, for example, through rubble walls, purchase/planting of trees, etc (direct contribution through sub-measure 4.4).

- Focus Area 5A: Increasing efficiency in water use by agriculture

This is a key requirement for Malta and a priority for the RDP. Whilst investment in human capital will be an essential element, physical capital investments in enhanced equipment on existing irrigation systems (direct contribution through sub-measure 4.1) and infrastructure (direct contribution through sub-measure 4.3, including the development and upgrading of infrastructure to distribute treated sewage effluent water will also be supported) are also needed.

• Focus Area 5B: Increasing efficiency in energy use in agriculture and food processing

In agriculture, energy costs have been associated with increasing reliance on groundwater, investments reducing groundwater consumption will also reduce energy consumption. Farmers and processors are aware of the need to reduce input costs and keen to explore new technologies and methods that reduce water and energy use. Such objectives will be achieved through support under sub-measure 4.1 (direct contribution).

• Focus Area 5C: Facilitating the supply and use of renewable sources of energy, of by-products, wastes, residues and other non-food raw materials for purposes of the bio-economy. There is significant interest in exploring alternative forms of waste management, in particular using livestock wastes for bio-energy

production at a collective and regional scale within Malta. This measure will support development of bio-energy reactors and other renewables equipment. There is also potential for recycling and/or energy recovery from waste plastics, which require development of an efficient collection and management system. FA5C will be addressed directly through support under sub-measure 4.1.

• Focus Area 5D: Reducing nitrous oxide and methane emissions from agriculture

Infrastructure for improved management of livestock wastes will reduce nitrous oxide and methane emissions from agriculture (indirect contribution through sub-measure 4.4, direct contribution through sub-measure 4.1.

Contribution to Cross-Cutting Objectives

Environment

Investments in physical assets (direct contribution through sub-measures 4.1, 4.3) will result in reduced groundwater consumption, thus reducing the pressure on Malta's limited water resources. Investments in landscape restoration (direct contribution through sub-measure 4.4) will strengthen landscape quality, and enhance biodiversity and investments in efficiency of input use (direct contribution through sub-measure 4.2) will reduce water pollution by agriculture.

Climate

Investments in physical assets (direct contribution through sub-measures 4.1, 4.3) will result in reduced energy consumption and increased renewable energy generation, thus reducing emissions from using fossil fuels. Investments in efficient input use (direct contribution through sub-measure 4.2) in cropping and in livestock nutrition will reduce greenhouse gas emissions from the sector.

Innovation

Support under sub-measures 4.1 and 4.2 (direct contribution) will encourage farmers and small processors to look at best practice in other member states, and to innovate in terms of exploring new marketing opportunities, new and more resilient farming systems and practices, and new product development.

Groundwater quantitative status assessment

The groundwater quantitative status assessment undertaken as part of the development of Malta's 2nd RBMP classifies 13 bodies of groundwater in good quantitative status and 2 bodies of groundwater in poor quantitative status. The provisions of Article 46(5) and (6) will therefore apply to irrigation investments located on the surface catchment area of the two groundwater bodies classified in poor status, namely the Malta Mean Sea Level Aquifer system, and the Gozo Mean Sea Level Aquifer system. Maps showing the quantitative status of groundwater bodies in 2010 and 2015 are annexed to the RDP.

Reservoirs (cisterns)

In Malta, the scope of these structures is the harvesting of rainwater runoff from country roads and therefore

these are an efficiency measure in their own right, since they reduce the pressure on natural groundwater resources such as groundwater. It is noted that in the European Context the term **reservoirs** refers to large artificial bodies of surface water created by dam structures. We should not interpret this as referring to the small on field reservoirs used by farmers in Malta. In Malta, reservoirs are referred to as cisterns or 'gwiebi'.

Complementarity with Article 19 (Measure 6)

The main difference between operations that can be supported under Measure 4 (Article 17) and Measure 6 (Article 19) lays in the fact that under Measure 4 the input of the processing/marketing/development shall always be an Annex I product, i.e. agricultural product. Nonetheless, even though the same type of operations may be financed under both instruments, the same support rates under non-agricultural state aid rules apply in case the output is a non-Annex I product.

It should also be noted that the scope of Measure 6 is broader in that it also covers any diversification activity, while, under Measure 4, support is limited to processing/marketing/development of agricultural products.

In the specific case of on-farm shops, if sales are totally limited to agricultural produce, support for their setting up shall be provided only under sub-measure 4.2, with support rates subject to the maximum amounts fixed in Annex II to the Rural Development Regulation.

On the other hand, if other non-Annex I products are also sold in the farm shop to be co-financed – even if they account for a little amount of total sales, support for their setting up could be provided either under sub-measure 4.2 or under sub-measure 6.4: in both cases, general State aid rules would apply in terms of aid ceilings.

The Managing Authority will ensure that appropriate demarcation between the two measures is respected, particularly with respect to the possible overlaps outlined above. Verification/control of invoices through the IT system will ensure the avoidance of double-funding.

Complementarity with Article 35 (Measure 16)

Development of agricultural products mainly refers to adding value to agricultural products, improving quality beyond standards, applying new production methods and technologies, improving product presentation, etc.

While under Measure 4 product development can be supported at the level of the individual holding or enterprise, Measure 16 mainly concerns cooperation activities.

Verification/control of invoices through the IT system will ensure the avoidance of double-funding.

8.2.3.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regard to the setting of selection criteria

8.2.3.3.1. 4.1 - Support for investments in agricultural holdings

Sub-measure:

- 4.1 - support for investments in agricultural holdings

8.2.3.3.1.1. Description of the type of operation

The aim of the scheme is to support investment in cost-effective and environmentally efficient systems and equipment concerning soil management, water capture and use, renewable energy, waste management, and improved efficiency of fertilizer and pesticide use and control. Support will also target improved productivity on holdings or within specific sectors, subject to the adoption of techniques and farming systems that will not cause environmental damage. Given the predominance of highly diverse horticulture as the main agricultural land-user in Malta, the strategy will address competitiveness and environmental sustainability as first priorities, which will have knock-on benefits for all focus areas.

Livestock and arable farms will benefit from support to invest in more efficient equipment that reduces water, fertiliser and pesticide usage, and energy consumption and/or supports capture, storage, and use of water, wastes or energy. They may also invest in bio-energy production for on-farm use.

Livestock farms will also benefit from investments to modernise the storage and handling of manures and slurries, and activities that lead to enhanced nutrient budgeting and management. Arable farms may benefit from investment in improved crop storage or other activity to improve the quality of the product. This may include buildings for specialised handling, storage, provision of ventilation, insulation and refrigeration. Both sectors can benefit from projects to improve the quality and value of home-grown fodder production.

Significant latent demand exists for these forms of investment support although this demand also needs strengthening through training and advice (funded under measures 1 and 2). Lack of suitable funding, combined with lack of awareness of potential financial benefits, has been a barrier to improving efficiency and reducing environmental impacts of some farm activities, in the past (e.g. over-application of fertilisers through inability to measure nutrient content of the soil quickly, reliably and at low cost).

Targeting

Support under sub-measure 4.1 will be targeted, in accordance with Article 17(2) of Regulation (EU) No. 1305/2013. Such targeting will be achieved through adaptation of the measure selection criteria, focusing on:

- Livestock farming: restructuring is required by livestock farms in order to, for example, improve efficiency of production, and enable more resource-efficient management of animal wastes. It should also be taken into consideration that the entire Maltese territory is considered as a nitrate vulnerable area, and farming requires resource-efficient investments, particularly investments related to improved and modernised storage and handling of manures and slurries;
- Horticultural sector: requires support for improvements in water capture, storage and distribution, smart irrigation, soil testing, renewable energy, physical infrastructure to support value added

activities and quality assurance, amongst others. Groups of farmers would be prioritised here due to current lack of cooperation and small size of farms.

In this way the Rural Development Programme (through sub-measure 4.1) will target the identified areas of Need 2 (Maltese Quality Produce) and 3 (Sustainable Livestock).

8.2.3.3.1.2. Type of support

Type of support: Grants

Grant support will be provided under this sub-measure.

8.2.3.3.1.3. Links to other legislation

- Regulation (EU) No. 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No. 1083/2006
- Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises.
- Commission Notice no. 2008/C155/02 on the application of Articles 87 and 88 of the EC Treaty to state aid in the form of guarantees;
- Malta Partnership Agreement for the Programming Period 2014-2020;
- Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (EU Water Framework Directive)
- Malta's Water Catchment Management Plan (2015-2021)
- Article 4 of Regulation (EU) No 1303/2013
- Article 6 of Regulation (EU) No 1303/2013
- Article 64 of Regulation (EU) No 1303/2013
- Article 65 of Regulation (EU) No 1303/2013
- Article 71 of Regulation (EU) No 1303/2013

- Article 13 of Regulation (EU) No 807/2014
- Articles 45, 46 of Regulation (EU) No 1305/2013
- Regulation (EU) 2017/2393 of The European Parliament and of the Council of 13 December 2017 amending Regulations (EU) No 1305/2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD), (EU) No 1306/2013 on the financing, management and monitoring of the common agricultural policy, (EU) No 1307/2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy, (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products and (EU) No 652/2014 laying down provisions for the management of expenditure relating to the food chain, animal health and animal welfare, and relating to plant health and plant reproductive material

8.2.3.3.1.4. Beneficiaries

- Farmers or groups of farmers, whether natural or legal persons.

8.2.3.3.1.5. Eligible costs

Measure 4.1 will provide support for the following on-farm eligible costs:

- The construction, acquisition, including through leasing, or improvement of immovable property;
- The purchase or lease-purchase of new machinery and equipment (including investments related to energy efficiency/generation) up to the market value of the asset (second hand machinery and/or equipment will be ineligible);
- The costs of funding specialist contractors to undertake project management duties to realise the investment;
- General costs such as architects, engineers and consultation fees, feasibility studies, the acquisition of patent rights and licences up to a maximum 15% of the total eligible project cost;
- Water metering costs;
- Intangible investments such as copyrights, trademarks or processes;
- Publicity costs, in line with Section 8.1 of the RDP and Article 13 and Annex III of Regulation (EU) No 808/2014;
- Contributions in kind in the form of provision of works, goods, services, land and real estate for which no cash payment supported by invoices or documents of equivalent probative value has been made, are eligible provided such provisions are made in National Implementing guidance document in line with Article 69 of Regulation (EU) No 1303/2013 and other relating eligibility rules of the ESI Funds.
- The acquisition and planting of permanent crops, as defined in Article 4, paragraph 1 (g) of Regulation 1307/13
- In line with Article 60 (2) of Regulation (EU) No 1305/2013, only expenditure which has been incurred after an application has been submitted to the competent authority shall be considered eligible

- SCOs in line with Articles 67(1)(b) based on Article 67(5)(a)(i) of Reg (EU) 1303/2013

For operations with eligible costs up to EUR 5 000, the reasonableness of the costs may be established by a draft budget agreed ex-ante by the Managing Authority.

Ineligible costs:

- Simple replacement investments shall not be eligible for support (however, operations such as investment in the functional improvement of agricultural water cisterns (ġiebja or bir) and restoration of windmills (wind driven pumps) for either water pumping and/or energy generation for agricultural purposes are not considered simple replacement);
- The purchase of agricultural production rights, payment entitlements, animals, annual plants and their planting;
- Second-hand machinery and/or equipment
- Other costs connected with the leasing contract, such as lessor's margin, interest refinancing costs, overheads and insurance charges (shall not be eligible expenditure).

8.2.3.3.1.6. Eligibility conditions

- Support will not be granted to holdings or enterprises in difficulty within the meaning of the Union guidelines for state aid in the agriculture and forestry sector and the Union guidelines on State aid for rescuing and restructuring firms in difficulty.
- Durability of the investment of 5 years following the final payment to the beneficiary – as stipulated by Article 71 of the Common Provisions Regulation. In cases concerning SMEs, the 5 year applicable period is reduced to 3 years in line with the same Article.
- Applicants must be farms which are efficient and economically viable. Efficient and economically viable farms are defined as agricultural holdings falling within the following lower threshold:

  - The minimum threshold for both the crop and livestock sector is set at 15,000SO/holding

- In the case of investments in renewable energy the minimum criteria for energy efficiency (as per Article 13(c) of Regulation (EU) No 807/2014) have not been established at National level.
- With respect to the minimum percentage of heat to be utilised in conjunction with electricity produced from biomass (as per Article 13(d) of Regulation (EU) No 807/2014) kindly refer to Legal Notice 196 of 2014 – Energy Efficiency and Cogeneration Regulations, 2014 – Second Schedule. This percentage will not be lower than any minimum values established by applicable EU legislation.
- Where the investment is likely to have negative effects on the environment, investment operations shall be preceded by an assessment of the expected environmental impact in accordance with legislation specific to that kind of investment (Article 45 EAFRD)
- In the case of investments related to bioenergy, the criteria laid down in EU legislation (cf. Article 17(2) to (6) of Directive 2009/28/EC) have not been established at National level.
- Support will not be granted for when this is already provided under the first pillar of CAP.
- Support for investments in irrigation through improved water management and storage will only be eligible if they meet the relevant requirements of Article 46 of Regulation (EU) No. 1305/2013:

M4.1 and M4.3 Irrigation Eligibility Conditions

General eligibility conditions:

- Support for investments in irrigation through improved water management and storage will only be eligible if they meet the relevant requirements of Article 46 of Regulation (EU) No. 1305/2013:

1. The measures that financed investments in irrigation should clearly refer to the RBMP
2. Water metering enabling measurement of water use at the level supported investment must be in place (Article 46, §3) or shall be put in place as part of the investment.
3. Any water source used by the irrigation (or water use) scheme (except for surface water) is to be duly registered with the competent regulatory authorities (as per Legal Notice 255 of 2008). In the case of groundwater sources, only registered boreholes users will be eligible. Due to the very limited number of users (if any) who abstract directly from a body of surface water and the highly problematic issues associated with metering such abstractions, irrigation schemes using such waters will not be eligible for investments.
4. With respect to measures including the use of natural water resources in irrigation, the legality of the water source is a basic eligibility requirement.

Article 46 Eligibility Conditions (1)

Investments in existing irrigation installation or element of irrigation infrastructure (Article 46(4):

5. Investments to existing irrigation installations or element of irrigation infrastructure are eligible only if the ex-ante assessment determines that these will result in potential water savings of a minimum of 5% according to the technical parameters of the existing installation or infrastructure.
6. Moreover, before any investment in irrigation infrastructure is planned, the status of WBs must be known and reported to WISE. Accordingly, it should specified if the investment in irrigation infrastructure are likely to affect bodies of ground – or surface water - whose status has been identified as less than good in the RBMP for reasons related to water quantity.
    - If yes, the investment must ensure an effective reduction in water use, amounting to at least 50% of the potential water saving made possible by the investment.
    - In case of an investment on a single agricultural holding, investment in irrigation infrastructure must result in a reduction to the holdings' total water use amounting to at least 50% of the potential water savings made possible at the level of the investment (Article 46(4)(a)).

Article 46 Eligibility Conditions (2)

Investments resulting in a net increase of irrigated area affecting a given body of ground or surface water (Article 46(5) and (6)):

- Investments resulting in a net increase of irrigated area affecting a given body of ground or surface water will only be eligible if (Article 46(5)):
  - the status of the water body has not been identified as less than good in the relevant river basin management plan for reasons related to water quantity; and

Article 46 Eligibility Conditions (3)

  - an environmental analysis shows that there will be no significant negative environmental impact from the investment. Such analysis must be approved by the competent authority and submitted together with the application for support
- By way of derogation from Article 46(5)(a) investments resulting in a net increase of the irrigated area may still be eligible if:
  - the investment is combined with an investment in an existing irrigation installation or element of irrigation infrastructure assessed ex ante as offering potential water savings of a minimum of 5% according to the technical parameters of the existing installation or infrastructure, and
  - the investment ensures an effective reduction in water use, at the level of the investment as a whole, amounting to at least 50% of the potential water savings made possible by the investment in the existing irrigation installation or element of infrastructure

Article 46 Eligibility Conditions (4)

Investments in rainwater runoff harvesting cisterns (reservoirs):

7. With respect to investments to existing reservoirs (cisterns), the conditions stipulated by Article 46(4) shall not apply. For investments in new reservoirs (cisterns), the conditions of Article 46(5) and (6) must be respected.

   The potential water saving impact of these interventions will be calculated as follows:

   (i) Rainwater Harvesting Infrastructure
   The potential water saving impact of rainwater harvesting infrastructure will be calculated at seven (7) times the storage capacity of the infrastructure. This, to take into account the multiple-use factor of the infrastructure during the rainy season.

   (ii) Irrigation Technology
   The potential water saving impact of irrigation technology will be calculated as the difference between the projected use of irrigation water using the new or upgraded infrastructure and that which would have resulted with the existing infrastructure. A typical cropping season will be developed to standardise such calculations.

   (iii) Irrigation Network Infrastructure
   The potential water saving impact of irrigation network infrastructure will be calculated as the effective capacity of the network infrastructure to supply alternative water resources in substitution of natural water resources.

   Malta will use any historical data available, however in the absence of past metering data such information can be extracted through crop irrigation demand models such as FAO's Cropwat package (or equivalent software).

Rainwater collected in cisterns will be utilised for irrigation purposes. In this respect, an estimate based calculation of water use for irrigation in supported reservoirs (cisterns) will be applied according to the size of the cistern supported as part of the investment (water quantity) and residual variable.

Article 46 Eligibility Conditions (5)

8.2.3.3.1.7. Principles with regards to the setting of selection criteria

In 2015, the Maltese Managing Authority held a consultation session with sector stakeholders to discuss draft selection criteria to be established for each measure in the new programming period. Under the Rural Development Programme 2014-2020, preference will be given to applications in which:

- the project proposed targets more than one indicator and/or contributes considerably towards the relevant measure indicators

- preparedness of project proposal: applications showing a high level of preparedness to start the implementation of the project (permits, tenders, CBAs, etc.)Preference will also be given to

applications showing that the organisation submitting the application has the necessary resources to implement the project as well as applications with effective project costing proposals, to ensure the viability and added value of the proposed project. Applications showing potential for the proposed project to lead to funding opportunities under other measures and/or funds, will also be favoured.

- social criteria: proposed intervention/s should aim to contribute towards the promotion of equal opportunities, equality, non-discrimination and improved accessibility whilst targeting sustainable development in the areas of economic growth, social cohesion and environmental protection

- young farmer: proposals in which the applicant or at least one of the farmers forming part of the PO/PG/Farmer Group applying for funding falls within the definition of young farmer as stipulated by Article 2 of Regulation (EU) No. 1305/2013, will be preferred

- beneficiary under M10: preference will also be given to applicants participating in at least one of the AECMs under Measure 10

- increase energy efficiency: the project's contribution towards increased efficiency as well as the inclusion of measures targeting the improvement of air quality, sustainable management/use of water and energy, better soil management and climate change adaptation and mitigation

- effective water savings: project proposals which are envisaged to result in a high percentage of effective water savings shall be prioritised accordingly

- dissemination of the results: proposals which include information on the dissemination of the results achieved by the project and the promotion of EU funding - group of farmers (cooperation): proposals submitted by more than one farmer, cooperatives, POs/PGs, etc.The targeting described in section "Description of the type of operation" will also be given due consideration in the development of selection criteria with respect to applications for support under sub-measure 4.1.

- improvement of production efficiency and resource efficient management Preference will be given to project proposals which aim at improving production efficiency and enabling more resource-efficient management of animal wastes, proposals for improvements in water capture, storage and distribution, smart irrigation, soil testing, quality assurance, and proposals submitted by groups of farmers rather than individuals. In this way support will be more targeted towards the livestock and horticultural sectors.

- participation in training / advisory services: applicants providing evidence of participation in relevant training or advisory services in the two years preceding the submission of the application

8.2.3.3.1.8. (Applicable) amounts and support rates

For this sub-measure, including grants through SCOs in line with Articles 67(1)(b) based on Article 67(5)(a)(i) of Reg (EU) 1303/2013, shall be 50% of the eligible amount will be supported.

Beneficiaries of investment related support may request the payment of an advance of up to 50% of the

public aid related to the investment.

An indicative measure funding capping may be applied; details would be indicated in the national implementation guidance documents. Such capping will based on objective criteria in relation also to the objectives and to the number of holdings to be supported as set in the RDP and will not lead to an arbitrary discrimination of beneficiaries.

8.2.3.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.3.3.1.9.1. Risk(s) in the implementation of the measures

Possible risks include:

- Non-adherence to Public Procurement Principles
- Non-conformity with specific financial, business planning and reporting requirements imposed upon beneficiaries of support under this measure
- Risk of applicants presenting outdated quotations and/or other documentation at application stage, or financing investments at prices which do not reflect actual market prices at time of project implementation
- The utilised minimum percentage of heat energy, for investments in installations the primary purpose of which is electricity production from biomass, is not yet defined by the Maltese Authorities
- Absence of necessary framework for the issuing of water permits

8.2.3.3.1.9.2. Mitigating actions

The measures to be taken to improve the measure implementation and to reduce potential risks are:

- Guidance and assistance through information activities, training in order to ensure conformity of beneficiaries with Public Procurement Principles
- Detailed measure application guidance notes and advisory support in order to guide applicants as to the specific financial, business planning and reporting requirements imposed upon beneficiaries of support under this measure
- The eligibility start date for reimbursement of expenditure will start as from the date of signing of the grant agreement (respecting Article 65(6) of Regulation (EU) No 1303/2013.
- Investments in installations the primary purpose of which is electricity production from biomass, will not be eligible until the Maltese authorities will not define the utilised minimum percentage of heat energy
- Malta will consider the introduction of regulatory instruments to effectively monitor water use by the

sector

8.2.3.3.1.9.3. Overall assessment of the measure

The measure creates the basis to achieve the priorities mentioned within the strategy by targeting the main areas of need for Malta with respect to Union Priority 2 "Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and sustainable management of forests".

Such targeting will be achieved through adaptation of the measure selection criteria, focusing on:

- Livestock farming: restructuring is required by livestock farms in order to, for example, improve efficiency of production, and enable more resource-efficient management of animal wastes. It should also be taken into consideration that the entire Maltese territory is considered as a nitrate vulnerable area, and farming requires resource-efficient investments;
- Horticultural sector: requires support for improvements in water capture, storage and distribution, smart irrigation, soil testing, renewable energy, physical infrastructure to support value added activities and quality assurance, amongst others. Groups of farmers would be prioritised here due to current lack of cooperation and small size of farms.

In this way the Rural Development Programme (through sub-measure 4.1) will target the identified areas of Need 2 (Maltese Quality Produce) and 3 (Sustainable Livestock).

8.2.3.3.1.10. Methodology for calculation of the amount or support rate, where relevant

In the case of adoption of SCO's, a pre-determined list of SCO's may be used through this sub-measure covering elements of the eligible costs under this measure. The applied simplified cost is based on Art 67 1(b) of (EU) Regulation 1303/2013, as established in line with Art 67 (5)(a)(i) of (EU) Regulation 1303/2013. These rates are set by external experts. The SCO's shall be described in the respective measure guidelines when the measure is launched, as applicable.

8.2.3.3.1.11. Information specific to the operation

Definition of non productive investments

- Not applicable under sub-measure 4.1.

Definition of collective investments

Cooperation between multiple actors to carry out investments in shared facilities, infrastructure, or

other physical interventions.

Definition of integrated projects

Not applicable.

Definition and identification of the eligible Natura 2000 sites and other eligible areas of high nature value

Not applicable for sub-measure 4.1.

Description of the targeting of the support to farms in accordance with the SWOT carried out in relation to the priority referred to in Article 5(2) of Regulation (EU) No 1305/2013

Support under sub-measure 4.1 will be targeted, in accordance with Article 17(2) of Regulation (EU) No. 1305/2013. Such targeting will be achieved through adaptation of the measure selection criteria, focusing on:

- Livestock farming: restructuring is required by livestock farms in order to, for example, improve efficiency of production, and enable more resource-efficient management of animal wastes. It should also be taken into consideration that the entire Maltese territory is considered as a nitrate vulnerable area, and farming requires resource-efficient investments;
- Horticultural sector: requires support for improvements in water capture, storage and distribution, smart irrigation, soil testing, renewable energy, physical infrastructure to support value added activities and quality assurance, amongst others. Groups of farmers would be prioritised here due to current lack of cooperation and small size of farms.

  In this way the Rural Development Programme (through sub-measure 4.1) will target the identified areas of Need 2 (Maltese Quality Produce) and 3 (Sustainable Livestock).

List of new requirements imposed by Union legislation for complying with which support may be granted under Article 17(6) of Regulation (EU) No 1305/2013

See relevant section at measure level.

Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014

Malta has not established the thresholds referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014.

Where relevant, definition of the thresholds referred to in Article 13(e) of Delegated Regulation (EU) No 807/2014

Malta has not established the thresholds referred to in Article 13(e) of Delegated Regulation (EU) No 807/2014, however, the sustainability criteria referred to in Directive 2009/28/EC have been transposed Nationally through Subsidiary Legislation 423.47. The RDP will not finance such interventions.

8.2.3.3.2. 4.2 - Support for investments in processing/marketing and/or development of agricultural products

Sub-measure:

- 4.2 - support for investments in processing/marketing and/or development of agricultural products

8.2.3.3.2.1. Description of the type of operation

The operation consists of grants that will support farmers and processors in adding value to primary products or in developing new products, and/or opening up new markets. There are two target groups: farmers and small processors (individually or in groups and partnerships), and specialised processors (companies). Investments by specialised processors must result in demonstrable benefits to Maltese agricultural producers. The key Focus Area for this sub-measure will be 3A.

The scheme will be encouraged to participate in operations supported under Measures 1 and 2 and where appropriate, Measure 16.

The scheme will be open to processing of agricultural products listed in Annex 1 to the Treaty as an input. Support under this measure shall also extend to investments that transform an Annex 1 product into a non-Annex 1 product. Processing activities cannot relate to on-farm preparation of an agricultural product for first sale, and marketing activities cannot relate to first sale by a primary producer to resellers or processors, or any activity related to first sale of a product. Processing is specifically related to undertaking activities to add value to primary production; while support for marketing must link to activities further down the supply chain, and not to first sale of primary produce. However, primary producers may benefit from marketing support if making sales to final consumers of a product in separate premises reserved for that purpose.

8.2.3.3.2.2. Type of support

Type of support: Grants

Grant support will be provided under this sub-measure.

8.2.3.3.2.3. Links to other legislation

- Regulation (EU) No. 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No. 1083/2006
- Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and

medium-sized enterprises.

- Commission Notice no. 2008/C155/02 on the application of Articles 87 and 88 of the EC Treaty to state aid in the form of guarantees;
- Malta Partnership Agreement for the Programming Period 2014-2020.
- Article 4 of Regulation (EU) No 1303/2013
- Article 6 of Regulation (EU) No 1303/2013
- Article 64 of Regulation (EU) No 1303/2013
- Article 65 of Regulation (EU) No 1303/2013
- Article 71 of Regulation (EU) No 1303/2013
- Article 13 of Regulation (EU) No 807/2014
- Articles 45 of Regulation (EU) No 1305/2013

8.2.3.3.2.4. Beneficiaries

- Farmers or groups of farmers, whether natural or legal persons;
- Other businesses/public entities/land managers active (prior to or as a result of the new investment) in the sectors of agricultural or rural business processing/marketing/development of Annex I products as an input.

8.2.3.3.2.5. Eligible costs

Eligible costs:

- The construction, acquisition, including through leasing, or improvement of immovable property;
- The purchase or lease-purchase of new machinery and equipment (including investments related to energy efficiency/generation);
- The costs of funding specialist contractors to undertake project management duties to realise the investment; General costs such as architects, engineers and consultation fees, feasibility studies, the acquisition of patent rights and licences up to a maximum 15% of the total eligible project cost;
- Intangible investments such as copyrights, trademarks or processes;
- Publicity costs, in line with Section 8.1 of the RDP and Article 13 and Annex III of Regulation (EU) No 808/2014;
- Contributions in kind in the form of provision of works, goods, services, land and real estate for which no cash payment supported by invoices or documents of equivalent probative value has been made, are eligible provided such provisions are made in National Implementing guidance document in line with Article 69 of Regulation (EU) No 1303/2013 and other relating eligibility rules of the ESI Funds.
- In line with Article 60 (2) of Regulation (EU) No 1305/2013, only expenditure which has been incurred after an application has been submitted to the competent authority shall be considered eligible
- SCOs in line with Articles 67(1)(b) based on Article 67(5)(a)(i) of Reg (EU) 1303/2013

For operations with eligible costs up to EUR 5 000, the reasonableness of the costs may be established by a draft budget agreed ex-ante by the Managing Authority.

Ineligible costs:

- Simple replacement investments shall not be eligible for support;
- The purchase of agricultural production rights, payment entitlements, animals, annual plants and their planting
- Support will not be granted to holdings or enterprises in difficulty within the meaning of the Union guidelines for state aid in the agriculture and forestry sector and the Union guidelines on State aid for rescuing and restructuring firms in difficulty.
- Other costs connected with the leasing contract, such as lessor's margin, interest refinancing costs, overheads and insurance charges (shall not be eligible expenditure).

8.2.3.3.2.6. Eligibility conditions

- Where the investment is likely to have negative effects on the environment, investment operations shall be preceded by an assessment of the expected environmental impact in accordance with legislation specific to that kind of investment (Article 45 EAFRD)
- Durability of the investment of 5 years following the final payment to the beneficiary – as stipulated by Article 71 of the Common Provisions Regulation. In cases concerning SMEs, the 5 year applicable period is reduced to 3 years in line with the same Article.
- In the case of investments related to bioenergy the criteria laid down in EU legislation (cf. Article 17(2) to (6) of Directive 2009/28/EC) have not been established at National level.
- Support will not be granted for when this is already provided for under the first pillar of CAP
- In the case of investments under the processing and marketing sub-measure the input must be an Annex I product. It is however admissible to support processing with non-Annex I products to the extent that they constitute a minor component of the output within the processing operation and are necessary for processing reasons, e.g. small percentages of additives.

- The input of the energy production for energy sold outside the farm holding shall always be an Annex I product

8.2.3.3.2.7. Principles with regards to the setting of selection criteria

In 2015, the Maltese Managing Authority held a consultation session with sector stakeholders to discuss draft selection criteria to be established for each measure in the new programming period. Under the Rural Development Programme 2014-2020, preference will be given to applications in which:

- the project proposed targets more than one indicator and/or contributes considerably towards the

relevant measure indicators

- preparedness of project proposal: applications showing a high level of preparedness to start the implementation of the project (permits, tenders, CBAs, etc.)Preference will also be given to applications showing that the organisation submitting the application has the necessary resources to implement the project as well as applications with effective project costing proposals, to ensure the viability and added value of the proposed project. Applications showing potential for the proposed project to lead to funding opportunities under other measures and/or funds, will also be favoured.

- social criteria: proposed intervention/s should aim to contribute towards the promotion of equal opportunities, equality, non-discrimination and improved accessibility whilst targeting sustainable development in the areas of economic growth, social cohesion and environmental protection

- young farmer: proposals in which the applicant or at least one of the farmers forming part of the PO/PG/Farmer Group applying for funding falls within the definition of young farmer as stipulated by Article 2 of Regulation (EU) No. 1305/2013, will be preferred

- beneficiary under M10: preference will also be given to applicants participating in at least one of the AECMs under Measure 10

- increase energy efficiency: the project's contribution towards increased efficiency as well as the inclusion of measures targeting the improvement of air quality, sustainable management/use of water and energy, better soil management and climate change adaptation and mitigation

- dissemination of the results: proposals which include information on the dissemination of the results achieved by the project and the promotion of EU funding - group of farmers (cooperation): proposals submitted by more than one farmer, cooperatives, POs/PGs, etc.

- improvement of production efficiency and resource efficient management Preference will be given to project proposals which aim at improving production efficiency and enabling more resource-efficient management of animal wastes, proposals for improvements in water capture, storage and distribution, smart irrigation, soil testing, quality assurance, and proposals submitted by groups of farmers rather than individuals. In this way support will be more targeted towards the livestock and horticultural sectors.

- participation in training / advisory services: applicants providing evidence of participation in relevant training or advisory services in the two years preceding the submission of the application

8.2.3.3.2.8. (Applicable) amounts and support rates

The applicable aid intensity, included grants through SCOs in line with Articles 67(1)(b) based on Article 67(5) (a)(i) of Reg (EU) 1303/2013, will be in accordance with the rates stipulated in Annex II of Regulation (EU) No 1305/2013 where both input and output are Annex I products is of 50% of the eligible amount but rates may be increased by an additional 20%, provided that maximum combined support does not exceed 90%, for:

- Operations supported in the framework of the European Innovation Partnership;
- Collective investments and integrated projects or operations linked to a merger of producer organisations.

Beneficiaries of investment related support may request the payment of an advance of up to 50% of the public aid related to the investment.

The measure allows also processing of Annex I products into non-Annex ones, but in such cases the relevant state aid rules apply.

An indicative measure funding capping may be applied. This is indicated in the national implementation guidance documents. Such capping will based on objective criteria in relation also to the objectives and to the number of holdings to be supported as set in the RDP and will not lead to an arbitrary discrimination of beneficiaries. However this indicative capping shall not apply to entities/groups whose application would have a national dimension. In case of national dimension applications, the Public/Private entity/co-operative application must lead to a direct/indirect impact within the wider agricultural sector.

8.2.3.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.3.3.2.9.1. Risk(s) in the implementation of the measures

Possible risks include:

- Non-adherence to Public Procurement Regulations/Principles
- Non-conformity with specific financial, business planning and reporting requirements imposed upon beneficiaries of support under this measure
- Risk of applicants presenting outdated quotations and/or other documentation at application stage, or financing investments at prices which do not reflect actual market prices at time of project implementation

8.2.3.3.2.9.2. Mitigating actions

The measures to be taken to improve the measure implementation and to reduce potential risks are:

- Guidance and assistance through information activities, training in order to ensure conformity of beneficiaries with Public Procurement Regulations/Principles
- Detailed measure application guidance notes and advisory support in order to guide applicants as to the specific financial, business planning and reporting requirements imposed upon beneficiaries of support under this measure
- The eligibility start date for reimbursement of expenditure will start as from the date of signing of the grant agreement (respecting Article 65(6) of Regulation (EU) No 1303/2013.
- Guidance and assistance through information activities, training in order to ensure conformity of beneficiaries with Public Procurement Regulations

8.2.3.3.2.9.3. Overall assessment of the measure

The measure creates the basis to achieve the priorities mentioned within the strategy by improving the competitiveness in the agri-food sector while ensuring an increased efficiency in terms of water consumption, production and use of energy from renewable sources, reduction of greenhouse gas and ammonia emissions from agriculture.

It will be essential to ensure a proper coverage in terms of Malta's five areas of need and types and location of beneficiaries, to facilitate their access to different funds through co-ordinated strategies using Measures 1 and 2 of the RDP, and to ensure an efficient implementation system leading to a good management.

8.2.3.3.2.10. Methodology for calculation of the amount or support rate, where relevant

In the case of adoption of SCO's, a pre-determined list of SCO's may be used through this sub-measure covering elements of the eligible costs under this measure. The applied simplified cost is based on Art 67 1(b) of (EU) Regulation 1303/2013, as established in line with Art 67 (5)(a)(i) of (EU) Regulation 1303/2013. These rates are set by external experts. The SCO's shall be described in the respective measure guidelines when the measure is launched, as applicable.

8.2.3.3.2.11. Information specific to the operation

Definition of non productive investments

Not applicable for sub-measure 4.2.

Definition of collective investments

Cooperation between multiple actors to carry out investments in shared facilities, infrastructure, or other physical interventions.

Definition of integrated projects

Not applicable.

Definition and identification of the eligible Natura 2000 sites and other eligible areas of high nature value

Not applicable for sub-measure 4.2.

Description of the targeting of the support to farms in accordance with the SWOT carried out in relation to the priority referred to in Article 5(2) of Regulation (EU) No 1305/2013

Not applicable for sub-measure 4.2.

List of new requirements imposed by Union legislation for complying with which support may be granted under Article 17(6) of Regulation (EU) No 1305/2013

See relevant section at measure level.

Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014

Malta has not established the thresholds referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014.

Where relevant, definition of the thresholds referred to in Article 13(e) of Delegated Regulation (EU) No 807/2014

Malta has not established the thresholds referred to in Article 13(e) of Delegated Regulation (EU) No 807/2014, however, the sustainability criteria referred to in Directive 2009/28/EC have been transposed Nationally through Subsidiary Legislation 423.47. The RDP will not finance such interventions.

8.2.3.3.3. 4.3 - Support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry

Sub-measure:

- 4.3 - support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry

8.2.3.3.3.1. Description of the type of operation

Many farms in Malta suffer from a lack of investment in basic infrastructure, which if improved, could contribute to reducing labour and input costs of production. The main areas of support are for access, soil conservation and water management, and renewable energy. Thus, the key Focus Areas for this sub-measure will be 2A, 3A, 4B, 5A, 5B and 5C.

The fragmented nature of land-holdings and small size of individual fields and parcels of land make access a particular problem for arable farms, both in terms of inputs (e.g. fertilisers, pesticides, water), and removing produce for marketing when harvesting crops. In some cases there is no access necessitating manual movement of inputs and outputs from the land.

Renewable energy offers significant scope for rural businesses to reduce energy costs. Farms and other rural enterprises need investment support for infrastructure associated with the installation and distribution of renewable energy (to and from the holding), and for energy generation using a range of technologies including: biomass from manures and wastes, solar, and wind power. Partnerships of farmers will be encouraged under the cooperation measure to ensure economies of scale are achieved.

Water management and associated soil management are activities that have lacked investment over previous decades. Arable farmers need support to invest in more effective and modern water capture, storage, and distribution systems that fit into the landscape and enable improved scope for sharing of structures and equipment. Livestock farms need support for investment in water treatment and recycling technology, and storage facilities.

Off-farm interventions under sub-measure 4.3 will include investments which are of benefit to a wider community, and not exclusively just for farmers and groups of farmers:

- Construction or improvement of farm access roads, footbridges, protection and consolidation works, marking and information systems, etc.;
- Measures to decrease soil erosion, redefining boundaries, etc.;
- Installations/infrastructure for distribution of renewable energy (to and from the holding) using biomass and other renewable energy sources (solar and wind power, geothermal). Installation of electricity sub-stations, cables and laying, pipelines, etc.;
- Water storage, recycling, water collection and treatment, by laying of an agricultural treated sewage effluent distribution network, investment in further polishing of second class water to make it suitable for agricultural use, etc. Urban waste water shall be treated according to the requirements set out in Directive 91/271/EEC following with the additional treatment to comply with the minimum requirements for water reuse in agriculture.

8.2.3.3.3.2. Type of support

Type of support: Grants

Grant support will be provided under this sub-measure.

8.2.3.3.3.3. Links to other legislation

- Regulation (EU) No. 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No. 1083/2006
- Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises.
- Commission Notice no. 2008/C155/02 on the application of Articles 87 and 88 of the EC Treaty to state aid in the form of guarantees;
- Malta Partnership Agreement for the Programming Period 2014-2020.

- Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy (EU Water Framework Directive)
- Malta's Water Catchment Management Plan (2015-2021)

- Article 4 of Regulation (EU) No 1303/2013
- Article 6 of Regulation (EU) No 1303/2013
- Article 64 of Regulation (EU) No 1303/2013
- Article 65 of Regulation (EU) No 1303/2013
- Article 71 of Regulation (EU) No 1303/2013
- Article 13 of Regulation (EU) No 807/2014

- Articles 45, 46 of Regulation (EU) No 1305/2013

8.2.3.3.3.4. Beneficiaries

Public or private individuals, groups, co-operatives, producer groups and companies in order to allow projects tailored to addressing one or more of Malta's five areas of need.

8.2.3.3.3.5. Eligible costs

Measure 4.3 will provide support for the following off-farm eligible costs:

- The construction, acquisition, including through leasing, or improvement of immovable property;
- The purchase or lease-purchase of new machinery and equipment (including investments related to energy efficiency/generation) up to the market value of the asset (second hand machinery and/or equipment will be ineligible);
- General costs such as architects, engineers, project management costs and consultation fees, feasibility studies, the acquisition of patent rights and licences up to a maximum 15% of the total eligible project cost;
- Water metering costs;
- Intangible investments such as computer software;
- Publicity costs, in line with Section 8.1 of the RDP and Article 13 and Annex III of Regulation (EU) No 808/2014;
- Contributions in kind in the form of provision of works, goods, services, land and real estate for which no cash payment supported by invoices or documents of equivalent probative value has been made, are eligible provided such provisions are made in National Implementing guidance document in line with Article 69 of Regulation (EU) No 1303/2013 and other relating eligibility rules of the ESI Funds.
- In line with Article 60 (2) of Regulation (EU) No 1305/2013, only expenditure which has been incurred after an application has been submitted to the competent authority shall be considered eligible
- SCOs in line with Articles 67(1)(b) based on Article 67(5)(a)(i) of Reg (EU) 1303/2013

For operations with eligible costs up to EUR 5 000, the reasonableness of the costs may be established by a draft budget agreed ex-ante by the Managing Authority.

Ineligible costs:

- Simple replacement investments shall not be eligible for support (however, operations such as investment in the functional improvement of agricultural water reserviors (ġibjuni) for agricultural purposes are **not** considered simple replacement);
- The purchase of agricultural production rights, payment entitlements, animals, annual plants and their planting
- Second-hand machinery and/or equipment
- Other costs connected with the leasing contract, such as lessor's margin, interest refinancing costs, overheads and insurance charges (shall not be eligible expenditure).

8.2.3.3.3.6. Eligibility conditions

- Support will not be granted to holdings or enterprises in difficulty within the meaning of the Union guidelines for state aid in the agriculture and forestry sector and the Union guidelines on State aid

for rescuing and restructuring firms in difficulty.

- Durability of the investment of 5 years following the final payment to the beneficiary – as stipulated by Article 71 of the Common Provisions Regulation. In cases concerning SMEs, the 5 year applicable period is reduced to 3 years in line with the same Article.
- In the case of investments in renewable energy the minimum criteria for energy efficiency (as per Article 13(c) of Regulation (EU) No 807/2014) have not been established at National level.
- With respect to the minimum percentage of heat to be utilised in conjunction with electricity produced from biomass (as per Article 13(d) of Regulation (EU) No 807/2014) kindly refer to Legal Notice 196 of 2014 – Energy Efficiency and Cogeneration Regulations, 2014 – Second Schedule. This percentage will not be lower than any minimum values established by applicable EU legislation.
- Where the investment is likely to have negative effects on the environment, investment operations shall be preceded by an assessment of the expected environmental impact in accordance with legislation specific to that kind of investment (Article 45 EAFRD)
- In the case of investments related to bioenergy, the criteria laid down in EU legislation (cf. Article 17(2) to (6) of Directive 2009/28/EC) have not been established.
- Support will not be granted for when this is already provided under the first pillar of CAP
- Support for investments in irrigation through improved water management and storage will only be eligible if they meet the relevant requirements of Article 46 of Regulation (EU) No. 1305/2013:

M4.1 and M4.3 Irrigation Eligibility Conditions

General eligibility conditions:

- Support for investments in irrigation through improved water management and storage will only be eligible if they meet the relevant requirements of Article 46 of Regulation (EU) No. 1305/2013:

1. The measures that financed investments in irrigation should clearly refer to the RBMP
2. Water metering enabling measurement of water use at the level supported investment must be in place (Article 46, §3) or shall be put in place as part of the investment.
3. Any water source used by the irrigation (or water use) scheme (except for surface water) is to be duly registered with the competent regulatory authorities (as per Legal Notice 255 of 2008). In the case of groundwater sources, only registered boreholes users will be eligible. Due to the very limited number of users (if any) who abstract directly from a body of surface water and the highly problematic issues associated with metering such abstractions, irrigation schemes using such waters will not be eligible for investments.
4. With respect to measures including the use of natural water resources in irrigation, the legality of the water source is a basic eligibility requirement.

Article 46 Eligibility Conditions (1)

Investments in existing irrigation installation or element of irrigation infrastructure (Article 46(4):

5. Investments to existing irrigation installations or element of irrigation infrastructure are eligible only if the ex-ante assessment determines that these will result in potential water savings of a minimum of 5% according to the technical parameters of the existing installation or infrastructure.
6. Moreover, before any investment in irrigation infrastructure is planned, the status of WBs must be known and reported to WISE. Accordingly, it should specified if the investment in irrigation infrastructure are likely to affect bodies of ground – or surface water - whose status has been identified as less than good in the RBMP for reasons related to water quantity.
    - If yes, the investment must ensure an effective reduction in water use, amounting to at least 50% of the potential water saving made possible by the investment.
    - In case of an investment on a single agricultural holding, investment in irrigation infrastructure must result in a reduction to the holdings' total water use amounting to at least 50% of the potential water savings made possible at the level of the investment (Article 46(4)(a)).

Article 46 Eligibility Conditions (2)

Investments resulting in a net increase of irrigated area affecting a given body of ground or surface water (Article 46(5) and (6)):

- Investments resulting in a net increase of irrigated area affecting a given body of ground or surface water will only be eligible if (Article 46(5)):
    - the status of the water body has not been identified as less than good in the relevant river basin management plan for reasons related to water quantity; and

Article 46 Eligibility Conditions (3)

- an environmental analysis shows that there will be no significant negative environmental impact from the investment. Such analysis must be approved by the competent authority and submitted together with the application for support

- By way of derogation from Article 46(5)(a) investments resulting in a net increase of the irrigated area may still be eligible if:
  - the investment is combined with an investment in an existing irrigation installation or element of irrigation infrastructure assessed ex ante as offering potential water savings of a minimum of 5% according to the technical parameters of the existing installation or infrastructure, and
  - the investment ensures an effective reduction in water use, at the level of the investment as a whole, amounting to at least 50% of the potential water savings made possible by the investment in the existing irrigation installation or element of infrastructure

Article 46 Eligibility Conditions (4)

Investments in rainwater runoff harvesting cisterns (reservoirs):

7. With respect to investments to existing reservoirs (cisterns), the conditions stipulated by Article 46(4) shall not apply. For investments in new reservoirs (cisterns), the conditions of Article 46(5) and (6) must be respected.

   The potential water saving impact of these interventions will be calculated as follows:

   (i) Rainwater Harvesting Infrastructure
   The potential water saving impact of rainwater harvesting infrastructure will be calculated at seven (7) times the storage capacity of the infrastructure. This, to take into account the multiple-use factor of the infrastructure during the rainy season.

   (ii) Irrigation Technology
   The potential water saving impact of irrigation technology will be calculated as the difference between the projected use of irrigation water using the new or upgraded infrastructure and that which would have resulted with the existing infrastructure. A typical cropping season will be developed to standardise such calculations.

   (iii) Irrigation Network Infrastructure
   The potential water saving impact of irrigation network infrastructure will be calculated as the effective capacity of the network infrastructure to supply alternative water resources in substitution of natural water resources.

   Malta will use any historical data available, however in the absence of past metering data such information can be extracted through crop irrigation demand models such as FAO's Cropwat package (or equivalent software).

Rainwater collected in cisterns will be utilised for irrigation purposes. In this respect, an estimate based calculation of water use for irrigation in supported reservoirs (cisterns) will be applied according to the size of the cistern supported as part of the investment (water quantity) and residual variable.

Article 46 Eligibility Conditions (5)

8.2.3.3.3.7. Principles with regards to the setting of selection criteria

In 2015, the Maltese Managing Authority held a consultation session with sector stakeholders to discuss draft selection criteria to be established for each measure in the new programming period. Under the Rural Development Programme 2014-2020, preference will be given to applications in which:

- the project proposed targets more than one indicator and/or contributes considerably towards the relevant measure indicators

- preparedness of project proposal: applications showing a high level of preparedness to start the implementation of the project (permits, tenders, CBAs, etc.)Preference will also be given to

applications showing that the organisation submitting the application has the necessary resources to implement the project as well as applications with effective project costing proposals, to ensure the viability and added value of the proposed project. Applications showing potential for the proposed project to lead to funding opportunities under other measures and/or funds, will also be favoured.

- social criteria: proposed intervention/s should aim to contribute towards the promotion of equal opportunities, equality, non-discrimination and improved accessibility whilst targeting sustainable development in the areas of economic growth, social cohesion and environmental protection

- young farmer: proposals in which the applicant or at least one of the farmers forming part of the PO/PG/Farmer Group applying for funding falls within the definition of young farmer as stipulated by Article 2 of Regulation (EU) No. 1305/2013, will be preferred

- beneficiary under M10: preference will also be given to applicants participating in at least one of the AECMs under Measure 10

- increase energy efficiency: the project's contribution towards increased efficiency as well as the inclusion of measures targeting the improvement of air quality, sustainable management/use of water and energy, better soil management and climate change adaptation and mitigation

- effective water savings: project proposals which are envisaged to result in a high percentage of effective water savings shall be prioritised accordingly

- dissemination of the results: proposals which include information on the dissemination of the results achieved by the project and the promotion of EU funding - group of farmers (cooperation): proposals submitted by more than one farmer, cooperatives, POs/PGs, etc.

- improvement of production efficiency and resource efficient management Preference will be given to project proposals which aim at improving production efficiency and enabling more resource-efficient management of animal wastes, proposals for improvements in water capture, storage and distribution, smart irrigation, soil testing, quality assurance, and proposals submitted by groups of farmers rather than individuals. In this way support will be more targeted towards the livestock and horticultural sectors.

- participation in training / advisory services: applicants providing evidence of participation in relevant training or advisory services in the two years preceding the submission of the application

8.2.3.3.3.8. (Applicable) amounts and support rates

In case of investments concerning agricultural infrastructure, the aid intensity rate is 90%, including grants through SCOs in line with Articles 67(1)(b) based on Article 67(5) (a)(i) of Reg (EU) 1303/2013.

Beneficiaries of investment related support may request the payment of an advance of up to 50% of the

public aid related to the investment.

An indicative measure funding capping may be applied. This is indicated in the national implementation guidance documents. Such capping will based on objective criteria in relation also to the objectives and to the number of holdings to be supported as set in the RDP and will not lead to an arbitrary discrimination of beneficiaries. However this indicative capping shall not apply to entities/groups whose application would have a national dimension. In case of national dimension applications, the Public/Private entity/co-operative applying as a result of its application must lead to a direct/indirect impact within the agricultural sector extending beyond the scope of the same applicant.

8.2.3.3.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.3.3.3.9.1. Risk(s) in the implementation of the measures

Possible risks include:

- Non-adherence to Public Procurement Regulations/Principles
- Non-conformity with specific financial, business planning and reporting requirements imposed upon beneficiaries of support under this measure
- Risk of applicants presenting outdated quotations and/or other documentation at application stage, or financing investments at prices which do not reflect actual market prices at time of project implementation
- The utilised minimum percentage of heat energy, for investments in installations the primary purpose of which is electricity production from biomass, is not yet defined by the Maltese Authorities
- Absence of necessary framework for the issuing of water permits

8.2.3.3.3.9.2. Mitigating actions

The measures to be taken to improve the measure implementation and to reduce potential risks are:

- Guidance and assistance through information activities, training in order to ensure conformity of beneficiaries with Public Procurement Regulations/Principles
- Detailed measure application guidance notes and advisory support in order to guide applicants as to the specific financial, business planning and reporting requirements imposed upon beneficiaries of support under this measure
- The eligibility start date for reimbursement of expenditure will start as from the date of signing of the grant agreement (respecting Article 65(6) of Regulation (EU) No 1303/2013
- Investments in installations the primary purpose of which is electricity production from biomass, will not be eligible until the Maltese authorities will not define the utilised minimum percentage of heat energy
- Malta will consider the introduction of regulatory instruments to effectively monitor water use by the

sector

8.2.3.3.3.9.3. Overall assessment of the measure

The measure creates the basis to achieve the priorities mentioned within the strategy by improving the competitiveness in the agri-food sector while ensuring an increased efficiency in terms of water consumption, production and use of energy from renewable sources, reduction of greenhouse gas and ammonia emissions from agriculture.

It will be essential to ensure a proper coverage in terms of Malta's five areas of need and types and location of beneficiaries, to facilitate their access to different funds through co-ordinated strategies using Measures 1 and 2 of the RDP, and to ensure an efficient implementation system leading to a good management.

8.2.3.3.3.10. Methodology for calculation of the amount or support rate, where relevant

In the case of adoption of SCO's, a pre-determined list of SCO's may be used through this sub-measure covering elements of the eligible costs under this measure. The applied simplified cost is based on Art 67 1(b) of (EU) Regulation 1303/2013, as established in line with Art 67 (5)(a)(i) of (EU) Regulation 1303/2013. These rates are set by external experts. The SCO's shall be described in the respective measure guidelines when the measure is launched, as applicable.

8.2.3.3.3.11. Information specific to the operation

Definition of non productive investments

Not relevant for sub-measure 4.3.

Definition of collective investments

Cooperation between multiple actors to carry out investments in shared facilities, infrastructure, or other physical interventions.

Definition of integrated projects

Not applicable.

Definition and identification of the eligible Natura 2000 sites and other eligible areas of high nature value

Not relevant for sub-measure 4.3.

Description of the targeting of the support to farms in accordance with the SWOT carried out in relation to the priority referred to in Article 5(2) of Regulation (EU) No 1305/2013

Not applicable for sub-measure 4.3.

List of new requirements imposed by Union legislation for complying with which support may be granted under Article 17(6) of Regulation (EU) No 1305/2013

See relevant section at measure level

Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014

Malta has not established the thresholds referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014.

Where relevant, definition of the thresholds referred to in Article 13(e) of Delegated Regulation (EU) No 807/2014

Malta has not established the thresholds referred to in Article 13(e) of Delegated Regulation (EU) No 807/2014, however, the sustainability criteria referred to in Directive 2009/28/EC have been transposed Nationally through Subsidiary Legislation 423.47. The RDP will not finance such interventions.

8.2.3.3.4. 4.4 - Support for non-productive investments linked to the achievement of agri-environment-climate objectives

Sub-measure:

- 4.4 - support for non-productive investments linked to the achievement of agri-environment-climate objectives

8.2.3.3.4.1. Description of the type of operation

Support under this operation will provide for investment envisaged to contribute to the achievement of agri-environment-climate objectives and will include the restoration of habitats and landscapes, soil conservation, and water management where there is no significant economic return to a farm or other rural business from such action. Thus it will contribute largely to Focus areas 4A, 4B and 4C.

Support may be provided for capital works within the framework of an agri-environment-climate schemes, including collective landscape management groups as well as individual farm-level contracts and may include, for example management plans, and works, establishing, restoring, or re-instating infrastructure needed for management of habitats. This includes rubble wall (or other suitable boundary feature) establishment or restoration, terracing, and soil conservation measures.

Restoration of landscape features and corbelled stone huts may also be supported under this measure, as may habitat creation or restoration works requiring investment actions.

Farming, as the major influence on the landscape and thus on habitat and biodiversity requires support to encourage investment in understanding, identifying and maintaining key features of the landscape. Beneficiaries of support from the scheme will therefore be encouraged to provision of suitable advice and training delivered under Measures 1 and 2 to ensure farmers have the capacity, knowledge and skills to maximise the benefits from non-productive investments. Support will be prioritised when it forms part of a planned programme of measures for a specific local area, planned alongside agri-environment-climate measures and within the scope of a valley or local area management partnership convened under the co-operative action measure.

Cooperative action (supported under Measure 16) will also be essential in identifying those high-nature value areas and actions (e.g. farmland adjoining clusters of Natura 2000 areas; areas targeted for rural tourism growth and investment as identified in Malta's tourism strategy) that might most benefit from focused investment in order to deliver maximum environmental and landscape benefits.

8.2.3.3.4.2. Type of support

Type of support: Grants

Grant support will be provided under this sub-measure.

8.2.3.3.4.3. Links to other legislation

- Regulation (EU) No. 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No. 1083/2006
- Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises.
- Commission Notice no. 2008/C155/02 on the application of Articles 87 and 88 of the EC Treaty to state aid in the form of guarantees;
- Malta Partnership Agreement for the Programming Period 2014-2020.

- Article 4 of Regulation (EU) No 1303/2013
- Article 6 of Regulation (EU) No 1303/2013
- Article 64 of Regulation (EU) No 1303/2013
- Article 65 of Regulation (EU) No 1303/2013
- Article 71 of Regulation (EU) No 1303/2013
- Article 13 of Regulation (EU) No 807/2014
- Articles 45, 46 of Regulation (EU) No 1305/2013

8.2.3.3.4.4. Beneficiaries

- Farmers or groups of farmers, whether natural or legal persons;
- Other businesses / public entities / non-profit organisations and land managers.

8.2.3.3.4.5. Eligible costs

- The purchase of machinery and real estate is not eligible, unless intervention concerns setting up or reinstalling specific infrastructures in order to manage the different habitats.
- The construction, acquisition, including through leasing, or improvement of immovable property;
- General costs such as architects, engineers, project management costs and consultation fees, feasibility studies, the acquisition of patent rights and licences up to a maximum 15% of the total eligible project cost;
- Intangible investments such as copyrights, trademarks or processes;
- The costs of establishing management plans (such as Natura 2000 Management Plans, Integrated Pest Management Plans and Soil Management Plans) and their equivalent;
- Fencing and other works needed to facilitate conservation management, including protection of water and soil;
- Restoration costs of wetlands and moorland, and landscapes and features;
- Costs for building/restoration of dry stone walls and rubble walls;
- Simple replacement investments shall not be eligible for support;
- Publicity costs, in line with Section 8.1 of the RDP and Article 13 and Annex III of Regulation (EU) No 808/2014;

- Contributions in kind in the form of provision of works, goods, services, land and real estate for which no cash payment supported by invoices or documents of equivalent probative value has been made, are eligible provided such provisions are made in National Implementing guidance document in line with Article 69 of Regulation (EU) No 1303/2013 and other relating eligibility rules of the ESI Funds.
- In line with Article 60 (2) of Regulation (EU) No 1305/2013, only expenditure which has been incurred after an application has been submitted to the competent authority shall be considered eligible
- SCOs in line with Articles 67(1)(b) based on Article 67(5)(a)(i) of Reg (EU) 1303/2013

For operations with eligible costs up to EUR 5 000, the reasonableness of the costs may be established by a draft budget agreed ex-ante by the Managing Authority.

- Ineligible costs:

- Simple replacement investments shall not be eligible for support;
- The purchase of agricultural production rights, payment entitlements, animals, annual plants and their planting;
- Second-hand machinery and/or equipment
- Other costs connected with the leasing contract, such as lessor's margin, interest refinancing costs, overheads and insurance charges (shall not be eligible expenditure).

8.2.3.3.4.6. Eligibility conditions

- Support will not be granted to holdings or enterprises in difficulty within the meaning of the Union guidelines for state aid in the agriculture and forestry sector and the Union guidelines on State aid for rescuing and restructuring firms in difficulty.
- Durability of the investment of 5 years following the final payment to the beneficiary – as stipulated by Article 71 of the Common Provisions Regulation. In cases concerning SMEs, the 5 year applicable period is reduced to 3 years in line with the same Article.
- Supported non-productive investments are to be related to purely environmental improvements
- Where the investment is likely to have negative effects on the environment, investment operations shall be preceded by an assessment of the expected environmental impact in accordance with legislation specific to that kind of investment (Article 45 EAFRD)
- Support can be provided for tangible and/or intangible investments which are non-productive investments [linked to the achievement of agri-environment-climate objectives as pursued under the Rural Development Regulation], including biodiversity conservation status of species and habitat as well as enhancing the public amenity value of a Natura 2000 area or other high nature value systems to be defined in the programme
- Support will not be granted for when this is already provided under the first pillar of CAP

8.2.3.3.4.7. Principles with regards to the setting of selection criteria

In 2015, the Maltese Managing Authority held a consultation session with sector stakeholders to discuss draft selection criteria to be established for each measure in the new programming period.

Under the Rural Development Programme 2014-2020, preference will be given to applications in which:

- the project proposed targets more than one indicator and/or contributes considerably towards the relevant measure indicators

- preparedness of project proposal: applications showing a high level of preparedness to start the implementation of the project (permits, tenders, CBAs, etc.)Preference will also be given to applications showing that the organisation submitting the application has the necessary resources to implement the project as well as applications with effective project costing proposals, to ensure the viability and added value of the proposed project. Applications showing potential for the proposed project to lead to funding opportunities under other measures and/or funds, will also be favoured.

- social criteria: proposed intervention/s should aim to contribute towards the promotion of equal opportunities, equality, non-discrimination and improved accessibility whilst targeting sustainable development in the areas of economic growth, social cohesion and environmental protection

- agri-environment-climate: priority will be given to applications which include interventions which are of greater benefit to agri-environment-climate objectives/targets and which are complementary to the schemes established under M10.1 of Malta's RDP

- young farmer: proposals in which the applicant or at least one of the farmers forming part of the PO/PG/Farmer Group applying for funding falls within the definition of young farmer as stipulated by Article 2 of Regulation (EU) No. 1305/2013, will be preferred

- beneficiary under M10: preference will also be given to applicants participating in at least one of the AECMs under Measure 10

- dissemination of the results: proposals which include information on the dissemination of the results achieved by the project and the promotion of EU funding

- group of farmers (cooperation): proposals submitted by more than one farmer, cooperatives, POs/PGs, etc.

- participation in training / advisory services: applicants providing evidence of participation in relevant training or advisory services in the two years preceding the submission of the application

8.2.3.3.4.8. (Applicable) amounts and support rates

In case of investments concerning non-productive investments, the aid intensity rate is 80%, including grants through SCOs in line with Articles 67(1)(b) based on Article 67(5) (a)(i) of Reg (EU) 1303/2013.

Beneficiaries of investment related support may request the payment of an advance of up to 50% of the public aid related to the investment.

An indicative measure funding capping may be applied. This is indicated in the national implementation

guidance documents. Such capping will based on objective criteria in relation also to the objectives and to the number of holdings to be supported as set in the RDP and will not lead to an arbitrary discrimination of beneficiaries. However this indicative capping shall not apply to entities/groups whose application would have a national dimension. In case of national dimension applications, the Public/Private entity/co-operative application must lead to a direct/indirect impact within the wider agricultural sector.

8.2.3.3.4.9. Verifiability and controllability of the measures and/or types of operations

8.2.3.3.4.9.1. Risk(s) in the implementation of the measures

Possible risks include:

- Non-adherence to Public Procurement Regulations/Principles
- Non-conformity with specific financial, business planning and reporting requirements imposed upon beneficiaries of support under this measure

- Risk of applicants presenting outdated quotations and/or other documentation at application stage, or financing investments at prices which do not reflect actual market prices at time of project implementation

8.2.3.3.4.9.2. Mitigating actions

The measures to be taken to improve the measure implementation and to reduce potential risks are:

- Guidance and assistance through information activities, training in order to ensure conformity of beneficiaries with Public Procurement Regulations/Principles
- Detailed measure application guidance notes and advisory support in order to guide applicants as to the specific financial, business planning and reporting requirements imposed upon beneficiaries of support under this measure

- The eligibility start date for reimbursement of expenditure will start as from the date of signing of the grant agreement (respecting Article 65(6) of Regulation (EU) No 1303/2013.

8.2.3.3.4.9.3. Overall assessment of the measure

The measure creates the basis to achieve the priorities mentioned within the strategy by improving the competitiveness in the agri-food sector while ensuring an increased efficiency in terms of water consumption, production and use of energy from renewable sources, reduction of greenhouse gas and ammonia emissions from agriculture.

It will be essential to ensure a proper coverage in terms of Malta's five areas of need and types and location of beneficiaries, to facilitate their access to different funds through co-ordinated strategies using Measures 1 and 2 of the RDP, and to ensure an efficient implementation system leading to a good management.

8.2.3.3.4.10. Methodology for calculation of the amount or support rate, where relevant

In the case of adoption of SCO's, a pre-determined list of SCO's may be used through this sub-measure covering elements of the eligible costs under this measure. The applied simplified cost is based on Art 67 1(b) of (EU) Regulation 1303/2013, as established in line with Art 67 (5)(a)(i) of (EU) Regulation 1303/2013. These rates are set by external experts. The SCO's shall be described in the respective measure guidelines when the measure is launched, as applicable.

8.2.3.3.4.11. Information specific to the operation

Definition of non productive investments

A non-productive investment must not lead to a significant increase in the value or profitability of the agricultural/forestry holding. Capital works in the framework of an agri-environment-climate strategy, management plan, partnership or commitment, e.g. restoration of habitats and landscapes, including setting up or re-instating the infrastructure needed to allow appropriate management of habitats;

Definition of collective investments

Cooperation between multiple actors to carry out investments in shared facilities, infrastructure, or other physical interventions.

Definition of integrated projects

Not applicable.

Definition and identification of the eligible Natura 2000 sites and other eligible areas of high nature value

- Information on Natura 2000 sites and other areas of high nature value can be found on the MEPA website at the following locations:

- http://www.mepa.org.mt/impnatareas-pas-int-n2k-dsmap
- http://www.mepa.org.mt/impnatareas

All Natura 2000 sites or areas of high nature value are eligible

Description of the targeting of the support to farms in accordance with the SWOT carried out in relation to the priority referred to in Article 5(2) of Regulation (EU) No 1305/2013

Not applicable for sub-measure 4.4.

List of new requirements imposed by Union legislation for complying with which support may be granted under Article 17(6) of Regulation (EU) No 1305/2013

Not applicable.

Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014

Not relevant.

Where relevant, definition of the thresholds referred to in Article 13(e) of Delegated Regulation (EU) No 807/2014

Not relevant.

8.2.3.4. Verifiability and controllability of the measures and/or types of operations

8.2.3.4.1. Risk(s) in the implementation of the measures

Possible risks include:

- Non-adherence to Public Procurement Regulations/Principles
- Non-conformity with specific financial, business planning and reporting requirements imposed upon beneficiaries of support under this measure
- Risk of applicants presenting outdated quotations and/or other documentation at application stage, or financing investments at prices which do not reflect actual market prices at time of project implementation

8.2.3.4.2. Mitigating actions

The measures to be taken to improve the measure implementation and to reduce potential risks are:

- Guidance and assistance through information activities, training in order to ensure conformity of beneficiaries with Public Procurement Regulations/Principles
- Detailed measure application guidance notes and advisory support in order to guide applicants as to the specific financial, business planning and reporting requirements imposed upon beneficiaries of support under this measure

The eligibility start date for reimbursement of expenditure will start as from the date of signing of the grant agreement (respecting Article 65(6) of Regulation (EU) No 1303/2013.

8.2.3.4.3. Overall assessment of the measure

The measure creates the basis to achieve the priorities mentioned within the strategy by improving the competitiveness in the agri-food sector while ensuring an increased efficiency in terms of water consumption, production and use of energy from renewable sources, reduction of greenhouse gas and ammonia emissions from agriculture.

It will be essential to ensure a proper coverage in terms of Malta's five areas of need and types and location of beneficiaries, to facilitate their access to different funds through co-ordinated strategies using Measures 1 and 2 of the RDP, and to ensure an efficient implementation system leading to a good management.

8.2.3.5. Methodology for calculation of the amount or support rate, where relevant

In the case of adoption of SCO's, a pre-determined list of SCO's may be used through this sub-measure covering elements of the eligible costs under this measure. The applied simplified cost is based on Art 67 1(b) of (EU) Regulation 1303/2013, as established in line with Art 67 (5)(a)(i) of (EU) Regulation 1303/2013. These rates are set by external experts. The SCO's shall be described in the respective measure guidelines when the measure is launched, as applicable.

8.2.3.6. Information specific to the measure

Definition of non productive investments

See relevant sections at sub-measure level.

Definition of collective investments

See relevant sections at sub-measure level.

Definition of integrated projects

Not applicable.

Definition and identification of the eligible Natura 2000 sites and other eligible areas of high nature value

See relevant sections at sub-measure level.

Description of the targeting of the support to farms in accordance with the SWOT carried out in relation to the priority referred to in Article 5(2) of Regulation (EU) No 1305/2013

See relevant sections at sub-measure level.

List of new requirements imposed by Union legislation for complying with which support may be granted under Article 17(6) of Regulation (EU) No 1305/2013

Not applicable.

Where relevant, the minimum standards for energy efficiency referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014

Malta has not established the thresholds referred to in Article 13(c) of Delegated Regulation (EU) No 807/2014.

Where relevant, definition of the thresholds referred to in Article 13(e) of Delegated Regulation (EU) No 807/2014

Malta has not established the thresholds referred to in Article 13(e) of Delegated Regulation (EU) No 807/2014, however, the sustainability criteria referred to in Directive 2009/28/EC have been transposed Nationally through Subsidiary Legislation 423.47. The RDP will not finance such

interventions.

8.2.3.7. Other important remarks relevant to understand and implement the measure

Complementarity with Article 20

As regards investments in infrastructure, only public roads are eligible under Measure 4.3 (Article 17), while private roads can be supported under Measure 4.1.

Processing with non-Annex I products

While processing of non-Annex 1 products, as input products to be processed, is not eligible under Measure 4 (Article 17), it is however admissible to support processing with non-Annex I products to the extent that they constitute a minor component of the output within the processing operation and are necessary for processing reasons, e.g. small percentages of additives.

8.2.4. M06 - Farm and business development (art 19)

8.2.4.1. Legal basis

- Article 19 of Regulation (EU) No. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)

- Commission Delegated Regulation (EU) No. 807/2014 supplementing Regulation (EU) No. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and introducing transitional provisions

- Commission Implementing Regulation (EU) No. 808/2014 laying down rules for the application of Regulation (EU) No. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)

8.2.4.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

This measure will assist young farmers setting up for the first time who intend to engage in an agricultural activity as the main holders of a farm or land (M6.1). Furthermore farmers will receive support to diversify into non-agricultural activities (such as small-scale processing of local food such as preserves, provision of accommodation, or operating rural walks, tours and rides) (M6.4).. The Measure in particular will address the following needs:

- business start-up support for young farmers, and

- diversification into non-agricultural activities for farm families (particularly women and young people).

The measure will offer support to address three out of the five thematic areas of need identified for Malta. These are discussed in more detail below.

Wider rural economy and the quality of life

The Measure will be used to help businesses in rural areas adopt new and innovative practices or procedures, in order to boost productivity and sustainability, enhance rural tourism product development, upgrade the cultural and natural heritage of villages and rural landscapes, and facilitate development of local skills and traditional crafts, amongst others.

The RDP strategy has identified the creation and/or maintenance of rural tourism business ventures as a valuable action to help farmers to diversify and provide opportunities for new small-scale rural entrepreneurship. It is also possible that one offshoot of actions to repair landscape infrastructure under Malta's need 'landscape and environment' (supported under M4) could be a stimulus to new business ventures focused on landscape management actions (supported under M6), which would be eligible to seek support for their start-up under this measure, providing a win-win for environment and rural economy/community goals.

Cooperation between site managers, land managers, tourism operators, local councils, and others will be required to achieve effective development, promotion, and utilisation of new or expanded rural tourism ventures.

Maltese Quality produce

The Measure will support farmers (i.e. agricultural enterprises) to undertake new non-agricultural activities (such as engaging in processing, or developing new marketing and retailing approaches). This may be especially applicable where primary producers are working together to improve product quality and add value through developing and adopting a set of quality assurance standards for processed goods.

In view of the ageing farm population in Malta, business start-up aid for young farmers to set up new farm businesses or ventures, or new food chain businesses producing, processing into Annex I products or selling Maltese quality products will be an important activity under this Measure.

Sustainable Livestock

As with the previous need, business start-up aid for young farmers setting up for the first time on an agricultural holding would be relevant under this Measure. A young farmer apprenticeship scheme – to support entry of those not from traditional farming backgrounds to move into the sector – could also be supported.

Under Measure 6, Malta will be programming sub-measures:

- 6.1 – business start-up aid for young farmers
- 6.4 - support for investments in creation and development of non-agricultural activities

Contribution to Focus Areas and cross-cutting objectives

Contribution to Focus Area

- Focus Area 2B: Facilitating generational renewal in the agricultural sector. Business start-up aid for young farmers (6.1) will encourage the entry of new young farmers in the local agricultural sector, thereby contributing directly to the aim of this FA, that is, to a younger local farming population.

• Focus Area 6A: Facilitating diversification from the agricultural sector, creating new small enterprises and other forms of job creation. Sub-measure 6.4 will provide support which will allow the creation and development of non-agricultural activities, thereby providing a direct contribution to this FA by encouraging the creation of new small enterprises and subsequently creating new jobs.

Contribution to Cross-Cutting Objectives

Innovation

Support for farm diversification, rural business growth (direct contribution through sub-measure 6.4) and young farmer start-ups (direct contribution through sub-measure 6.1) will contribute to innovative developments as a younger and more highly-trained generation enters into the rural development sector. For example, developing new products and application of new technologies by young farmers or others setting up in business will contribute to the Innovation objectives of the EU.

Setting-up

In the context of support under this measure setting up as head of holding means that the young farmer must be in the process of applying to become the head of holding for the first time at the time of the application for support. Potential applicants who have not yet started this process, or who have completed this process will not be eligible for support. In order to be considered the head of holding they must be able to exercise effective and long term control over the holding in terms of decisions related to management, benefits and financial risks. For a single member business the position is clear in that the only member of the business will be head of holding. For multi-member businesses and legal entities they will need to be able to provide evidence that they are in a position to exercise such control.

The process of 'setting up' will begin when an applicant can demonstrate that they are actively preparing to become head of holding for the first time. The young farmer receiving support will meet the active farmer definition within 18 months from the start date of 'setting up', a provision which must be included in the business plan. The process of setting up will end when the applicant has either entered into a contractual agreement or equivalent arrangement that results in them meeting the criteria of head of holding.

Actively Preparing

In the case of natural persons, a young farmer must possess the following:

1. A holding/farm,
2. A VAT no.
3. Be recognised as a farmer by the JobsPlus, formerly known as the Employment and Training Corporation (ETC)
4. Necessary licences/permits (with respect to livestock farms)

Therefore, in order for a young farmer to be considered as "actively preparing" he/she must provide evidence the process has been initiated by presenting the application/request of one or more of the requirements listed above. The end date of this process will be when the young farmer has all the actual

documents at hand.

8.2.4.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regard to the setting of selection criteria

8.2.4.3.1. 6.1 - Business start up aid for young farmers

Sub-measure:

- 6.1 - business start up aid for young farmers

8.2.4.3.1.1. Description of the type of operation

Young farmers frequently need support to enter into agricultural activity. Barriers exist in the form of: difficulties in accessing land through the high costs of either purchasing or renting, fragmentation of land, and difficulties in obtaining loans for business investment through regular commercial channels (lack of collateral). Young farmers also face problems in accessing markets, and resistance from older farmers who are not open to new ideas, innovation in production and marketing, or investment in new processes.

Despite significant numbers of young people attending agricultural courses in Malta, few enter farming due to the barriers identified above and perceived limited financial returns and long hours in the sector. This measure is thus a key element in the strategy to encourage a more attractive, innovative and efficient sector in future.

Training and Advice

Though not obligatory, young farmers benefitting from support under sub-measure 6.1 are encouraged to participate in general training (supported under Measure 1) on environment and climate change issues, as well as advice (supported under Measure 2) specific to their projects concerning environment and climate management. This will help in incorporating long-term adaptation and resilience to climate change within business plans.

8.2.4.3.1.2. Type of support

Type of support: Grants

Support is provided for facilitating the setting up of the young farmer and the start of his or her agricultural activities. The purposes of support should be clearly linked to his/her business plan but it is not limited to the provisions of Article 45 of the Regulation (EU) 1305/2013 and can cover some running costs in relation to the implementation of the business plan.

Types of supported operations

Malta will consider using this measure in combination with other measures such as knowledge transfer, advisory services, co-operation, and investments in physical assets. This will ensure integration with other activities to address one or more of the five thematic areas of need identified for Malta, and ensure farmers are adequately prepared in terms of knowledge and skills required for developing new business and/or diversifying into non-agricultural activities, as part of the approval process for this measure.

Support under this measure will be contingent upon the following:

i. A business plan that has to be approved by the Managing Authority and which shall contain as a minimum the following elements:

- the initial situation of the agricultural holding;
- milestones and targets for the development of the activities of the agricultural holding;
- details of the actions, including those related to environmental sustainability and resource efficiency, required for the development of the activities of the agricultural holding, such as investments, training, advice.

8.2.4.3.1.3. Links to other legislation

- Regulation (EU) No. 1307/2013 of the European Parliament and Council establishing rules for direct payments to farmers under support schemes within the common agricultural policy.
- Regulation (EU) No. 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council
- Malta Partnership Agreement for the 2014-2020 Programming Period

- Article 65 of Regulation (EU) No. 1303/2013
- Article 9 of Regulation (EU) No. 1307/2013

8.2.4.3.1.4. Beneficiaries

Support will be provided to a young farmer which is defined as follows:

- A person, who is less than 40 years of age at the moment of submitting the application, and is setting up for the first time in an agricultural holding as head of the holding.
- The business plan shall provide that the young farmer has to comply with the definition of active farmer under Article 9 of Regulation (EU) No DP/2013, as applicable in Malta in line with Article 19 of Regulation (EU) No 1305/2013), within 18 months from the date of setting up.

In order to be considered eligible, potential beneficiaries shall submit an application up until the day before their 41st birthday.

8.2.4.3.1.5. Eligible costs

There are no restrictions of the costs that could be covered under Article 19(1)(a) as long as the maximum amounts defined in Annex II of Regulation (EU) No. 1305/2013 are respected for each of the start-up aid category.

8.2.4.3.1.6. Eligibility conditions

- The applicant shall fall under the definition of a young farmer;
- The applicant shall possess or acquire adequate vocational skills and competencies by the time of completion of the project. This will have to consist as a minimum of a certificate issued by the relevant training institution relevant to the sector or areas of activity for which aid is being requested;
- Implementation of the business plan must commence within 9 months of the date of granting of support under this measure. Applicants will be required to set out their existing occupational skills as part of their business plan. Business plans must be implemented within a maximum period of 4 years from the granting of support under this measure, thereby allowing sufficient time for necessary controls of business plans and final payments;
- Occupational skills may consist of formal academic or vocational qualifications, not necessarily in agricultural subjects. Qualifications in other fields which may be applied effectively in an agricultural context, such as economics, business studies, accountancy, geography, sciences, etc. Alternatively occupational skills may be demonstrated through a track record of training and learning through work experience which did not necessarily result in formal/vocational qualification. Where applicants intend to acquire such skills during the 36 months grace period, the business plan will include information on relevant training to be undertaken.

- The applicant shall submit a Business Plan to be implemented according to the requirements of the Regulations on support for rural development from EAFRD;
- The applicant shall become an active farmer as per the conditions provided for in the Regulation on support for rural development from EAFRD;
- Support is limited to micro and small enterprises as stipulated in Article 19(4) of Regulation (EU)

No 1305/2013.

- **Conditions for the granting of aid to Young Farmers**

1. Where the application for support concerns a holding owned by a legal person, a young farmer within the meaning of Article 2(1)(n) of Regulation (EU) No 1305/2013 shall exercise effective and long-term control (see relevant section on long-term control for further details) over the legal person in terms of decisions related to management, benefits and financial risks.
2. Where several natural persons, including person(s) who are not young farmer(s), participate in the capital or management of the legal person, the young farmer shall be capable of exercising such effective and long-term control solely
3. Where a legal person is solely controlled by another legal person, requirements laid down in point 1 above shall apply to any natural person having control over that other legal person.
4. All the elements of the definition of young farmer set out in Article 2(1)(n) of Regulation (EU) No 1305/2013 have to be met at the moment of submission of an application for support.

A grace period, not exceeding 36 months from the date of the individual decision granting support, will be allowed to the beneficiary, in order to meet the conditions relating to the acquisition of the occupational skills specified in the rural development programme.

8.2.4.3.1.7. Principles with regards to the setting of selection criteria

In 2015, the Maltese Managing Authority held a consultation session with sector stakeholders to discuss draft selection criteria to be established for each measure in the new programming period. Under the Rural Development Programme 2014-2020, preference will be given to applications in which the project proposed targets more than one indicator and/or contributes considerably towards the relevant measure indicators. Preference will also be given to applications showing a high level of preparedness to start the implementation of the project, particularly in instances which could necessitate the approval of permits, the issuing of tenders, the drafting of CBAs etc.

In addition, preference will also be given to applications showing that the organisation submitting the application has the necessary resources to implement the project as well as applications with effective project costing proposals, to ensure the viability and added value of the proposed project. Moreover, applications which show potential for the proposed project to lead to funding opportunities under other measures and/or funds, will also be favoured.

Proposed intervention/s should aim to contribute towards the promotion of equal opportunities, equality, non-discrimination and improved accessibility whilst targeting sustainable development in the areas of economic growth, social cohesion and environmental protection. Furthermore, investments with joint economic, environmental and climate benefitis will be prioritised. In this regard, preference will be given to interventions addressing these principles.

In addition to the general principles for the selection criteria, under this measure, proposals which include detailed information on the dissemination of the results achieved by the project and the promotion of EU funding will also be given preference.

8.2.4.3.1.8. (Applicable) amounts and support rates

- The support rates for start-up activities under Article 19(1)(a)(i) are the following:
    - 70,000 euro per young farmer (this is explained later on in the measure fiche)
    - The support for the setting-up of young farmers will be granted as a premium, in two instalments, as follows:

- 80% of the maximum aid intensity upon receipt of the funding decision;

- 20% of the maximum aid intensity upon completion of the business plan by no later than a maximum five years after receipt of the funding decision.

- The second instalment shall be granted conditional upon the correct implementation of objectives established in the Business Plan.
- In case of non-compliance with the business plan, the first instalment shall be paid back proportionally to the achieved objectives.

8.2.4.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.4.3.1.9.1. Risk(s) in the implementation of the measures

Measure verifiability and controllability shall be based on the results of the ex-post evaluation performed by the Managing Authority and the Paying Agency, taking into account the results of the controls conducted in the previous programming period.

Given that the measure is targeting solely private beneficiaries, potential identified risks are:

- Inheritance issues in the case of the young farmer start-up aid
- Verification of SME status for micro/small enterprises
- Non-achievement of business plan objectives
- Non-adherence to regulatory requirements such as setting up of a young farmer, meeting the active farmer definition, criteria for head of holding

8.2.4.3.1.9.2. Mitigating actions

The measures to be taken to improve the measure implementation and to reduce potential risks are:

- Clear guidelines to applicants on documentation required and implementation requirements as well as NRN and LAG facilitation to assist with project applications by encouraging and favouring projects from new sector groups (e.g. livestock co-operatives, valley management groups)
- Increase the efficiency of control systems for all project verification phases.
- Establishment of clear, transparent and verifiable beneficiary selection criteria
- Applicants asked for necessary assurances with respect to the achievement of their business plans
- Relevant performance checks to ensure delivery of appropriate outputs and outcomes against the contract
- Inspections and on-the-spot checks, where necessary
- Training for administration staff including topics such as compliance, fraud, etc.
- Guidance for administrative staff to ensure appropriate appraisal of applications

8.2.4.3.1.9.3. Overall assessment of the measure

The analysis carried-out by the Managing Authority and by the Paying Agency, based on experience acquired during 2007-2013, concludes that measure verifiability and controllability is ensured so as to prevent any prejudice to the financial interests of the European Union.

8.2.4.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Justification for the amount of support under this sub-measure:

Justification of €70,000 support is based on the cost of acquiring a typical farm. The entrepreneurial income in agriculture in Malta amounted to €67.7 million in 2013 (NSO, Economic Accounts for Agriculture). Around 2,500 holdings have a size in excess of 1ha (NSO, Census of Agriculture), implying an annual entrepreneurial income per holding of €27,600. Purchasing ten years' worth of entrepreneurial income at a discount rate of 5% would entail a cost of €220,000. The €70,000 support would thus provide one-third of the capital required to acquire the farm, which would thus be intended to leverage the resources required for the acquisition of the average holding.

Justification of target:

According to Malta's Census of Population (2011), the proportion of individuals under the age of 40 working in the agricultural and fisheries sector as their primary job is 0.7% of the total number of primary jobs in the economy. According to Malta's Agricultural Census (2010), full time workers under the age of 40 in the agricultural sector represent about 25% of the entire full time work force in the agricultural sector. The RDP indicator plan indicates that the planned expenditure aimed towards encouraging young farmers to start up business is around 60 reflecting about 15% of full time workers in the agricultural sector within the

same age group.

The target is determined solely though expenditure allocated to M6.1. The value is determined by taking into account the expenditure related to the measure and that each young farmer would receive support of Euro 70,000. The latter argument in terms of comparing the number of holdings receiving support to the total number of holdings also holds. Given that the denominator reflects the total number of holdings which includes a large proportion of small and fragmented holdings, the proportion outlined in the target is low. This target was calculated by taking the assumption that famers benefitting under this measure would be granted the amount of €70,000. The €4,300,000 (public expenditure) allocated to this measure would thereby allow 60 young famers/holdings to be supported on the basis of the above assumption.

Key socio-economic observations (based on available data):

- (Census) In 2010 over 70% of full time farmers are over the age of 40.
- (Census) Of the total 372 full time farmers under the age of 40, over 70% are over the age of 25.
- (Census) Of the 17,200 registered part time farmers in Malta, 83% are over the age of 40.
- According to the Farm Structure Survey (2014) only 3.6% of the 'sole-holder' managers are under the age of 35. In total over 90% of the sole holder managers are over the age of 40.
- According to Eurostat the number of holdings managed by farmers under the age of 35 have declined from 760 in 2003 to 540 in 2007 while the number of holdings managed by farmers between the ages of 35 to 44 declined from 1970 in 2003 to 1140 in 2007. This is further corroborated by the utilised hectares by the same age group which has declined over the same period of time.
- In 2007, about 80% of the holdings managed by farmers under the age of 45 managed an area of less than 2 hectares.
- Data on educational statistics also refers to the poor take up of agricultural subjects with only 0.4% of the student population in 2014 was engaged in agricultural studies (NCFHE)
- According to Foundation for Young Maltese farmers, Young farmers are giving up their crops for desk jobs because they believe working for the Government would be less stressful and win them more respect from their peers.
- One of the greatest challenges faced by young farmers is the promotion of land transfers and sub-lets to young farmers and those wishing to set up or grow new farm businesses (Agricultural Policy)

8.2.4.3.1.11. Information specific to the operation

Definition of small farm referred to in Article 19(1)(a)(iii) of Regulation (EU) No 1305/2013

Not applicable

Definition of upper and lower thresholds as referred to in the third subparagraph of Article 19(4) of Regulation (EU) No 1305/2013

The values of the minimum thresholds are derived based on the Standard Output data submitted by the National Statistics Office (NSO).

The minimum threshold for allowing agricultural holdings access to support under sub-measure 6.1 is 5,000 SO/holding, while the maximum threshold is 250,000 SO/holding for all sectors.

Specific conditions for support for young farmers where not setting up as a sole head of the holding in accordance with Article 2(1) and (2) of Delegated Regulation No 807/2014

Where the young farmer applying is not setting up as a sole head of holding, they must be capable of exercising effective and long-term control over the holding. In all cases, it has to be demonstrated that control over the holding should be held by young farmer/s as stipulated by Article 2(1) of Regulation (EU) No. 1305/2013.

In the case of legal entities, the young farmer will be required to present a copy of the application submitted with the Malta Financial Services Authority (MFSA) to register or amend the entity's memorandum. This registration/amendment must specify that the young farmer is being included in the memorandum as one of the stakeholders and one of the Directors (or the Director). In other words, the young farmer must demonstrate that he has a stake in the company of at least 51%.

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation No 807/2014

- In cases where a young farmer does not meet the definition of young farmer as set out in Article 2(1)(n) of Regulation (EU) No 1305/2013 a grace period, not exceeding 36 months from the date of the individual decision granting support, will be allowed to the beneficiaryfor the acquisition of the occupational skills specified in the rural development programme must be met.

Summary of the requirements of the business plan

The business plan referred to in Article 19(4) of Regulation (EU) No 1305/2013 shall contain at least the following elements:

(a) In the case of start-up aid to young farmers:

(i) the initial situation of the agricultural holding,

(ii) key milestones and targets for the development of the activities of the agricultural holding, over a four-year period, covering economic and environmental performance and the planned market strategy for farm produce;

(iii) details of the actions, including those related to environmental sustainability and resource efficiency, required for the development of the activities of the agricultural holding, such as investments, training, advice;

Use of the possibility to combine different measures through the business plan giving access of the young farmer to these measures

See relevant section at measure level.

Domains of diversification covered

Not applicable for sub-measure 6.1.

8.2.4.3.2. 6.4 - Support for investments in creation and development of non-agricultural activities

Sub-measure:

- 6.4 - support for investments in creation and development of non-agricultural activities

8.2.4.3.2.1. Description of the type of operation

Support is offered under this sub-measure to micro and small enterprises in rural areas to create or develop new economic activities. The aim is to stimulate the rural business environment, to contribute to an increased number of non-agricultural activities carried-out in rural areas as well as to develop existing non-agricultural activities, create jobs, increase the income of the rural population and alleviate rural-urban disparities.

The support is targeted to farmers, farm family members and other rural entrepreneurs intending to diversify their main economic activity or to start a new economic activity by investing in non-agricultural activities with the aim to increase their income and to create occupational alternatives, in line with pursuit of one or more of the Malta needs as identified in the RDP strategy.

The provisions of this sub-measure apply to rural areas as defined in the general conditions the measures.

8.2.4.3.2.2. Type of support

Type of support: Grants

Grant is provided for diversification of agricultural into a non-agricultural activity undertaken in rural areas, or for non-agricultural rural business development, such as:

- Rural tourism activities or linked to territorial economic development, including rural accommodation, tourism service provision, catering, farm shops (non-Annex I products), restaurants, etc.
- Processing and marketing of non-Annex I products
- Social service provision including construction, re-construction and/or modernization of premises and area for carrying out the activities (e.g. educational farms, etc.)
- Provision of services to all rural economic sectors, including agriculture and forestry, or to the rural population;
- Development of crafts and handicraft activities
- IT activities, computer-based and electronic activities, e-commerce, etc.;

- Creation/development of parks (wildlife, birds, etc).
- Investments in leisure, recreational and sport activities.

Complementarity with other ESI Funds

As is the case under ERDF funding, Malta's RDP 2014-2020 will support interventions intended to diversity

the agricultural sector. In this regard it is necessary to ensure that the risk of double-funding is avoided and therefore it is envisaged that RDP support will be provided to encourage on-farm developments linked to rural tourism such as the opening of farm shops, artisanal production of quality local products, the provision of services like country walks, and the conversion of farm buildings into bed and breakfast accommodation, amongst others. This will stimulate non-agricultural activities in rural areas and open up various niches that can in return result in various job opportunities for women.

Diversification activities will also be complemented by a number of measures such as training and knowledge acquisition to support business development, management skills, marketing and ICT. For additional information on complementarity of the ESI funds see Section 2.1.1. of Malta's Partnership Agreement.

The risk of double-funding will be offset through the Inter-Ministerial Coordination Committee(s), which has been set up to coordinate complementarity between the various funding instruments and carry out checks related to risks of double-funding, together with the IT system which is to be developed to also carry out such checks.

8.2.4.3.2.3. Links to other legislation

- Regulation (EU) No. 1303/2013 of the European Parliament and of the Council laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No. 1083/2006

- Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium sized enterprises.

- Commission Notice No. 2008/C155/02 on the application of Articles 87 and 88 of the EC Treaty to state aid in the form of guarantees;

- Malta Partnership Agreement for the Programming Period 2014-2020

Malta will set appropriate demarcation criteria between the EAFRD and ESI funds in compliance with the provisions of Malta's Partnership Agreement and in agreement with the Commission.

8.2.4.3.2.4. Beneficiaries

Beneficiaries under this support option are:

- Non-agricultural micro- and small- enterprises in rural areas;
- Other natural persons in rural areas;
- Farmers or members of the farm household diversifying into non-agricultural activities

Non-agricultural micro- and small- enterprises should be operational in rural areas.

Natural persons who are beneficiaries under the measure should be living and/or working fulltime in a rural area.

Farmers and/or their household members may be eligible beneficiaries no matter whether these are located in urban or rural areas.

8.2.4.3.2.5. Eligible costs

The eligible expenditure supported is defined by Article 45 of Regulation (EU) no. 1305/2013 and Articles 65 and 69 of Regulation (EU) No 1303/2013. SCOs in line with Articles 67(1)(b) based on Article 67(5)(a)(i) of Reg (EU) 1303/2013 may also apply under this measure.

Running and operational costs are not eligible.

The maximum support for general costs such as professional fees, feasibility studies and project management will be limited to a maximum of 15% of the total eligible project value.

The following conditions laid down in Article 13 of Commission Delegated Regulation (EU) No 807/2014 must be respected:

(a)

In the case of leasing, other costs connected with the leasing contract, such as lessor's margin, interest refinancing costs, overheads and insurance charges, shall not be eligible expenditure;

(b)

Purchase of second-hand equipment will not be eligible for support under this measure;

(c)

In the case of investments in renewable energy the minimum criteria for energy efficiency (as per Article 13(c) of Regulation (EU) No 807/2014) have not been established at National level.

(d)

With respect to the minimum percentage of heat to be utilised in conjunction with electricity produced from biomass (as per Article 13(d) of Regulation (EU) No 807/2014) kindly refer to Legal Notice 196 of 2014 – Energy Efficiency and Cogeneration Regulations, 2014 – Second Schedule

(e) Compliance with thresholds for maximum proportions of cereals and other starch rich crops, sugars and oil crops used for bioenergy production, including biofuels, for different types of installations: There are no thresholds established at National level. However, the sustainability criteria referred to in Directive 2009/28/EC have been transposed into National law through Subsidiary Legislation 423.47.

The aid rate for purchase of agricultural machinery for provision of agricultural services will be limited to 50% of the eligible cost..

8.2.4.3.2.6. Eligibility conditions

- Investments supported under Articles 19 (1)(b) should not result in the creation of an agricultural activity or in support of an activity, which output is an Annex I product listed in the Treaty. From this perspective the provision of services to agriculture could be considered a non-agricultural activity if the service provider (including a farmer or member of the farmer's household) maintains a proper record keeping of all services carried out to third parties as a proof of activity.
- The supported investment for such service provision should be mainly used for the provision of such services.
- Natural persons (farmers, family members or rural entrepreneurs) who are beneficiaries under the measure must have a proven registered address within a rural area as defined in Malta's RDP 2014-2020.

8.2.4.3.2.7. Principles with regards to the setting of selection criteria

In 2015, the Maltese Managing Authority held a consultation session with sector stakeholders to discuss draft selection criteria to be established for each measure in the new programming period. Under the Rural Development Programme 2014-2020, preference will be given to applications in which the project proposed targets more than one indicator and/or contributes considerably towards the relevant measure indicators. Preference will also be given to applications showing a high level of preparedness to start the implementation of the project, particularly in instances which could necessitate the approval of permits, the

issuing of tenders, the drafting of CBAs etc.

In addition, preference will also be given to applications showing that the organisation submitting the application has the necessary resources to implement the project as well as applications with effective project costing proposals, to ensure the viability and added value of the proposed project. Moreover, applications which show potential for the proposed project to lead to funding opportunities under other measures and/or funds, will also be favoured.

Proposed intervention/s should aim to contribute towards the promotion of equal opportunities, equality, non-discrimination and improved accessibility whilst targeting sustainable development in the areas of economic growth, social cohesion and environmental protection. In this regard, preference will be given to interventions addressing these principles.

In addition to the general principles for the selection criteria, under this measure, proposals which include detailed information on the dissemination of the results achieved by the project and the promotion of EU funding will also be given preference. With respect to the diversification sub-measure, the principles for selection will also take into account the number of areas of diversification being addressed by the proposed project.

8.2.4.3.2.8. (Applicable) amounts and support rates

The aid intensity rates that apply under Article 19(1)(b) are defined by the general State-aid rules. Support is granted in accordance with an approved State aid scheme, which sets the aid intensity rate for the respective operations.

Beneficiaries will receive 50% of the total eligible project costs as public funds, included grants through SCOs in line withArticles 67(1)(b) based on Article 67(5) (a)(i) of Reg (EU) 1303/2013, with the other 50% coming as a private contribution.

Beneficiaries of investment related support provided may request the payment of an advance of up to 50% of the public aid related to the investment subject to the establishment of a bank guarantee or an equivalent guarantee corresponding to 100% of the amount of the advance.

8.2.4.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.4.3.2.9.1. Risk(s) in the implementation of the measures

Measure verifiability and controllability shall be based on the results of the ex-post evaluation performed by the Managing Authority and the Paying Agency, taking into account the results of the controls conducted in the previous programming period. Similar measures under the 2007-13 RDP have been programmed namely M313.

Given that the measure is targeting solely private beneficiaries, potential identified risks are:

- Reasonableness of costs
- Inheritance issues in the case of the young farmer start-up aid
- Verification of SME status for micro/small enterprises
- Oversubscription for diversification and rural tourism initiatives
- Double-funding

8.2.4.3.2.9.2. Mitigating actions

The measures to be taken to improve the measure implementation and to reduce potential risks are:

- Introduction of a system to check reasonableness and acceptability of costs.
- Clear guidelines to applicants on documentation required and implementation requirements as well as NRN and LAG facilitation to assist with project applications by encouraging and favouring projects which have the official endorsement of the Malta tourism authority and/or established or new sector groups (e.g. livestock co-operatives, valley management groups)
- Increase the efficiency of control systems for all project verification phases.
- Establishment of clear, transparent and verifiable beneficiary selection criteria

- On time notification to state aid monitoring board
- Risk of double-funding offset through structure of Inter-Ministerial Coordination Committee and IT systems, set up to ensure complementarity between the various funding instruments and carry out necessary checks

8.2.4.3.2.9.3. Overall assessment of the measure

The analysis carried-out by the Managing Authority and by the Paying Agency, based on experience acquired during 2007-2013, concludes that measure verifiability and controllability is ensured so as to prevent any prejudice to the financial interests of the European Union.

8.2.4.3.2.10. Methodology for calculation of the amount or support rate, where relevant

In the case of adoption of SCO's, a pre-determined list of SCO's may be used through this sub-measure covering elements of the eligible costs under this measure. The applied simplified cost is based on Art 67 1(b) of (EU) Regulation 1303/2013, as established in line with Art 67 (5)(a)(i) of (EU) Regulation 1303/2013. These rates are set by external experts. The SCO's shall be described in the respective measure

guidelines when the measure is launched, as applicable.

8.2.4.3.2.11. Information specific to the operation

Definition of small farm referred to in Article 19(1)(a)(iii) of Regulation (EU) No 1305/2013

Not Applicable.

Definition of upper and lower thresholds as referred to in the third subparagraph of Article 19(4) of Regulation (EU) No 1305/2013

Not Applicable.

Specific conditions for support for young farmers where not setting up as a sole head of the holding in accordance with Article 2(1) and (2) of Delegated Regulation No 807/2014

Not Applicable.

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation No 807/2014

Not Applicable.

Summary of the requirements of the business plan

Not Applicable.

Use of the possibility to combine different measures through the business plan giving access of the young farmer to these measures

See relevant section at measure level.

Domains of diversification covered

- Rural tourism activities or activities linked to territorial economic development, including rural accommodation, tourism service provision, catering, farm shops (non-Annex I products), restaurants, cafes, etc.
- Processing and marketing of non-Annex I products (no matter the input);
- Social service provision including construction, re-construction and/or modernization of premises and area for carrying out the activities (e.g. educational farms, etc.);
- Provision of services to all rural economic sectors, including agriculture and forestry, or to the rural population;
- Development of crafts and handicraft activities;
- IT activities, computer-based and electronic activities, e-commerce, etc.;
- Creation/development of parks (wildlife, birds, etc)
- Investments in leisure, recreational and sport activities.

8.2.4.4. Verifiability and controllability of the measures and/or types of operations

8.2.4.4.1. Risk(s) in the implementation of the measures

See relevant section at sub-measure level.

8.2.4.4.2. Mitigating actions

See relevant section at sub-measure level.

8.2.4.4.3. Overall assessment of the measure

See relevant section at sub-measure level.

8.2.4.5. Methodology for calculation of the amount or support rate, where relevant

Not Applicable.

8.2.4.6. Information specific to the measure

Definition of small farm referred to in Article 19(1)(a)(iii) of Regulation (EU) No 1305/2013

Not applicable

Definition of upper and lower thresholds as referred to in the third subparagraph of Article 19(4) of Regulation (EU) No 1305/2013

See relevant section at sub-measure level.

Specific conditions for support for young farmers where not setting up as a sole head of the holding in accordance with Article 2(1) and (2) of Delegated Regulation No 807/2014

See relevant section at sub-measure level.

Information on the application of the grace period referred to in Article 2(3) of Delegated Regulation No 807/2014

See relevant section at sub-measure level.

Summary of the requirements of the business plan

See relevant section at sub-measure level.

Use of the possibility to combine different measures through the business plan giving access of the young farmer to these measures

Beneficiaries of support under Measure 6 will be encouraged to benefit from support under other RDP measures, such as Measures 1, 2 and 16. However, integrated applications are not envisaged.

Domains of diversification covered

See relevant section at sub-measur level.

8.2.4.7. Other important remarks relevant to understand and implement the measure

Demarcation with Measure 4 (Article 17)

Clear guidelines will be provided to separate activities funded under Measure 4 (Article 17) from those funded under Measure 6 (Article 19).

8.2.5. M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)

8.2.5.1. Legal basis

- Articles 21, 22 and 25 of Regulation (EU) No. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No. 1698/2005
- Commission Delegated Regulation (EU) No. 807/2014 supplementing Regulation (EU) No. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and introducing transitional provisions
- Commission Implementing Regulation (EU) No. 808/2014 laying down rules for the application of Regulation (EU) No. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)

8.2.5.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

The SWOT analysis revealed that trees and woodland are comparatively rare on Malta and that they provide opportunities for enhancement of biodiversity (through provision of a wider range of habitats), and for soil conservation to reduce run-off and wind erosion. At one time Malta was widely covered in trees (particularly olives) and trees have also been used in the past in coastal areas to reduce the impact of windblown salt spray on crops and soil quality. Recent developments have involved planting abandoned agricultural land (e.g. in the north of Malta) with trees, and using trees to stabilise slopes in coastal sites on Gozo and around Mellieha.

Woodlands assist in delivery of the Malta Biodiversity Action Plan, contribute to conservation work in HNV areas and may enhance the landscape, management of water, and soil conservation, improving water retention and reducing flood risk. Afforestation and development of woodland on agricultural and non-agricultural lands will contribute to the reduction of greenhouse gas emissions through carbon sequestration.

Minimal areas of woodland exist on Malta but where woodlands have been created or maintained they are popular with local people for recreation and enjoyment. Public access to the limited woodland in Malta is largely restricted. The largest existing area of woodland (Buskett) is heavily used for recreation and has suffered from lack of management in previous decades. Action is required to engage in restoration management to enhance the quality of the woodland and its conservation value.

In line with Recital 20 of Regulation (EU) No. 1305/2013, noting that support for sustainable and climate friendly land use should include forest area development and sustainable management of forests, Malta proposes to make targeted support available to forestry, in line with the national context and opportunities provided.

The main aim of this measure is to provide support for the creation and sustainable management of woodlands to deliver:

- Environmental improvements such as biodiversity and climate change mitigation.

- Social benefits such as public access and recreation
- Basic management to ensure woodland sustainability
- Operations that maintain or enhance environmental and social value e.g. pest management, coppicing, and uneconomic thinning.
- Carbon sequestration

From the EU forestry strategy it is clear that whilst Maltese forest has significance for biodiversity (25% is designated as Natura 2000), it is not actively managed for productive forestry but for amenity, and the only significant forest territory, which represents a very small minority of total land use (less than 1%), is in public ownership. This limits the rationale for making forestry a significant element in climate change adaptation or mitigation.

Under Measure 8, Malta will be introducing sub-measure:

- 8.5 – support for investments improving the resilience and environmental value of forest ecosystems

Considering all of the above, together with the very limited scale of forestry-related activities, Malta proposes the implementation of an "integrated measure". That is, the programmed sub-measure 8.5 will also provide support for afforestation operations (sub-measure 8.1), prevention and restoration activities (sub-measure 8.4).

Contribution to Focus Areas and cross-cutting objectives

Contribution to Focus Area

• *Focus Area 4A: restoring and preserving biodiversity, including in Natura 2000 areas and HNV farming and the state of European landscapes*

Malta has a very limited area of woodlands. Sub-measure 8.5 will contribute directly to this FA by helping in the conservation of existing woodlands, and support new planting that will contribute to improved habitat and biodiversity across the islands.

• *Focus Area 5E: Fostering carbon sequestration in agriculture and forestry*

Improvement of woodland and planting of new trees will assist Malta in meeting carbon sequestration goals (direct contribution through sub-measure 8.5).

Contribution to Cross-Cutting Objectives

Environment

Sub-measure 8.5 will contribute directly to the cross-cutting objective 'environment'. Improvement to woodland management will contribute to conservation of habitat and biodiversity. New planting, removal of invasive species and improved woodland management will all contribute to enhancement of habitat for indigenous species.

Improved woodland management will also reduce soil loss from surface water run-off and wind erosion, and

assist in the retention and infiltration of rainfall into groundwater.

Climate

Sub-measure 8.5 will contribute directly to the cross-cutting objective 'climate'. Any improvement in woodland management, or increase in tree planting will assist in reducing mitigating climate change through carbon sequestration. Although wooded areas on Malta are small they still contribute to locking up carbon.

Forest Area Definition

For the purposes of Malta's Rural Development Programme 2014-2020, a forest area will have the following definition:

- A land area of 0.5 ha or more and which has (or will have following afforestation actions) a minimum tree cover of 10%.

8.2.5.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regard to the setting of selection criteria

8.2.5.3.1. 8.5.1 - Planting of indigenous trees/shrubs

Sub-measure:

- 8.5 - support for investments improving the resilience and environmental value of forest ecosystems

8.2.5.3.1.1. Description of the type of operation

This operation will cover the following:

- Planting of indigenous tree species for the establishment of new woodland areas;
- Re-planting in existing woodland;
- Establishment of bio-diverse woodland edge structure with appropriate trees and shrub species which also can serve for better microclimate creation purposes.

8.2.5.3.1.2. Type of support

Type of support: Grants

Interventions under this type of operation will support both the creation of new woodland as well as the amelioration of existing woodland in Malta. Creation of woodland will seek to provide additional green spaces for recreational purposes. This is deemed as very important taking into consideration the limited amount of woodland in Malta. In the case of the amelioration of existing woodland, investments supported must be complementary to existing or newly designated management plans or equivalent instruments, such as the biodiversity strategy, Natura 2000 management plans, landscape management plans, local plans, amongst others. The objective of this operation is to maximise the proportion of woodland on the Islands.

The support under this sub-measure should not lead to any significant increase in the value or profitability of the forestry holding. However, support may not exclude the provision of economic benefits in the long-run. The increase of the economic value of the forest will be marginal compared to the increase in environmental or public amenity value.

One-off treatments are investments in improving the forest only once within the programming period or within the time line of the forest management plan. An example is thinning which could be implemented with a 10-30-year frequency, depending on the tree species and stand type.

Grant support will be provided for:

Afforestation of agricultural or non-agricultural land, including:

- Plantation of new forest and wooded area (except short rotation coppice, Christmas trees and fast growing trees for energy production)
- Compensation for agricultural income foregone
- Compensation for maintenance of afforested land

In the case of state-owned land, support may only be granted if the body managing such land is a private body or a body equivalent to a municipality.

8.2.5.3.1.3. Links to other legislation

- Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006
- Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008
- L.N. 200 of 2011 Trees and Woodlands Protection Regulations, 2011
- 2004/35/EC Soil Framework Directive

- Act No V of 1991 Environment Protection Act, 1991

8.2.5.3.1.4. Beneficiaries

- Natural persons
- Private forest holders
- Public forest holders
- Other private law bodies
- Other public law bodies
- Associations of the above mentioned, including valley and landscape management partnerships

8.2.5.3.1.5. Eligible costs

- The costs of forest propagation material (seeds, seedlings, saplings, etc) used for structural changes, planting, under-planting, forest edge etc., and the related plant prevention, (e.g. poles, irrigation equipment, and any individual plant protection requirements as appropriate)
- Storage, shipment, transport and labour costs. The one-time replanting work up to 5 years can also be eligible in order to avoid the loss of initial investments
- The costs of materials and/or services, labour used for the above mentioned investments for improving the environmental or public amenity value of forests
- Removing (cutting) of trees, thinning and pruning may be eligible if the main purpose of the investment is to improve the ecological value of forests, such as improving the species composition for environmental interests (removing of non-indigenous or not habitat specific tree or shrub species). This will allow existing woodland containing non-native tree species to become a close to indigenous nature mix. This in return will allow for better adaptation and resilience to the Maltese climatic conditions and to climate change phenomena. This can also be applied to recreational interests
- Non-native tree species shall not be eligible for support. Only native and indigenous species are allowed to be planted only
- General maintenance costs are not supported under this sub-measure
- SCOs in line with Articles 67(1)(b) based on Article 67(5) (a)(i) of Reg (EU) 1303/2013
- Publicity costs, in line with Section 8.1 of the RDP and Article 13 and Annex III of Regulation (EU) No 808/2014

8.2.5.3.1.6. Eligibility conditions

- Eligible projects should be in compliance with the relevant appropriate level strategies, programmes

and plans (if applicable).

- Eligible projects should be carefully examined in terms of appropriate selection of both afforested areas and species.
- Projects should contribute to landscape, environment and ecological objectives for Malta.
- Replanting of trees is only accepted during the first year as part of the establishment (afforestation). During the following years (up to 5 years) replanting will be eligible if the scale of the damage is higher than 20% (in the context of restoration activities).

- The minimum size of the area to be supported for the purpose of afforestation is defined as a land area of 0.5 ha or more and which has (or will have following afforestation actions) a minimum tree cover of 10%. The list of eligible tree/shrub species which may be planted is found in Annex IV of annex document entitled "Methodological Assumptions for Payment Calculations", as recommended by the Malta Environment and Planning Authority (MEPA).

8.2.5.3.1.7. Principles with regards to the setting of selection criteria

In 2015, the Maltese Managing Authority held a consultation session with sector stakeholders to discuss draft selection criteria to be established for each measure in the new programming period. Under Malta's Rural Development Programme 2014-2020, preference will be given to applications in which the project proposed targets more than one indicator and/or contributes considerably towards the relevant measure indicators. Preference will also be given to applications showing a high level of preparedness to start the implementation of the project, particularly in instances which could necessitate the approval of permits, the issuing of tenders, the drafting of CBAs etc.

In addition, preference will also be given to applications showing that the organisation submitting the application has the necessary resources to implement the project as well as applications with effective project costing proposals, to ensure the viability and added value of the proposed project. Moreover, applications which show potential for the proposed project to lead to funding opportunities under other measures and/or funds, will also be favoured.

Proposed intervention/s should aim to contribute towards the promotion of equal opportunities, equality, non-discrimination and improved accessibility whilst targeting sustainable development in the areas of economic growth, social cohesion and environmental protection. In this regard, preference will be given to interventions addressing these principles.

In addition to the general principles for the selection criteria, under this measure, the principles for selection will take into account the number of eligible actions to be implemented as per project proposal as well as the project's contribution towards the improvement of air quality, sustainable management/use of water, better soil management and climate change adaptation and mitigation. Proposals which include information on the dissemination of the results achieved by the project and the promotion of EU funding will be given preference.

The selection criteria will be detailed in the subsequent guidelines and will conform to the provisions of Art. 49 of Regulation (EU) no. 1305/2013.

8.2.5.3.1.8. (Applicable) amounts and support rates

Beneficiaries will receive the full amount (support rate of 100%, including grants through SCOs in line with Articles 67(1)(b) based on Article 67(5) (a)(i) of Reg (EU) 1303/2013) in grants, hence no private co-financing will be applicable.

Beneficiaries may request the payment of an advance of up to 50% of the public aid related to the investment.

8.2.5.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.5.3.1.9.1. Risk(s) in the implementation of the measures

See relevant section at measure level.

8.2.5.3.1.9.2. Mitigating actions

See relevant section at measure level.

8.2.5.3.1.9.3. Overall assessment of the measure

See relevant section at measure level.

8.2.5.3.1.10. Methodology for calculation of the amount or support rate, where relevant

In the case of adoption of SCO's, a pre-determined list of SCO's may be used through this sub-measure covering elements of the eligible costs under this measure. The applied simplified cost is based on Art 67 1(b) of (EU) Regulation 1303/2013, as established in line with Art 67 (5)(a)(i) of (EU) Regulation 1303/2013. These rates are set by external experts. The SCO's shall be described in the respective measure guidelines when the measure is launched, as applicable.

8.2.5.3.1.11. Information specific to the operation

Definition and justification of the holding size above which support will be conditional on the submission of a forest management plan or equivalent instrument

See relevant section at measure level.

Definition of an "equivalent instrument"

See relevant section at measure level.

[Afforestation and creation of woodlands] Identification of species, areas and methods to be used to avoid inappropriate afforestation as referred to in Article 6(a) of Delegated Regulation No 807/2014, including the description of the environmental and climatic conditions of the areas in which afforestation is foreseen as referred to in Article 6(b) of that Regulation

In order to avoid inappropriate afforestation support will only be provided for planting of trees/shrubs listed in Annex IV of annex document entitled “Methodological Assumptions for Payment Calculations”, as recommended by the Malta Environment and Planning Authority (MEPA).

Non-native tree and shrub species shall not be eligible for support. Only native and indigenous species are allowed to be planted only.

[Afforestation and creation of woodlands] Definition of the minimum environmental requirements referred to in Article 6 of Delegated Regulation No 807/2014

[Establishment of agro-forestry systems] Specification of minimum and maximum number of trees to be planted and, when mature, to be retained, per hectare and forest species to be used as referred to in Article 23(2) of Regulation (EU) No 1305/2013

[Establishment of agro-forestry systems] Indication of environmental benefits of the supported systems

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Where relevant, list of species of organisms harmful to plants which may cause a disaster

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Identification of forest areas classified as being at medium to high risk of forest fire according to the relevant forest protection plan

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] In case of preventive actions concerning pests and diseases, description of a relevant disaster occurrence, supported by scientific evidence, including, where relevant, recommendations on dealing with pests and diseases made by scientific organisations

[Investments improving the resilience and environmental value of forest ecosystems] Definition of types of eligible investment and their expected environmental outcome and/or public amenity value

See relevant section at measure level.

8.2.5.3.2. 8.5.2 - Protection of habitats and biodiversity

Sub-measure:

- 8.5 - support for investments improving the resilience and environmental value of forest ecosystems

8.2.5.3.2.1. Description of the type of operation

Current woodland lacks the necessary infrastructure to ensure its protection and conservation. Malta is hit by high temperatures and strong winds for most of the year increasing the incidence of fire. Most of the sites lack accessibility and do not have fire preventive measures such as hydrant points. In addition Malta has also a strong incidence of severe storms right after the summer months (Sept-Oct) which lead to thunderstorms and torrential rain. These have led to extensive damage to existing woodland areas such as collapsing of trees, sever branches and fire.

Given the limited coverage of woodland and its value in terms of public goods, appropriate preventive measures are required.

Protection of habitats and biodiversity-related actions include:

- Protection of certain habitats, species and areas under structural change against damage caused by natural or human action. These actions may include repair works, building of rubble walls or appropriate individual protection facilities;
- Removal of unwanted non-native species.

8.2.5.3.2.2. Type of support

Type of support: Grants

Support will take the form of grants for eligible actions which may include:

- Actions to prevent damage to forests by biotic and abiotic agents and related investments
- Restoration actions after calamities and natural disasters and related investments

8.2.5.3.2.3. Links to other legislation

- Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006

- Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008
- L.N. 200 of 2011 Trees and Woodlands Protection Regulations, 2011
- 2004/35/EC Soil Framework Directive
- Environment Protection Act, 1991, Act XX of 2001, as amended by Act II of 2006 and Legal Notice 426 of 2007

8.2.5.3.2.4. Beneficiaries

• Natural persons

• Private forest holders

• Public forest holders

• Other private law bodies

• Other public law bodies

• Associations of the above mentioned

8.2.5.3.2.5. Eligible costs

Eligible costs may include:

- The costs of materials and/or services including labour used for investments made for protection measures such as installations of fire preventive/control infrastructure, at a scale appropriate to the site concerned (i.e. not so extensive as to lead to a significant reduction in tree cover at the site);
- Installation of appropriate signage for risk mitigation measures;
- Thinning and pruning are also eligible if the main purpose of the investment is to prevent the incidence of fires;
- General maintenance costs are not supported under this sub-measure.
- SCOs in line with Articles 67(1)(b) based on Article 67(5) (a)(i) of Reg (EU) 1303/2013.
- Publicity costs, in line with Section 8.1 of the RDP and Article 13 and Annex III of Regulation (EU) No 808/2014

8.2.5.3.2.6. Eligibility conditions

- Eligible projects shall be in compliance with the relevant forest protection plan as regards the prevention of forest fires and other natural and biotic hazards (if applicable).
- Eligible projects shall be in compliance with the relevant appropriate level strategies, programmes and plans.
- Projects shall contribute to landscape, environment, ecological and climate priorities for Malta set out in Malta's biodiversity strategy and climate action plan.
- For risk prevention related activities, like thinning and pruning these shall be based on the forest protection plan or an equivalent document.
- Support under this sub-measure should not lead to any significant increase in the profitability of the forestry holding.

8.2.5.3.2.7. Principles with regards to the setting of selection criteria

In 2015, the Maltese Managing Authority held a consultation session with sector stakeholders to discuss draft selection criteria to be established for each measure in the new programming period. Under Malta's Rural Development Programme 2014-2020, preference will be given to applications in which the project proposed targets more than one indicator and/or contributes considerably towards the relevant measure indicators. Preference will also be given to applications showing a high level of preparedness to start the implementation of the project, particularly in instances which could necessitate the approval of permits, the issuing of tenders, the drafting of CBAs etc.

In addition, preference will also be given to applications showing that the organisation submitting the application has the necessary resources to implement the project as well as applications with effective project costing proposals, to ensure the viability and added value of the proposed project. Moreover, applications which show potential for the proposed project to lead to funding opportunities under other measures and/or funds, will also be favoured.

Proposed intervention/s should aim to contribute towards the promotion of equal opportunities, equality, non-discrimination and improved accessibility whilst targeting sustainable development in the areas of economic growth, social cohesion and environmental protection. In this regard, preference will be given to interventions addressing these principles.

In addition to the general principles for the selection criteria, under this measure, the principles for selection will take into account the number of eligible actions to be implemented as per project proposal as well as the project's contribution towards the improvement of air quality, sustainable management/use of water, better soil management and climate change adaptation and mitigation. Proposals which include information on the dissemination of the results achieved by the project and the promotion of EU funding will be given preference.

The selection criteria will be detailed in the subsequent guidelines and will conform to the provisions of Art. 49 of Regulation (EU) no. 1305/2013.

8.2.5.3.2.8. (Applicable) amounts and support rates

Beneficiaries will receive the full amount (support rate of 100%, including grants through SCOs in line with Articles 67(1)(b) based on Article 67(5) (a)(i) of Reg (EU) 1303/2013) in grants hence no private co-financing will be applicable.

Beneficiaries may request the payment of an advance of up to 50% of the public aid related to the investment.

8.2.5.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.5.3.2.9.1. Risk(s) in the implementation of the measures

See relevant section at measure level.

8.2.5.3.2.9.2. Mitigating actions

See relevant section at measure level.

8.2.5.3.2.9.3. Overall assessment of the measure

See relevant section at measure level.

8.2.5.3.2.10. Methodology for calculation of the amount or support rate, where relevant

In the case of adoption of SCO's, a pre-determined list of SCO's may be used through this sub-measure covering elements of the eligible costs under this measure. The applied simplified cost is based on Art 67 1(b) of (EU) Regulation 1303/2013, as established in line with Art 67 (5)(a)(i) of (EU) Regulation 1303/2013. These rates are set by external experts. The SCO's shall be described in the respective measure guidelines when the measure is launched, as applicable.

8.2.5.3.2.11. Information specific to the operation

Definition and justification of the holding size above which support will be conditional on the submission of a forest management plan or equivalent instrument

See relevant section at measure level.

Definition of an "equivalent instrument"

See relevant section at measure level.

[Afforestation and creation of woodlands] Identification of species, areas and methods to be used to avoid inappropriate afforestation as referred to in Article 6(a) of Delegated Regulation No 807/2014, including the description of the environmental and climatic conditions of the areas in which afforestation is foreseen as referred to in Article 6(b) of that Regulation

In order to avoid inappropriate afforestation, support will only be provided for planting of trees/shrubs listed in Annex IV of annex document entitled "Methodological Assumptions for Payment Calculations", as recommended by the Malta Environment and Planning Authority (MEPA).

Non-native tree and shrub species shall not be eligible for support. Only native and indigenous species are allowed to be planted only.

[Afforestation and creation of woodlands] Definition of the minimum environmental requirements referred to in Article 6 of Delegated Regulation No 807/2014

[Establishment of agro-forestry systems] Specification of minimum and maximum number of trees to be planted and, when mature, to be retained, per hectare and forest species to be used as referred to in Article 23(2) of Regulation (EU) No 1305/2013

[Establishment of agro-forestry systems] Indication of environmental benefits of the supported systems

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Where relevant, list of species of organisms harmful to plants which may cause a disaster

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Identification of forest areas classified as being at medium to high risk of forest fire according to the relevant forest protection plan

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] In case of preventive actions concerning pests and diseases, description of a relevant disaster occurrence, supported by scientific evidence, including, where relevant, recommendations on dealing with pests and diseases made by scientific organisations

For a full list of harmful organisms refer to Subsidiary Legislation 433.03 - Plant Quarantine (Harmful Organisms) Regulations, which aims at regulating the provisions to safeguard against the introduction and spread in Malta of harmful organisms.

[Investments improving the resilience and environmental value of forest ecosystems] Definition of types of eligible investment and their expected environmental outcome and/or public amenity value

See relevant section at measure level.

8.2.5.3.3. 8.5.3 - Investments in public amenity

Sub-measure:

- 8.5 - support for investments improving the resilience and environmental value of forest ecosystems

8.2.5.3.3.1. Description of the type of operation

Malta has limited areas of woodland, and what woodland exists must be multi-functional providing amenity as well as environmental benefits. This operation will enable investments to be made in the very small area of Malta's public woodland that will improve the amenity value and ecological value through better management, changes to woodland structure, new planting, and removal of invasive species.

8.2.5.3.3.2. Type of support

Type of support: Grants

Support will take the form of grants for the following eligible actions:

Conversion of forest structure

- site-specific conversion of forest from stands with environmentally non-favourable structural elements to indigenous close-to nature stand (ecological forest)

- site-specific conversion of indigenous coppice forest stands to close-to-nature, mainly natural seedling forest stand

- site-specific conversion of non-indigenous forest to close-to-nature forest, enhancing biodiversity by diversifying the forest structure and species composition

- one-off removal of non-native and/or invasive species

Planting

- planting broadleaves species to improve water quality (eg. on acidic soils covered by coniferous forest)

- introducing drought tolerant, heat resistant species (as part of assisted migration), shadow tolerant species under the main species (2nd crown layer, where it is desirable for climate adaptation or biodiversity reasons)

Investments in public amenity, environmental and protective functions

- providing protection for the soil fauna and flora against heat and ensuring the optimal developing process of the forest soil

- establishment of bio-diverse forest edge structure with appropriate forest tree and shrub species which also

can serve for better microclimate creation purposes

- establishment of walking paths, small scale recreation facilities, signposting, information tables, shelters, look-out points.

- application of environmentally friendly material handling methods, such as investments in special "one-off" treatments, technologies, actions which serve environmental and/or public amenity purposes, but also have long term economic benefits, eg. thinning, pruning, under-planting or soil protection.

Protection of habitats and biodiversity-related actions

- protection of certain habitats, species and areas under structural change against damage caused by wildlife, domestic animals or human action. These actions may include fences or appropriate individual protection facilities.

- creation of cleared area for biodiversity interests (e.g. clearing of heath, rhododendron, clearings for butterfly recolonisation) and removal of unwanted non-native species.

8.2.5.3.3.3. Links to other legislation

- Regulation (EU) No 1303/2013 of the European Parliament and of the Council of 17 December 2013 laying down common provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund and laying down general provisions on the European Regional Development Fund, the European Social Fund, the Cohesion Fund and the European Maritime and Fisheries Fund and repealing Council Regulation (EC) No 1083/2006
- Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008
- L.N. 200 of 2011 Trees and Woodlands Protection Regulations, 2011
- 2004/35/EC Soil Framework Directive
- Act No V of 1991 Environment Protection Act, 1991

8.2.5.3.3.4. Beneficiaries

- Natural persons
- Private forest holders

- Public forest holders
- Other private law bodies
- Other public law bodies
- Associations of the above mentioned

8.2.5.3.3.5. Eligible costs

- The costs of materials and/or services, including labour used for establishment of walking paths, small scale recreation facilities, signposting, information panels, shelters and look-out points;
- Thinning and pruning are also eligible if the main purpose of the investment is to improve the ecological and/or amenity value of forests.
- SCOs in line with Articles 67(1)(b) based on Article 67(5) (a)(i) of Reg (EU) 1303/2013.
- Publicity costs, in line with Section 8.1 of the RDP and Article 13 and Annex III of Regulation (EU) No 808/2014

General maintenance costs are not supported under this sub-measure.

8.2.5.3.3.6. Eligibility conditions

- Eligible projects should be in compliance with the relevant appropriate level strategies, programmes and plans.
- Eligible projects should be carefully examined for in terms of selection of both afforested areas and species.
- Projects should contribute to landscape, environment and ecological objectives for Malta.
- Support under this sub-measure should not lead to any significant increase in the profitability of the forestry holding.

8.2.5.3.3.7. Principles with regards to the setting of selection criteria

In 2015, the Maltese Managing Authority held a consultation session with sector stakeholders to discuss draft selection criteria to be established for each measure in the new programming period. Under Malta's Rural Development Programme 2014-2020, preference will be given to applications in which the project proposed targets more than one indicator and/or contributes considerably towards the relevant measure indicators. Preference will also be given to applications showing a high level of preparedness to start the implementation of the project, particularly in instances which could necessitate the approval of permits, the issuing of tenders, the drafting of CBAs etc.

In addition, preference will also be given to applications showing that the organisation submitting the

application has the necessary resources to implement the project as well as applications with effective project costing proposals, to ensure the viability and added value of the proposed project. Moreover, applications which show potential for the proposed project to lead to funding opportunities under other measures and/or funds, will also be favoured.

Proposed intervention/s should aim to contribute towards the promotion of equal opportunities, equality, non-discrimination and improved accessibility whilst targeting sustainable development in the areas of economic growth, social cohesion and environmental protection. In this regard, preference will be given to interventions addressing these principles.

In addition to the general principles for the selection criteria, under this measure, the principles for selection will take into account the number of eligible actions to be implemented as per project proposal as well as the project's contribution towards the improvement of air quality, sustainable management/use of water, better soil management and climate change adaptation and mitigation. Proposals which include information on the dissemination of the results achieved by the project and the promotion of EU funding will be given preference.

The selection criteria will be detailed in the subsequent guidelines and will conform to the provisions of Art. 49 of Regulation (EU) no. 1305/2013.

8.2.5.3.3.8. (Applicable) amounts and support rates

Beneficiaries will receive the full amount (support rate of 100%, including grants through SCOs in line with Articles 67(1)(b) based on Article 67(5) (a)(i) of Reg (EU) 1303/2013) in grants hence no private co-financing will be applicable.

Beneficiaries may request the payment of an advance of up to 50% of the public aid related to the investment.

8.2.5.3.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.5.3.3.9.1. Risk(s) in the implementation of the measures

See relevant section at measure level.

8.2.5.3.3.9.2. Mitigating actions

See relevant section at measure level.

8.2.5.3.3.9.3. Overall assessment of the measure

See relevant section at measure level.

8.2.5.3.3.10. Methodology for calculation of the amount or support rate, where relevant

In the case of adoption of SCO's, a pre-determined list of SCO's may be used through this sub-measure covering elements of the eligible costs under this measure. The applied simplified cost is based on Art 67 1(b) of (EU) Regulation 1303/2013, as established in line with Art 67 (5)(a)(i) of (EU) Regulation 1303/2013. These rates are set by external experts. The SCO's shall be described in the respective measure guidelines when the measure is launched, as applicable.

8.2.5.3.3.11. Information specific to the operation

Definition and justification of the holding size above which support will be conditional on the submission of a forest management plan or equivalent instrument

See relevant section at measure level.

Definition of an "equivalent instrument"

See relevant section at measure level.

[Afforestation and creation of woodlands] Identification of species, areas and methods to be used to avoid inappropriate afforestation as referred to in Article 6(a) of Delegated Regulation No 807/2014, including the description of the environmental and climatic conditions of the areas in which afforestation is foreseen as referred to in Article 6(b) of that Regulation

In order to avoid inappropriate afforestation support will only be provided for planting of trees/shrubs listed in Annex IV of annex document entitled "Methodological Assumptions for Payment Calculations", as recommended by the Malta Environment and Planning Authority (MEPA).

Non-native tree and shrub species shall not be eligible for support. Only native and indigenous species are allowed to be planted only.

[Afforestation and creation of woodlands] Definition of the minimum environmental requirements referred to in Article 6 of Delegated Regulation No 807/2014

[Establishment of agro-forestry systems] Specification of minimum and maximum number of trees to be planted and, when mature, to be retained, per hectare and forest species to be used as referred to in Article 23(2) of Regulation (EU) No 1305/2013

[Establishment of agro-forestry systems] Indication of environmental benefits of the supported systems

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Where relevant, list of species of organisms harmful to plants which may cause a disaster

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Identification of forest areas classified as being at medium to high risk of forest fire according to the relevant forest protection plan

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] In case of preventive actions concerning pests and diseases, description of a relevant disaster occurrence, supported by scientific evidence, including, where relevant, recommendations on dealing with pests and diseases made by scientific organisations

[Investments improving the resilience and environmental value of forest ecosystems] Definition of types of eligible investment and their expected environmental outcome and/or public amenity value

See relevant section at measure level.

8.2.5.4. Verifiability and controllability of the measures and/or types of operations

8.2.5.4.1. Risk(s) in the implementation of the measures

The activities financed under all the operations will be subject to on the spot checks to verify investments undertaken in line with approved operations. Any interventions approved must also carry the necessary endorsement of the competent authorities to ensure full compliance with all planning and environmental EU and National legislation.

The following are anticipated risks associated with the delivery of this measure:

- Non-adherence to Public Procurement Regulations
- Reasonability of costs given limited nature of the market and services associated with forestry
- Non-conformity with specific financial, business planning and reporting requirements imposed upon beneficiaries of support under this measure

8.2.5.4.2. Mitigating actions

Correct implementation of the measure, and avoidance of irregularities by beneficiaries, through provision of best practice guidelines and provision of advisory support to management partnerships, their local officers and other sector representative bodies including local co-operatives and any agronomic advisers.

- Risks in implementation will be minimised through the use of advice and ongoing support to ensure that beneficiaries implement all actions appropriately and in a timely fashion.
- Guidance and assistance through information activities, training in order to ensure conformity of beneficiaries with Public Procurement Regulations
- Introduction of a system to check reasonableness and acceptability of costs

Detailed measure application guidance notes and advisory support in order to guide applicants as to the specific financial, business planning and reporting requirements imposed upon beneficiaries of support under this measure.

8.2.5.4.3. Overall assessment of the measure

The measure contributes to the increase of the area covered with woodland and the quality and resilience of its management, creating positive effects in relation to the local climate and environment, providing for greater biodiversity potential, and providing a range of public amenity resources.

8.2.5.5. Methodology for calculation of the amount or support rate, where relevant

In the case of adoption of SCO's, a pre-determined list of SCO's may be used through this sub-measure covering elements of the eligible costs under this measure. The applied simplified cost is based on Art 67 1(b) of (EU) Regulation 1303/2013, as established in line with Art 67 (5)(a)(i) of (EU) Regulation 1303/2013. These rates are set by external experts. The SCO's shall be described in the respective measure guidelines when the measure is launched, as applicable.

8.2.5.6. Information specific to the measure

Definition and justification of the holding size above which support will be conditional on the submission of a forest management plan or equivalent instrument

All woodland holdings over 0.5 ha seeking support shall have an approved management plan that provides justification for the support being applied for. Action 12 of the EU Biodiversity Strategy must be followed when drafting such plans: afforestation is carried out in accordance with the Pan-European Operational Level Guidelines especially as regards the diversity of species and specific measures are implemented for Natura 2000 sites.

Definition of an "equivalent instrument"

The equivalent instrument shall be the Natura 2000 Management Plan (if available), and in the case of creation of new woodland/forest area, a woodland development plan would be required containing:

· details of the objectives for the woodland creation,

· a map that clearly locates the proposed area to be planted, the detailed layout of open space with the new woodland,

· details of species and percentages to be planted,

· details of the means of protection against damage that may be caused by domestic animals or wildlife,

· details of maintenance operations required to year ten to ensure full establishment.

[Afforestation and creation of woodlands] Identification of species, areas and methods to be used to avoid inappropriate afforestation as referred to in Article 6(a) of Delegated Regulation No 807/2014, including the description of the environmental and climatic conditions of the areas in which afforestation is foreseen as referred to in Article 6(b) of that Regulation

In order to avoid inappropriate afforestation support will only be provided for planting of trees/shrubs listed in Annex IV of annex document entitled “Methodological Assumptions for Payment Calculations”, as recommended by the Malta Environment and Planning Authority (MEPA).

Non-native trees and shrub species shall not be eligible for support. Only native and indigenous species are allowed to be planted.

[Afforestation and creation of woodlands] Definition of the minimum environmental requirements referred to in Article 6 of Delegated Regulation No 807/2014

Not Programmed.

[Establishment of agro-forestry systems] Specification of minimum and maximum number of trees to be planted and, when mature, to be retained, per hectare and forest species to be used as referred to in Article 23(2) of Regulation (EU) No 1305/2013

Not Programmed.

[Establishment of agro-forestry systems] Indication of environmental benefits of the supported systems

Not Programmed.

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Where relevant, list of species of organisms harmful to plants which may cause a disaster

Not Programmed.

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] Identification of forest areas classified as being at medium to high risk of forest fire according to the relevant forest protection plan

Not Programmed.

[Prevention and restoration of damage from forest fires and natural disasters and catastrophic events] In case of preventive actions concerning pests and diseases, description of a relevant disaster occurrence, supported by scientific evidence, including, where relevant, recommendations on dealing with pests and diseases made by scientific organisations

Not Programmed.

[Investments improving the resilience and environmental value of forest ecosystems] Definition of types of eligible investment and their expected environmental outcome and/or public amenity value

Under Measure 8, Malta has programmed sub-measure 8.5 – Investments improving the resilience and environmental value of forest ecosystems, however, has also included some eligible actions from sub-measure 8.1 – Afforestation and creation of woodland, and sub-measure 8.4 – Prevention and restoration of damage to forests from forest fires and natural disasters and catastrophic events.

Eligible actions under the afforestation and creation of woodland sub-measure will allow the creation of new woodland as well as the amelioration of existing woodland in Malta. Creation of woodland will seek to provide additional green spaces for recreational purposes. This is deemed as very important taking into consideration the limited amount of woodland in Malta. In the case of the amelioration of existing woodland, investments supported must be complementary to existing or newly designated management plans or equivalent instruments, such as Natura 2000 management plans. The objective of this operation is to maximise the proportion of woodland on the Islands.

One-off treatments are investments in improving the forest only once within the programming period or within the time line of the forest management plan. An example is thinning which could be implemented with a 10-30-year frequency, depending on the tree species and stand type.

The prevention sub-measure allows actions related to preventive actions against pests and diseases, covering also under certain conditions natural disasters, catastrophic events and climate change related events. Current woodland lacks the necessary infrastructure to ensure its protection and conservation. Malta is hit by high temperatures and strong winds for most of the year increasing the incidence of fire. Most of the sites lack accessibility and do not have fire preventive measures such as hydrant points. In addition Malta has also a strong incidence of severe storms right after the summer months (Sept-Oct) which lead to thunderstorms and torrential rain. These have led to extensive damage to existing woodland areas such as collapsing of trees, severing of branches and fire. Given the limited coverage of woodland and its value in terms of public goods, appropriate preventive measures are required.

The scope of sub-measure 8.5 emphasises the importance of providing ecosystem services and by covering the enhancement of climate change mitigation potential of ecosystems. Malta has limited areas of woodland, and what woodland exists must be multi-functional providing amenity as well as environmental benefits. This operation will enable investments to be made in the very small area of Malta's public woodland that will improve the amenity value and ecological value through better management, changes to woodland structure, new planting, and removal of invasive species.

8.2.5.7. Other important remarks relevant to understand and implement the measure

None.

8.2.6. M10 - Agri-environment-climate (art 28)

8.2.6.1. Legal basis

- Article 28 of Regulation (EU) No. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No. 1698/2005.
- Article 47 of Regulation (EU) No. 1305/2013.
- Commission Delegated Regulation (EU) No. 807/2014 supplementing Regulation (EU) No. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and introducing transitional provisions
- Commission Implementing Regulation (EU) No. 808/2014 laying down rules for the application of Regulation (EU) No. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)

8.2.6.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

Agri-environment-climate measures are designed to encourage farmers to protect and enhance the environment on the land that they manage. They provide payments to farmers in return for a service, in the form of a multi-annual commitment to observe a set of prescribed management practices over a period of 5 years (however, as from 2021, any new commitments shall be limited to one to three years (1-3 years) and not 5 years). Once an ongoing commitment expires, the MA may offer annual extensions under the same terms and conditions for those same commitments, in line with Article 28 of Regulation (EU) 1305/13, as amended through Regulation (EU) 2020/2220 (Transitional Regulation). The agri-environmental-climate measures for Malta aim to enhance cultivation methods adapted to the environment and the features of landscapes, and specifically to enhance Maltese biodiversity and ecosystem services; promote water conservation and water quality improvement; and contribute to climate change adaptation and mitigation principally by increasing efficiency of input use and improving soil management. By thus supporting the more sustainable management of land in rural areas, they contribute to the maintenance of a favourable landscape and environment for the wider Maltese population and for tourists and other visitors to the islands.

As with all RD measures, application of support for AECMs granted on land-based measures are subject to Cross Compliance controls.

Traditional agricultural practices have shaped the landscape and habitat types of Malta over many centuries and many of its semi-natural habitats (garrigue, maquis) and cultural landscape features (terraced fields, permanent crops, traditional reservoirs and drainage channels) are dependent on the continuation of appropriate management. They are threatened both by the intensification of agriculture and its generation of wastes, but equally or even more so, by land abandonment via marginalization of farming as an economic activity. This partly explains Malta's recognition of the importance of introducing AECMs at a whole-territory level rather than only within smaller areas. Furthermore, Maltese Natura 2000 areas are interspersed across the farmed landscape, which makes their condition unavoidably linked to that of

neighbouring areas.

It should be noted that these AECMs represent a considerable refinement of approach as compared to the measures offered under the 2007-2013 programme which, although valid as actions, suffered from poor uptake and thus low impact due to low levels of incentive per farm, and an untargeted approach to promotion. The collection of measures assembled here has been identified through the definition of Malta's areas of need, particularly theme 4, and refined through consultation with environmental authorities and farmers' organisations.

Six agri-environment-climate Measures have been selected on the basis of performing multiple functions in an agro-ecosystem context and complementing other RDP actions for climate and environment, notably including knowledge transfer and investment actions. It should be noted that the very small scale of most Maltese farm holdings (less than one hectare) and the high value of typical crop incomes per hectare (for agricultural produce) renders AECMs relatively financially unattractive, by comparison with capital items offered in the RDP. This, in combination with the relatively low levels of training and education among Maltese farmers, also means that to date, almost no farms practise either integrated pest management (IPM) or organic farming, in Malta. It should be noted, however, that integrated pest management has now become a legal obligation . Thus, AECMs have to start from a relatively low base, in seeking to convince Maltese farmers of the benefits of a more environmentally-positive approach to agricultural production.

All AECMs will have a positive impact on biodiversity, enhancing the countryside and promoting practices which work in harmony with our unique ecosystems. They will cover the following 8 key objectives: increasing the population of pollinators; enhancing farmland soil conservation and soil quality which are both currently poor; supporting the control of invasive alien species; increasing tree cover and greening of relatively denuded landscapes; protecting and enhancing nature-rich valley systems under threat from neglect, pollution and encroachment; reducing contamination of water by pesticides and nutrients; supporting biological and mechanical pest control (in place of chemical methods which overwhelmingly predominate in Malta today) and promoting agricultural/genetic biodiversity conservation through support for rare, indigenous breeds of plants and livestock. All these actions are consistent with the priorities of Malta's own biodiversity strategy and thus with the needs identified from the SWOT analysis. The RDP will support the sustainable use of pesticides by incentivising the use of mechanical systems (AECM1) and encouraging farmers to reduce the use of pesticides on a calendar basis and apply pesticides when necessary (AECM4).

The measures have been devised in close consultation with stakeholders and drawing upon the lessons of the previous programmes, to ensure that they will prove feasible and attractive to farmers and thereby achieve significant benefits for the Maltese environment. It should be noted that such benefits depend upon contiguous uptake over a large number of individual holdings and/or farm fields: enthusiastic uptake by a minority of farms will result in minimal impact due to the very small scale of farms and the large number of farmers within any given territory. Planned, area-wide linked uptake across whole valleys or similar-sized landscape units will be needed to ensure positive biodiversity and resource protection outcomes. For that reason the RDP places particular emphasis upon implementation of AECM via valley or landscape management partnerships.

Following guidance and encouragement by convenors and facilitators in the valley and landscape management partnerships, farmers will select which AECMs they want to implement on their parcel/ holding and in doing so are obliged to go beyond the environmental standards of usual good farming practice. The RDP offers the possibility to pay support not only to individual beneficiaries but also to groups – made up of farmers, other land managers or a mixture of the two where this is a more efficient model. The

AECMs for this programme have been designed in accordance with EC 7303/13. Data on agriculture in Malta is not continuous and not always reliable. Therefore certain data is based on agronomic assumptions, mainly those utilised in Malta's Rural Development Programme (RDP) 2007-2013. Insofar as possible data was used from the National Statistics Office and FADN.

The specific objectives of these measures is to reduce pressures on semi-natural features caused by significant agricultural intensification and neglect which would otherwise continue and spread respectively; thereby restoring precious farmland biodiversity (which is a priority for Malta's biodiversity strategy) and enhancing the landscape which has significant tourism and amenity value to citizens. Where they result in an increase in above-ground biomass (more trees) or soil depth and c-content (particularly increasing Soil Organic Matter (SOM) content which is currently very low across most Maltese farmland), they will also contribute to climate mitigation via enhanced carbon storage and sequestration. It is anticipated that increasing soil carbon levels will be more significant in this respect than tree-planting, as it is likely to be a more widespread benefit.

The minimum size of parcel to be considered under land based AECMs, shall be 0.04ha.

Higher Support Rates

The design of AECMs for Malta takes into account the specific environmental needs as defined in the SWOT of this programme and aim to target support where there is the greatest need. In order for the AECMs to deliver on their environmental benefits the right level of aid must be provided.

Land fragmentation, on a scale like no other in the European Union, results in higher costs for the farmer to perform the actions required under AEC sub-measures.

The National Statistics Office determined that 90% of agricultural holdings were smaller than 2 Ha, with this area often spread/fragmented throughout different locations.

Land fragmentation creates a handicap and results in higher costs of:

- transport – the AECMs require actions, checks and controls which need to be performed more often resulting in higher costs for the farmer due to the distance effort. (AECM1, AECM2, AECM3, AECM4, AECM5).

- labour – Smaller, sometimes hand-held machinery is utilised, which is naturally more labour-intensive and time-consuming (AECM1).

- expertise – farmers require assistance (lack of expertise, ageing) to draft and implement the Integrated Pest Management Plans (AECM4) and Soil Management Plans (AECM5) measures. The introduction of an IPM will assist in the creation of a suitable ecological infrastructure within the agricultural landscape. It will have a positive impact on biodiversity, enhancing the countryside and promoting a practice which works in harmony with our unique ecosystems, whilst reducing the need for pesticides and harmonising a balance between agriculture productivity and natural pest control concepts. Soil supports organisms that are essential for a healthy and sustainable environment. The introduction of a SMP on a holding level will target various threats faced by Maltese soils. Through enhancing soil organic matter, and targeting issues like erosion and compaction, this measure has the potential, from an environmental angle to add several benefits.

M10 will also provide beneficiaries with support for conservation of local endangered breeds. Under AECM6, support will be granted for farmers for the conservation of the Maltese Ox, which has become endangered due to increased mechanisation. The support rate is justified on the basis that farmers will incur additional costs to conserve this Ox and utilised for ploughing the land, as opposed to utilising a normal rotary cultivator instead. With respect to conservation of the Maltese black chicken, beneficiaries are being compensated for losses arising from the space utilisation to keep this species, as opposed to retaining other species with optimal laying capacity instead. Support granted for maintenance of carob and mulberry tree species is the same as that provided under AECM2.

Contribution to Focus Areas and cross-cutting objectives

Focus Area 4A: restoring, preserving and enhancing biodiversity, including in Natura 2000 areas and high nature value farming, and the state of European landscapes

Adoption of the proposed AECM both in and around Natura 2000 sites will enhance the ecological benefits of those areas, supporting the aims of nature conservation and in many instances, contributing directly to the achievement of the N2000 management plans. In conjunction with the use of Measure 16 (Cooperation) to establish the partnerships, funding will prioritise planning and AECM actions in farmed landscapes which have Natura 2000 sites within them, or immediately adjacent to them.

Focus Area 4B: improving water management, including fertiliser and pesticide management

IPM and Soil management planning, where adopted, are likely to reduce the levels of pesticides, nutrients and soil sediments which could otherwise enter both ground and surface waters, and also increase water retention in soils through development of a higher level of SOM. These plans will also encourage practices which are well-suited to the micro-climatic conditions in Malta, encouraging enhanced disease, pest, and drought resilience, as well as targeting soil erosion, compaction and SOM, all of which represent important aspects of climate change adaptation.

Focus Area 4C: preventing soil erosion improving soil management.

Soil management will be improved both by the tree planting options and by the adoption of SMP which will enhance soil structure, reduce erosion and increase soil organic matter (SOM).

Focus Area 5E: fostering carbon sequestration in agriculture and forestry.

Tree planting and enhanced soil management will assist in the management and sequestration of soil and atmospheric carbon, and the reduction of NO emissions from farmland.

Support under this measure will be provided for the following operations:

AECM1: Using mechanical control (rather than herbicides) for weeds in permanent crop production systems (olives, vines, orchards) - Focus Areas 4A, 4B and 4C

AECM2: Tree maintenance measures –

Maintenance of **recommended tree species replacing Alien Species or planted on slopes and**

terraces to prevent soil and wind erosion (4A, 5E);

AECM3: Support for introduction and management of bee boxes on holdings to improve pollination (4A)

AECM4: Implementing integrated pest management plans for vineyards and orchards (All FAs)

AECM5: Introduction and implementation of soil management and conservation plans for whole holdings (4A, 4C, 5E)

AECM6: Integration and maintenance of autochthonous Maltese species (2 types of animal, 3 plant species) (4A)

It should be noted that each AECM should be considered as a package of commitments, meaning that beneficiaries under any of the above-mentioned AECMs have to fulfill all the applicable commitments in order to receive support.

Overview of AECM Contribution to Focus Areas (see figure)

Standard Categories of Commitment (see figure)

Contribution to Cross-Cutting Objectives

Environment

Reduced use of pesticides will benefit local flora and fauna (and soil micro-biology) whose populations are likely to have suffered from significant and largely uncontrolled increase in use of these inputs over the past 30 years. One of the AECMs targets the splitting of fertiliser applications which will reduce the impact of nitrates on groundwaters, and enhanced soil management will improve the generally current poor and deteriorating soil depth and quality, hence enhancing its hydrological regulating function. Support to maintain and restore bee keeping in and around garrigue and maquis, which is currently understood to be declining, will make an important contribution to ecosystem pollination services which will specifically benefit the biodiversity of this high-nature value habitat, comprising many significant Natura 2000 sites; as well as improving agricultural sustainability particularly for those crops which depend upon insect pollination. Support to plant trees will bring many environmental benefits, whilst removal of alien species and support to conserve native breeds of livestock and trees will help to protect and enhance Maltese biodiversity. The implementation of all these measures through territorially-planned collective partnerships will ensure appropriate local targeting of measures to where they will have greatest environmental value, and enable valley and landscape project officers to encourage a good level of uptake among small farms, to maximise cumulative benefits to biodiversity and landscape quality.

Innovation

Support for increased bee keeping, as well as support for Maltese indigenous tree species and breeds of livestock, offer potential for further product development, enabling micro-enterprises and SMEs to develop niche products for the Maltese market and for tourism. Support for IPM and soil management can foster

innovation in practices for sustainable and profitable farming.

Climate

Reductions in the use of agrochemicals will reduce GHG emissions overall through reduced consumption of fossil fuels. Improved soil and water management will assist in reaching carbon sequestration targets, reduce N-emissions from soil and help Malta to adapt to climate change with increased periodicity of winter rainfall and increased summer temperatures. Increased planting of indigenous trees will enhance sequestration of carbon and protect soils and reduce flood damage, when appropriately sited in the landscape.

Overview of AECM Contribution to Focus Areas

Standard Categories of Commitment

Overview of AECM and focus areas	Focus Area 4a: biodiversity	Focus Area 4b: water	Focus Area 4c: soil	Focus Area 5e: increased carbon storage
AECM 1	Yes	Yes	Yes	
AECM 2	Yes			Yes
AECM 3	Yes			
AECM 4	Yes	Yes	Yes	Yes
AECM 5	Yes		Yes	Yes
AECMs 6	Yes			

Overview of AECM Contribution to Focus Areas

Standard category of commitment	AECM 1	AECM 2	AECM 3	AECM 4	AECM 5	AECM 6
Integrated production				Yes		
Reduced/better use of mineral fertilisers	Yes					
Reduced/better management of pesticides				Yes		
Soil cover / low tillage /					Yes	
Creation and upkeep of ecological features		Yes	indirectly			
Conserving genetic diversity of farmed species						Yes
Protecting ecosystem services			Yes			

Standard Categories of Commitment

8.2.6.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regard to the setting of selection criteria

8.2.6.3.1. 10.1 - AECM 1: Measure to control weeds in orchards and vineyards by mechanical, instead of chemical, methods

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.6.3.1.1. Description of the type of operation

AECM1 – BASELINE TABLE (see figure)

The objective of this measure is to incentivise farmers to clear weeds growing in vineyards and orchards

between 15th October and 15th March, using mechanical means.

In order to be eligible to apply for support under this AECM; farmers must have 1 tumuli of vineyards or orchards. The farmer is obliged to ensure all such parcels of land registered to him/her must comply with all conditions outlined for this measure.

The control of weeds through mechanical means all year round does not provide sufficient pest control in the Maltese climatic environment. In addition, the spread of seeds for certain weeds if controlled solely through mechanical means would not be economically and ecologically viable.

Thus due to the widespread presence of certain weeds (mainly Bermuda Grass) farmers have to apply specific herbicides within defined periods (15th March till the 15th of October). This particular weed has a deep root system which can grow to over 2 m deep. The grass creeps along the ground and roots wherever a node touches the ground, forming a dense mat. It reproduces through seeds, runners, and rhizomes. Growth begins at temperatures above 15 °C with optimum growth between 24 and 37 °C. Weeds removed during this period using herbicides will not be retained as mulch, while weeds removed in accordance with the measure through mechanical means during the period 15th October till the 15th March may be retained as mulch.This will be verified through pesticide application records kept by farmers. If farmers breach this commitment and continue to apply herbicides outside this window, they will be subject to penalties/reductions accordingly. Farmers may be required to cultivate intercrops between vines and orchard trees, nitrogen fixing plants part of the vicia.spp group (excluding vicia.faba) in addition also the hedysarum.spp.

It should be noted that other practices such as green cover and tillage practices, which could have been incorporated under this AECM, have been given due consideration. However, Malta has opted for practices to retain the stubble and green matter, which would serve the purpose of acting as a mulch and barrier against soil erosion, through the root structures. The intention of AECM 1 is not to incorporate weeds which had potentially been treated with herbicides, as a form of mulch. Rather, it is targeted at weeds controlled during the period during which application of herbicides is prohibited. The support rate of AECM 1 has thus been based on the aforementioned period, meaning that when farmers are allowed to make use of herbicides, support is not in actuality being provided. Due to the nature of the aggressive weed species which thrive in the Maltese climate, and which have become so ubiquitous, complete management is not feasible unless control measures are applied in required areas to minimise their cover, specifically using herbicides during specified periods. Thus, the possibility to apply herbicide cannot be excluded from this AECM.

Complementarity with AECM 4

The Managing Authority will ensure that no double-funding occurs with respect to possible overlap of activities carried out by landowners benefitting from support under both AECM1 and AECM4.

Figure - Baseline Table AECM 1

AECM 1: Measure to control weeds in orchards and vineyards

Commitmen	Relevant	Minimum	Other relevant	Minimu	Relevant	Environment	Income

ts	GAEC and/or SMR	requirements for use of fertilisers and pesticides	National/Regional requirements	m activities (Article 28(3) of Regulation (EU) No 1305/2013 (It makes reference to Points c(ii) andc(iii) of article 4(1) of Regulation (EU) No 1307/2013)	usual farming practices	al and agronomic relevance	foregone and additional costs based on the commitments taken into account in the premia calculation
Between 15th October till the 15th of March weeds can only be controlled with a grass cutter	**SMR10** – Plant Protection Products: This Regulation lays down rules for the authorisation of plant protection products in commercial form and for their placing on the market, use and control within the Community. This Regulation increases the level of health and environment	Legal Notice on PPPs 284 of 2011	Act XI 2001Pesticides Control Act LN489/ 2011 – Sustainable Use of Pesticides Regulations, 2011 Malta's National Action Plan for Sustainable Use of Pesticides 2013-2018 Legal Notice 108 of 2009 Protection of Groundwater against Pollution and Deterioration Regulations, 2009 Legal Notice 207 of 2009	No minimum activities established	There is no legal requirement which obliges farmers to control weeds with a grass cutter rather than with herbicides. Therefore this measure supersedes all legal obligations and leads to several environmental benefits as a result of going above and beyond requirements.	This measure promotes biodiversity and supports local flora and fauna. Farmers would also be supplying temporary foraging area for bees leading to a potential increase in the pollinator population which is an essential component of Maltese agricultural systems and elemental to enhancing the diversity of	This measure directly prohibits the application of herbicides in vineyards and fruit orchards. On the basis that this measure requires grass cutting as opposed to the use of herbicides, in terms of labour the average time of applying

	al protection, contributes to better protection of agricultural production, and enlarges and consolidates the internal market for plant protection products.		Cross-Compliance Related to EU Aid Applications in terms of the Paying Agency (Amendment) Regulations, 2009 Nitrates Action Programme Code of Good Agricultural Practice (CoGAP)			its animal and plant life. This measure will perform multiple functions and achieve several objectives in an agro ecosystem simultaneously. In addition to creating a foraging area for bees, this measure will aid in the prevention of soil erosion and run off. This will be achieved as the weeds will act as a cover crop during the winter months, when the majority of rain fall occurs. Erosion occurs most rapidly on areas where there is no soil cover. The weeds, naturally occurring in vineyards and	2 treatments of herbicides in the 6 month period would be a total of 8 hours/ha (4 hours each treatment). The farmer is required to remove the flora with a grass cutter/ mower the practice to control weed population must be performed more frequently. Weeds will have to be controlled on average 4 times (5 week intervals) during the 5 month period. This equates to 12 hours/t[1] during the full 5 months, with 3 hours labour required for each time the weeds are

						orchards, can reduce the impact of raindrops that otherwise would detach soil particles and make them prone to erosion. In addition surface runoff is slowed by the cover, allowing improved moisture infiltration. In leaving the weeds to temporarily reclaim the land in the winter period; this measure is supporting the development of micro habitats. Eventually at the end of the winter period the weeds will be incorporated into the soil having a mulching effect. This will add organic material to the soil. Improving	controlled. The full 5 months, with 3 hours labour required for each tie the weeds are controlled.

						soil tillage and productivity. As the organic matter and plant residues degrade, they produce compounds that dement soil components together into aggregates, resulting in improved structure and tillage. Aggregates contribute to greater soil permeability, aeration, water infiltration and holding capacity, cation exchange capacity, and ease of root growth. Unused soil nitrogen left at the end of the growing season tends to leach out during the winter period into the groundwater. However in allowing weeds to grow for a	

						period of time in vineyards and orchards, excess nitrogen present in the soil will be absorbed by these species. This will also have a positive impact on biodiversity, enhancing the countryside and promoting a practice which works in harmony with our unique ecosystems, whilst being aesthetically appealing as areas of land which were before left barren will now support a host of naturally occurring flora.	
The use of herbicides is prohibited through the months of 15th October till the 15th of March. Weeds	**SMR10** – Plant Protection Products: This Regulation lays down rules for the authorisatio	Legal Notice on PPPs 284 of 2011			There is no legal requirement which obliges farmers to control weeds with a grass	Erosion occurs most rapidly on areas where there is no soil cover. The weeds, naturally occurring in	On the basis that this measure requires grass cutting as opposed to the use of herbicides, in terms of

removed during this period can be retained as much.	n of plant protection products in commercial form and for their placing on the market, use and control within the Community. This Regulation increases the level of health and environmental protection, contributes to better protection of agricultural production, and enlarges and consolidates the internal market for plant protection products.				cutter rather than with herbicides (not normal practice). Therefore this measure supersedes all legal obligations and leads to several environmental benefits as a result of going above and beyond requirements.	vineyards and orchards, can reduce the impact of raindrops that otherwise would detach soil particles and make them prone to erosion. In addition surface runoff is slowed by the cover, allowing improved moisture infiltration. In leaving the weeds to temporarily reclaim the land in the winter period; this measure is supporting the development of micro habitats. Eventually at the end of the winter period the weeds will be incorporated into the soil having a mulching effect. This will add organic material to the soil	labour the average time of applying 2 treatments of herbicides in the 6 month period would be a total of 8 hours/ha (4 hours each treatment).

						improving soil tillage and productivity. As the organic matter and plant residues degrade, they produce compounds that cement soil components together into aggregates, resulting in improved structure and tillage. Aggregates contribute to greater soil permeability, aeration, water infiltration and holding capacity, cation exchange capacity, and ease of root growth. Unused soil nitrogen left at the end of the growing season tends to leach out during the winter period into the groundwater. However in allowing weeds to	

						grow for a period of time in vineyards and orchards, excess nitrogen present in the soil will be absorbed by these species.	
Nitrogen based fertiliser must be split into a minimum of 2 separate applications	SMR1 – Nitrates: The Nitrates Directive aims to protect water quality across Europe by preventing nitrates from agricultural sources polluting ground and surface waters and by promoting the use of good farming practices.	The minimum requirements for use of fertilisers and pesticides are as per Legal Notice 94 of 2015 amending Subsidiary Legislation 504.108			There is no legal requirement which obliges farmers to split fertilisers (not normal practice). Therefore this measure supersedes all legal obligations and leads to several environmental benefits as a result of going above and beyond requirements.	In order to counteract the potential loss of nutrients to weeds, nitrogen based fertiliser must be split into a minimum of 2 separate applications, this is in addition to obligations under LN321/11. The splitting of fertilisers will also reduce the enhanced risk of leaching and runoff as it does not apply more than the crop can absorb at a given time.	Not a cost remunerated factor
Beneficiaries under all AECMs will be required to attend a training module	Not Applicable	Not Applicable			There is no legal requirement which obliges farmers to attend a	In attending a course of this nature the farmer is provided with knowledge to better	Not a cost remunerated factor.

relevant to the AECM subscribed. Courses should be completed by the end of the 3rd year from acceptance on the scheme.					course on how to control weeds with a grass cutter rather than with herbicides. Therefore this measure supersedes all legal obligations and leads to several environmental benefits as a result of going above and beyond requirements.	understand the environmental importance of his practices and relevant actions. It will provide the necessary information and scope of the measure to the farmer. The provision of courses ensures that the farmer is in a position to understand how implement the AECM and better yet understand the environmental implications of the relevant AECM.	
In the event that farmers do not retain the weeds removed between the 15th October and the 15th of March they are required to cultivate intercrops between vines and orchard trees, nitrogen					There is no legal requirement which obliges farmers to control weeds with a grass cutter rather than with herbicides. Therefore this measure supersedes all legal obligations	Farmers may be required to cultivate intercrops between vines and orchard trees, nitrogen fixing plants part of the vicia.spp group (excluding vicia.faba) in addition also the hedysarum.spp. in	Not a cost remunerated factor

fixing plants part of the vicia.spp group (excluding vicia.faba) in addition also the hedysarum.spp.					and leads to several environmental benefits as a result of going above and beyond requirements.	cultivating the aforementioned species (intercropping) the farmer is creating a stronger soil structure through the introduction of a non agronomical species which is not as aggressive as weeds.	

[1]Time values based on previous agronomic assumptions used for previous RDP 07-13

8.2.6.3.1.2. Type of support

Type of support: Grants

The support is based on income foregone and additional costs. Reference can be made to the detailed calculations which can be found in annex.

For all AECMs payments will be made per unit of relevant action, so for land-based measures a standard payment per hectare of land, per year.

Training and advice required under the conditions of acceptance for these measures may be funded under Measures 1 and 2, and are not included in the support provided by this AECM.

8.2.6.3.1.3. Links to other legislation

The following legislation is of relevance:

• Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 458/2008 - # Chapter I of Title VI (cross-compliance).

• Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013

establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009 - Article 4(1)(c) (minimum activity, maintenance of agricultural area)

- Act XI 2001 Pesticides Control Act
- Act No V of 1991 Environment Protection Act, 1991
- LN489/ 2011 – Sustainable Use of Pesticides Regulations, 2011
- Malta's National Action Plan for Sustainable Use of Pesticides 2013-2018
- LN 108/2009 Protection of Groundwater against Pollution and Deterioration Regulations, 2009
- L.N. 207 of 2009 Cross-Compliance Related to EU Aid Applications in terms of the Paying Agency (Amendment) Regulations, 2009

8.2.6.3.1.4. Beneficiaries

- Farmers
- Groups of farmers.

- Other land managers, including NGOs.
- A mixture of both (as indicated under the general description) who carry out, on a voluntary basis, operations consisting of one or more agri-environment-climate commitments on agricultural land.

The eligibility of groups of farmers stems from the potential of such groups to multiply the environmental and climate benefits related to AECM practices and can play a significant role in providing environmental public goods. Groups of farmers with a legal status and other types of groups (e.g. formed on ad hoc basis) shall be eligible. This can also include producer groups, and farmers working in partnership with NGOs and other environmental experts, and/or local municipalities (in valley/area management partnerships).

8.2.6.3.1.5. Eligible costs

See section below on applicable amounts and support rates. For each measure, costs to implement the management prescribed are estimated using a variety of secondary sources and expert judgement – see details of the calculations for each measure under the section on methodology for the calculation of costs, below.

The measure provides for 100% of the eligible rates or costs.

Transaction costs will not be covered.

The Managing Authority will ensure that it carries out the necessary reduction of the amount necessary in order to exclude double-funding of practices referred to under Article 28(6) of Regulation (EU) No. 1305/2013 with respect to Article 43 of Regulation (EU) No. 1306/2013.

8.2.6.3.1.6. Eligibility conditions

Article 28(3) of Regulation (EU) No. 1305/2013 stipulates that Measure 10 will only cover those commitments going beyond the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No. 1306/2013, the relevant criteria and minimum activities as established pursuant to points (c)(ii) and (c)(iii) of Article 4(1) of Regulation (EU) No. 1307/2013, and relevant minimum requirements established by national law.

- In order to apply for aid a farmer must have a minimum of 1124m2 of agricultural land. Any parcels that are found to be less than 0.04 hectares, whether in a less favoured area or not, are ineligible for payment. A tolerance in line with applicable Commission guidelines will be applied.
- In line with Art 11 and in particular Art 11(2) of Regulation (EU) No 808/2014, beneficiaries may only receive support from one AECM with the exception of AECM 3.
- Beneficiaries cannot apply for a combination of AECMs, within the same parcel, under any of the following three AECMs: AECM 1, AECM2 and AECM 6c. On the other hand, other combinations (with the exception of the aforementioned exclusions), may be made possible if provided for in the RDP.
- AECM 3 can be combined with any other AECM. Support under AECM 3 is permissible for parcels that are also linked to any of the other AECMs; in cases where the beekeeper implementing AECM 3 and the farmer implementing another AECM are not the same person (therefore two seperate beneficiaries), the established support rates shall remain the same for both respective AECMs beneficiaries.
- Farmers will be required to keep records relevant to their holding. These will be subject to checks and controls by the Farm Advisory Service.
- AECMs must be implemented in the form of five year commitments (however, as from 2021, any new commitments shall be limited to one to three years (1-3 years) and not 5 years). The applicant is required to make an annual payment claim each year of the commitment, until the five year (or one to three years (1-3 years) for any new commitments undertaken as from 2021) commitment is complete.
- Farmers must be registered in the IACS Farmer Registry.
- Technical forms such as but not limited to: Soil Management Plans, Integrated Pest Management Plans and Fertiliser Plans must be compiled by an Agronomist or Technical Advisor recognised by the Competent Authority.
- As a basic conditionality to all AECMs farmers must now register (where possible) garrigue land. In order for a farmer to register eligible garrigue land, it must be surrounded on a minimum of three sides by agricultural land. In addition to the former, garrigue land must also be fully enclosed (with necessary access points) with a boundary rubble wall. The boundary rubble wall must be constructed in accordance with all MEPA requirements and regulations.
- All agriculture reference parcels claimed should be unambiguously located on site and through satellite images.
- Farmers must observe the baseline Cross Compliance Requirements which include the statutory management requirements and the Good Agricultural and Environmental Conditions (GAEC) (refer to baseline table under section “Description of the type of operation”).
- In case of transfer of holdings (or part of) following the first year of commitment obligations pertaining to the sub-measure must be maintained. In any case adequate assessment shall be made to ensure that the objective of the measure would still be achieved.
- Beneficiaries under all AECMs will be required to attend a training module relevant to the AECM subscribed. Courses should be completed by the end of the 3rd year from acceptance on the scheme. Proof of attendance will be requested upon submission of the annual renewal of applicant’s

commitment. Training will be provided free of charge and may be supported under Measure 1. The Paying Agency reserves the right to suspend payment until submission of course certificate (after which payments can be activated retrospectively).

- Furthermore beneficiaries are obliged to take advice for adequate fulfilment of all commitments and obligations. Advice should be completed by the end of the 3rd year from acceptance on the scheme. Whilst preferable, such advice shall not necessarily be received from a recognised Farm Advisory System referred to in Articles 12 to 14 of Regulation (EU) No 1306/2013). The Managing Authority shall notify as to the type of acceptable advice under this measure. Proof of service received will be requested. Advice may be supported through Measure 2. The Paying Agency reserves the right to suspend payment until submission of proof of service (after which payments can be activated retrospectively).

8.2.6.3.1.7. Principles with regards to the setting of selection criteria

It is assumed that potentially all beneficiaries of each measure provide the same environmental benefits as they are subject to the same commitments; therefore there is no need to undertake any selection of beneficiaries. Regulation (EU) No 1305/2013 does not require establishing selection criteria for AECM.

However, in case of budgetry restrictions, priority will be given to applications within Natura 2000 areas.

8.2.6.3.1.8. (Applicable) amounts and support rates

AECM 1: Control weeds in orchards and vineyards

€110.67/t/yr OR €984.92/ha/yr

Weeds compete with the primary crop for light, moisture, nutrients, and space. In addition, in a dry year, such flora can deprive primary crops of valuable soil moisture. In other years, they may also compete for other resources such as nitrogen if not managed properly. Native flora, may also harbour insects, diseases, and nematodes that could be harmful to the primary crop.

As this measure directly prohibits the application of herbicides in vineyards and fruit orchards, the basic amount of herbicides applied/ha is 3litres/ha (average dosage). On the basis that this measure requires grass cutting as opposed to the use of herbicides, in terms of labour the average time of applying 2 treatments of herbicides in the 6 month period would be a total of 8 hours/ha (4 hours each treatment)[4].

As the farmer is required to remove the flora with a grass cutter/ mower the practice to control weed population must be performed more frequently. Weeds will have to be controlled on average 4 times (5 week intervals) during the 5 month period. Labour is also calculated in the support rate.

Based on the above calculations the proposed support rate is €110.67/t to be granted on a holding level. Support and transactional costs incurred for the implementation of this measure are not included in the

support rate and will be covered under Article 15 of Regulation (EC) No. 7303/2011. In addition to this, farmers will receive support under Articles 32-33 of Regulation (EU) No. 1305/2013 for areas facing natural or other specific constraints.

The support shall have the form of a fixed payment per tumuli/hectare.

8.2.6.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.6.3.1.9.1. Risk(s) in the implementation of the measures

- Beneficiaries not sufficiently knowledgeable about all the obligations they will be entering into with this AECM, as happened in some instances in the past RDP
- Non-respect of obligation of beneficiaries to attend training and benefit from advice would result in penalties/recoveries/etc.
- Farmers do not complete training/advice in time (within 3 years) from acceptance on scheme

8.2.6.3.1.9.2. Mitigating actions

In order to avoid errors the following elements have been taken into account:

•Clarity of the supported commitments: the text in this section will be made available to all potential beneficiaries in advance of making applications.

•No additional eligibility conditions have been added to these measures over and above statutory requirements. Training requirements on all these measures, as well as obligatory advice on cross-compliance conditions will ensure that all beneficiaries are aware of eligibility conditions. This will aim to address the incidence of error rates.

• The MA shall ensure that as soon as possible, M1 and M2 are launched

• In case training providers are not appointed within the 3 year period, the MA will consider launching an ad hoc course until selection of training providers is completed.

8.2.6.3.1.9.3. Overall assessment of the measure

The success of this AECM will be based on several indicators. Biophysical indicators will be used to identify the impact of this measure on SOM and cation exchange rate. Such data has already been established in the MALSIS project and will be used as a baseline to determine the success of this AECM.

8.2.6.3.1.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

See baseline table under section "Description of the type of operation".

More detailed information on baseline conditions for each AECM is found in the Annex entitled: "Methodological Assumptions for Payment Calculations (AECMs)".

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced by Directive 2009/128/EC of the European Parliament and of the Council, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

See baseline table under section "Description of the type of operation".

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Not applicable for AECM1.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

For all these calculations, some basic assumptions and sources of national data were used. These are explained in the separate annex ("Methodological Assumption for Payment Calculations (AECMs)") to the RDP concerning the agri-environment-climate measures.

8.2.6.3.2. 10.1 - AECM 2: Measure for the maintenance of trees

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.6.3.2.1. Description of the type of operation

AECM2 – BASELINE TABLE (see figure)

The removal of alien species and the planting (both under sub-measure 4.4) and maintenance (under AECM2) of trees needs to be in accordance with MEPA Guidelines on managing non-native plant invaders and restoring plant communities in terrestrial settings in the Maltese Islands[1], and the recommended list of trees for planting found in Annex IV (see annex document).

Support for the maintenance of recommended tree species replacing Alien Species or planted on slopes and terraces to prevent soil and wind erosion

This measure complements the possibilities offered under sub measure 4.4 –"Non-productive Investments" (Article 17) for the removal of alien tree species or the planting of new trees on slopes or terraces in registered cultivated agriculture land. Under this sub-measures land managers may apply for support to maintain the endemic and indigenous trees planted. The aim of this measure is to allow for regular clearing of weeds, the removal of dry undergrowth in summer months to prevent any fire outbreak, any trimming, pruning or support required to safeguard and protect the trees.

Alien species, pose an environmental problem that is of growing national concern. Insular ecosystems such as those in the Maltese Islands are particularly susceptible to damage from biological invasions because of the biological diversity present and the constrained size of such islands, where local ecosystems are small scale, coupled with the extent of disturbed and fragmented land.[3]

This measure is targeted at registered cultivated agricultural land which is terraced or sloping, specifically sites upon which one or more alien species are found and sites with a high level/ risk of erosion. Alien species eligible for support/ removal under this sub-measure are listed in Annex III (see annex document). The aim of this measure is to replace specified alien species with recommended species as listed in Annex IV on agricultural land which is terraced or sloping, specifically sites upon which there are high levels/ risk of erosion.

In order to ensure the measure is successful farmers will be required to attend a short course on tree management, soil threats and the correct pruning of trees.

In applying for this measures farmers will be obliged to keep a record pertaining to the trees present on the parcel linked to AECM. A template is provided in Annex V.

Due to the nature of this measure, the MA recognizes the potential need to isolate the two aspects of this

measure.

[1] Guidelines on managing non-native plant invaders and restoring plant communities in terrestrial settings in the Maltese Islands, 2013

Figure - Baseline Table AECM 2

AECM2: Measure for the maintenance of trees

Commitments	**Relevant GAEC and/or SMR**	**Minimum requirements for use of fertilisers and pesticides**	**Other relevant National/Regional requirements**	**Minimum activities** **See Article 28(3) of Regulation (EU) No 1305/2013 (It makes reference to Points c(ii) andc(iii) of article 4(1) of Regulation (EU) No 1307/2013**	**Relevant usual farming practices**	**Environmental and agronomic relevance**	**Income fore and addition costs based commitment taken into a in the premi calculation**
Beneficiaries under all AECMs will be required to attend a training module relevant to the AECM subscribed. Courses should be	**Not Applicable**		Legal Notice 200 of 2011 Trees and Woodlands Protection Regulations, 2011. L.N. 207 of 2009 Cross-Compliance Related to EU	No minimum activities established	There is no legal requirement which obliges farmers to attend a course on invasive species/ soil erosion/ tree maintenance	In attending a course of this nature the farmer is provided with knowledge to better understand the environmental importance of his practices and relevant actions.	Not a cost remunerated

completed by the end of the 3rd year from acceptance on the scheme.			Aid Applications in terms of the Paying Agency (Amendment) Regulations, 2009		. Therefore this measure supersedes all legal obligations and leads to several environmental benefits as a result of going above and beyond requirements.	It will provide the necessary information and scope of the measure to the farmer. The provision of courses ensures that the farmer is in a position to understand how implement the AECM and better yet understand the environmental implications of the relevant AECM.	
Removal of invasive species listed in Annex III	**GAEC** 5: Minimum land management site conditions to limit erosion GAEC7: Retention of landscape features SMR 3 – Habitats Directive	Not Applicable	Legal Notice 200 of 2011 Trees and Woodlands Protection Regulations, 2011 L.N. 207 of 2009 Cross-Compliance Related to EU Aid Applications in terms of the Paying Agency (Amendment) Regulations, 2009	No minimum activities established	Legal obligation in place to control the spread of invasive species not to remove such species. Therefore AECM supersede legal obligations	Through its introduction this measure seeks to protect the existing greenery and to promote the additional planting of trees in appropriate locations (supported through Measure 4). Eradication of invasive species (also supported through Measure 4) often has a striking positive effect on native biota. From a purely aesthetic point of view, this measure will increase the number of trees and therefore	Not a cost remunerated - covered und productive investment m 4.4.

						the total greenery enhancing the features of the local countryside. Plant invasions can cause considerable damage to native flora by ways of hybridisation and associated genetic pollution, competition for resources, habitat alteration (soil, water, nutrient and other geomorphologic processes) and degradation, displacement of native flora (and dependent fauna), homogenisation, ecosystem disruption and overall loss of native biodiversity. Trees will also provide a habitat for many species of wildlife acting as buffers which are also helpful in conserving	

						biodiversity. Through its introduction this measure seeks to protect the existing greenery and to promote the additional planting of trees (through Measure 4) in appropriate locations.	
Farmers are obliged to keep a record pertaining to the trees present on the parcel linked to AECM., a template is provided in Annex V	**GAEC** 5: Minimum land management site conditions to limit erosion GAEC7: Retention of landscape features SMR 3 – Habitats Directive	Not Applicable	Legal Notice 200 of 2011 Trees and Woodlands Protection Regulations, 2011 L.N. 207 of 2009 Cross-Compliance Related to EU Aid Applications in terms of the Paying Agency (Amendment) Regulations, 2009	No minimum activities established	No legal obligation to keep records of trees present on holdings.	Not Applicable	Not a cost remunerated
Canopy management: This practice is applicable depending on the tree being maintained. As per those in the annexed list.	**GAEC** 5: Minimum land management site conditions to limit erosion GAEC 7:	The minimum requirements for use of fertilisers and pesticides are as per Legal Notice 94 of 2015	Legal Notice 200 of 2011 Trees and Woodlands Protection Regulations, 2011 L.N. 207 of 2009 Cross-Compliance Related to EU	No minimum activities established	No legal obligation to promote this action (not normal practice)	Canopy management is the organisation of the shoots, leaves and fruit of the plant in order to maximise the quality of the microclimate surrounding	Income foreg the case of th measure requ the planting additional recommende species, this assumingly r a nominal los yield.

	Retention of landscape features SMR 3 – Habitats Directive	amending Subsidiary Legislation 504.108	Aid Applications in terms of the Paying Agency (Amendment) Regulations, 2009			them. The maintenance of the trees is essential towards promoting the environmental importance/ impact the presence of the trees themselves have when located on a holding. This measure will have a positive impact on biodiversity, enhancing the countryside with non invasive species which work in harmony with our unique ecosystems. As well as providing an expanded habitat for local flora and fauna, the planting of new trees can be designed as buffer zones between agriculture and valuable natural assets such as watercourses. In addition, through increasing the	Support for t conservation maintenance planted trees calculated on basis of the additional lab (to normal pr involved (suc canopy management production pr green pruning control and rationalizatio fertilizer and pesticide treatments).

						number of trees present on a holding and the location of such trees, farmers are indirectly targeting issues such as water logging, and erosion caused by water and wind.	
Production pruning: This practice is applicable depending on the tree being maintained. As per those in the annexed list.	**GAEC** 5: Minimum land manageme nt site conditions to limit erosion GAEC7: Retention of landscape features SMR 3 – Habitats Directive	The minimum requirement s for use of fertilisers and pesticides are as per Legal Notice 94 of 2015 amending Subsidiary Legislation 504.108	Legal Notice 200 of 2011 Trees and Woodlands Protection Regulations, 2011 L.N. 207 of 2009 Cross-Compliance Related to EU Aid Applications in terms of the Paying Agency (Amendment) Regulations, 2009	No minimum activities establishe d	No legal obligation to promote this action (not normal practice).	The maintenance of the trees is essential towards promoting the environmental importance/ impact the presence of the trees themselves have when located on a holding Without proper maintenance through practices such as pruning the overall health of the tree declines. This measure will have a positive impact on biodiversity, enhancing the countryside with non invasive species which work in harmony with our unique ecosystems.	Income foreg the case of th measure is di to quantify, a measure requ the planting o additional recommende species, this assumingly r a nominal los yield. Support for t conservation maintenance planted trees calculated on basis of the additional lab (to normal pr involved (suc canopy management production p green prunin control and rationalizatio fertilizer and pesticide treatments).

						As well as providing an expanded habitat for local flora and fauna, the planting of new trees can be designed as buffer zones between agriculture and valuable natural assets such as watercourses. In addition, through increasing the number of trees present on a holding and the location of such trees, farmers are indirectly targeting issues such as water logging, and erosion caused by water and wind.	
Green pruning: This practice is applicable depending on the tree being maintained. As per those in the annexed list.	**GAEC** 5: Minimum land management site conditions to limit erosion GAEC7: Retention of landscape features	The minimum requirements for use of fertilisers and pesticides are as per Legal Notice 94 of 2015 amending Subsidiary Legislation 504.108	Legal Notice 200 of 2011 Trees and Woodlands Protection Regulations, 2011 L.N. 207 of 2009 Cross-Compliance Related to EU Aid Applications in terms of the Paying Agency	No minimum activities established	No legal obligation to promote this action (not normal practice).	Green pruning allows better light and wind penetration, which reduces disease pressure and minimises the use of pesticide through natural methods. The maintenance of the trees is essential towards promoting the environmental	Income foreg the case of th measure is di to quantify, a measure requ the planting o additional recommende species, this assumingly r a nominal los yield. Support for t conservation maintenance

	SMR 3 – Habitats Directive		(Amendment) Regulations, 2009			importance/ impact the presence of the trees themselves have when located on a holding This measure will have a positive impact on biodiversity, enhancing the countryside with non invasive species which work in harmony with our unique ecosystems. As well as providing an expanded habitat for local flora and fauna, the planting of new trees can be designed as buffer zones between agriculture and valuable natural assets such as watercourses. In addition, through increasing the number of trees present on a holding and the location of such trees, farmers are indirectly	planted trees calculated on basis of the additional lab (to normal pr involved (suc canopy management production pr green pruning control and rationalizatio fertilizer and pesticide treatments).

						targeting issues such as water logging, and erosion caused by water and wind.	
Pest control and rationalization of fertilizer and pesticide treatments: Only in the event of a pest infestation or demonstrable lack of overall health of tree, the farmer is required to address any infestations/ deficiencies through responsible pesticide and fertilizer practices	**GAEC** 5: Minimum land management site conditions to limit erosion GAEC7: Retention of landscape features SMR 3 – Habitats Directive	The minimum requirements for use of fertilisers and pesticides are as per Legal Notice 94 of 2015 amending Subsidiary Legislation 504.108	Legal Notice 200 of 2011 Trees and Woodlands Protection Regulations, 2011 L.N. 207 of 2009 Cross-Compliance Related to EU Aid Applications in terms of the Paying Agency (Amendment) Regulations, 2009	No minimum activities established	No legal obligation to promote this action	The maintenance of the trees is essential towards promoting the environmental importance/ impact the presence of the trees themselves have when located on a holding. This measure will have a positive impact on biodiversity, enhancing the countryside with non invasive species which work in harmony with our unique ecosystems. As well as providing an expanded habitat for local flora and fauna, the planting of new trees can be designed as buffer zones between agriculture and valuable natural assets such as	Income foreg the case of th measure is di to quantify, a measure requ the planting additional recommende species, this assumingly r a nominal los yield. Support for t conservation maintenance planted trees calculated on basis of the additional lab (to normal pr involved (suc canopy management production p green prunin control and rationalizatio fertilizer and pesticide treatments).

						watercourses. In addition, through increasing the number of trees present on a holding and the location of such trees, farmers are indirectly targeting issues such as water logging, and erosion caused by water and wind.	

8.2.6.3.2.2. Type of support

Type of support: Grants

The support is based on income foregone and additional costs. Reference can be made to the detailed calculations which can be found in annex.

For all AECMs payments will be made per unit of relevant action, so for land-based measures a standard payment per hectare of land, per year.

Training and advice required under the conditions of acceptance for these measures may be funded under Measures 1 and 2, and are not included in the support provided by this AECM.

8.2.6.3.2.3. Links to other legislation

The following legislation is of relevance:

•Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 458/2008 - # Chapter I of Title VI (cross-compliance).

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establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009 - Article 4(1)(c) (minimum activity, maintenance of agricultural area)

- L.N. 200 of 2011 Trees and Woodlands Protection Regulations, 2011
- L.N. 207 of 2009 Cross-Compliance Related to EU Aid Applications in terms of the Paying Agency (Amendment) Regulations, 2009

8.2.6.3.2.4. Beneficiaries

- Farmers
- Groups of farmers.
- Site managers responsible for the management of protected areas, including Natura 2000 sites.
- Other land managers, including NGOs.
- A mixture of the above (as indicated under the general description) who carry out, on a voluntary basis, operations consisting of one or more agri-environment-climate commitments on agricultural land.

The eligibility of groups of farmers stems from the potential of such groups to multiply the environmental and climate benefits related to AECM practices and can play a significant role in providing environmental public goods. Groups of farmers with a legal status and other types of groups (e.g. formed on ad hoc basis) shall be eligible. This can also include producer groups, and farmers working in partnership with NGOs and other environmental experts, and/or local municipalities (in valley/area management partnerships).

8.2.6.3.2.5. Eligible costs

See section below on applicable amounts and support rates. For each measure, costs to implement the management prescribed are estimated using a variety of secondary sources and expert judgement – see details of the calculations for each measure under the section on methodology for the calculation of costs, below.

The measure provides for 100% of the eligible rates or costs.

Transaction costs will not be covered.

The Managing Authority will ensure that it carries out the necessary reduction of the amount necessary in order to exclude double-funding of practices referred to under Article 28(6) of Regulation (EU) No. 1305/2013 with respect to Article 43 of Regulation (EU) No. 1306/2013.

8.2.6.3.2.6. Eligibility conditions

Article 28(3) of Regulation (EU) No. 1305/2013 stipulates that Measure 10 will only cover those commitments going beyond the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No. 1306/2013, the relevant criteria and minimum activities as established pursuant to points (c)(ii) and (c)(iii) of Article 4(1) of Regulation (EU) No. 1307/2013, and relevant minimum requirements established by national law.

- In order to apply for aid a farmer must have a minimum of 1124m2 of agricultural land. Any parcels that are found to be less than 0.04 hectares, whether in a less favoured area or not, are ineligible for payment. A tolerance in line with applicable Commission guidelines will be applied.
- In line with Art 11 and in particular Art 11(2) of Regulation (EU) No 808/2014, beneficiaries may only receive support from one AECM with the exception of AECM 3.
- Beneficiaries cannot apply for a combination of AECMs, within the same parcel, under any of the following three AECMs: AECM 1, AECM2 and AECM 6c. On the other hand, other combinations (with the exception of the aforementioned exclusions), may be made possible if provided for in the RDP.
- AECM 3 can be combined with any other AECM. Support under AECM 3. Support under AECM 3 is permissible for parcels that are also linked to any of the other AECMs; in cases where the beekeeper implementing AECM 3 and the farmer implementing another AECM are not the same person (therefore two seperate beneficiaries), the established support rates shall remain the same for both respective AECMs/ beneficiaries.
- Farmers will be required to keep records relevant to the parcel linked to AECM. These will be subject to checks and controls by the Farm Advisory Service.
- AECMs must be implemented in the form of five year commitments (however, as from 2021, any new commitments shall be limited to one to three years (1-3 years) and not 5 years). The applicant is required to make an annual payment claim each year of the commitment, until the five year (or one to three years (1-3 years) for any new commitments undertaken as from 2021) commitment is complete.
- Farmers must be registered in the IACS Farmer Registry.
- Technical forms such as but not limited to: Soil Management Plans, Integrated Pest Management Plans and Fertiliser Plans must be compiled by an Agronomist or Technical Advisor recognised by the Competent Authority.

- As a basic conditionality to all AECMs farmers must now register (where possible) garrigue land. In order for a farmer to register eligible garrigue land, it must be surrounded on a minimum of three sides by agricultural land. In addition to the former, garrigue land must also be fully enclosed (with necessary access points) with a boundary rubble wall. The boundary rubble wall must be constructed in accordance with all MEPA requirements and regulations.
- All agriculture reference parcels claimed should be unambiguously located on site and through satellite images.
- Farmers must observe the baseline Cross Compliance Requirements which include the statutory management requirements and the Good Agricultural and Environmental Conditions (GAEC). (Refer to baseline table under section “Desription of the type of operation)
- In case of transfer of holdings (or part of) following the first year of commitment obligations pertaining to the sub-measure must be maintained. In any case adequate assessment shall be made to ensure that the objective of the measure would still be achieved.
- Beneficiaries under all AECMs will be required to attend a training module relevant to the AECM subscribed. Courses should be completed by the end of the 3rd year from acceptance on the scheme.

Proof of attendance will be requested upon submission of the annual renewal of applicant's commitment. Training will be provided free of charge and may be supported under Measure 1. The Paying Agency reserves the right to suspend payment until submission of course certificate (after which payments can be activated retrospectively).

- Furthermore beneficiaries are obliged to take advice for adequate fulfilment of all commitments and obligations. Advice should be completed by the end of the 3rd year from acceptance on the scheme. Whilst preferable, such advice shall not necessarily be received from a recognised Farm Advisory System referred to in Articles 12 to 14 of Regulation (EU) No 1306/2013). The Managing Authority shall notify as to the type of acceptable advice under this measure. Proof of service received will be requested. Advice may be supported through Measure 2. The Paying Agency reserves the right to suspend payment until submission of proof of service (after which payments can be activated retrospectively).

8.2.6.3.2.7. Principles with regards to the setting of selection criteria

It is assumed that potentially all beneficiaries of each measure provide the same environmental benefits as they are subject to the same commitments; therefore there is no need to undertake any selection of beneficiaries. Regulation (EU) No 1305/2013 does not require establishing selection criteria for AECM.

However, in case of budgetry restrictions, priority will be given to applications within Natura 2000 areas.

8.2.6.3.2.8. (Applicable) amounts and support rates

AECM 2: Maintenance of trees

Support for the maintenance of recommended tree species replacing Alien Species or planted on slopes and terraces to prevent soil and wind erosion

€38.99/tree/yr

The rate of support for the maintenance of trees shall be of €38.99 per tree per year up to a maximum of 18 trees per hectare (which amounts to a maximum of €701.82 per hectare).

Support for this measure will be provided on a tree basis. This is more economically feasible as the removal and replacement of alien species with endemic/indigenous species, if provided on a holding level, will not be sufficient to support this action. Irrelevant of the former all basic conditions must be implemented on a holding level.

The end support rate will then be provided over a 5 year commitment period. This is to provide support throughout the commitment for; attending a course in the first year, and the maintenance. Planting and removal of trees will be supported under Measure 4 (sub-measure 4.4).

Income foregone in the case of this measure is difficult to quantify, as this measure requires the planting of an additional endemic or indigenous tree species, this will assumingly result in a nominal loss of yield.

Additionally trees compete with the primary crop for light, moisture, nutrients, and space. In a dry year, such trees can deprive primary crops of valuable soil moisture. In other years, they may also compete for other resources such as nitrogen if not managed properly. A number of species listed in Annex III are highly competitive with agricultural crops, whereas species listed in Annex IV are more easily managed and controlled, it is difficult to quantify if the replacement of the alien species with 2 species listed under Annex III will have the equivalent effect as the alien species on competition.

Support for the conservation and maintenance of planting was calculated on the basis of the additional labour involved (such as: canopy management, production pruning, green pruning, pest control and rationalization of fertilizer and pesticide treatments (only in the event of a pest infestation or demonstrable lack of overall health of tree, the farmer is required to address any infestations/ deficiencies through responsible pesticide and fertilizer practices)) support rate for each tree (unit) will be €38.99[1].

Therefore the support rate is €38.99 annually.

Support and transactional costs incurred for the implementation of the sub-measure is not included in the support rate and will be covered under Article 15 of Regulation (EC) No. 7303/2011. In addition to this, eligible beneficiaries will receive support under Articles 32-33 of Regulation (EU) No. 1305/2013 for areas facing natural or other specific constraints.

The support shall have the form of a fixed payment per tree.

[1] This is based on data and agronomic assumptions established for the previous programme.

[2] All support rates are based on a tumoli/ tree/ head/ hive basis.

8.2.6.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.6.3.2.9.1. Risk(s) in the implementation of the measures

- Beneficiaries not sufficiently knowledgeable about all the obligations they will be entering into with this AECM, as happened in some instances in the past RDP
- Non-respect of obligation of beneficiaries to attend training and benefit from advice would result in penalties/recoveries/etc.
- Farmers do not complete training/advice in time (within 3 years) from acceptance on scheme

8.2.6.3.2.9.2. Mitigating actions

In order to avoid errors the following elements have been taken into account:

•Clarity of the supported commitments: the text in this section will be made available to all potential beneficiaries in advance of making applications.

•No additional eligibility conditions have been added to these measures over and above statutory requirements. Training requirements on all these measures, as well as obligatory advice on cross-compliance conditions will ensure that all beneficiaries are aware of eligibility conditions. This will aim to address the incidence of error rates.

• The MA shall ensure that as soon as possible, M1 and M2 are launched

• In case training providers are not appointed within the 3 year period, the MA will consider launching an ad hoc course until selection of training providers is completed.

8.2.6.3.2.9.3. Overall assessment of the measure

Success will be evaluated through the number of invasive tree species removed from agricultural land over the duration of the commitment as well as the number of trees planted. This should result in a measurable increase in tree coverage of the national area.

8.2.6.3.2.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

See baseline table under section “Description of the type of operation”

More detailed information on baseline conditions for each AECM is found in the Annex entitled: “Methodological Assumptions for Payment Calculations (AECMs)”.

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced by Directive 2009/128/EC of the European Parliament and of the Council, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

See baseline table under section "Description of the type of operation".

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Not applicable for AECM2.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

For all these calculations, some basic assumptions and sources of national data were used. These are explained in the separate annex ("Methodological Assumption for Payment Calculations (AECMs)") to the RDP concerning the agri-environment-climate measures.

8.2.6.3.3. 10.1 - AECM 3: Measure supporting the introduction of bee boxes on holdings

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.6.3.3.1. Description of the type of operation

AECM3 – BASELINE TABLE (see figure)

The objective of this measure is to incentivise farmers to set up bee boxes on their holding and to support established beekeepers, to encourage them to continue in the apiculture sector. This measure would be particularly beneficial in areas which have a high garrigue/ maquis to agricultural land ratio, due to the wild flower varieties naturally occurring in such areas.

Beneficiaries must attend a training module relevant to the measure within 2 years of entering the scheme. Proof of attendance will be requested upon submission of the annual renewal of applicant's commitment. Training will be provided free of charge and supported under Measure 1.

Furthermore beneficiaries are obliged to take service from recognised FAS in order to receive advice on adequate fulfilment of all commitments and obligations. This has to be undertaken within no later than 2 years from entering into commitment. Proof of service receipt will be requested.

The Maltese bee population has been declining over the past years. In the Maltese Islands there was a very sharp drop in the bee population in 1992 (when around 80 per cent of all the colonies died) with the advent of a new parasitic mite of bees, Varroa destructor. Since then the bee population of the Maltese Islands has never been restored to its original level. The dean in charge of the agricultural faculty collaborated this information.

This measure objective will be to specifically target land types garrigue and maquis. As a commitment beekeepers will be obliged to keep bee boxes within the vicinity and close proximity to garrigue/maquis land. Garrigue is one of the main natural habitats in Malta. Very often one particular species of plant dominates a particular area. The decline in the bee population has posed a direct threat to sub species within the garrigue ecosystem. The garrigue is an ecosystem which develops on large expanses of limestone bearing numerous depressions and fissures. It is characterised by dense, low-growing, aromatic hardy shrubs such as the Mediterranean Thyme (Sagħtar, *Thymbra capitata*) and the Mediterranean Heath (Erika, *Erica multiflora*). Natural garrigue communities form on karstic landscapes while others are formed as a result of degraded maquis communities. Other species of Garrigue plants include Rosemary (Klin, *Rosmarinus officinalis*), the endemic Maltese Spurge (Tengħud tax-Xagħri, *Euphorbia melitensis*), and various orchids such as the Maltese Pyramidal Orchid (Orkida Piramidali ta' Malta, *Anacamptis urvilleana*). Maquis is also characterized by small trees and large shrubs. This habitat in the Maltese Islands is relatively widespread and of secondary origin. Maquis communities tend to grow along valley sides or at the bottom of deeper ones, on rocky slopes or beneath inland cliffs. Maquis species include the Lentisk (Deru, Pistacia lentiscus), Bay Laurel (Rand, Laurus nobilis) and the introduced Carob (Ħarrub, Ceratonia siliqua) and Olive (Żebbuġ, Olea europea).

In the context of the farming community there is a general lack of interest from farmers in retaining bee

boxes on their holdings. The intention is that this measure will provide beekeepers with sufficient financial support to now offer farmers a lucrative incentive to allow them to keep the bee boxes on agricultural land which is within close proximity to both garrigue and maquis land. There are 3 primary honey 'seasons' in the Maltese islands- all of which play an important role in terms of biodiversity, ecosystem infrastructure and conservation. Through the promotion of this measure a positive chain reaction will develop within the context of garrigue and maquis ecosystems, in particular beneficial to plant species dependent upon bees for pollination. Effectively through improving this situation Malta is enhancing the biodiversity of its natural environments and providing more stable ecosystems for endemic flora and fauna species.

Bees are a functionally important and economically valuable group, but are threatened by land-use conversion and intensification. Such pressures are expected to affect all species and are only mediated by the species' ecological traits. In addition to the general importance of all honeybees endemic to the Maltese islands is a particular species of bee which has naturalized and adapted to the environment. The Maltese honey bee, *Apis mellifera ruttneri*, is a sub-species of the Western honey bee. Support offered though this AECM is expected to have a positive impact on overall pollinator populations as well as increasing the population of this endemic species.

Since AECM 3 is complementary to all other AECMs and at the same time beneficiaries are beekeepers, AECM 3 can be coupled with other AECMs on the same parcel without impacting on the applicable rates for both AECMs.

Figure - Baseline Table AECM 3

AECM3: Measure supporting the introduction of bee boxes on holdings

Commitments	**Relevant GAEC and/or SMR**	**Minimum requirements for use of fertilisers and pesticides**	**Other relevant National/Regional requirements**	**Minimum activities** **See Article 28(3) of Regulation (EU) No 1305/2013 (It makes reference to Points c(ii) andc(iii) of article**	**Relevant usual farming practices**	**Environmental and agronomic relevance**	**Income foregone and additional costs based on the commitments taken into account in the premia calculation**

				4(1) of Regulation (EU) No 1307/2013			
Beneficiaries under all AECMs will be required to attend a training module relevant to the AECM subscribed. Courses should be completed by the end of the 3rd year from acceptance on the scheme.**.**	**Not Applicable**	Not Applicable	Legal Notice 110 of 1992 Bee Keeping Regulations, 1992 Legal Notice 213 of 2004 Honey Regulations that implement the provisions of Council Directive 2001/110/EC relating to honey and Council Regulation (EC) No. 797/2004	No minimum activities established	There is no legal requirement which obliges beekeepers to attend a course on apiculture, pollinators and the environmental importance of pollinators. Therefore this measure supersedes all legal obligations and leads to several environmental benefits as a result of going above and beyond requirements.	In attending a course of this nature the farmer is provided with knowledge to better understand the environmental importance of his practices and relevant actions. It will provide the necessary information and scope of the measure to the beekeeper. The provision of courses ensures that the farmer is in a position to understand how to implement the AECM and better yet understand the environmental implications of the relevant AECM.	Not a cost remunerated factor.
Commitments related to the establishment and maintenance of bee-boxes for increasing the	**Not Applicable**	Not Applicable	Legal Notice 110 of 1992 Bee Keeping Regulations, 1992 Legal Notice	No minimum activities established	There is no legal obligation, stating that beekeepers must keep bees for the	This measure indirectly promotes biodiversity and supports local ecosystems	The support rate is €125.95/box, with a maximum of 5 boxes/ha.

pollinator population in order to support the bio-diversity on garrigue land (list here the commitments). • **Keep and maintain a maximum of 5 bee boxes per hectare.**			213 of 2004 Honey Regulations that implement the provisions of Council Directive 2001/110/EC relating to honey and Council Regulation (EC) No. 797/2004		purpose of increasing the pollinator population, and therefore resulting in a number of environmental benefits. Therefore this measure supersedes all legal obligations and leads to several environmental benefits as a result of going above and beyond requirements.	and the species which reside within these systems. Beekeepers would be increasing the pollinator population which is an essential component of Maltese agricultural systems and elemental to enhancing the diversity of its animal and plant life. Whilst increasing the pollinator population, numerous other endemic and indigenous species which support the local biodiversity will benefit, enhancing the overall biodiversity of Maltese farmland and neighbouring ecosystems. The benefits of such conditions will be more evident than ever before	Boxes will be moved to different garrigue/ marquis locations an estimated 3 times in a year, this is to accommodate the 3 honey seasons in the Maltese islands. Depending on the season the beekeeper will locate the boxes to ensure the bees have access to the prevalent flowering species at that given time. As explained above garrigue in different areas tend to have 1 prevalent plant species (not necessarily the same species across the islands) which varies depending

						due to the introduction of support on a holding level and therefore a beekeeper's obligation to implement such conditions on a holding level rather than solely on a parcel level. This will also have a positive impact on biodiversity, enhancing the countryside and promoting a practice which works in harmony with our unique ecosystems. Farming depends on biodiversity. Many crops need the pollination provided by bees and other insects - more than a third of the world's agricultural crops depend on pollination.[1]	on the location, the flowering season of the prevalent sub species necessitates the movement of the boxes. The support rate is based on the fact that beekeepers are now obliged to travel potentially substantial distances to locate boxes in areas with a high garrigue/ marquis ratio. The support rate must keep in consideration time spent to transport, preparation of boxes prior to transportation, setting up and actual relocation of boxes. In addition to time spent

						Beekeepers can utilise existing environments such as garrigue and maquis land in which pollinators flourish. Bee boxes are not considered a permanent fixture and their placement on garrigue/marquis land which forms part of their holding will be strongly supported.	by the beekeeper as a job task this necessitates the assistance of another individual in the lifting and movement of the boxes, an additional cost which the beekeeper will now incur and not included in the support rate calculation.
						This in turn will support these types of ecosystems.	On average a hive produces approximately 10.43 Kg surplus for the market.[2] 10%[3] of the above cost covers the marginal transport costs, processing costs, labelling costs, blending, filtering and packing

							costs of the honey. Therefore 10% has to be deducted as a cost incurred.
The beekeeper will be required to identify the location on the holding (and garrigue as and when permissible) where the bee boxes will be set up	**Not Applicable**	Not Applicable	Legal Notice 110 of 1992 Bee Keeping Regulations, 1992 Legal Notice 213 of 2004 Honey Regulations that implement the provisions of Council Directive 2001/110/EC relating to honey and Council Regulation (EC) No. 797/2004	No minimum activities established	No legal obligation to identify location of colonies	Not applicable	Not a cost remunerated factor.
Required to commission this society to conduct an annual inspection of their colony to control diseases and maintain colony health	**Not Applicable**	Not Applicable	Legal Notice 110 of 1992 Bee Keeping Regulations, 1992 Legal Notice 213 of 2004 Honey Regulations that implement the provisions of Council Directive 2001/110/EC relating to honey and Council Regulation (EC) No. 797/2004	No minimum activities established	No legal obligations to conduct annual inspections on bee colonies to ensure their health.	Colonies must be maintained in good health. Any colonies found to be in bad health will be destroyed by the competent authorities. This will safeguard the health of other pollinators and local fauna.	Not a cost remunerated factor.

Beekeepers are required to keep a record of all bee boxes on their holding and/or under their ownership but located on a different holding	**Not Applicable**	Not Applicable	Legal Notice 110 of 1992 Bee Keeping Regulations, 1992 Legal Notice 213 of 2004 Honey Regulations that implement the provisions of Council Directive 2001/110/EC relating to honey and Council Regulation (EC) No. 797/2004	No minimum activities established	No legal obligation to retain a record of bee boxes on a holding	Not applicable	Not a cost remunerated factor
Upon registering bee boxes for support the beneficiary will be required to put physical identification in accordance with PA requirements on each box upon which the farmer is registering for aid '. **Upon inspection, all boxes upon which aid is being requested must be clearly identifiable with**	**Not Applicable**	Not Applicable	Legal Notice 110 of 1992 Bee Keeping Regulations, 1992 Legal Notice 213 of 2004 Honey Regulations that implement the provisions of Council Directive 2001/110/EC relating to honey and Council Regulation (EC) No. 797/2004	No minimum activities established	No legal obligation to have physical identification on boxes.	Not applicable	Not a cost remunerated factor

no evidence of tampering in accordance with PA requirements.							

[1] The FAO Global Action on Pollination Services for Sustainable Agriculture

[2] NSO Apicultural Census for Malta 2004- Number of colonies/ Honey (kg) produced

[3] CBI Honey Market Survey 2007

8.2.6.3.3.2. Type of support

Type of support: Grants

The support is based on income foregone and additional costs. Reference can be made to the detailed calculations which can be found in annex.

For all AECMs payments will be made per unit of relevant action, so for land-based measures a standard payment per hectare of land, per year.

Training and advice required under the conditions of acceptance for these measures may be funded under Measures 1 and 2, and are not included in the support provided by this AECM.

8.2.6.3.3.3. Links to other legislation

The following legislation is of relevance:

• Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 458/2008 - # Chapter I of Title VI (cross-compliance).

• Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009 - Article 4(1)(c) (minimum activity, maintenance of agricultural area)

- L.N. 110 of 1992
- L.N. 213/04, provisions of Council Directive 2001/110/EC relating to honey and Council Regulation (EC) No 797/2004

8.2.6.3.3.4. Beneficiaries

- Beekeepers

8.2.6.3.3.5. Eligible costs

See section below on applicable amounts and support rates. For each measure, costs to implement the management prescribed are estimated using a variety of secondary sources and expert judgement – see details of the calculations for each measure under the section on methodology for the calculation of costs, below.

The measure provides for 100% of the eligible rates or costs.

Transaction costs will not be covered.

The Managing Authority will ensure that it carries out the necessary reduction of the amount necessary in order to exclude double-funding of practices referred to under Article 28(6) of Regulation (EU) No. 1305/2013 with respect to Article 43 of Regulation (EU) No. 1306/2013.

8.2.6.3.3.6. Eligibility conditions

Article 28(3) of Regulation (EU) No. 1305/2013 stipulates that Measure 10 will only cover those commitments going beyond the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No. 1306/2013, the relevant criteria and minimum activities as established pursuant to points (c)(ii) and (c)(iii) of Article 4(1) of Regulation (EU) No. 1307/2013, and relevant minimum requirements established by national law.

- Farmers will be required to keep records relevant to their holding. These will be subject to checks and controls by the Farm Advisory Service.
- AECMs must be implemented in the form of five year commitments (however, as from 2021, any new commitments shall be limited to one to three years (1-3 years) and not 5 years). The applicant is required to make an annual payment claim each year of the commitment, until the five year (or one to three years (1-3 years) for any new commitments undertaken as from 2021) commitment is complete.
- Farmers must be registered in the IACS Farmer Registry.

- In line with Art 11 and in particular Art 11(2) of Regulation (EU) No 808/2014, beneficiaries may only receive support from one AECM with the exception of AECM 3.
- Beneficiaries cannot apply for a combination of AECMs, within the same parcel, for under any of the following three AECMs: AECM 1, AECM2 and AECM 6c. Other combinations (with the exception of the aforementioned exclusions), may be made possible, **if provided for in the RDP**.
- AECM 3 can be combined with any other AECM. Support under AECM 3 is permissible for parcels that are also linked to any of the other AECMs; in cases where the beekeeper implementing AECM 3 and the farmer whose land the bee boxes are being placed on are not the same person, the latter farmer can receive support under any of the other AECMs (and the bee-keeper can in turn apply on parcels which are, at time of application, already committed to other AEM/AECM's).
- The established support rates applicable for each AECM shall be the same as those defined in the RDP.
- As a basic conditionality to all AECMs farmers must now register (where possible) garrigue land. In order for a farmer to register eligible garrigue land, it must be surrounded on a minimum of three sides by agricultural land. In addition to the former, garrigue land must also be fully enclosed (with necessary access points) with a boundary rubble wall. The boundary rubble wall must be constructed in accordance with all MEPA requirements and regulations.
- All agriculture reference parcels claimed should be unambiguously located on site and through satellite images.
- For the exclusive (only) purpose of AECM 3, the Maltese Authorities acknowledge garrigue areas as agricultural land in line with Article 28 (2) of Regulation 1305/13. Bee boxes must be kept on agricultural land (including garrigue) throughout the year.
- All bee-boxes under this measure are to also be linked/attached to agricultural parcel/s upon registration of AECM. This so it is ensured that the positive biodiversity impact is felt on both agricultural parcels and other agricultural land throughout the year.
- Beneficiaries are to inform the competent authorities on the exact location in which the bee boxes are placed to ensure adequate traceability and controls. Since garrigue is not registered in similar fashion to other agricultural parcels (and hence geo-spatial location may not be as accurate), a variance in location shall be permissible for OTSC.
- Farmers must observe the baseline Cross Compliance Requirements which include the statutory management requirements and the Good Agricultural and Environmental Conditions (GAEC) (see baseline table under section "Description of the type of operation")
- In case of transfer of holdings (or part of) following the first year of commitment obligations pertaining to the sub-measure must be maintained. In any case adequate assessment shall be made to ensure that the objective of the measure would still be achieved.
- In registering for support the applicant is required to have a minimum of 5 active bee boxes.
- All bee-boxes must be uniquely tagged for identification and control purposes.
- Beneficiaries under all AECMs will be required to attend a training module relevant to the AECM subscribed. Courses should be completed by the end of the 3rd year from acceptance on the scheme. Proof of attendance will be requested upon submission of the annual renewal of applicant's commitment. Training will be provided free of charge and may be supported under Measure 1. The Paying Agency reserves the right to suspend payment until submission of course certificate (after which payments can be activated retrospectively).
- Furthermore beneficiaries are obliged to take advice for adequate fulfilment of all commitments and obligations. Advice should be completed by the end of the 3rd year from acceptance on the scheme. Whilst preferable, such advice shall not necessarily be received from a recognised Farm Advisory System referred to in Articles 12 to 14 of Regulation (EU) No 1306/2013). The Managing Authority

shall notify as to the type of acceptable advice under this measure. Proof of service received will be requested. Advice may be supported through Measure 2. The Paying Agency reserves the right to suspend payment until submission of proof of service (after which payments can be activated retrospectively).

8.2.6.3.3.7. Principles with regards to the setting of selection criteria

It is assumed that potentially all beneficiaries of each measure provide the same environmental benefits as they are subject to the same commitments; therefore there is no need to undertake any selection of beneficiaries. Regulation (EU) No 1305/2013 does not require establishing selection criteria for AECM.

However, in case of budgetry restrictions, priority will be given to applications within Natura 2000 areas.

8.2.6.3.3.8. (Applicable) amounts and support rates

AECM 3: Introduction of bee boxes on holdings

€125.95/hive/yr: minimum of 5 hives = €629.75/ha/year

AECM 3, whose beneficiaries are the beekeepers, is complementary to all other AECMs. In view of its particular nature, AECM 3 can be coupled with other AECMs on the same parcel (since it is being provided for in the RDP).

The established support rates applicable for each AECM shall be the same as those defined in the RDP.

Beekeeping is a seasonal task, based on several sources (both local and foreign), labour should be averaged at 30 minutes/ hive/ week.[1]

On average a hive produces approximately 10.43 Kg surplus for the market.[5] Of this 10%[7] covers the marginal transport costs, processing costs, labelling costs, blending, filtering and packing costs of the honey. Therefore 10% has to be deducted as a cost incurred.

The support rate is €125.95/box, with a maximum of 5 boxes/ha. Boxes will be moved to different garrigue/maquis locations an estimated 3 times in a year, this is to accommodate the 3 honey seasons in the Maltese islands. Depending on the season the beekeeper will locate the boxes to ensure the bees have access to the prevalent flowering species at that given time. As explained above garrigue in different areas tend to have 1 prevalent plant species (not necessarily the same species across the islands) which varies depending on the location, the flowering season of the prevalent sub species necessitates the movement of the boxes.

The support rate is based on the fact that beekeepers are now obliged to travel potentially substantial distances to locate boxes in areas with a high garrigue/maquis ratio. The support rate must keep in consideration time spent to transport, preparation of boxes prior to transportation, setting up and actual relocation of boxes. In addition to time spent by the beekeeper as a job task this necessitates the assistance of another individual in the lifting and movement of the boxes, an additional cost which the beekeeper will

now incur and not included in the support rate calculation. Additionally beekeepers are also expected (though not expressly required) to provide financial reimbursement to the farmer in exchange for placement of bee boxes on those holdings in close proximity to garrigue and maquis land.

Support and transactional costs incurred for the implementation of this measure are not included in the support rate and will be covered under Article 15 of Regulation (EC) No. 7303/2011. In addition to this, farmers will receive support under Articles 32-33 of Regulation (EU) No. 1305/2013 for areas facing natural or other specific constraints.

The support shall have the form of a fixed payment per hive, with a rate of €125.95/hive/year (minimum of 5 hives) up to a maximum of 5 hives per hectare per year (which amounts to a maximum of €629.75 per hectare per year).

The Paying Agency has in place a scheme which provides aid to encourage the rearing of colonies for honey production. The measure provides support for several purposes, including the purchasing of both colonies and bee boxes. The intention is that farmers will take advantage of this scheme for the purchasing of bee boxes and colonies.

[1] San Francisco Beekeepers' Association, Beekeepers Association Connecticut

[2] 30 minutes x 4 weeks= 2hrs x 12=24/hive

[3] Hours x Labour rate.

[4] Average Rate established by Apicultural Societies

[5] NSO Apicultural Census for Malta 2004- Number of colonies/ Honey (kg) produced

[6] Based on retail figures, from local suppliers

[7] CBI Honey Market Survey 2007

[8] 257.36-146.02=X + (10% of 146.02)

[10] All support rates are based on a tumoli/ tree/ head/ hive basis.

8.2.6.3.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.6.3.3.9.1. Risk(s) in the implementation of the measures

- Beneficiaries not sufficiently knowledgeable about all the obligations they will be entering into with

this AECM, as happened in some instances in the past RDP

- Negligence/lack of understanding in introducing new colonies which may jeopardise existing colonies and established beekeepers.
- Non-respect of obligation of beneficiaries to attend training and benefit from advice would result in penalties/recoveries/etc.
- Farmers do not complete training/advice in time (within 3 years) from acceptance on scheme

8.2.6.3.3.9.2. Mitigating actions

In order to avoid errors the following elements have been taken into account:

•Clarity of the supported commitments: the text in this section will be made available to all potential beneficiaries in advance of making applications.

•No additional eligibility conditions have been added to these measures over and above statutory requirements. Training requirements on all these measures, as well as obligatory advice on cross-compliance conditions will ensure that all beneficiaries are aware of eligibility conditions. This will aim to address the incidence of error rates.

• The MA shall ensure that as soon as possible, M1 and M2 are launched

• In case training providers are not appointed within the 3 year period, the MA will consider launching an ad hoc course until selection of training providers is completed.

8.2.6.3.3.9.3. Overall assessment of the measure

Success will be evaluated through a category meta-analysis to assess pollinator population in addition to known bee population. Success will be based upon the percentile increase of the pollinator population and the used categorical meta-analysis to test whether agri-environmental-climate measures in general are effective at promoting species richness and abundance of bees in agro-ecosystems.

8.2.6.3.3.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the

relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

See baseline table under section “Description of the type of operation”.

More detailed information on baseline conditions for each AECM is found in the Annex entitled: “Methodological Assumptions for Payment Calculations (AECMs)”.

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced by Directive 2009/128/EC of the European Parliament and of the Council, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

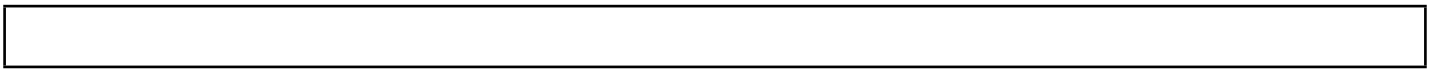
See baseline table under section “Description of the type of operation”.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Not applicable for AECM3.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

For all these calculations, some basic assumptions and sources of national data were used. These are explained in the separate annex (“Methodological Assumption for Payment Calculations (AECMs)”) to the RDP concerning the agri-environment-climate measures.



8.2.6.3.4. 10.1 - AECM 4: Measure for the implementation of an Integrated Pest Management Plan targeting Vineyards and Orchards

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.6.3.4.1. Description of the type of operation

AECM4 - BASELINE TABLE (see figures)

The objective of this measure is to incentivise farmers to have an Integrated Pest Management Plan made and practice on vineyards and orchards. The objective is to reduce the use of pesticides on a calendar spraying basis, incentivise the application of pesticide only when necessary and ultimately result in lower pesticide application rates. IPM programs are often drafted at national level to ensure consistency across a territory in control methods. IPM has to forecast pests most likely to affect orchards/ vineyards and plan for them accordingly. Due to the extensive nature of these plans and a lack of national authority with this knowledge base in a position to draft such plans, these plans will have to be out sourced and due to this it is not feasible to introduce across the board for all crops.

Integrated pest management (IPM) is defined by Legal Notice 489 of 2011 (which transposes Directive 128/2009) as careful consideration of all available plant protection methods and subsequent integration of appropriate measures that discourage the development of populations of harmful organisms and keep the use of plant protection products and other forms of intervention to levels that are economically and ecologically justified and reduce or minimize risks to human health and the environment. Integrated pest management emphasises the growth of a healthy crop with the least possible disruption to agro-ecosystems and encourages natural pest control mechanisms.

The same Legal Notice requires that appropriate incentives are established to encourage professional users to implement crop or sector-specific guidelines for integrated pest management. IPM Guidelines require that use of herbicides is **only prohibited** from areas used by the general public or by vulnerable groups, such as public parks and gardens, sports and recreation grounds, school grounds and children's playgrounds and in the close vicinity of healthcare facilities, and even in this case there is the option that with the implementation of appropriate risk mitigation measures the herbicides are used in very urgent cases where there are no other alternatives. The complete control of weeds through mechanical means does not provide satisfactory pest control in the Maltese climatic environment. In addition the spread of seeds for certain weeds if controlled solely through mechanical means would not be economically and ecologically viable.

In addition land managers must attend a training module relevant to the measure by the end of the 3rd year from acceptance on the scheme. Proof of attendance will be requested upon submission of the annual renewal of applicant's commitment. Training may be provided free of charge and supported under Measure 1.

Furthermore land managers are obliged to take service from recognised FAS in order to receive advice on adequate fulfilment of all commitments and obligations. This has to be undertaken by the end of the 3rd year from acceptance on the scheme. Proof of service receipt will be requested.

Figure - Baseline Table AECM 4

AECM4: Measure for the implementation of an Integrated Pest Management Plan on a holding level

Commitments	**Relevant GAEC and/or SMR**	**Minimum requirements for use of fertilisers and pesticides**	**Other relevant National/Regional requirements**	**Minimum activities** **See Article 28(3) of Regulation (EU) No 1305/2013 (It makes reference to Points c(ii) andc(iii) of article 4(1) of Regulation (EU) No 1307/2013**	**Relevant usual farming practices**	**Environmental and agronomic relevance**	**Income foregone and additional costs based on the commitments taken into account in the premia calculation**
The IPM Plan must be drafted by individuals identified under Annex VI	**SMR10** – Plant Protection Products: This Regulation lays down rules for the authorisation of plant protection	The minimum requirements for use of pesticides Legal Notice on PPPs 284 of 2011	Act XI 2001 Pesticides Control Act Legal Notice 489 of 2011 – Sustainable Use of Pesticides Regulations, 2011 Malta's National	No minimum activities established	No legal requirement for IPMP to be drafted by technical advisors as per list under Annex VI of annexed document. Technical forms such	Not applicable	The cost is related to an expert consultant to draft the IPM. This is based on time spent by the expert to review the farmer's crop plan, parcel locations, and identify the various pests

	products in commercial form and for their placing on the market, use and control within the Community. This Regulation increases the level of health and environmental protection, contributes to better protection of agricultural production, and enlarges and consolidates the internal market for plant protection products.		Action Plan for Sustainable Use of Pesticides 2013-2018 Legal Notice 108 of 2009 Protection of Groundwater against Pollution and Deterioration Regulations, 2009		as but not limited to: Soil Management Plans, Integrated Pest Management Plans and Fertiliser Plans must be compiled by an Agronomist or Technical Advisor recognised by the Competent Authority. The individual shall be obliged to follow advice and recommendations given by the Ministry responsible for agriculture; moreover, such entities are bound to ensure that correlated work shall not be re-diverted to, or requested from the Ministry responsible for		relevant to each parcels cropping plan. The expert must then draft and recommend best practices and pesticide management practices to be put in place on a parcel basis. The IPM must be drafted in accordance with the crops to be cultivated, and must also factor in the seasonal elements depicting what pests will most likely be present during each crop cycle. An average number of parcels/ hectare had to be established to determine the initial support rate for consultants. Calculations showed that in one hectare of land there are approximately 8.264 parcels/

					agriculture. Individuals who are recognised as competent to undertake the above mentioned tasks shall take full responsibility for all the information provided and services rendered to their clients, and they shall provide a signed declaration to this effect, upon provision of such documents to the client. Individuals recognised as agronomists or technical advisors capable of producing such documents must be in possession of a MQF level 5		ha.[1] The fairly high number of parcels/ ha is due to land fragmentation which (as mentioned under chapter 2) is considered a serious issue locally. In addition to this land fragmentation not only results in small parcels, but also parcels forming part of one holding are spread out through different localities. It should take approximately 15[2] minutes/ parcel, to review relevant data and draft the IPM for orchards/ vineyards. On this basis it will take approximately 4 hours/ hectare.[3]

					qualification or higher. The qualification must be directly relevant to agriculture.		
Installation of traps on parcels to allow the farmers to identify the kind of pest/ severity of infestation and use this information determine through the parameters established in their plan what actions to take.	**SMR10** – Plant Protection Products: This Regulation lays down rules for the authorisation of plant protection products in commercial form and for their placing on the market, use and control within the Community. This Regulation increases the level of health and environmental protection,	The minimum requirements for use of pesticides Legal Notice on PPPs 284 of 2011	Act XI 2001 Pesticides Control Act Legal Notice 489 of 2011 – Sustainable Use of Pesticides Regulations, 2011 Malta's National Action Plan for Sustainable Use of Pesticides 2013-2018 Legal Notice 108 of 2009 Protection of Groundwater against Pollution and Deterioration Regulations, 2009	No minimum activities established	No legal requirement for farmers to install traps on their holdings (not normal practice).	The IPM will also aim at monitoring and identifying pests. Not all insects, weeds, and other living organisms require control. Many organisms are innocuous, and some are even beneficial. IPM programs work to monitor for pests and identify them accurately, so that appropriate control decisions can be made in conjunction with action thresholds. This monitoring and identification removes the possibility that pesticides will be used when they are not really needed or that the wrong kind of pesticide will be used.	Support for labour must factor in installation of traps on parcels and additional labour arising as a result of altering practices to monitor and control pests through alternative means rather than utilising chemical pesticides to control and prevent pests, irrelevant of whether there is evidence of an outbreak or not. The adoption of a minimum of 3 (listed) alternative biological, chemical and cultural practices will evidently evolve in

	contributes to better protection of agricultural production, and enlarges and consolidates the internal market for plant protection products.					As a first line of pest control, IPM programs work to manage the crop, to prevent pests from becoming a threat. Control methods can be very effective and cost-efficient and present little to no risk to people or the environment.	additional labour by the farmer to adopt these practices. Support for labour must also factor in altering practices as per the integrated pest management plan. For this intent it is assumed that farmers will spend an additional 1 hour/ha/week in adopting a plan targeting IPM. It has to be kept in consideration that the farmer must relent on the majority of conventional practices upon which they are accustomed to, already have the necessary tools/ means to implement and more importantly knowledge of practices. The introduction of a plan specifying a minimum of 3 additional/alternative

							practices will entail a substantial amount of time for additional labour, learning alternative practices, purchasing of necessary alternative controls for implementation, actual application/ implementation of new controls/ actions and so forward.
Farmers will be required to retain a record, which must cover the date when monitoring was performed, the pest the farmer was monitoring for and the number of pest(s) recorded (if any).	**SMR10** – Plant Protection Products: This Regulation lays down rules for the authorisation of plant protection products in commercial form and for their placing on the market, use and control within the Communi	Legal Notice on PPPs 284 of 2011	Act XI 2001Pesticides Control Act Legal Notice 489 of 2011 – Sustainable Use of Pesticides Regulations, 2011 Malta's National Action Plan for Sustainable Use of Pesticides 2013-2018 Legal Notice 108 of 2009 Protection of Groundwater against Pollution and	No minimum activities established	No legal obligation to retain a record of monitoring on a holding	Not applicable	Not a cost remunerated factor

	ty. This Regulation increases the level of health and environmental protection agricultural production, and enlarges and consolidates the internal market for plant protection products.		Deterioration Regulations, 2009				
Beneficiaries under all AECMs will be required to attend a training module relevant to the AECM subscribed. Courses should be completed by the end of the 3rd year from acceptance on the scheme**.**	Not Applicable	The minimum requirements for use of pesticides Legal Notice on PPPs 284 of 2011	Act XI 2001Pesticides Control Act Legal Notice 489 of 2011 – Sustainable Use of Pesticides Regulations, 2011 Malta's National Action Plan for Sustainable Use of Pesticides 2013-2018 Legal Notice 108 of 2009 Protection of Groundwater	No minimum activities established	There is no legal requirement which obliges farmers to attend a course on how to implement an IPMP and which focuses on the environmental implications of PPPs and the importance of IPMP . Therefore this measure supersedes all legal	In attending a course of this nature the farmer is provided with knowledge to better understand the environmental importance of his practices and relevant actions. It will provide the necessary information and scope of the measure to the farmer. The provision of courses ensures that the farmer is in a position to understand how implement the AECM and	Not a cost remunerated factor.

			against Pollution and Deterioration Regulations, 2009		obligations and leads to several environmental benefits as a result of going above and beyond requirements.	better yet understand the environmental implications of the relevant AECM. A main reason for unnecessary pesticide use is lack of knowledge and information among farmers, about other crop protection approaches and the true costs and benefits of pesticide use. In order to ensure that this measure is successfully implemented farmers will be required to attend a course on how to interpret and implement an integrated pest management plan on their holding. The course will also educate farmers on the primary pests found in Malta, more specifically on pests affecting vineyards and orchards. Correct pest Identification is essential to implementing	

						IPM.	
An IPM must include at least 3 of the following techniques (however in the event that technical advisor believes additional techniques will be beneficial to achieving the objectives then these too must be included in the IPMP) : • Cultural practices that can help prevent build up of pests (e.g. pruning and tillage methods) • Field sanitation and seed bed sanitation, • Use of pest-resistant varieties, • Managing sowing, planting or harvesting dates • Water/irrigation manageme	**SMR10** – Plant Protection Products: This Regulation lays down rules for the authorisation of plant protection products in commercial form and for their placing on the market, use and control within the Community. This Regulation increases the level of health and environmental protection, contributes to better protection of agricultural productio	The minimum requirements for use of pesticides Legal Notice on PPPs 284 of 2011	Act XI 2001Pesticides Control Act Legal Notice 489 of 2011 – Sustainable Use of Pesticides Regulations, 2011 Malta's National Action Plan for Sustainable Use of Pesticides 2013-2018 Legal Notice 108 of 2009 Protection of Groundwater against Pollution and Deterioration Regulations, 2009	No minimum activities established	There is no legal requirement which obliges farmers to practice any of the techniques listed (not normal practice). Therefore this measure supersedes all legal obligations and leads to several environmental benefits as a result of going above and beyond requirements.	Once monitoring, identification, and action thresholds indicate that pest control is required, and preventive methods are no longer effective or available, IPM programs then evaluate the proper control method both for effectiveness and risk. Effective, less risky pest controls are chosen first, including highly targeted chemicals, such as pheromones to disrupt pest mating, or mechanical control, such as trapping or weeding. If further monitoring, identifications and action thresholds indicate that less risky controls are not working, then additional pest control methods would be employed,	Support for labour must factor in installation of traps on parcels and additional labour arising as a result of altering practices to monitor and control pests through alternative means rather than utilising chemical pesticides to control and prevent pests, irrelevant of whether there is evidence of an outbreak or not. The adoption of a minimum of 3 (listed) alternative biological, chemical and cultural practices will evidently evolve in additional labour by the farmer to adopt these practices. Support for

nt, • Soil and nutrient management (including mulching, zero/low tillage, fertilizer management) • Practices to enhance the build up of naturally existing predator populations • Use of traps or trap crops Biological inputs • Biological control through release of predators, parasites or pathogens • Bio-pesticides • Biological preparations (e.g. name extract) Chemical inputs	n, and enlarges and consolidates the internal market for plant protection products.					such as targeted spraying of pesticides. Broadcast spraying of non-specific pesticides is a last resort. Generally, IPM involves a combination of techniques. IPM is about an approach and not a set of techniques, adaptive to an individual holding and its requirements. There is the potential to reduce pesticide application through an IPM by reducing/ eliminating the following practices: • Calendar based preventative pesticide applications; • Use of insecticides, while insect damage is likely to remain within	labour must also factor in altering practices as per the integrated pest management plan. For this intent it is assumed that farmers will spend an additional 1.5 hour/ha/week in adopting a plan targeting IPM. It has to be kept in consideration that the farmer must relent on the majority of conventional practices upon which they are accustomed to, already have the necessary tools/ means to implement and more importantly knowledge of practices. The introduction of a plan specifying a minimum of 3 additional/alternative practices, purchasing of necessary alternative controls for implementation, actual application/

• Chemicals that disrupt insect behaviour (e.g.: pheromones) • Growth-regulators						levels that can be compensated by the plant; • Use of herbicides, while weed problems can be economically managed through cultural practices; • Use of fungicides, while fungal diseases can be avoided by better selection of crop varieties and better fertilizer management. An Integrated Pest Management plan is not a single pest control method but, rather, a series of pest management	implementation of new controls/ actions and so forward.

						evaluations, decisions and controls. In practicing. The draftee plan must take into consideration the best techniques for implementation on the specific holding.	

[1] 1ha/ 0.121(per parcel)= average 8.26 parcels/ ha

[2] This is based on agronomic assumptions provided by regulatory bodies which regularly conduct inspections on parcels for various controls.

[3] 8.26 x 15 minutes.

8.2.6.3.4.2. Type of support

Type of support: Grants

The support is based on income foregone and additional costs. Reference can be made to the detailed calculations which can be found in annex.

For all AECMs payments will be made per unit of relevant action, so for land-based measures a standard payment per hectare of land, per year.

Training and advice required under the conditions of acceptance for these measures may be funded under Measures 1 and 2, and are not included in the support provided by this AECM.

8.2.6.3.4.3. Links to other legislation

The following legislation is of relevance:

• Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 458/2008 - # Chapter I of Title VI (cross-compliance).

• Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013

establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009 - Article 4(1)(c) (minimum activity, maintenance of agricultural area)

- Act XI 2001 Pesticides Control Act
- Act No V of 1991 Environment Protection Act, 1991
- LN489/ 2011 Sustainable Use of Pesticides Regulations, 2011
- LN 108/2009 Protection of Groundwater against Pollution and Deterioration Regulations, 2009
- Malta's National Action Plan for Sustainable Use of Pesticides 2013-2018

8.2.6.3.4.4. Beneficiaries

- Farmers
- Other land managers, including NGOs.
- A mixture of both (as indicated under the general description) who carry out, on a voluntary basis, operations consisting of one or more agri-environment-climate commitments on agricultural land.

8.2.6.3.4.5. Eligible costs

See section below on applicable amounts and support rates. For each measure, costs to implement the management prescribed are estimated using a variety of secondary sources and expert judgement – see details of the calculations for each measure under the section on methodology for the calculation of costs, below.

The measure provides for 100% of the eligible rates or costs.

Transaction costs will not be covered.

The Managing Authority will ensure that it carries out the necessary reduction of the amount necessary in order to exclude double-funding of practices referred to under Article 28(6) of Regulation (EU) No. 1305/2013 with respect to Article 43 of Regulation (EU) No. 1306/2013.

8.2.6.3.4.6. Eligibility conditions

Article 28(3) of Regulation (EU) No. 1305/2013 stipulates that Measure 10 will only cover those commitments going beyond the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No. 1306/2013, the relevant criteria and minimum activities as established pursuant to points (c)(ii) and (c)(iii) of Article 4(1) of Regulation (EU) No. 1307/2013, and relevant minimum requirements established by national law.

- In order to apply for aid a farmer must have a minimum of 1124m2 of agricultural land. Any parcels that are found to be less than 0.04 hectares, whether in a less favoured area or not, are ineligible for

payment. A tolerance in line with applicable Commission guidelines will be applied.

- Farmers will be required to keep records relevant to their holding. These will be subject to checks and controls by the Farm Advisory Service.
- AECMs must be implemented in the form of five year commitments (however, as from 2021, any new commitments shall be limited to one to three years (1-3 years) and not 5 years). The applicant is required to make an annual payment claim each year of the commitment, until the five year (or one to three years (1-3 years) for any new commitments undertaken as from 2021) commitment is complete.
- Farmers must be registered in the IACS Farmer Registry.
- In line with Art 11 and in particular Art 11(2) of Regulation (EU) No 808/2014, beneficiaries may only receive support from one AECM with the exception of AECM 3.
- Beneficiaries cannot apply for a combination of AECMs, within the same parcel, under any of the following three AECMs: AECM 1, AECM2 and AECM 6c. On the other hand, other combinations (with the exception of the aforementioned exclusions), may be made possible if provided for in the RDP.
- AECM 3 can be combined with any other AECM. Support under AECM 3 is permissible for parcels that are also linked to any of the other AECMs; in cases where the beekeeper implementing AECM 3 and the farmer implementing another AECM are not the same person (therefore two seperate beneficiaries), the established support rates shall remain the same for both respective AECMs/ beneficiaries.
- Technical forms such as but not limited to: Soil Management Plans, Integrated Pest Management Plans and Fertiliser Plans must be compiled by an Agronomist or Technical Advisor recognised by the Competent Authority.
- As a basic conditionality to all AECMs farmers must now register (where possible) garrigue land. In order for a farmer to register eligible garrigue land, it must be surrounded on a minimum of three sides by agricultural land. In addition to the former, garrigue land must also be fully enclosed (with necessary access points) with a boundary rubble wall. The boundary rubble wall must be constructed in accordance with all MEPA requirements and regulations.
- All agriculture reference parcels claimed should be unambiguously located on site and through satellite images.
- Farmers must observe the baseline Cross Compliance Requirements which include the statutory management requirements and the Good Agricultural and Environmental Conditions (GAEC) (refer to baseline table under section “Description of the type of operation”)
- In case of transfer of holdings (or part of) following the first year of commitment obligations pertaining to the sub-measure must be maintained. In any case adequate assessment shall be made to ensure that the objective of the measure would still be achieved.
- Beneficiaries under all AECMs will be required to attend a training module relevant to the AECM subscribed. Courses should be completed by the end of the 3rd year from acceptance on the scheme. Proof of attendance will be requested upon submission of the annual renewal of applicant’s commitment. Training will be provided free of charge and may be supported under Measure 1. The Paying Agency reserves the right to suspend payment until submission of course certificate (after which payments can be activated retrospectively).
- Furthermore beneficiaries are obliged to take advice for adequate fulfilment of all commitments and obligations. Advice should be completed by the end of the 3rd year from acceptance on the scheme. Whilst preferable, such advice shall not necessarily be received from a recognised Farm Advisory System referred to in Articles 12 to 14 of Regulation (EU) No 1306/2013). The Managing Authority shall notify as to the type of acceptable advice under this measure. Proof of service received will be requested. Advice may be supported through Measure 2. The Paying Agency reserves the right to

suspend payment until submission of proof of service (after which payments can be activated retrospectively).

8.2.6.3.4.7. Principles with regards to the setting of selection criteria

It is assumed that potentially all beneficiaries of each measure provide the same environmental benefits as they are subject to the same commitments; therefore there is no need to undertake any selection of beneficiaries. Regulation (EU) No 1305/2013 does not require establishing selection criteria for AECM.

However, in case of budgetry restrictions, priority will be given to applications within Natura 2000 areas.

8.2.6.3.4.8. (Applicable) amounts and support rates

AECM 4: Implementation of an IPMP

€168.08/t/year OR €1495.92/ha/year

Consultant

Time spent by the expert to review the farmer's crop plan, parcel locations, identify the various pests relevant to each parcels cropping plan, & draft the IPMP.

Average no. of parcels/ha established to determine the initial support rate for consultants. Approx. 73.5%[2] of holdings in Malta are 1ha or less in size, covering a total area of 1777.24 ha, divided into 14,538 individual parcels. The average parcel being 0.121 ha (1.08 t)[3], in 1 ha of land there are approx. 8.264 parcels/ha.[4]

No. of parcels/ha is due to land fragmentation (a serious issue locally). Land fragmentation means that small parcels comprising 1 holding are spread through different localities. It should take approximately 15[5] minutes/parcel, to review relevant data & draft the IPMP for orchards/vineyards. This will take approx. 4 hrs/ha.[6]

Labour

Factors in installation of traps on parcels & additional labour (to normal practice) due to practices to control pests through alternative means rather than chemical pesticides, irrelevant of whether there is an outbreak or

not.

Adoption of a minimum of 3 alternative biological, chemical & cultural practices implies additional labour (to normal practice) to adopt these practices. IPMP must include at least 3 of the following:

- Cultural practices to prevent build up of pests (e.g. pruning & tillage methods)
- Field & seed bed sanitation
- Use of pest-resistant varieties
- Managing sowing, planting or harvesting dates
- Water/irrigation management
- Soil & nutrient management (mulching, zero/low tillage, fertilizer management)
- Practices to enhance build up of naturally existing predator populations
- Use of traps/trap crops

Biological inputs

- Biological control through release of predators, parasites or pathogens
- Bio-pesticides
- Biological preparations (e.g. name extract)

Chemical inputs

- Chemicals that disrupt insect behaviour (e.g. pheromones)
- Growth-regulators

It is assumed that farmers will spend an additional 1.5 hrs/ha/week in adopting an IPMP (total of 78hrs/ha/yr). Visual inspection costs, monitoring of pest thresholds, planting, & record keeping were not included in the calculation. It should be noted that the farmer must relent on the majority of conventional practices he is accustomed to, must possess the necessary tools/means to implement and importantly knowledge of practices. Introduction of a plan specifying at least 3 alternative practices will entail a large amount of time for additional labour (to normal practice), learning alternative practices, purchasing alternative controls, application of new actions, etc. Depending on the land in question, the IPMP may include more than 3 of the listed alternative practices. In such cases, the support granted to the farmer will remain the same.

In Malta most of these practices are more difficult/costly to implement due to small size, fragmentation & costs of alternative controls. Contrary to Malta, in Europe, alternative controls are often purchased in bulk & as such more affordable. Fragmentation & alignment of parcels means the applicant is likely to treat pests in neighbouring fields, as those on his own holding. To avoid this, farmers will purchase additional biological controls & invest more time in their application to achieve the same objectives.

Alternative Controls

It is estimated that there is 41% [1] difference in the production costs of organic farming in comparison to conventional farming. On this basis the following agronomic assumption was made: Yield /100% x 28% (Production costs percentile)/100% X %= loss in income from implementing alternative controls. The former costing does not factor in average percentile of increased pesticide costs.

Support & transactional costs incurred for the implementation of this measure are not included in the support rate & will be covered under Article 15 of Regulation (EC) No. 7303/11. In addition to this, farmers will receive support under Articles 32-33 of Regulation (EU) No. 1305/2013 for areas facing natural or other specific constraints.

The support shall have the form of a fixed payment per tumuli.

[1] COPA COGECA

[2] NSO Census 2010

[3] Total Ha/ Total parcels

[4] 1ha/ 0.121(per parcel)= average 8.26 parcels/ ha

[5] This is based on agronomic assumptions provided by regulatory bodies which regularly conduct inspections on parcels for various controls.

[6] 8.26 x 15 minutes.

[8] Based on suppliers costing and as a result of an informal questtionaire circulated amongst owners of vineyards.

[9] Based on previous RDP agronomic assumptions.

[11] All support rates are based on a tumoli/tree/head/hive basis.

[1] Based on previous RDP agronomic assumptions.

8.2.6.3.4.9. Verifiability and controllability of the measures and/or types of operations

8.2.6.3.4.9.1. Risk(s) in the implementation of the measures

- Beneficiaries not sufficiently knowledgeable about all the obligations they will be entering into with this AECM, as happened in some instances in the past RDP
- Non-respect of obligation of beneficiaries to attend training and benefit from advice would result in penalties/recoveries/etc.
- Farmers do not complete training/advice in time (within 3 years) from acceptance on scheme

8.2.6.3.4.9.2. Mitigating actions

In order to avoid errors the following elements have been taken into account:

•Clarity of the supported commitments: the text in this section will be made available to all potential beneficiaries in advance of making applications.

•No additional eligibility conditions have been added to these measures over and above statutory requirements. Training requirements on all these measures, as well as obligatory advice on cross-compliance conditions will ensure that all beneficiaries are aware of eligibility conditions. This will aim to address the incidence of error rates.

• The MA shall ensure that as soon as possible, M1 and M2 are launched

• In case training providers are not appointed within the 3 year period, the MA will consider launching an ad hoc course until selection of training providers is completed.

8.2.6.3.4.9.3. Overall assessment of the measure

Success will be evaluated through a category meta-analysis to assess pollinator population in addition to known bee population. Success will be based upon the percentile increase of the pollinator population and the used categorical meta-analysis to test whether agri-environmental-climate measures in general are effective at promoting species richness and abundance of bees in agro-ecosystems.

8.2.6.3.4.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

See baseline table under section "Description of the type of operation."

More detailed information on baseline conditions for each AECM is found in the Annex entitled: "Methodological Assumptions for Payment Calculations (AECMs)".

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced by Directive 2009/128/EC of the European Parliament and of the Council, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

See baseline table under section "Description of the type of operation".

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Not applicable for AECM4.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

For all these calculations, some basic assumptions and sources of national data were used. These are explained in the separate annex ("Methodological Assumption for Payment Calculations (AECMs)") to the RDP concerning the agri-environment-climate measures.

8.2.6.3.5. 10.1 - AECM 5: Measure for the implementation of a soil management and conservation plan on a holding

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.6.3.5.1. Description of the type of operation

AECM5 – BASELINE TABLE (see figure)

The objective of this measure is to incentivise farmers to prepare and implement a Soil Management Plan on parcels which are part of their holding targeting three primary soil related threats on a parcel level; erosion, compaction and low soil organic matter.

Figure - Baseline Table AECM 5

AECM5: Measure for mitigation of soil erosion, enhancing organic matter and mitigating compaction through the introduction of a Soil Management Plan

Commitments	**Relevant GAEC and/or SMR**	**Minimum requirements for use of fertilisers and pesticides**	**Other relevant National/Regional requirements**	**Minimum activities** **See Article 28(3) of Regulation (EU) No 1305/2013 (It makes reference to Points c(ii) andc(iii) of article 4(1) of Regulation (EU) No 1307/2013**	**Relevant usual farming practices**	**Environmental and agronomic relevance**	**Income foregone and additional costs based on the commitments taken into account in the premia calculation**

Beneficiaries under all AECMs will be required to attend a training module relevant to the AECM subscribed. Courses should be completed by the end of the 3rd year from acceptance on the scheme**.**	Not Applicable	Not Applicable	Legal Notice 207 of 2009 Cross-Compliance Related to EU Aid Applications in terms of the Paying Agency (Amendment Regulations, 2009) 2004/35/EC Soil Framework Directive Code of Good Agricultural Practice (CoGAP)	No minimum activities established	There is no legal requirement which obliges farmers to attend a course on soil threats in the Maltese islands and how to implement an SMP and which focuses on the environmental implications of SMPs. Therefore this measure supersedes all legal obligations and leads to several environmental benefits as a result of going above and beyond requirements.	In attending a course of this nature the farmer is provided with knowledge to better understand the environmental importance of his practices and relevant actions. It will provide the necessary information and scope of the measure to the farmer. The provision of courses ensures that the farmer is in a position to understand how to implement the AECM and better yet understand the environmental implications of the relevant AECM.	Not a cost remunerated factor.
Farmers must possess a Soil Management Plan	GAEC4: Minimum	The minimum requiremen	Legal Notice 207 of 2009 Cross-	No minimum	No legal requirement for SMP to be	Not applicable	The cost is

drafted by individuals identified under Annex VI.	soil cover GAEC5: Minimum land management site conditions to limit erosion GAEC6: Maintenance of Soil Organic Matter GAEC7: Retention of landscape features SMR1 – Nitrates: The Nitrates Directive aims to protect water quality across Europe by preventing nitrates from agricultural sources polluting ground and	ts for use of fertilisers and pesticides are as per Legal Notice 94 of 2015 amending Subsidiary Legislation 504.108 and Legal Notice on PPPs 284 of 2011	Compliance Related to EU Aid Applications in terms of the Paying Agency (Amendment) Regulations, 2009 2004/35/EC Soil Framework Directive Code of Good Agricultural Practice (CoGAP)	activities established	drafted by technical advisors as per list under Annex VI of annexed document (not normal practice). Technical forms such as but not limited to: Soil Management Plans, Integrated Pest Management Plans and Fertiliser Plans must be compiled by an Agronomist or Technical Advisor recognised by the Competent Authority. The individual shall be obliged to follow advice and recommendations given by the Ministry responsible for agriculture;		related to an expert consultant to draft the SMP. This is based on time spent by the expert conducting visual inspections on parcel(s) to identify the soil threats relevant to each parcel. The expert must then draft and recommend best practices in accordance with findings from the visual inspections. An average number of parcels/ hectare has to be established to determine the initial support rate for consultants. Calculations show that in one hectare of land there are approximately 8.264 parcels/

	surface waters and by promoting the use of good farming practices. SMR10 – Plant Protection Products: This Regulation lays down rules for the authorisation of plant protection products in commercial form and for their placing on the market, use and control within the Community. This Regulation increases the level of health and environmental protection, contributes to better protection of agricultural production,				moreover, such entities are bound to ensure that correlated work shall not be re-diverted to, or requested from the Ministry responsible for agriculture. Individuals who are recognised as competent to undertake the above mentioned tasks shall take full responsibility for all the information provided and services rendered to their clients, and they shall provide a signed declaration to this effect, upon provision of such documents to the client. Individuals recognised as agronomists		ha.[1] The fairly high number of parcels/ ha is due to land fragmentation which is considered a serious issue locally. In addition to this land fragmentation not only results in small parcels, but also parcels forming part of one holding are spread out through different localities. It takes approx 30[2] minutes/parcel/ inspection. On this basis it will take approximately 4 hours/hectare.[3]

	and enlarges and consolidates the internal market for plant protection products.				or technical advisors capable of producing such documents must be in possession of an MQF level 5 qualification or higher. The qualification must be directly relevant to agriculture.		
Tests must be done once annually for Soil Organic Matter (SOM), and results submitted with the SMP produced annually.	GAEC4: Minimum soil cover GAEC5: Minimum land management site conditions to limit erosion GAEC6: Maintenance of Soil Organic Matter GAEC7: Retention of landscape	Not Applicable	Legal Notice 207 of 2009 Cross-Compliance Related to EU Aid Applications in terms of the Paying Agency (Amendment) Regulations, 2009 2004/35/EC Soil Framework Directive Code of Good Agricultural Practice (CoGAP)	No minimum activities established	There is no legal obligation for farmer to carry out soil analyses (not normal practice).In addition SOM targets supersede legal obligation. Therefore this measure supersedes all legal obligations and leads to several environmental benefits as a result of going above and beyond requirements.	Soil organic matter is a dynamic soil property and continuous work is required to maintain or increase its value. The ultimate source of almost all organic matter in soil is plant material. The data shows that 58% of the soils have a soil organic carbon content below the threshold of 2%[4], that is widely believed to	Farmers will also be required to conduct soil analysis necessary in order to verify achievement of the SMP. This must be done annually and on a parcel basis. This amount will be supported on a hectare basis.

	features SMR1 – Nitrates: The Nitrates Directive aims to protect water quality across Europe by preventing nitrates from agricultural sources polluting ground and surface waters and by promoting the use of good farming practices.					be the threshold below which potentially serious decline in soil quality will occur. The implementation of an SMP should lead to a build-up of organic material in the soil; this can be accomplished through an SMP identifying the best practices to implement such as crop rotation, conservation tillage, mulching, and green manuring. Tests must be done once annually for Soil Organic Matter (SOM), and results submitted with the SMP produced annually. SOM must	

						be evaluated on a parcel level, and soil collected in the W spatial pattern. Through the promotion of composting (to increase organic matter), in SMPs it diverts green wastes such as vegetation, wood and other organic wastes from landfill, which can play a role in reducing greenhouse gas emissions.	
Leave the land fallow for a few months every year during the summer months. Summer fallow is the practice of allowing land to lie idle during the growing season. The fallow period will be from the 1st of July to the 1st of October.	GAEC4: Minimum soil cover GAEC5: Minimum land management site conditions to limit erosion	The minimum requirements for use of fertilisers are as per Legal Notice 94 of 2015 amending Subsidiary Legislation 504.108	Legal Notice 207 of 2009 Cross-Compliance Related to EU Aid Applications in terms of the Paying Agency (Amendment) Regulations, 2009 2004/35/EC	No minimum activities established	There is no legal obligation for farmers to leave land fallow (not normal practice). Therefore this measure supersedes all legal	The benefits of leaving land fallow for extended periods include rebalancing soil nutrients, re-establishing soil biota, breaking crop pest and disease	Agronomic assumptions related to income forgone arise from the need to compensate the loss in profits associated with leaving the land fallow from

During this period farmers cannot apply artificial* fertiliser/ pesticides to the land in question.	GAEC6: Maintenance of Soil Organic Matter GAEC7: Retention of landscape features	and Legal Notice on PPPs 284 of 2011	Soil Framework Directive Code of Good Agricultural Practice (CoGAP)		obligations and leads to several environmental benefits as a result of going above and beyond requirements.	cycles, and providing a haven for wildlife. The land must be left fallow for a few months every year during the summer months. Summer fallow is the practice of allowing land to lie idle during the growing season. The fallow period will be from the 1st of July to the 1st of October. This period will coincide directly after the bulk of forage crops have been harvested (such crops attribute to 61.2%[5] of crop cultivation in Malta and is usually harvested between	the 1st of July to the 1st of October and abstaining from growing a productive crop. Calculations are based on profit losses after deducting the production expenditure (including pesticides) which is a potential for savings. This would result in a rate which in actuality most likely be much higher as this is the time when the most profitable crops (such as melons) are cultivated.

						May and June). There are numerous benefits associated with leaving the land fallow, especially during this period as the stubble or crop residue, protects the soil from wind and water erosion, conserves nutrients and also has proven to reduce the spread of diseases whilst improving water balance and soil water retention.	
An SMP must include at least 3 of the following actions/practices: • Crop residue incorporation • Mulching • Planting of trees to	GAEC4: Minimum soil cover GAEC5: Minimum land management site conditions to limit erosion	The minimum requirements for use of fertilisers are as per Legal Notice 94 of 2015 amending Subsidiary Legislation 504.108	Legal Notice 207 of 2009 Cross-Compliance Related to EU Aid Applications in terms of the Paying Agency (Amendment) Regulations, 2009	No minimum activities established	There is no legal obligation for farmers to practice/ implement any of the listed actions (not normal practice). There is no legal	A SMP must evaluate the proper targeted approaches to specifically target the 3 primary soil threats in Malta. Actions/ practices must be	Support for labour must factor in composting, tilling land to target compaction, altering practices to prevent and mitigate soil erosion, and any additional

target erosion • Conservation tillage • Green manuring • Cultivation of forage crops • Plant vegetative filter strip in low lying and runoff areas of fields • Strip cropping	GAEC6: Maintenance of Soil Organic Matter GAEC7: Retention of landscape features	and Legal Notice on PPPs 284 of 2011	2004/35/EC Soil Framework Directive Code of Good Agricultural Practice (CoGAP)		obligation for farmer to abide by a SMP. In addition SOM targets supersede legal obligation. Therefore this measure supersedes all legal obligations and leads to several environmental benefits as a result of going above and beyond requirements.	selected for effectiveness and risk elimination fo the 3 identified threats. Generally, SMP involves a combination of techniques. SMP is about an approach and not a set of techniques, adaptive to an individual holding and its requirements. An SMP will aid in improving soil structure, increasing organic matter and retaining more moisture. It also increases biological activity in the soil and provides nutrients. The SMP	practices the SMP recommends. It is impossible to adapt support for each applicant as the SMP will identify different threats and remedial practices/ actions from parcel to parcel, therefore one generic agronomic assumption must be utilised to quantify labour. For this intent it is assumed that farmers will spend an additional 2 hour/ha/month to adopt SMP practices. This will result in 24 hours additional labour/ha/year. Farmers must also be provided with support to cover additional

						should be directed at the minimisation of soil erosion processes and mitigation of damage, and should be linked to the preservation of retaining rubble walls (not supported under measure 10), since these rural structures are considered to be instrumental for the prevention of soil erosion from terraced/ sloping fields. An SMP should also identify the best locations to plant trees to reduce the risk of erosion and enhance the environment.	time spent to adopt and apply new practices on their holding to align with soil management plans. Agronomic assumptions related to income forgone arise from the need to compensate the loss in profits associated with leaving the land fallow from the 1st of July to the 1st of October and abstaining from growing productive crop. Calculations are based on profit losses after deducting the production expenditure (including pesticides) which is a potential for savings. This result in a rate which

							would in actuality most likely be much higher as this is the time when the most profitable crops (such as melons are cultivated).

[1] 1ha/ 0.121(per parcel)= average 8.26 parcels/ ha

[2] This is based on agronomic assumptions provided by regulatory bodies which regularly conduct inspections on parcels for various controls.

[3] 8.26 x 15 minutes.

[4] MALSIS

[5] NSO: Agricultural Census 2010

* SL 504.108 Nitrates Action Programme Regulations, refers to artificial fertiliser and define it as ‘inorganic fertiliser’ or ‘chemical fertiliser’ as any nitrogenous fertiliser which is manufactured by an industrial process. When used, farmyard manures are applied only during the permissible season (open season which extends from the 15th March to the 15th October) and in accordance to the limits imposed by the Nitrate Directive. In reality, although the open season is 7 months long, most of the land spreading and immediate incorporation (to prevent leakages and losses) of the manures on soils occurs around the month of August.

8.2.6.3.5.2. Type of support

Type of support: Grants

The support is based on income foregone and additional costs. Reference can be made to the detailed calculations which can be found in annex.

For all AECMs payments will be made per unit of relevant action, so for land-based measures a standard payment per hectare of land, per year.

Training and advice required under the conditions of acceptance for these measures may be funded under Measures 1 and 2, and are not included in the support provided by this AECM.

8.2.6.3.5.3. Links to other legislation

The following legislation is of relevance:

• Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 458/2008 - # Chapter I of Title VI (cross-compliance).

• Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009 - Article 4(1)(c) (minimum activity, maintenance of agricultural area)

- L.N. 207 of 2009 Cross-Compliance Related to EU Aid Applications in terms of the Paying Agency (Amendment) Regulations, 2009
- 2004/35/EC Soil Framework Directive
- SL 504.108 Nitrates Action Programme Regulations

8.2.6.3.5.4. Beneficiaries

- Farmers
- Groups of farmers.

- Other land managers, including NGOs.
- A mixture of both (as indicated under the general description) who carry out, on a voluntary basis, operations consisting of one or more agri-environment-climate commitments on agricultural land.

The eligibility of groups of farmers stems from the potential of such groups to multiply the environmental and climate benefits related to AECM practices and can play a significant role in providing environmental public goods. Groups of farmers with a legal status and other types of groups (e.g. formed on ad hoc basis) shall be eligible. This can also include producer groups, and farmers working in partnership with NGOs and other environmental experts, and/or local municipalities (in valley/area management partnerships).

8.2.6.3.5.5. Eligible costs

See section below on applicable amounts and support rates. For each measure, costs to implement the management prescribed are estimated using a variety of secondary sources and expert judgement – see details of the calculations for each measure under the section on methodology for the calculation of costs, below.

The measure provides for 100% of the eligible rates or costs.

Transaction costs will not be covered.

The Managing Authority will ensure that it carries out the necessary reduction of the amount necessary in order to exclude double-funding of practices referred to under Article 28(6) of Regulation (EU) No. 1305/2013 with respect to Article 43 of Regulation (EU) No. 1306/2013.

8.2.6.3.5.6. Eligibility conditions

Article 28(3) of Regulation (EU) No. 1305/2013 stipulates that Measure 10 will only cover those commitments going beyond the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No. 1306/2013, the relevant criteria and minimum activities as established pursuant to points (c)(ii) and (c)(iii) of Article 4(1) of Regulation (EU) No. 1307/2013, and relevant minimum requirements established by national law.

- In order to apply for aid a farmer must have a minimum of 1124m2 of agricultural land. Any parcels that are found to be less than 0.04 hectares, whether in a less favoured area or not, are ineligible for payment. A tolerance in line with applicable Commission guidelines will be applied.
- Farmers will be required to keep records relevant to their holding. These will be subject to checks and controls by the Farm Advisory Service.
- AECMs must be implemented in the form of five year commitments (however, as from 2021, any new commitments shall be limited to one to three years (1-3 years) and not 5 years). The applicant is required to make an annual payment claim each year of the commitment, until the five year (or one to three years (1-3 years) for any new commitments undertaken as from 2021) commitment is complete.
- Farmers must be registered in the IACS Farmer Registry.
- In line with Art 11 and in particular Art 11(2) of Regulation (EU) No 808/2014, beneficiaries may only receive support from one AECM with the exception of AECM 3.
- Beneficiaries cannot apply for a combination of AECMs, within the same parcel, under any of the following three AECMs: AECM 1, AECM2 and AECM 6c. On the other hand, other combinations (with the exception of the aforementioned exclusions), may be made possible if provided for in the RDP.
- AECM 3 can be combined with any other AECM. Support under AECM 3 is permissible for parcels that are also linked to any of the other AECMs; in cases where the beekeeper implementing AECM 3 and the farmer implementing another AECM are not the same person (therefore two seperate beneficiaries), the established support rates shall remain the same for both respective AECMs/ beneficiaries.
- Technical forms such as but not limited to: Soil Management Plans, Integrated Pest Management Plans and Fertiliser Plans must be compiled by an Agronomist or Technical Advisor recognised by the Competent Authority.
- As a basic conditionality to all AECMs farmers must now register (where possible) garrigue land. In order for a farmer to register eligible garrigue land, it must be surrounded on a minimum of three sides by agricultural land. In addition to the former, garrigue land must also be fully enclosed (with necessary access points) with a boundary rubble wall. The boundary rubble wall must be constructed in accordance with all MEPA requirements and regulations.
- All agriculture reference parcels claimed should be unambiguously located on site and through satellite images.

- Permanent cropland is ineligible for support under AECM5.
- Irrigated agricultural land with soil organic matter below 2% is ineligible (GAEC obligation). Such condition is not applicable for non-irrigated agricultural land.
- Farmers must observe the baseline Cross Compliance Requirements which include the statutory management requirements and the Good Agricultural and Environmental Conditions (GAEC) (refer to baseline table under section "Description of the type of operation")
- In case of transfer of holdings (or part of) following the first year of commitment obligations pertaining to the sub-measure must be maintained. In any case adequate assessment shall be made to ensure that the objective of the measure would still be achieved.
- Beneficiaries under all AECMs will be required to attend a training module relevant to the AECM subscribed. Courses should be completed by the end of the 3rd year from acceptance on the scheme. Proof of attendance will be requested upon submission of the annual renewal of applicant's commitment. Training will be provided free of charge and may be supported under Measure 1. The Paying Agency reserves the right to suspend payment until submission of course certificate (after which payments can be activated retrospectively).
- Furthermore beneficiaries are obliged to take advice for adequate fulfilment of all commitments and obligations. Advice should be completed by the end of the 3rd year from acceptance on the scheme. Whilst preferable, such advice shall not necessarily be received from a recognised Farm Advisory System referred to in Articles 12 to 14 of Regulation (EU) No 1306/2013). The Managing Authority shall notify as to the type of acceptable advice under this measure. Proof of service received will be requested. Advice may be supported through Measure 2. The Paying Agency reserves the right to suspend payment until submission of proof of service (after which payments can be activated retrospectively).

8.2.6.3.5.7. Principles with regards to the setting of selection criteria

It is assumed that potentially all beneficiaries of each measure provide the same environmental benefits as they are subject to the same commitments; therefore there is no need to undertake any selection of beneficiaries. Regulation (EU) No 1305/2013 does not require establishing selection criteria for AECM.

However, in case of budgetry restrictions, priority will be given to applications within Natura 2000 areas.

8.2.6.3.5.8. (Applicable) amounts and support rates

AECM 5: Measure for the implementation of a soil management and conservation plan on a parcel

€213.75/t/year OR €1902.36/ha/year

The support rate has to cover several costs incurred.

One such cost is related to the costs of an expert consultant to draft the SMP. This is based on time spent by the expert conducting visual inspections on parcel(s) to identify the soil threats relevant to each parcel. The

expert must then draft and recommend best practices in accordance with findings from the visual inspections.

An average number of parcels/hectare has to be established to determine the initial support rate for consultants. Approximately 73.5%[1] of holdings in Malta are 1ha or less in size. In order to determine the average amount of parcels contained in a hectare of land, data was extrapolated from the LPIS system. In total 3535 holdings registered in LPIS have 1 ha or less. These holdings cover a total area of 1777.24 ha which is divided into 14,538 individual parcels. Therefore the average parcel is 0.121 ha (1.08 t)[2]. Therefore in one hectare of land there is approximately 8.264 parcels/ha.[3]

The fairly high number of parcels/ha is due to land fragmentation which is considered a serious issue locally. In addition to this land fragmentation not only results in small parcels, but also parcels forming part of one holding are spread out through different localities.

It takes approx 30[4] minutes/parcel/inspection. On this basis it will take approximately 4 hours/hectare.[5] The consultant will then have an additional hour of work to draft the actual SMP, so a further supplementary payment must be added in the calculation. Half of this support will be covered in the following years. An average value over 5 years has been taken into consideration in the calculation of the final support rate.

Farmers will also be required to conduct soil analysis necessary in order to verify achievement of SMP. This must be done annually and on a parcel basis. This amount will be supported on a hectare basis.

Farmers must also be provided with support to cover additional time spent to adopt and apply new practices on parcels which are part of the holding to align with soil management plans.

An SMP must include composting together with at least 2 of the following actions/practices:

- Crop residue incorporation
- Mulching
- Planting of trees to target erosion
- Conservation tillage
- Green manuring
- Cultivation of forage crops
- Plant vegetative filter strip in low lying and runoff areas of fields
- Strip cropping

Support for labour must factor in composting, tilling land to target compaction, altering practices to prevent and mitigate soil erosion, and any additional practices the SMP recommends. It is impossible to adapt support for each applicant as the SMP will identify different threats and remedial practices/ actions from parcel to parcel, therefore one generic agronomic assumption must be utilised to quantify labour. For this intent it is assumed that farmers will spend an additional 2 hour/ha/month to adopt SMP practices. This will result in 24 hours additional labour (to normal practice)/ha/year. Although actual additional hours spent to align with an SMP will undoubtedly supersede this assumption. Depending on the land in question, the SMP may include more than 3 of the listed alternative practices. In such cases, the support rate granted to the beneficiary will remain the same (that is, €213.75/t/annually).

Agronomic assumptions related to income forgone arise from the need to compensate the loss in profits associated with leaving the land fallow from the 1st of July to the 1st of October and abstaining from growing a productive crop. During this period farmers cannot apply fertiliser to the land in question.

Calculations are based on profit losses after deducting the production expenditure (see section 4.5 of Annex document) which is a potential for savings. Support and transactional costs incurred for the implementation of this measure are not included in the support rate and will be covered under Article 15 of Regulation (EC) No. 7303/2011. In addition to this, farmers will receive support under Articles 32-33 of Regulation (EU) No. 1305/2013 for areas facing natural or other specific constraints. The support shall have the form of a fixed payment per tumuli.

[1] NSO Census 2010

[2] Total Ha/ Total parcels

[3] 1ha/ 0.121(per parcel)= average 8.26 parcels/ ha

[4] This is based on agronomic assumptions provided by regulatory bodies which regularly conduct inspections on parcels for various controls.

[5] 8.26 x 15 minutes.

[10] All support rates are based on a tumoli/ tree/ head/ hive basis.

8.2.6.3.5.9. Verifiability and controllability of the measures and/or types of operations

8.2.6.3.5.9.1. Risk(s) in the implementation of the measures

- Beneficiaries not sufficiently knowledgeable about all the obligations they will be entering into with this AECM, as happened in some instances in the past RDP
- Non-respect of obligation of beneficiaries to attend training and benefit from advice would result in penalties/recoveries/etc.
- Farmers do not complete training/advice in time (within 3 years) from acceptance on scheme

8.2.6.3.5.9.2. Mitigating actions

In order to avoid errors the following elements have been taken into account:

•Clarity of the supported commitments: the text in this section will be made available to all potential beneficiaries in advance of making applications.

•No additional eligibility conditions have been added to these measures over and above statutory requirements. Training requirements on all these measures, as well as obligatory advice on cross-compliance conditions will ensure that all beneficiaries are aware of eligibility conditions. This will aim to address the incidence of error rates.

• The MA shall ensure that as soon as possible, M1 and M2 are launched

• In case training providers are not appointed within the 3 year period, the MA will consider launching an ad hoc course until selection of training providers is completed.

8.2.6.3.5.9.3. Overall assessment of the measure

The success of the measure will be based on several indicators. Biophysical indicators will be used to identify the impact of this measure on soil organic matter as well as maps to determine soil erosion. Such data has already been established in the MALSIS project and will be used as a baseline to determine the success rate of this measure.[1]

Additionally the SMP maps will be used as an indicator of main location of threats on the holding and if these threats were mitigated through the implementation of an SMP.

8.2.6.3.5.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

See baseline table under section “Description of the type of operation”.

More detailed information on baseline conditions for each AECM is found in the Annex entitled: “Methodological Assumptions for Payment Calculations (AECMs)”.

the rules of cross-compliance comprising the statutory management requirements and the standards for good agricultural and environmental conditions as provided for in Council Regulation (EU) No 1306/2013(HR)

GAEC specific requirements

The below controls are relevant to soil management in the context of baseline requirements. These are all

superseded in the context of the actions required of a soil management plan.

Keeping of records of good practices and/or soil analysis regarding organic matter content in soil. Soil analysis is a legal obligation in the context of the nitrates action programme for testing on NPK values not SOM. If a farmer has a record of good practices relevant to maintain soil organic matter this is sufficient in the context of GAEC control. And, in the case of irrigated land, SOM must be kept at a level of 2%, the SMP requires SOM be kept at 3% by the end of the AECM implementation (as one of the AECM targets/obligations). In the case of non-irrigated land, the applicant shall reach a SOM of 1% by the end of the AECM implementation phase (as one of the AECM targets/obligations). No GAEC obligation regarding SOM exists in the case of non-irrigated land.

Between the 15th October and the 15th of March, all un-terraced clay arable land having a slope of 11% or more shall be protected with a soil cover. SMP actions will not be marginalised to only sloping land however will target entire territory.

Soil retaining rubble walls must be in good condition. Rubble walls must be kept in good condition in accordance with an SMP, however it is not a cost remunerated factor in the context of this measure.

Ploughing must be performed parallel to the contours. Not listed as a action in this measure.

There should be no evidence of burnt stubble in the field. Up to 10m2 only is allowed. Not listed as a action in this measure.

Good practices (stubble management or manuring) should be carried out to maintain the levels of organic matter on irrigated land. SMP actions will not be marginalised to only irrigated land however will target entire territory.

Machinery should not be used on the soil when it is flooded or water saturated. Not listed as a action in this measure.

Unnecessary trampling of the soil with heavy machinery is prohibited. Not listed as a action in this measure.

See relevant baseline table for more detailed information.

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced by Directive 2009/128/EC of the European Parliament and of the Council, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

See baseline table under section “Description of the type of operation”.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Not applicable for AECM5.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

For all these calculations, some basic assumptions and sources of national data were used. These are explained in the separate annex (“Methodological Assumption for Payment Calculations (AECMs)”) to the RDP concerning the agri-environment-climate measures.

8.2.6.3.6. 10.1 - AECM 6: Measure for the integration and maintenance of autochthonous Maltese species

Sub-measure:

- 10.1 - payment for agri-environment-climate commitments

8.2.6.3.6.1. Description of the type of operation

AECM6 - BASELINE TABLE (see figures)

The aim of this measure is to promote the protection, maintenance and enhancement of autochthonous Maltese farm species encouraging an increased level of awareness and responsibility amongst farmers for native breeds.

This measure will target 2 species of livestock: the Maltese Ox and the Maltese black chicken. It will also provide support for Carob/ Mulberry.

With respect to support to the Maltese Black Chicken and Maltese Ox all the conditions of Article 7(3) of Regulation (EU) No 807/2014 must be fulfilled:

Maltese Black Chicken

a) The exact number of breeding females is not known , however, it is estimated that there are no more than 300 in Malta and Gozo

b) The exact number is not registered, however, records are kept by the MCAST Agribusiness Institute which has been working on this breed for the past 7 years. Data has been kept of people who purchased females from this Institution.

c) The MCAST Agribusiness Institute may register and keep up-to-date the herd book for the breed.

d) The MCAST Agribusiness Institute is itself conducting research on the mentioned breed, with the skills and necessary knowledge continuously being enhanced.

Maltese Ox

a) 7 females (over 2 years old) and 2 females (1 year old or younger).

b) Since the year 2000, the Maltese Ox has been recognised by FAO and deemed to be in critical condition. The definition of critical species (worse than endangered) may be found in the same FAO publications.

c) In Malta, breeding records are kept in relevant herd book, which is an obligation for all those rearing ruminants. These records are also recorded in the National Animal Herd Database. The Agriculture Directorate (Animal Husbandry Section) is the entity responsible for certification of this breed.

d) Since late 2013, and Inter-Ministerial Committee has been set up, composted of technical experts, with the responsibility of monitoring the regeneration of the Maltese Ox breed.

Concerning the support to the Holm Oak, Carob and Mulberry all the conditions of Article 7(4) of

Regulation (EU) No 807/2014 must be fulfilled:

Carob

> Carob trees are more widespread and are found along the length and breadth of the Island of Malta and to a lesser extent in Gozo. A mixture of varieties is usually found in all holdings. Eight varieties have been identified and many of the trees are over a hundred years old, with some of imposing girth having 500 years or more. Traditionally the carob tree had a multipurpose function in that it provided a form of fodder for farmyard animals, a source of cool underground storage for harvested potatoes, as well as a source of humus. It also served as a windbreak and provided shade to the farmer. Given the large shift towards pluriactivity, traditional practices have diminished and with increased fragmentation, the prevalence of the Carob has decreased. Over the long term there has been a considerable loss of varieties (and hence genetic resources) of the carob species, particularly when considering the varieties that existed in Malta almost a century ago (as included in Borg, 1922). Particular pressures mentioned include loss due to landuse change and disease.

The conservation of the Carob tree, in itself a traditional feature linked to the rural landscape, is therefore also important to preserve the agricultural genetic heritage.

Mulberry

Black Mulberries (Morus spp) are more ancient than the white mulberries since they have reached Malta during the time of the Phoenicians. Some Black Mulberries are of majestic proportions and are generally found close to springs, along valley beds and close to farmhouses. The only variety identified so far is that known as 'Ta' Spanja'. White Mulberries were extensively planted along valley beds during the beginning of the 20th century, as part of an initiative to set up a silk production industry. Most probably the seedlings used were raised from seed as there is great variability in the fruit produced by these trees, some of which are worthy of propagation. Single specimens are also found planted close to farmhouses, and these are generally of the 'Tal-Lombardija' variety. Local experts are of the opinion (Delia, 2007) that mulberries are seriously in danger of destruction especially now that trees especially the black type are being attacked by the mulberry long-horn beetle (Phryneta leprosa).

Support for the, Mulberry and Maltese Ox are a continuation of the 2007-2013 AECM sub-measure.

Land Managers must attend a training module relevant to the measure within 3 years of acceptance on the scheme. Proof of attendance will be requested upon submission of the annual renewal of applicant's commitment. Training will be provided free of charge and may be supported under Measure 1.

Furthermore land managers are obliged to take advice on adequate fulfilment of all commitments and obligations. This has to be undertaken within no later than 3 years from acceptance on the scheme. Proof of service receipt will be requested.

AECM6: Measure for the integration and maintenance of autochthonous Maltese farm species

Sub measure A) Maltese Black Chicken

Commitments	Relevant GAEC and/or SMR	Minimum requirements for use of fertilisers and pesticides	Other relevant National/Regional requirements	Minimum activities See Article 28(3) of Regulation (EU) No 1305/2013 (It makes reference to Points c(ii) andc(iii) of article 4(1) of Regulation (EU) No 1307/2013	Relevant usual farming practices	Environmental and agronomic relevance	Income foregone and additional costs based on the commitments taken into account in the premia calculation
Applicant must have a minimum of 30 Maltese Black Chicken present on his holding (0.315/LU)	Not Applicable	Not Applicable	Legal Notice 50 of 1997 Poultry Breeding Stock Regulations	No minimum activities established	There is no legal obligation which requires farmers to rear or maintain the Maltese Black Chicken.	Through national and international involvement it will assure these species survival and maximize their potential in agricultural systems.1 The aim of this measure is to conserve and	Income foregone will vary depending on the individual species; the support rate has been adapted for each species targeted by this measure. Individuals will be reimbursed for each head/tree of a species maintained, qualifying

[1] FAO

M10_Baseline Table_AECM 6A(1)

					Therefore this measure supersedes all legal obligations and leads to several environmental benefits as a result of going above and beyond requirements	maintain biodiversity by preserving Maltese indigenous breeds in danger of genetic erosion in particular the species mentioned above, by supporting the rearing and breeding of these species. This measure directly promotes agricultural biodiversity which is a sub-set of biodiversity. It encompasses species directly relevant to agriculture. Genetic erosion in agricultural and livestock biodiversity is the loss of genetic diversity, including the loss of individual genes, and the loss of particular combinations of genes (or gene complexes) such as those manifested in locally adapted breeds. This measure aims at the	under this measure. Support for breeders of the Maltese black chicken has been calculated on the basis of the additional costs incurred to maintain this species and loss in revenue. Based on the caging systems found on layer farms, individuals should be compensated for potential loss in revenue in utilising space to keep this species as opposed to retaining a species with optimal laying capacity; this is estimated at €20. [2] On this basis the support rate for each chicken will be €20.00/chicken/year.

[2] Agreonomic assumptions are based on data provided by the Agribusiness Institute (the Maltese black lays 2/3 of what the typical layer does)

M10_Baseline Table_AECM 6A(2)

ensure all poultry are easily identified through numbered rings to ensure traceability	Welfare: The European Union (EU) establishes general rules concerning the protection of farmed animals, irrespective of the species. These rules apply to farmed animals destined for the production of foodstuffs, wool, skin or fur, or for other agricultural purposes, including fish, reptiles and amphibians. All the Member States have ratified the European Convention for the Protection of Animals Kept for Farming Purposes, the		Breeding Stock Regulations	activities established	have physical identification on Maltese black chickens.		

	main provisions of which relate to the provision of housing, feed and care appropriate to the needs of these animals. The Member States must adopt provisions to ensure that the owners or keepers of animals look after the welfare of their animals and see that they are not caused any unnecessary pain, suffering or injury.						
Applicants are required to fill in the livestock form (template) under Annex X. For verification	SMR4 - Hygiene SMR13 – Animal Welfare: The European Union (EU) establishes	Not Applicable	Legal Notice 50 of 1997 Poultry Breeding Stock Regulations	No minimum activities established		Not applicable	Not a cost remunerated factor

M10_Baseline Table_AECM 6A(5)

purposes each individual poultry must have a signed certificate of accreditation clearly stating the identifying number on the poultry ring. Accreditation must be based on established breed characteristics and must be drafted by individuals identified under Annex VI.	general rules concerning the protection of farmed animals, irrespective of the species. These rules apply to farmed animals destined for the production of foodstuffs, wool, skin or fur, or for other agricultural purposes, including fish, reptiles and amphibians. All the Member States have ratified the European Convention for the Protection of Animals Kept for Farming Purposes, the main provisions of which relate to the provision of housing,						

M10_Baseline Table_AECM 6A(6)

	feed and care appropriate to the needs of these animals. The Member States must adopt provisions to ensure that the owners or keepers of animals look after the welfare of their animals and see that they are not caused any unnecessary pain, suffering or injury.						
All poultry upon which the applicant is applying for aid must also have a vaccination program in place, for this purpose the farmer is required to fill in the	SMR4 - Hygiene SMR13 – Animal Welfare: The European Union (EU) establishes general rules concerning the protection of farmed	Not Applicable	Legal Notice 50 of 1997 Poultry Breeding Stock Regulations	No minimum activities established	Legal obligation for vaccinations	Not applicable	Not a cost remunerated factor

vaccination form under Annex XI.	animals, irrespective of the species. These rules apply to farmed animals destined for the production of foodstuffs, wool, skin or fur, or for other agricultural purposes, including fish, reptiles and amphibians. All the Member States have ratified the European Convention for the Protection of Animals Kept for Farming Purposes, the main provisions of which relate to the provision of housing, feed and care appropriate to the needs of these animals.						

M10_Baseline Table_AECM 6A(8)

	The Member States must adopt provisions to ensure that the owners or keepers of animals look after the welfare of their animals and see that they are not caused any unnecessary pain, suffering or injury.						

M10_Baseline Table_AECM 6A(9)

commitment.					environmental benefits as a result of going above and beyond requirements.	scope of the measure to the farmer. The provision of courses ensures that the farmer is in a position to understand how implement the AECM and better yet understand the environmental implications of the relevant AECM.	
Applicable to livestock breeders who are registered with the Food and Veterinary Regulation Division. Must rear Maltese Ox.	SMR4 – Hygiene: This Regulation ensures the quality of foodstuffs intended for human consumption and animal feed. It guarantees the free circulation of safe and secure food and feed in the internal market.	The minimum requirements for use of fertilisers are as per Legal Notice 94 of 2015 amending Subsidiary Legislation 504.108	Legal Notice 286 of 2003 Pure Bred Breeding Bovines Regulations	No minimum activities established	There is no legal obligation which requires farmers to rear or maintain the Maltese Ox. Therefore this measure supersedes all legal obligations and leads to several environmental benefits as a result of going above and beyond requirements	Through national and international involvement it will assure these species survival and maximize their potential in agricultural systems3 The aim of this measure is to conserve and maintain biodiversity by preserving Maltese indigenous breeds in danger of	Income foregone will vary depending on the individual species; the support rate has been adapted for each species targeted by this measure. Individuals will be reimbursed for each head/tree of a species maintained, qualifying under this measure. Support for the Maltese Ox has been

[3] FAO

M10_Baseline Table_AECM 6B(2)

	In addition, the European Union's (EU) food legislation protects consumers against fraudulent or deceptive commercial practices. This legislation also aims to protect the health and wellbeing of animals, plant health and the environment. SMR5 – Hormones: In 1981 (with Directive 81/602/EEC), the EU prohibited the use of substances having a hormonal					genetic erosion in particular the species mentioned above, by supporting the rearing and breeding of these species. This measure directly promotes agricultural biodiversity which is a sub-set of biodiversity. It encompasses species directly relevant to agriculture. Genetic erosion in agricultural and livestock biodiversity is the loss of genetic diversity, including the loss of individual genes, and the loss of particular combinations of genes (or gene complexes) such as those manifested in locally adapted breeds. This	calculated on the basis of the additional costs incurred to maintain the Maltese ox in comparison to the costs incurred when using a normal rotary cultivator for ploughing the land. The support rate is based on the previous RDP figure[4], however with an adapted labour rate. On this basis the support rate for each Maltese Ox maintained will be €1557.28[5].

[4] Agronomic assumptions and calculations for the RDP 2007-2013, Pg 28

[5] This is €319.28 more than the previous programmes support rate.

	action for growth promotion in farm animals. Examples for these kind of growth promoters are oestradiol 17ß, testosterone, progesterone, zeranol, trenbolone acetate and melengestrol acetate (MGA). This prohibition applies to Member States and imports from third countries alike. The legal instrument in force is Directive 96/22/EC as amended by Directive 2003/74/EC. SMR7 - Identification					measure aims at the conservation, sustainable use and enhancement of plant and animal genetic resources.	

	and Registration of Animals (Bovine): The regulation establishes a cattle identification and registration system (Title I); and a compulsory labelling system (Title II, Section I) and a voluntary labelling system (Title II, Section II) for beef and veal). SMR9 – TSE: The European Union (EU) establishes rules for the prevention, control and eradication of TSE. Its aim is to prevent a new food crisis like those in the						

	'90s and to ensure a high level of public health and food safety. SMR11 – Calf Welfare: This Directive lays down the minimum standards for the protection of calves confined for rearing and fattening. Annex I specifies the conditions to be fulfilled by materials used for the construction of calf accommodation and in particular of boxes and equipment with which calves may come into contact.						

	SMR13 – Animal Welfare: The European Union (EU) establishes general rules concerning the protection of farmed animals, irrespective of the species. These rules apply to farmed animals destined for the production of foodstuffs, wool, skin or fur, or for other agricultural purposes, including fish, reptiles and amphibians. All the Member States have ratified the European Convention for the Protection of Animals Kept for Farming						

M10_Baseline Table_AECM 6B(7)

	Purposes, the main provisions of which relate to the provision of housing, feed and care appropriate to the needs of these animals. The Member States must adopt provisions to ensure that the owners or keepers of animals look after the welfare of their animals and see that they are not caused any unnecessary pain, suffering or injury.						

M10_Baseline Table_AECM 6B(8)

commitment.					to several environmental benefits as a result of going above and beyond requirements.	scope of the measure to the farmer. The provision of courses ensures that the farmer is in a position to understand how implement the AECM and better yet understand the environmental implications of the relevant AECM.	
Are Carob/ Mulberry found on site	GAEC - Good Agricultural and Environmental Condition SMR 3 – Habitats Directive	Not Applicable	Legal Notice 200 of 2011 Trees and Woodlands Protection Regulations, 2011	No minimum activities established	There is no legal obligation which requires farmers to retain and maintain the aforementioned trees species. Therefore this measure supersedes all legal obligations and leads to several environmental benefits as a result of going above and beyond requirements	Through national and international involvement it will assure these species survival and maximize their potential in agricultural systems.6 The aim of this measure is to conserve and maintain biodiversity by preserving Maltese indigenous breeds in danger of	Income foregone will vary depending on the individual species; the support rate has been adapted for each species targeted by this measure. Individuals will be reimbursed for each head/tree of a species maintained, qualifying under this measure. The support rate is based on the previous RDP figure[7],

[6] FAO

[7] Agronomic assumptions and calculations for the RDP 2007-2013, Pg 22

M10_Baseline Table_AECM 6C(2)

						genetic erosion in particular the species mentioned above, by supporting the rearing and breeding of these species. This measure directly promotes agricultural biodiversity which is a sub-set of biodiversity. It encompasses species directly relevant to agriculture. Genetic erosion in agricultural and livestock biodiversity is the loss of genetic diversity, including the loss of individual genes, and the loss of particular combinations of genes (or gene complexes) such as those manifested in locally adapted breeds. This measure aims at the conservation,	however with an adapted labour rate. On this basis the support rate for each tree (unit) will be €38.99[8].

[8] This is €18.69 more than the previous programmes support rate.

						conservation, sustainable use and enhancement of plant and animal genetic resources.	
Beneficiaries under all AECMs will be required to attend a training module relevant to the AECM subscribed.	Not Applicable	Not Applicable	Legal Notice 50 of 1997 Poultry Breeding Stock Regulations	No minimum activities established	There is no legal requirement which obliges farmers to attend a course on the Maltese black chicken or on maintenance and rearing of these species. Therefore this measure supersedes all legal obligations and leads to several environmental benefits as a result of going above and beyond requirements.	In attending a course of this nature the farmer is provided with knowledge to better understand the environmental importance of his practices and relevant actions. It will provide the necessary information and scope of the measure to the farmer. The provision of courses ensures that the farmer is in a position to understand how implement the AECM and better yet understand the environmental implications of the relevant AECM.	Not a cost remunerated factor.
Applicants will be required to	SMR13 – Animal	Not Applicable	Legal Notice 50 of 1997 Poultry	No minimum	No legal obligation to	Not applicable	Not a cost remunerated factor

AECM6: Measure for the integration and maintenance of autochthonous Maltese farm species

Sub measure B) Maltese Ox

Commitments	Relevant GAEC and/or SMR	Minimum requirements for use of fertilisers and pesticides	Other relevant National/Regional requirements	Minimum activities See Article 28(3) of Regulation (EU) No 1305/2013 (It makes reference to Points c(ii) andc(iii) of article 4(1) of Regulation (EU) No 1307/2013	Relevant usual farming practices	Environmental and agronomic relevance	Income foregone and additional costs based on the commitments taken into account in the premia calculation
Beneficiaries under all AECMs will be required to attend a training module relevant to the AECM subscribed.	Not Applicable	Not Applicable	Legal Notice 286 of 2003 Pure Bred Breeding Bovines Regulations	No minimum activities established	There is no legal requirement which obliges farmers to attend a course on the Maltese Ox or on maintenance and rearing of these species. Therefore this measure supersedes all legal obligations and leads to several	In attending a course of this nature the farmer is provided with knowledge to better understand the environmental importance of his practices and relevant actions. It will provide the necessary	Not a cost remunerated factor.

Updated AECM 6b (1)

AECM6: Measure for the integration and maintenance of autochthonous Maltese farm species

Sub measure C) Carob/ Mulberry

Commitments	Relevant GAEC and/or SMR	Minimum requirements for use of fertilisers and pesticides	Other relevant National/Regional requirements	Minimum activities See Article 28(3) of Regulation (EU) No 1305/2013 (It makes reference to Points c(ii) andc(iii) of article 4(1) of Regulation (EU) No 1307/2013	Relevant usual farming practices	Environmental and agronomic relevance	Income foregone and additional costs based on the commitments taken into account in the premia calculation
Beneficiaries under all AECMs will be required to attend a training module relevant to the AECM subscribed.	Not Applicable	Not Applicable	Legal Notice 200 of 2011 Trees and Woodlands Protection Regulations, 2011	No minimum activities established	There is no legal requirement which obliges farmers to attend a course on the aforementioned species or on maintenance and rearing of these species. Therefore this measure supersedes all legal obligations and leads	In attending a course of this nature the farmer is provided with knowledge to better understand the environmental importance of his practices and relevant actions. It will provide the necessary information and	Not a cost remunerated factor.

Updated AECM 6c (1)

					sustainable use and enhancement of plant and animal genetic resources.	
Farmers will be obliged to keep a record pertaining to trees committed under this AECM and present on their parcels. A template is provided in Annex V.	GAEC – Good Agricultural and Environmental Condition SMR 3 – Habitats Directive	Not Applicable	Legal Notice 200 of 2011 Trees and Woodlands Protection Regulations, 2011	No legal obligation to retain a record of trees present on a holding	Not applicable	Not a cost remunerated factor

M10_Baseline Table_AEM6C(4)

8.2.6.3.6.2. Type of support

Type of support: Grants

The support is based on income foregone and additional costs. Reference can be made to the detailed calculations which can be found in annex.

For all AECMs payments will be made per unit of relevant action, so for land-based measures a standard payment per hectare of land, per year.

Training and advice required under the conditions of acceptance for these measures may be funded under Measures 1 and 2, and are not included in the support provided by this AECM.

8.2.6.3.6.3. Links to other legislation

The following legislation is of relevance:

• Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on

the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 458/2008 - # Chapter I of Title VI (cross-compliance).

• Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009 - Article 4(1)(c) (minimum activity, maintenance of agricultural area)

- L.N. 50 of 1997 - Poultry Breeding Stock Regulations
- L.N. 286 of 2003 - Pure-Bred Breeding Bovines Regulations
- L.N. 200 of 2011 Trees and Woodlands Protection Regulations, 2011
- L.N. 207 of 2009 Cross-Compliance Related to EU Aid Applications in terms of the Paying Agency (Amendment) Regulations, 2009

8.2.6.3.6.4. Beneficiaries

- Farmers
- Groups of farmers.

- Other land managers, including NGOs.
- A mixture of both (as indicated under the general description) who carry out, on a voluntary basis, operations consisting of one or more agri-environment-climate commitments on agricultural land.

The eligibility of groups of farmers stems from the potential of such groups to multiply the environmental and climate benefits related to AECM practices and can play a significant role in providing environmental public goods. Groups of farmers with a legal status and other types of groups (e.g. formed on ad hoc basis) shall be eligible. This can also include producer groups, and farmers working in partnership with NGOs and other environmental experts, and/or local municipalities (in valley/area management partnerships).

8.2.6.3.6.5. Eligible costs

See section below on applicable amounts and support rates. For each measure, costs to implement the management prescribed are estimated using a variety of secondary sources and expert judgement – see details of the calculations for each measure under the section on methodology for the calculation of costs, below.

The measure provides for 100% of the eligible rates or costs.

Transaction costs will not be covered.

The Managing Authority will ensure that it carries out the necessary reduction of the amount necessary in

order to exclude double-funding of practices referred to under Article 28(6) of Regulation (EU) No. 1305/2013 with respect to Article 43 of Regulation (EU) No. 1306/2013.

8.2.6.3.6.6. Eligibility conditions

Article 28(3) of Regulation (EU) No. 1305/2013 stipulates that Measure 10 will only cover those commitments going beyond the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No. 1306/2013, the relevant criteria and minimum activities as established pursuant to points (c)(ii) and (c)(iii) of Article 4(1) of Regulation (EU) No. 1307/2013, and relevant minimum requirements established by national law.

- In order to apply for aid under AECM 6c (Carob/Mulberry), a farmer must have a minimum of 1124m2 of agricultural land. Any parcels that are found to be less than 0.04 hectares, whether in a less favoured area or not, are ineligible for payment. A tolerance in line with applicable Commission guidelines will be applied. Applications for aid under AECM6a (Maltese black chicken) and AECM 6b (Maltese ox) are exempted from this requirement.
- In line with Art 11 and in particular Art 11(2) of Regulation (EU) No 808/2014, beneficiaries may only receive support from one AECM with the exception of AECM 3.
- Beneficiaries cannot apply for a combination of AECMs, within the same parcel, under any of the following three AECMs: AECM 1, AECM2 and AECM 6c. On the other hand, other combinations (with the exception of the aforementioned exclusions), may be made possible if provided for in the RDP.
- AECM 3 can be combined with any other AECM. Support under AECM 3 is permissible for parcels that are also linked to any of the other AECMs; in cases where the beekeeper implementing AECM 3 and the farmer implementing another AECM are not the same person (therefore two seperate beneficiaries), the established support rates shall remain the same for both respective AECMs/ beneficiaries.
- Farmers will be required to keep records relevant to their holding. These will be subject to checks and controls by the Farm Advisory Service.
- AECMs must be implemented in the form of five year commitments (however, as from 2021, any new commitments shall be limited to one to three years (1-3 years) and not 5 years). The applicant is required to make an annual payment claim each year of the commitment, until the five year (or one to three years (1-3 years) for any new commitments undertaken as from 2021) commitment is complete.
- Farmers must be registered in the IACS Farmer Registry.
- Technical forms such as but not limited to: Soil Management Plans, Integrated Pest Management Plans and Fertiliser Plans must be compiled by an Agronomist or Technical Advisor recognised by the Competent Authority.
- As a basic conditionality to all AECMs farmers must now register (where possible) garrigue land. In order for a farmer to register eligible garrigue land, it must be surrounded on a minimum of three sides by agricultural land. In addition to the former, garrigue land must also be fully enclosed (with necessary access points) with a boundary rubble wall. The boundary rubble wall must be constructed in accordance with all MEPA requirements and regulations.
- All agriculture reference parcels claimed should be unambiguously located on site and through satellite images.
- Farmers must observe the baseline Cross Compliance Requirements which include the statutory

management requirements and the Good Agricultural and Environmental Conditions (GAEC) (refer to baseline table under section “Description of the type of operation”)

- Under AECM6A, beneficiaries must have a minimum of 30 heads (0.315 LU) in order to be eligible for support
- In case of transfer of holdings (or part of) following the first year of commitment obligations pertaining to the sub-measure must be maintained. In any case adequate assessment shall be made to ensure that the objective of the measure would still be achieved.
- Beneficiaries under all AECMs will be required to attend a training module relevant to the AECM subscribed. Courses should be completed by the end of the 3rd year from acceptance on the scheme. Proof of attendance will be requested upon submission of the annual renewal of applicant’s commitment. Training will be provided free of charge and may be supported under Measure 1. The Paying Agency reserves the right to suspend payment until submission of course certificate (after which payments can be activated retrospectively).
- Furthermore beneficiaries are obliged to take advice for adequate fulfilment of all commitments and obligations. Advice should be completed by the end of the 3rd year from acceptance on the scheme. Whilst preferable, such advice shall not necessarily be received from a recognised Farm Advisory System referred to in Articles 12 to 14 of Regulation (EU) No 1306/2013). The Managing Authority shall notify as to the type of acceptable advice under this measure. Proof of service received will be requested. Advice may be supported through Measure 2. The Paying Agency reserves the right to suspend payment until submission of proof of service (after which payments can be activated retrospectively).

8.2.6.3.6.7. Principles with regards to the setting of selection criteria

It is assumed that potentially all beneficiaries of each measure provide the same environmental benefits as they are subject to the same commitments; therefore there is no need to undertake any selection of beneficiaries. Regulation (EU) No 1305/2013 does not require establishing selection criteria for AECM.

However, in case of budgetry restrictions, priority will be given to applications within Natura 2000 areas.

8.2.6.3.6.8. (Applicable) amounts and support rates

The support rate will be based on costs incurred from maintaining these species, in terms of food, housing structures and maintenance. Income foregone will vary depending on the individual species; the support rate has been adapted for each species targeted by this measure. Individuals will be reimbursed for each head/tree of a species maintained, qualifying under this measure. Support rate will be based on Livestock Units (LU) in accordance with Eurostat:

Layer 0.0105LU[1]

1 Ox = 1LU

Maltese Black Chicken

Support for breeders of the Maltese black chicken has been calculated on the basis of the additional costs incurred to maintain this species and loss in revenue.

Based on the caging systems found on layer farms, individuals should be compensated for potential loss in revenue in utilising space to keep this species as opposed to retaining a species with optimal laying capacity. On this basis the support rate for each chicken will be €20/head/year.

95 Maltese Black Chicken = 1LU

Maltese Ox

Support for the Maltese Ox has been calculated on the basis of the additional costs incurred to maintain the Maltese ox in comparison to the costs incurred when using a normal rotary cultivator for ploughing the land. The support rate is based on the previous RDP figure[3], however with an adapted labour rate. On this basis the support rate for each Maltese Ox maintained of at least 96.87%, will be €1557.28[4].

Carob/ Mulberry

The support rate is based on the previous RDP figure[5], however with an adapted labour rate. On this basis the support rate for each tree (unit) will be €38.99[6].

Support and transactional costs incurred for the implementation of this measure are not included in the support rate and will be covered under Article 15 of Regulation (EC) No. 7303/2011. In addition to this, farmers will receive support under Articles 32-33 of Regulation (EU) No. 1305/2013 for areas facing natural or other specific constraints.

The rate of support for the conservation of the carob and mulberries shall be of €38.99 per tree per year up to a maximum of 18 trees per hectare (which amounts to a maximum of €701.82 per hectare).

The support shall have the form of a fixed payment per livestock unit or per tree.

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€20/head/year (minimum 30 heads or per 0.315 LU), which equates to €600/0.315 LU/year – Maltese Black Chicken

€1557.28/head/year, which equates to €1557.28/LU/year – Maltese Ox

€38.99/tree/year –Carob/Mulberry

[1] http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Glossary:LSU

[2] Agreonomic assumptions are based on data provided by the Agribusiness Institute (the Maltese black lays 2/3 of what the typical layer does)

[3] Agronomic assumptions and calculations for the RDP 2007-2013, Pg 28

[5] Agronomic assumptions and calculations for the RDP 2007-2013, Pg 22

[7] All support rates are based on a tumoli/ tree/ head/ hive basis.

8.2.6.3.6.9. Verifiability and controllability of the measures and/or types of operations

8.2.6.3.6.9.1. Risk(s) in the implementation of the measures

- Beneficiaries not sufficiently knowledgeable about all the obligations they will be entering into with this AECM, as happened in some instances in the past RDP
- Non-respect of obligation of beneficiaries to attend training and benefit from advice would result in penalties/recoveries/etc.
- Farmers do not complete training/advice in time (within 3 years) from acceptance on scheme

8.2.6.3.6.9.2. Mitigating actions

In order to avoid errors the following elements have been taken into account:

•Clarity of the supported commitments: the text in this section will be made available to all potential beneficiaries in advance of making applications.

•No additional eligibility conditions have been added to these measures over and above statutory requirements. Training requirements on all these measures, as well as obligatory advice on cross-compliance conditions will ensure that all beneficiaries are aware of eligibility conditions. This will aim to address the incidence of error rates.

• The MA shall ensure that as soon as possible, M1 and M2 are launched

• In case training providers are not appointed within the 3 year period, the MA will consider launching an ad hoc course until selection of training providers is completed.

8.2.6.3.6.9.3. Overall assessment of the measure

Success will be evaluated through an assessment of the population of the various species eligible for funding under this measure, in addition to known species population. Success will be based upon the percentile increase of the local population(s) of the various species and as a basis to determine the success of agri-environmental-climate measures in general as effective means of promoting species richness and genetic diversity in agricultural systems.

8.2.6.3.6.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

See baseline table under section “Description of the type of operation”.

More detailed information on baseline conditions for each AECM is found in the Annex entitled: “Methodological Assumptions for Payment Calculations (AECMs)”.

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced by Directive 2009/128/EC of the European Parliament and of the Council, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

See baseline table under section “Description of the type of operation”.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Maltese Black Chicken

Maltese Ox

Carob

Mulberry

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

For all these calculations, some basic assumptions and sources of national data were used. These are explained in the separate annex ("Methodological Assumption for Payment Calculations (AECMs)") to the RDP concerning the agri-environment-climate measures.

8.2.6.3.7. 10.2 - Support for conservation and sustainable use and development of genetic resources in agriculture

Sub-measure:

- 10.2 - support for conservation and sustainable use and development of genetic resources in agriculture

8.2.6.3.7.1. Description of the type of operation

The limited land and the need to produce more and varied products have all led to the introduction of new species and varieties, the end result being that our local genotypes have already been lost or are in danger of becoming extinct. This sub-measure intends to support activities that will enable the valorisation of these varieties (plant and animal) that are specifically vulnerable to genetic erosion. Conservation-type operations supported under this measure shall concern either one or more of the following actions:

(a) actions promoting the ex situ and in situ conservation, characterisation, collection and utilisation of genetic resources in agriculture, including web-based inventories of genetic resources currently conserved in situ, including in situ/on-farm conservation, and of ex situ collections (gene banks) and databases.

(b) actions promoting the exchange of information for the conservation, characterisation, collection and utilisation of genetic resources in agriculture, among competent organisations in the Member States.

(c) information, dissemination and advisory actions involving non-governmental organisations and other relevant stakeholders, training courses and the preparation of technical reports as a result of (a or b).

8.2.6.3.7.2. Type of support

Type of support: Grants

Support will be limited to eligible costs and based on actual costs incurred, following an appropriate procurement process.

No transaction costs will be covered.

Conservation projects for plant genetic resources shall focus on any of the following operations:

(a) Identification: selection & sampling of fruit varieties, including DNA analysis of selections to establish the identity of the variety.

(b) Characterisation

(c) Conservation: accessions from the selected plants would be identified and introduced into conservation fields then monitored to collect further data on physiological and morphological characteristics for the necessary registration to the National Register of Varieties.

(d) Sanitation: testing of accessions and sanitation to produce virus free material.

(e) Valorisation: to test aptitude to certain criteria, establishment of mother blocks of selected varieties for the production of healthy local varieties; promotion within the local farming community.

Conservation actions for plant genetic resources may include:

- the establishment and maintenance of seed collections from the wild or cultivated sites;

- germination testing for seed batches;

- establishment of plots for the conservation of candidate stocks;

- variety assessment and preparation of variety data sheets based on the morpho-pomological description of candidate stocks;

- assessment of the sanitary status of candidate stocks;

- sanitation of candidate stocks;

- activation of certification programme;

- activation of pro tempore nursery activity;

- mandatory control of certain pests.

Support for the conservation of animal genetic resources shall be targeted mainly at the re-introduction of Maltese indigenous breeds of livestock that are either highly endangered or nearly extinct.

In general, conservation projects for animal genetic resources shall focus on any of the following operations:

(a) Phenotypical evaluation and identification of livestock breeds in Malta;

(b) Genetic profiling of registered purebreds in other countries, in cases where the breed is existent;

(c) Identification of herds and high producing individuals;

(d) Establishment of specific pathogen free purebred herds in Malta/Gozo;

(e) Setting up of Maltese herd book including pedigree;

(f) Establishment of a breeding programme with improved genetic merit.

8.2.6.3.7.3. Links to other legislation

The following legislation is of relevance:

•Horizontal Regulation, Chapter I of Title VI (cross-compliance).

•Direct payments Regulation, Art.4(1)(c) (minimum activity, maintenance of agricultural area)

8.2.6.3.7.4. Beneficiaries

The eligible beneficiaries for support for conservation of genetic resources in agriculture are public entities, research institutions, private bodies, non-governmental organizations, producers' organisations, and associations.

8.2.6.3.7.5. Eligible costs

- Personnel engaged in the management and implementation of conservation projects;

- Experts fees (including travelling and subsistence costs);

- Costs of training personnel;

- Production of information/dissemination material, including databases and websites;

-SCOs in line with Articles 67(1)(b) (d) on the basis of Article 67(5). and 68 (a), (b) or (c) of Reg (EU) 1303/2013

- Equipment related to the scope of the project.

The measure provides for 100% of the eligible rates or costs.

8.2.6.3.7.6. Eligibility conditions

- The scope of the conservation measure must be strictly targeted towards the conservation of genetic resources in plant species and / or livestock breeds
- The proposed project must comply with the scope of the actions listed under the Measure

8.2.6.3.7.7. Principles with regards to the setting of selection criteria

In 2015, the Maltese Managing Authority held a consultation session with sector stakeholders to discuss draft selection criteria to be established for each measure in the new programming period. Under Malta's

Rural Development Programme 2014-2020, preference will be given to applications in which the project proposed targets more than one indicator and/or contributes considerably towards the relevant measure indicators. Preference will also be given to applications showing a high level of preparedness to start the implementation of the project, particularly in instances which could necessitate the approval of permits, the issuing of tenders, the drafting of CBAs etc.

In addition, preference will also be given to applications showing that the organisation submitting the application has the necessary resources to implement the project as well as applications with effective project costing proposals, to ensure the viability and added value of the proposed project. Moreover, applications which show potential for the proposed project to lead to funding opportunities under other measures and/or funds, will also be favoured.

Proposed intervention/s should aim to contribute towards the promotion of equal opportunities, equality, non-discrimination and improved accessibility whilst targeting sustainable development in the areas of economic growth, social cohesion and environmental protection. In this regard, preference will be given to interventions addressing these principles.

Under sub-measure 10.2 priority will be given to those proposals which aim to integrate not just conservation measures but also have built in components linked to education, awareness and promotion.

8.2.6.3.7.8. (Applicable) amounts and support rates

The measure provides for 100% of the eligible rates or costs, including grants through SCOs in line with Articles 67(1)(b), (d) and 68 (a), (b) or (c) of Reg (EU) 1303/2013.

8.2.6.3.7.9. Verifiability and controllability of the measures and/or types of operations

8.2.6.3.7.9.1. Risk(s) in the implementation of the measures

In situ/ex situ conservation (1)

Educational, information, awareness raising activities (2)

8.2.6.3.7.9.2. Mitigating actions

In order to avoid errors the following elements have been taken into account:

•Clarity of the supported commitments: detailed text will be made available to all potential beneficiaries in advance of making applications.

•On-the-spot checks to mitigate risk (1) mentioned above.

•Documentary evidence including reports, certificates, etc. as specified by the Managing Authority, mitigating risk (2) mentioned above.

8.2.6.3.7.9.3. Overall assessment of the measure

The anticipated environmental benefits of the measures are all detailed in the earlier section on actions. In overview, these will contribute to the achievement of a range of targets and strategic objectives for the RDP.

8.2.6.3.7.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

Relevant GAEC and/or SMR:

- GAEC – Good Agricultural and Environmental Condition
- SMR1 - Nitrates
- SMR3 – Habitats Directive
- SMR4 – Hygiene
- SMR5 – Hormones
- SMR6 – Identification and Registration of Animals (Swine)
- SMR7 – Identification and Registration of Animals (Bovine)
- SMR8 – Identification and Registration of Animals (Ovine and Caprine)
- SMR9 – TSE
- SMR10 – Plant Protection Products
- SMR11 – Calf Welfare
- SMR12 – Swine Welfare
- SMR13 – Animal Welfare

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced by Directive 2009/128/EC of the European Parliament and of the Council, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

The minimum requirements for use of fertilisers are as per Legal Notice 94 of 2015 amending Subsidiary Legislation 504.108.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Article 7(2) of Regulation (EU) No 807/2014 specifies that the following species of farm animals shall be eligible for support:

- cattle

- sheep

- goats

- equidae

- pigs

- birds

The list of plant species is not specified.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

For the conservation measure amount of support shall be based on real costs incurred and upon presentation of relevant documentation.

8.2.6.4. Verifiability and controllability of the measures and/or types of operations

8.2.6.4.1. Risk(s) in the implementation of the measures

Kindly refer to relevant section for information on each operation.

8.2.6.4.2. Mitigating actions

Kindly refer to relevant section for information on each operation.

8.2.6.4.3. Overall assessment of the measure

Kindly refer to relevant section for information on each operation.

8.2.6.4.4. Agri-environment-climate commitments

8.2.6.4.4.1. AECM1: Measure to control weeds in orchards and vineyards by mechanical, instead of chemical, methods.

8.2.6.4.4.1.1. Verification methods of commitments

See relevant annex document entitled “Methodological Assumptions for Payment Calculations (AECMs)”.

8.2.6.4.4.2. AECM2: Measure for the maintenance of trees

8.2.6.4.4.2.1. Verification methods of commitments

See relevant annex document entitled “Methodological Assumptions for Payment Calculations (AECMs)”.

8.2.6.4.4.3. AECM3: Measure supporting the introduction of bee boxes on holdings

8.2.6.4.4.3.1. Verification methods of commitments

See relevant annex document entitled “Methodological Assumptions for Payment Calculations (AECMs)”.

8.2.6.4.4.4. AECM4: Measure for the implementation of an Integrated Pest Management Plan targeting Vineyards and Orchards

8.2.6.4.4.4.1. Verification methods of commitments

See relevant annex document entitled “Methodological Assumptions for Payment Calculations (AECMs)”.

8.2.6.4.4.5. AECM5: Measure for the implementation of a soil management and conservation plan on a holding level

8.2.6.4.4.5.1. Verification methods of commitments

See relevant annex document entitled “Methodological Assumptions for Payment Calculations (AECMs)”.

8.2.6.4.4.6. AECM6: Measure for the integration and maintenance of autochthonous Maltese species - Sub Measure A

8.2.6.4.4.6.1. Verification methods of commitments

See relevant annex document entitled “Methodological Assumptions for Payment Calculations (AECMs)”.

8.2.6.4.4.7. AECM6: Measure for the integration and maintenance of autochthonous Maltese species - Sub Measure B

8.2.6.4.4.7.1. Verification methods of commitments

See relevant annex document entitled “Methodological Assumptions for Payment Calculations (AECMs)”.

8.2.6.4.4.8. AECM6: Measure for the integration and maintenance of autochthonous Maltese species - Sub Measure C

8.2.6.4.4.8.1. Verification methods of commitments

See relevant annex document entitled “Methodological Assumptions for Payment Calculations (AECMs)”.

8.2.6.5. Information specific to the measure

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the

relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

Kindly refer to relevant section for information on each operation.

The minimum requirements for fertilisers must include, inter alia, the Codes of Good Practice introduced under Directive 91/676/EEC for farms outside Nitrate Vulnerable Zones, and requirements concerning phosphorous pollution; the minimum requirements for plant protection products use must include, inter alia, general principles for integrated pest management introduced by Directive 2009/128/EC of the European Parliament and of the Council, requirements to have a licence to use the products and meet training obligations, requirements on safe storage, the checking of application machinery and rules on pesticide use close to water and other sensitive sites, as established by national legislation

Kindly refer to relevant section for information on each operation.

List of local breeds in danger of being lost to farming and of plant genetic resources under threat of genetic erosion

Kindly refer to relevant section for information on each operation.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

Kindly refer to relevant section for information on each operation.

8.2.6.5.1. Agri-environment-climate commitments

8.2.6.5.1.1. AECM1: Measure to control weeds in orchards and vineyards by mechanical, instead of chemical, methods.

8.2.6.5.1.1.1. Baseline

8.2.6.5.1.1.1.1. Relevant GAEC and/or SMR

•the rules of cross-compliance comprising the statutory management requirements and the standards for good agricultural and environmental conditions as provided for in Council Regulation (EU) No 1306/2013(HR)

See relevant baseline table for more detailed information.

8.2.6.5.1.1.1.2. Minimum requirements for fertilisers and pesticides

•relevant minimum requirements for fertilisers and plant protection products use;

See relevant baseline table for more detailed information.

8.2.6.5.1.1.1.3. Other relevant national/regional requirements

See relevant baseline table for more detailed information.

8.2.6.5.1.1.1.4. Minimum activities

See relevant baseline table for more detailed information.

8.2.6.5.1.1.2. Relevant usual farming practices

See relevant baseline table for more detailed information.

8.2.6.5.1.2. AECM2: Measure for the maintenance of trees

8.2.6.5.1.2.1. Baseline

8.2.6.5.1.2.1.1. Relevant GAEC and/or SMR

•the rules of cross-compliance comprising the statutory management requirements and the standards for good agricultural and environmental conditions as provided for in Council Regulation (EU) No 1306/2013(HR)

See relevant baseline table for more detailed information.

8.2.6.5.1.2.1.2. Minimum requirements for fertilisers and pesticides

•relevant minimum requirements for fertilisers and plant protection products use;

See relevant baseline table for more detailed information.

8.2.6.5.1.2.1.3. Other relevant national/regional requirements

See relevant baseline table for more detailed information.

8.2.6.5.1.2.1.4. Minimum activities

See relevant baseline table for more detailed information.

8.2.6.5.1.2.2. Relevant usual farming practices

See relevant baseline table for more detailed information.

8.2.6.5.1.3. AECM3: Measure supporting the introduction of bee boxes on holdings

8.2.6.5.1.3.1. Baseline

8.2.6.5.1.3.1.1. Relevant GAEC and/or SMR

•the rules of cross-compliance comprising the statutory management requirements and the standards for good agricultural and environmental conditions as provided for in Council Regulation (EU) No 1306/2013(HR)

See relevant baseline table for more detailed information.

8.2.6.5.1.3.1.2. Minimum requirements for fertilisers and pesticides

See relevant baseline table for more detailed information.

8.2.6.5.1.3.1.3. Other relevant national/regional requirements

See relevant baseline table for more detailed information.

8.2.6.5.1.3.1.4. Minimum activities

See relevant baseline table for more detailed information.

8.2.6.5.1.3.2. Relevant usual farming practices

See relevant baseline table for more detailed information.

8.2.6.5.1.4. AECM4: Measure for the implementation of an Integrated Pest Management Plan targeting Vineyards and Orchards

8.2.6.5.1.4.1. Baseline

8.2.6.5.1.4.1.1. Relevant GAEC and/or SMR

•the rules of cross-compliance comprising the statutory management requirements and the standards for good agricultural and environmental conditions as provided for in Council Regulation (EU) No 1306/2013(HR)

See relevant baseline table for more detailed information.

8.2.6.5.1.4.1.2. Minimum requirements for fertilisers and pesticides

•relevant minimum requirements for fertilisers and plant protection products use;

See relevant baseline table for more detailed information.

8.2.6.5.1.4.1.3. Other relevant national/regional requirements

See relevant baseline table for more detailed information.

8.2.6.5.1.4.1.4. Minimum activities

See relevant baseline table for more detailed information.

8.2.6.5.1.4.2. Relevant usual farming practices

See relevant baseline table for more detailed information.

8.2.6.5.1.5. AECM5: Measure for the implementation of a soil management and conservation plan on a holding level

8.2.6.5.1.5.1. Baseline

8.2.6.5.1.5.1.1. Relevant GAEC and/or SMR

•the rules of cross-compliance comprising the statutory management requirements and the standards for good agricultural and environmental conditions as provided for in Council Regulation (EU) No 1306/2013(HR)

GAEC specific requirements

The below controls are relevant to soil management in the context of baseline requirements. These are all superseded in the context of the actions required of a soil management plan.

Keeping of records of good practices and/or soil analysis regarding organic matter content in soil. Soil analysis is a legal obligation in the context of the nitrates action programme for testing on NPK values not SOM. If a farmer has a record of good practices relevant to maintain soil organic matter this is sufficient in the context of GAEC control. And SOM must be kept at a level of 2%, the SMP requires SOM be kept at 3%.

Between the 15th October and the 15th of March, all un-terraced clay arable land having a slope of 11% or more shall be protected with a soil cover. SMP actions will not be marginalised to only sloping land however will target entire territory.

Soil retaining rubble walls must be in good condition. Rubble walls must be kept in good condition in accordance with an SMP, however it is not a cost remunerated factor in the context of this measure.

Ploughing must be performed parallel to the contours. Not listed as a action in this measure.

There should be no evidence of burnt stubble in the field. Up to 10m2 only is allowed. Not listed as a action in this measure.

Good practices (stubble management or manuring) should be carried out to maintain the levels of organic matter on irrigated land. SMP actions will not be marginalised to only irrigated land however will target entire territory.

Machinery should not be used on the soil when it is flooded or water saturated. Not listed as a action in this measure.

Unnecessary trampling of the soil with heavy machinery is prohibited. Not listed as a action in this

measure.

See relevant baseline table for more detailed information.

8.2.6.5.1.5.1.2. Minimum requirements for fertilisers and pesticides

•relevant minimum requirements for fertilisers and plant protection products use;

See relevant baseline table for more detailed information.

8.2.6.5.1.5.1.3. Other relevant national/regional requirements

See relevant baseline table for more detailed information.

8.2.6.5.1.5.1.4. Minimum activities

See relevant baseline table for more detailed information.

8.2.6.5.1.5.2. Relevant usual farming practices

See relevant baseline table for more detailed information.

8.2.6.5.1.6. AECM6: Measure for the integration and maintenance of autochthonous Maltese species - Sub Measure A

8.2.6.5.1.6.1. Baseline

8.2.6.5.1.6.1.1. Relevant GAEC and/or SMR

•the rules of cross-compliance comprising the statutory management requirements and the standards for good agricultural and environmental conditions as provided for in Council Regulation (EU) No 1306/2013(HR)

See relevant baseline table for more detailed information.

8.2.6.5.1.6.1.2. Minimum requirements for fertilisers and pesticides

•relevant minimum requirements for fertilisers and plant protection products use;

See relevant baseline table for more detailed information.

8.2.6.5.1.6.1.3. Other relevant national/regional requirements

See relevant baseline table for more detailed information.

8.2.6.5.1.6.1.4. Minimum activities

See relevant baseline table for more detailed information.

8.2.6.5.1.6.2. Relevant usual farming practices

See relevant baseline table for more detailed information.

8.2.6.5.1.7. AECM6: Measure for the integration and maintenance of autochthonous Maltese species - Sub Measure B

8.2.6.5.1.7.1. Baseline

8.2.6.5.1.7.1.1. Relevant GAEC and/or SMR

•the rules of cross-compliance comprising the statutory management requirements and the standards for good agricultural and environmental conditions as provided for in Council Regulation (EU) No 1306/2013(HR)

See relevant baseline table for more detailed information.

8.2.6.5.1.7.1.2. Minimum requirements for fertilisers and pesticides

•relevant minimum requirements for fertilisers and plant protection products use;

See relevant baseline table for more detailed information.

8.2.6.5.1.7.1.3. Other relevant national/regional requirements

See relevant baseline table for more detailed information.

8.2.6.5.1.7.1.4. Minimum activities

See relevant baseline table for more detailed information.

8.2.6.5.1.7.2. Relevant usual farming practices

See relevant baseline table for more detailed information.

8.2.6.5.1.8. AECM6: Measure for the integration and maintenance of autochthonous Maltese species - Sub Measure C

8.2.6.5.1.8.1. Baseline

8.2.6.5.1.8.1.1. Relevant GAEC and/or SMR

•the rules of cross-compliance comprising the statutory management requirements and the standards for good agricultural and environmental conditions as provided for in Council Regulation (EU) No 1306/2013(HR)

See relevant baseline table for more detailed information.

8.2.6.5.1.8.1.2. Minimum requirements for fertilisers and pesticides

•relevant minimum requirements for fertilisers and plant protection products use;

See relevant baseline table for more detailed information.

8.2.6.5.1.8.1.3. Other relevant national/regional requirements

See relevant baseline table for more detailed information.

8.2.6.5.1.8.1.4. Minimum activities

See relevant baseline table for more detailed information.

8.2.6.5.1.8.2. Relevant usual farming practices

See relevant baseline table for more detailed information.

8.2.6.6. Other important remarks relevant to understand and implement the measure

• In general, premia cover the entire calculated amount. Sources for all calculations are given.

• No transaction costs are included for any measures. Training and advice costs associated with conditions under these measures will be financed through Measures 1 and 2.

Lessons from the previous programme

The consultants evaluating the 2007-13 AEMs in the midterm evaluation noted some key aspects which have hindered AEMs uptake in Malta in the past. A major difficulty in implementing agri-environmental measures in Malta is related to the length of the commitment period and the payment rates. The highly dynamic nature of agricultural land in the Maltese Islands and the very challenging social and economic conditions that farmers face make it very difficult to adopt and administer agri-environment measures cost-effectively. The small-sized land and fragmented nature of the holdings also considerably limit the amount of support that farmers may access in relation to the obligations that they take on. In the Maltese context measure uptake is limited given the nature of agricultural land with specific zones as well as the large amount of small parcels that can lead to ineligibility when logging an application under this measure.

The Mid-Term Evaluation concluded:

'Unlike measure 212, this measure has not been very successful due to problems related with the small area over which commitments are being made. Unfortunately the fragmentation of holdings and the small size of parcels does not allow for the farmer to receive adequate compensation for the investment in agri-environment measures, to an extent defeating the purpose of farmers acting as stewards of land".

From a financial perspective, the low value of payments has dented the relevance of this measure, especially when also considered in terms of the low take-up. The low take-up is expected to translate into minimal impacts from the 2007-2013 period. For this reason the support rate under this AECM is rather high.

An area where significant potential gains can be registered by encouraging research is bee-keeping, which is a niche activity in Malta where significant synergies between economic and environmental considerations can be exploited.'

It was recommended that in future, stronger promotion of AECM would be needed.

Revision Clause

A revision clause is provided for operations supported under Articles 28 that by which means will allow the adjustment of commitments in the case of amendments to the relevant mandatory standards, requirements or obligations referred to in this measure beyond which the commitments have to go.

The revision clause will cover adjustments required to avoid double funding of the practices referred to in Article 43 of Regulation (EU) No 1307/2013 in the case of amendments to those practices.

Operations undertaken pursuant to Articles 28 which extend beyond the 2007-2013 programming period

shall contain a revision clause in order to allow for their adjustment to the legal framework of the 2014-2020 programming period.

If such adjustment is not accepted by the beneficiary, the commitment shall expire and reimbursement shall not be required in respect of the period during which the commitment was effective.

8.2.7. M11 - Organic farming (art 29)

8.2.7.1. Legal basis

- Article 29 of Regulation (EU) No. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No. 1698/2005

- Article 47 of Regulation (EU) No. 1305/2013 (see point 7.4 of the technical guidance for agri-environment-climate measure)

- Commission Delegated Regulation (EU) No. 807/2014 supplementing Regulation (EU) No. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and introducing transitional provisions

- Commission Implementing Regulation (EU) No. 808/2014 laying down rules for the application of Regulation (EU) No. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)

8.2.7.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

Organic farming is extremely difficult to achieve on Malta as the small size of fields and fragmented nature of cultivated land makes it extremely difficult to avoid cross contamination from agricultural practices occurring on neighbouring fields. The potential for contamination makes it extremely difficult or unlikely that farms will receive organic certification or ever truly achieve organic status. Climatic conditions in Malta, namely high temperatures and high humidity makes it very difficult to control/contain certain pests and/or diseases. However one still finds a few farmers that are interested in pursuing conversion, especially where such holdings are in sheltered or protected areas or due to the size of the holding itself. Collective approaches can also take place especially when the holdings produce is somewhat similar. This could potentially also happen in areas which there are expressed interest such as olive oil production.

The measure thus offers an option for those few farmers interested in organic conversion or to assist those already certified.

Council Regulation (EC) No 834/2007 lays down the key requirements, stating the organic production has

the following general objectives:

a) establish a sustainable management system for agriculture that:

(i) respects nature's systems and cycles and sustains and enhances the health of soil, water, plants and animals and the balance between them;

(ii) contributes to a high level of biological diversity;

(iii) makes responsible use of energy and the natural resources, such as water, soil, organic matter and air;

(iv) respects high animal welfare standards and in particular meets animals' species-specific behavioural needs;

b) aims at producing products of high quality;

c) aims at producing a wide variety of foods and other agricultural products that respond to consumers' demand for goods produced by the use of processes that do not harm the environment, human health, plant health, or animal health and welfare."

The aims of organic production thus chime with the identified needs for Malta's rural development, with its focus on quality products, sustainable practices that reduce impacts on soil and water, concern for animal welfare, and production of a wide range of goods to satisfy consumer demand.

Under Measure 11, Malta will be programming sub-measures:

- 11.1 - payment to convert to organic farming practices and methods
- 11.2 - payment to maintain organic farming practices and methods

Contribution to Focus Areas and cross-cutting objectives

Focus Area 4A: restoring, preserving and enhancing biodiversity, including in Natura 2000 areas and high nature value farming, and the state of European landscapes

Organic production (direct contribution through sub-measure 11.1 and 11.2) within and around Natura 2000 and HNV areas would potentially enhance the ecological benefits of those areas, by acting as an eco-friendly 'barrier' to more intensively farmed areas, and supporting the aims of nature conservation.

Contribution to Cross-Cutting Objectives

Environment

Reduced use of pesticides and inorganic fertilisers will benefit local flora and fauna (and soil micro-biology). Reductions in the application of inorganic fertiliser applications will reduce the impact of nitrates on groundwaters, and enhance the use of local organic fertilisers, this in turn will contribute to solving the livestock waste problem.

Innovation

Organic production offers potential for development of innovative production methods, for example through blending traditional dry-farming techniques with modern smart irrigation systems. It also offers potential for new product development based on a recognisable certification scheme, which might enable micro-enterprises and SMEs to develop niche products for the Maltese market.

Climate

Reductions in the use of agrochemicals will reduce GHG emissions overall through reduced consumption of fossil fuels. Improved soil management will assist in reaching carbon sequestration targets, and help Malta adapt to climate change.

Measure 11 - Organic Farming Baseline Table

(see figures entitled "Measure 11 - Baseline Table")

Measure 11: Organic Farming

Commitments	Relevant GAEC and/or SMR	Minimum requirements for use of fertilisers and pesticides	Other relevant National/Regional requirements	Minimum activities (Article 29(2) of Regulation (EU) No 1305/2013 (It makes reference to Points c(ii) andc(iii) of article 4(1) of Regulation (EU) No 1307/2013)	Relevant usual farming practices	Environmental and agronomic relevance	Income foregone and additional costs based on the commitments taken into account in the premia calculation
Farmers will be required to attend a relevant course. Course must have been awarded in first 3 years of commitment	Not Applicable	Not Applicable	Legal Notice 237 of 2004 - Organic Farming Regulation, 30th April 2004 Regulation (EC) No 889/2008 of 5th September 2008. Regulation (EC) No 1235/2008 of 8th December 2008 Regulation (EC) No 834/2007	No minimum activities established	There is no legal requirement which obliges farmers to attend a course on invasive species/ soil erosion/ tree maintenance. Therefore this measure supersedes all legal obligations and leads to several environmental benefits as a result of going above and beyond requirements.	In attending a course of this nature the farmer is provided with knowledge to better understand the environmental importance of his practices and relevant actions. It will provide the necessary information and scope of the measure to the farmer. The provision of courses ensures that the farmer is in a position to understand how implement the AECM and better yet understand the	Not a cost remunerated factor.

M11 - Baseline Table (1)

						environmental implications of the relevant AECM.	
Farmers will be required to demonstrate "in conversion" certification in order to be eligible for support for conversion	Not applicable	The minimum requirements for use of fertilisers and pesticides are as per Legal Notice 94 of 2015 amending Subsidiary Legislation 504.108 and Legal Notice on PPPs 284 of 2011 Organic production and use of pesticides/ fertilisers in accordance with EC834/2007	Legal Notice 237 of 2004 - Organic Farming Regulation, 30th April 2004 Regulation (EC) No 889/2008 of 5th September 2008. Regulation (EC) No 1235/2008 of 8th December 2008 Regulation (EC) No 834/2007	No minimum activities established	There is no legal requirement which obliges farmers to farm organically. Organic certification is based on selling the product as organic, thereby producing a product abiding to the principles of organic farming, and marketing the same product as such. Therefore this measure supersedes all legal obligations and leads to several environmental benefits as a result of going above and beyond requirements.	This measure will have a positive impact on biodiversity, enhancing the countryside with non invasive species which work in harmony with our unique ecosystems. As well as providing an expanded habitat for local flora and fauna, the planting of new trees can be designed as buffer zones between agriculture and valuable natural assets such as watercourses. In addition, through increasing the number of trees present on a holding and the location of such trees, farmers are also targeting issues such as water logging, and erosion caused by water and wind.	Notwithstanding higher production costs, lower organic yields are not compensated for by the higher prices commanded by such products, given the prevailing market. Thus the gross profit margins for organic farming are consistently lower than those for conventional production. In fact, local producers employing organic methods indicate a decrease in production from around 12% to 30%,[1] for the purpose of calculating the support rate an average of 21%[2] will be used. The increase in price commanded by their produce locally is of about 15%[3]. This becomes more apparent

[1] As established in the previous RDP 07-13
[2] 12% +30%= 42/2= 21%
[3] As established in the RDP 07-13

M11 - Baseline Table (2)

						Moreover major benefits also seem likely where ground and surface water are concerned since fertiliser and pesticide runoff are greatly reduced. The adoption of organic farming is a means by which farmers can adjust themselves to the challenges that lie ahead of them.	in the case of organic cereal fodder where the higher cost incurred is not justified by the income gained. This is due to the limited profit margins for the crop that are cancelled when organic manure has to be used instead of inorganic fertilisers. On the basis of €13,524/ha is the end potential; sale price. Farmers must be compensated for the decrease in yield as a result of farming organically. Yields are expected to suffer by approximately 21%, resulting in a support rate of €2840.04. Of this there will be a potential saving of €97.96 (from not utilising chemical pesticides) resulting in a support rate of €2742.08/ha. From this rate an additional 15% has to be deducted based on increased profitability

M11 - Baseline Table (3)

							of the end product. Resulting in a support rate of €2330.76/ha. Support and transactional costs incurred for the implementation of this measure are not included in the support rate and will be covered under Article 15 of EC 7303/11. In addition to this, farmers will receive support under Article 32 - 33 for areas facing natural or other specific constraints.
Farmers will be required to demonstrate "organic" certification in order to be eligible for support for maintenance	Not Applicable	The minimum requirements for use of fertilisers and pesticides are as per Legal Notice 94 of 2015 amending Subsidiary Legislation 504.108 and Legal Notice on PPPs 284 of 2011 Organic production and	Legal Notice 237 of 2004 - Organic Farming Regulation, 30th April 2004 Regulation (EC) No 889/2008 of 5th September 2008. Regulation (EC) No 1235/2008 of 8th December 2008 Regulation (EC) No 834/2007	No minimum activities established	There is no legal obligation which requires farmers to farm organically. Therefore this measure supersedes all legal obligations and leads to several environmental benefits as a result of going above and beyond requirements.	This measure will have a positive impact on biodiversity, enhancing the countryside with non invasive species which work in harmony with our unique ecosystems. As well as providing an expanded habitat for local flora and fauna, the planting of new trees can be designed as buffer zones between agriculture and valuable natural assets such as watercourses. In addition, through increasing the	Notwithstanding higher production costs, lower organic yields are not compensated for by the higher prices commanded by such products, given the prevailing market. Thus the gross profit margins for organic farming are consistently lower than those for conventional production. In fact, local producers employing organic methods indicate a decrease in production from around 12% to

M11 - Baseline Table (4)

		use of pesticides/ fertilisers in accordance with EC834/2007				number of trees present on a holding and the location of such trees, farmers are also targeting issues such as water logging, and erosion caused by water and wind. Moreover major benefits also seem likely where ground and surface water are concerned since fertiliser and pesticide runoff are greatly reduced. The adoption of organic farming is a means by which farmers can adjust themselves to the challenges that lie ahead of them.	30%,[4] for the purpose of calculating the support rate an average of 21%[5] will be used. The increase in price commanded by their produce locally is of about 15%[6]. This becomes more apparent in the case of organic cereal fodder where the higher cost incurred is not justified by the income gained. This is due to the limited profit margins for the crop that are cancelled when organic manure has to be used instead of inorganic fertilisers. On the basis of €13,524/ha is the end potential; sale price. Farmers must be compensated for the decrease in yield as a result of farming organically. Yields are

[4] As established in the previous RDP 07-13
[5] 12% +30%= 42/2= 21%
[6] As established in the RDP 07-13

M11 - Baseline Table (5)

							expected to suffer by approximately 21%, resulting in a support rate of €2840.04. Of this there will be a potential saving of €97.96 (from not utilising chemical pesticides) resulting in a support rate of €2742.08/ha. From this rate an additional 15% has to be deducted based on increased profitability of the end product. Resulting in a support rate of €2330.76/ha. Support and transactional costs incurred for the implementation of this measure are not included in the support rate and will be covered under Article 15 of EC 7303/11. In addition to this, farmers will receive support under Article 32 - 33 for areas facing natural or other specific constraints.

M11 - Baseline Table (6)

8.2.7.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regard to the setting of selection criteria

8.2.7.3.1. 11.1 - Payment to convert to organic farming practices and methods

Sub-measure:

- 11.1 - payment to convert to organic farming practices and methods

8.2.7.3.1.1. Description of the type of operation

The measure provides for support for farmers to convert part or all of their production to organic farming practices. Support payments for conversion shall only apply for the first two years (following the obligatory one year certification process as part of the eligibility conditions) following the certification “in conversion to organic” issued by the control authority, for all land which is converted to organic production. The payment rate shall move onto the maintenance rate after the end of the second year of the conversion commitment.

Organic production shall be in line with Regulation (EC) No. 834/2007.

Conversion requires time to establish systems of operation and significant advisory support and training to

acquire the relevant knowledge to farm organically. Promotional support will be required for the development of the market share.

8.2.7.3.1.2. Type of support

Type of support: Grants

Support provided shall be granted annually and compensate for all of the additional costs and income foregone resulting from the commitments made.

8.2.7.3.1.3. Links to other legislation

The following legislation is of relevance:

- Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008, Chapter I of Title VI (cross-compliance).

- Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy
- Council Regulation (EC) No 834/2007 on organic farming and Commission Regulation (EC) No 889/2008 with detailed implementing rules.
- Council Regulation (EC) No 882/2004 on official food and feed controls.
- Regulation (EU) No 1305/2013 of The European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005
- Regulation (EU) No 1305/2013 of The European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005Regulation (EU) 2017/2393 of The European Parliament and of the Council of 13 December 2017 amending Regulations (EU) No 1305/2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD), (EU) No 1306/2013 on the financing, management and monitoring of the common agricultural policy, (EU) No 1307/2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy, (EU) No 1308/2013 establishing a common organisation of the markets in agricultural products and (EU) No 652/2014 laying down provisions for the management of expenditure relating to the food chain, animal health and animal welfare, and relating to plant health and plant reproductive material

8.2.7.3.1.4. Beneficiaries

There are two possible types of beneficiaries eligible for the support under the Organic farming measure:

• Farmers (active farmers, as applicable in Malta in line with Article 29 of Regulation (EU) No 1305/2013).

• Groups of farmers (subject to adoption of relevant National Legislation which will allow group certification)

Beneficiaries of this measure must comply with the definition of active farmers based on Article 9 of Regulation (EU) No 1307/2013, as applicable in Malta.

8.2.7.3.1.5. Eligible costs

Costs for conversion of land to organic production

In these circumstances the producer often suffers a substantial decrease in crop yields but is unable to gain the market premium associated with certification as organic. Thus the appropriate payment rate for land in conversion should be a maximum of €1208.55/ha. However most certifying bodies allow land and its produce to be certified organic after 2 years upon fulfilling all organic criteria; so the conversion rate of payment will only be available for a maximum of 2 years (following the obligatory one year certification process as part of the eligibility conditions) on land under conversion.

Support and transactional costs incurred for the implementation of this measure are not included in the support rate thus premium is covering part of the cost incurred.

Certification costs are not included in these calculations and associated costs will be covered under Article 16 of Regulation (EU) 1305/2013.

8.2.7.3.1.6. Eligibility conditions

Land:

- Eligible land must be in an agricultural area as defined by Article 2 (f) of Regulation (EU) No. 1305/2013

Beneficiary:

- Applicants must be active farmer (as defined by Article 9 of Regulation (EU) No. 1307/2013) and commit themselves to control management of land for the length of the conversion period
- Support will only be available for parcels upon which no aid related to conversion and/or full conversion to organic has previously been granted, nor parcels that were fully converted to organic farming standards in the past (regardless of whether aid was received). Aid can therefore be granted

to beneficiaries who have received aid for conversion or for full organic conversion, as long as the new/different parcels have never either 'claimed' aid for conversion or for maintenance nor been fully converted to Organic farming standards.
- Beneficiaries receivingsupport under sub-measure 11.1 are required to attend a training module relevant to the measure as detailed in the respective measure Guidance Notes.

Commitment:

- Beneficiaries of support under sub-measure 11.1 (conversion) must commit themselves to maintaining the land under conversion for 2 years. Following the M11.1 two (2) year period, the parcel shall move onto support under M11.2.
- Other relevant National requirements related to ecological farming.

Beneficiaries of the support for Organic farming must respect also the baseline conditions.

The baseline conditions are made of:

- Obligatory standards (Title VI Chapter I of Regulation (EU) No 1306/2013)
- Relevant criteria and minimum actions defined under Article 4(1)c point (ii) and (iii) of Regulation (EU) No 1307/2013
- Relevant minimum requirements for fertilisers and plant protection products use

8.2.7.3.1.7. Principles with regards to the setting of selection criteria

It is assumed that potentially all beneficiaries of this measure provide the same environmental benefits as they are subject to the same commitments; therefore there is no need to undertake any selection of beneficiaries. For this reason Regulation (EU) No 1305/2013 does not require establishing selection criteria for organic farming measure.

8.2.7.3.1.8. (Applicable) amounts and support rates

The support shall have the form of a fixed payment per every hectare of land certified as under conversion.

The rate of payment will be €1,188.36/ha for land which is under conversion. The parcel must have been in the control system for at least one year by the 15th May of the year of application for support. Payments will be granted for the two complete years succeeding this first obligatory year. Due to the island’s specificities

(small size of parcels and holdings meaning that various annual/perennial crops are cultivated on the same reference parcel), Malta will not be applying any differentiation according to crop/production type, but will provide one support rate for all types.

The premia paid will be 100% public funds. Support provided shall compensate for all of the additional costs and income foregone resulting from the commitments made.

The calculation of payments has been certified by an independent body, confirming the avoidance of potential instances of double-funding.

8.2.7.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.7.3.1.9.1. Risk(s) in the implementation of the measures

See relevant section providing information at measure level.

8.2.7.3.1.9.2. Mitigating actions

See relevant section providing information at measure level.

8.2.7.3.1.9.3. Overall assessment of the measure

See relevant section providing information at measure level.

8.2.7.3.1.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

See section “Information Specific to the Measure”.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

The calculations for the organic conversion payment rates are based on the provisions contained in Article 29 of Regulation (EU) No. 1305/2013. This states that payments should be based on the additional costs and income foregone resulting from the additional commitment made by the farmer.

8.2.7.3.2. 11.2 - Payment to maintain organic farming practices and methods

Sub-measure:

- 11.2 - payment to maintain organic farming practices and methods

8.2.7.3.2.1. Description of the type of operation

The measure provides for support for farmers to maintain organic farming practices. Support under M11.2 can either be provided for land which was committed under M11.1, hence would result in a transition from conversion to maintenance support, or to land which was not supported under M11.1 i.e. land which receives support directly under M11.2, without transitioning from M11.1.

In cases of transitioning from M11.1 to M11.2, the payment rate shall be reverted to the maintenance level after the end of the second year of the commitment under sub-measure 11.1, and on the basis of certification of recognition issued by the competent authority. In this case, beneficiaries must commit themselves to maintain the certified organic land for a period of 5 years (or one to three years as from 2021, in line with Article 29 (3) of Regulation (EU) 1305/13 and as amended by transitional regulation 2020/2220).

This measure shall also provide support for farmers, who are already certified as organic producers and who have not benefitted under sub-measure 11.1, to maintain organic farming practices.

Global duration of a parcel commitment under M11.1 & M11.2 is of 7 years (this will be less for new commitments as from 2021, in line with Article 29 (3) of Regulation (EU) 1305/13 and as amended by transitional regulation 2020/2220)).

In case of land which has not received support under M11.1, the initial period of 5 years (in line with Article 29 (3) of Regulation (EU) 1305/13 and as amended by transitional regulation 2020/2220, new commitments as from 2021 shall be limited to 1-3 years) support under M11.2 can be considered for annual extensions after the termination of this initial 5 (or 3 year) year period. As from 2022, the extension shall not go beyond one year, in line with Article 29 of Regulation (EU) 1305/13 and as amended by transitional regulation 2020/2220.

Organic production shall be based on the principles indicated under sub-measure 11.1.

8.2.7.3.2.2. Type of support

Type of support: Grants

Support provided shall be granted annually and compensate for all of the additional costs and income foregone resulting from the commitments made.

8.2.7.3.2.3. Links to other legislation

The following legislation is of relevance:

- Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008, Chapter I of Title VI (cross-compliance).

- Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy
- Council Regulation (EC) No 834/2007 on organic farming and Commission Regulation (EC) No 889/2008 with detailed implementing rules.
- Council Regulation (EC) No 882/2004 on official food and feed controls.

8.2.7.3.2.4. Beneficiaries

There are two possible types of beneficiaries eligible for the support under the Organic farming measure:

• Farmers (active farmers, as applicable in Malta in line with Article 29 of Regulation (EU) No 1305/2013).

• Groups of farmers (subject to adoption of relevant National Legislation which will allow group certification).

Beneficiaries of this measure must comply with the definition of active farmers based on Article 9 of Regulation (EU) No 1307/2013.

8.2.7.3.2.5. Eligible costs

Costs for maintenance of already converted organic production

On the basis of the calculations explained in the section hereunder on "Methodology for the calculations of the amount of support", farmers must be compensated with a support rate of €555.28 per hectare.

8.2.7.3.2.6. Eligibility conditions

Land:

- Eligible land must be in an agricultural area as defined by Article 2 (f) of Regulation (EU) No.

1305/2013

Beneficiary:

- Applicants must be active farmer (as applicable in Malta in line with Article 29 of Regulation (EU) No 1305/2013) and commit themselves to control management of land for the length of the conversion period

- Beneficiaries transitioning form sub-measure 11.1 to sub-measure 11.2 will only be receiving support for 5 years (or one to three years as from 2021, in line with Article 29 (3) of Regulation (EU) 1305/13 and as amended by transitional regulation 2020/2220) from the initial certification date of organic certification status, regardless of the crop type.

- Support for maintenance under sub-measure 11.2 for applicants that have not received aid under measure 11.1 but are already established as organic producers, will be available for a minimum of 5 years from the date of contracting. In line with Article 29 (3) of Regulation (EU) 1305/13 and as amended by transitional regulation 2020/2220, new commitments as from 2021 shall be limited to 1-3 years.

Commitment:

- Beneficiaries of support under sub-measure 11.2 must commit themselves to maintain the converted organic land for a period of 5 years. In line with transitional regulation, new commitments as from 2021 shall be limited to 1-3 years.
- In case of land which has not received support under M11.1, the initial period of 5 years support under M11.2 can be considered for annual extensions after the termination of this initial 5 year period. As from 2022, the extension shall not go beyond one year, in line with Article 29 of Regulation (EU) 1305/13 and as amended by transitional regulation 2020/2220.
- Other relevant National requirements related to ecological farming.

Beneficiaries of the support for Organic farming must respect the baseline conditions.

The baseline conditions are made of:

- Obligatory standards (Title VI Chapter I of Regulation (EU) No 1306/2013)
- Relevant criteria and minimum actions defined under Article 4(1)c point (ii) and (iii) of Regulation (EU) No 1307/2013
- Relevant minimum requirements for fertilisers and plant protection products use

8.2.7.3.2.7. Principles with regards to the setting of selection criteria

It is assumed that potentially all beneficiaries of this measure provide the same environmental benefits as they are subject to the same commitments; therefore there is no need to undertake any selection of beneficiaries. For this reason Regulation (EU) No 1305/2013 does not require establishing selection criteria for organic farming measure.

8.2.7.3.2.8. (Applicable) amounts and support rates

The support shall have the form of a fixed payment per every tumolo/hectare of land maintained as organic.

The rate of payment will be €545.18/ha for organic land which is under maintenance (same rate applies for both land that has transitioned from 11.1 and also for land that is committed directly under M11.2).

Due to the island's specificities (small size of parcels and holdings mean that various annual/perennial crops are cultivated on the same reference parcel), Malta will not be applying any differentiation according to crop/production type, but will provide one support rate for all types.

The premia paid will be 100% public funds. Support provided shall compensate for all of the additional costs and income foregone resulting from the commitments made.

The calculation of payments have been certified by an independent body, confirming the avoidance of potential instances of double-funding.

Support will be paid over a period of 5 years, depending on entitlement to conversion aid, and will be based on a maintenance rate, calculated taking account of income foregone and additional costs, for those which apply the approach set out in Council Regulation (EC) No 834/2007. In case of land which has not received support under M11.1, the initial period of 5 years support under M11.2 can be considered for annual extensions after the termination of this initial 5 year period, at the discretion of the Managing Authority, in line with EU Reg 1303/2013, Article 29 (3).

8.2.7.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.7.3.2.9.1. Risk(s) in the implementation of the measures

See relevant section providing information at measure level.

8.2.7.3.2.9.2. Mitigating actions

See relevant section providing information at measure level.

8.2.7.3.2.9.3. Overall assessment of the measure

See relevant section providing information at measure level.

8.2.7.3.2.10. Information specific to the operation

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

See section “Information Specific to the Measure”.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

In principle, the calculation of the costs of organic farming practices shall be established by comparing them to conventional farming methods. Costs of activities are calculated on the basis of income foregone and additional costs resulting from the commitments made and regarding the conversion to or maintenance of organic farming practices and methods as defined in Organic farming legislation. Fixed costs are not eligible (they can be covered by the investment measures).

8.2.7.4. Verifiability and controllability of the measures and/or types of operations

8.2.7.4.1. Risk(s) in the implementation of the measures

The commitments will be verified upon presentation of a certificate issued by a certifying body for those parcels for which an application was submitted as being either under conversion or already as organic.

This certificate is to be presented every year prior to the Paying Agency effecting any payments. In case of conversion the holding must have been in the control system for at least 1 year.

The risks are attributed mainly to certification issues with a high risk arising from potential cross contamination from neighbouring farmland.

8.2.7.4.2. Mitigating actions

In order to avoid errors the following elements will be taken into account:

- Provision of training and advice on the eligibility conditions.
- Exchange of information between the Managing Authority, Paying Agency and the Certifying body/authority to monitor compliance by the beneficiary and the results of inspections

8.2.7.4.3. Overall assessment of the measure

Influence on Maltese agriculture is likely to be low in the 2014-2020 programming cycle, but it may serve to demonstrate, test, innovative production methods, and to test the market for locally produced organic food. If successful the measure may be persuasive in terms of influencing the future direction of agricultural development.

8.2.7.5. Information specific to the measure

Identification and definition of the relevant baseline elements; this shall include the relevant mandatory standards established pursuant to Chapter I of Title VI of Regulation (EU) No 1306/2013 of the European Parliament and of the Council, the relevant criteria and minimum activities established pursuant to Article 4(1) (c)(ii) and (iii) of Regulation (EU) No 1307/2013 of the European Parliament and of the Council, the relevant minimum requirements for fertilisers and plant protection products use, and other relevant mandatory requirements established by national law

Identification and definition of the relevant baseline elements:

- The rules of cross-compliance comprising the statutory management requirements and the standards for good agricultural and environmental conditions as provided for in Council Regulation (EU) No

1306/2013;

- The relevant criteria and minimum activities as established pursuant to the second and third indents of point (c) of Article 4(1) of Regulation (EU) No 1307/2013;
- Relevant minimum requirements for fertilisers and plant protection products use;
- The Agriculture Directorate is the Competent Authority for Organic production and labelling. It has established the control system required for safeguarding the genuine products in line with the Council Regulation 834/2007 and its implementing regulations 889/2008 and 1235 of 2008.
- Greening element

See baseline table under section "General description…" for more information.

In this regard as per legal provisions certain controls are delegated to the Control Authority (Malta Competition and Consumers Affairs Authority) which ensures that any certified organic operator obtains and retains its organic certificate through the control procedures laid down therein.

Training and Advice

Beneficiaries of sub-measure 11.1 will be required to attend a training module relevant to the measure. Such training may be provided free of charge under Measure 1.

Furthermore beneficiaries will also be encouraged to take service from a recognised FAS in order to receive advice on adequate fulfilment of all commitments and obligations. Advice will be supported under Measure 2.

Description of the methodology and of the agronomic assumptions and parameters including the description of the baseline requirements as referred to in Article 29(2) of Regulation (EU) No 1305/2013, which are relevant for each particular type of commitment used as reference for the calculations justifying additional costs, income foregone resulting from the commitment made and level of the transaction costs; where relevant, that methodology shall take into account aid granted under Regulation (EU) No 1307/2013, including payment for agricultural practices beneficial for the climate and the environment, in order to exclude double funding; where appropriate, the conversion method used for other units in accordance with Article 9 of this Regulation

Double funding

Double funding between the commitments supported under Art. 29 and Pillar 1 have been avoided. The calculation of income foregone and additional costs resulting from the commitments made under Art .29 take into account only those costs and income which are linked to the commitments.

The Managing Authority will also ensure that no instances of double-funding between Measure 11 (Organic Farming) and Measure 10 (Agri-environmental-climate) will occur. This will be ensured through the Inter-Ministerial Coordination Committee(s), which has been set up to coordinate complementarity between the various funding instruments and carry out checks related to risks of double-funding, together with the IT system which is to be developed to also carry out such checks

Relation with other RD measures

In addition to Measure 11 a farmer applying organic farming methods can receive support, through Measure 3 – "Quality schemes" and through Measure 4 - “Investment in physical assets” given that interventions under these measures cover different costs.

Measure 4 can cover the investment related eligibility and costs whilst Measure 3 covers the participation in organic food quality schemes.

Beneficiaries of support under Organic farming measure are also eligible for the agri-environment-climate payments.

8.2.7.6. Other important remarks relevant to understand and implement the measure

It is to be noted that the success of the Organic Farming measure in the 2007-2013 was very limited in Malta. This serves as justification for the low budgetary allocation allotted for this measure in the new programme. In case of high success rate, and demand for funding under Organic Farming, Malta will consider shifting further funds to this measure.

8.2.8. M13 - Payments to areas facing natural or other specific constraints (art 31)

8.2.8.1. Legal basis

- Articles 31 and 32 of Regulation (EU) No. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No. 1698/2005
- Commission Delegated Regulation (EU) No. 807/2014 supplementing Regulation (EU) No. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and introducing transitional provisions
- Commission Implementing Regulation (EU) No. 808/2014 laying down rules for the application of Regulation (EU) No. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)

8.2.8.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

The Areas with Natural and or/other Specific Constraints (ANC) measure or its predecessor LFA measure have covered all agricultural land and provided compensation to ensure continued agricultural land use, across the rural areas of Malta, since EU accession in 2004. Although Regulation 1783/2003 stated that the total area covered by this measure must not exceed 10% of the area of a Member State, during the negotiations the EU agreed that all of the agricultural land in the Maltese islands should qualify for funds eligible under the Less Favoured Areas measure (CONF-M 121/02).

Agriculture production in the Maltese islands faces several specific constraints, including:

a) the high opportunity cost of land, the loss of agricultural land through urbanisation plus land abandonment due to decreasing prospects for farmers from the utilisation of marginal dryland areas, are contributing factors.

b) the fragmentation of farms and the increasing number of smaller fields, as a result of customary inheritance practices on Malta, constitute other factors of concern. Land fragmentation has the following negative consequences:

- increase in the demand for access roads to fields, leading to a loss of agricultural land and an increase of surface water runoff;
- increase in the possibility of land abandonment;

- limiting of agricultural techniques that could be applied on field;
- constraining the design of proper irrigation schemes;
- increase in the demand for agricultural buildings;
- further construction of boundary walls to define property rights; and
- reduction in the economies of scale and economic viability of production obliging a shift towards part-time work.

These factors all contribute to the degradation of the rural landscape. The current land tenure system whereby very few farmers own the land and the majority of land is state owned which together with private land owners tend to hold on to their property, is also an important factor limiting investments by the tenants.

c) There is an ageing labour workforce where only a small proportion of the total farming population is under 40. Data from 2010 Agriculture Census:

Total Farming Population = 18,539

- of which 14% under the age of 35

- of which 27.4% over the age of 64

- of which 1,301 full-time farmers (compared to 1,525 in 2001)

- of which 17,238 part-time farmers (compared to 12,589 in 2001)

d) Maltese islands suffer an insularity factor from the rest of Europe with considerable transport costs being incurred on required imports. In the livestock industry all feed ingredients have to be imported as none are produced locally. The same applies to correlated animal equipment and machinery. Similarly crop enterprises are dependent on seeds, pesticides, machinery and equipment as none are produced or manufactured locally.

e) Lack of water resources constitutes a significant restriction on the productivity of the Maltese agriculture sector, given the long dry, hot summers, elevated evapotranspiration rates and low, unpredictable and highly variable annual rainfall.

f) Scarcity of arable land with a trend towards over-cropping, together with poor soil fertility, increasing soil erosion, low yields per hectare and lack of crop rotation methods are crucial constraints as well.

Maltese soils are all rather young or immature since pedological processes are slow in calcareous soils particularly where acidic drainage water is very limited in quantity. They are characterised by their low organic content, high carbonate content, insufficiently developed soil horizons and extensive mixing and erosion that has occurred throughout the years. Soil erosion is one of the factors contributing to the loss of agricultural land and the viability of land in terms of agricultural production. It constitutes a major ongoing problem throughout the whole Maltese countryside and appears to be increasing due to a number of factors, most important of which is the removal or collapsing of soil retaining rubble walls in terraced lands.

Apart from the foregoing, Malta as an island faces the following specific constraints typical of most Mediterranean islands:

- irreversibly eroded slopes and desertified areas particularly in abandoned terraced fields;
- extensive mono-culture of cash-crops;

- overgrazing and periodic burning of undesirable vegetation;
- unstable tree populations that are prone to fires;
- location of housing, airports and roads on coastal or flat areas accompanied by traffic congestions;
- water shortages and salinization of groundwater from overpumping;
- continuous discharge of unabsorbable wastes and sewage;
- high population densities with inadequate infrastructural support;
- lean off-season tourist periods where activities approach normality unless communications are disrupted by inclement weather.

This measure supports and encourages undertaking of agri-environment-climate commitments and thus facilitates the uptake of actions that have a direct positive impact on the environment. Support for areas with handicaps also helps to reinforce the respect of environmental standards and the protection of natural habitats and landscape features in these areas.

The main objective of the measure is to prevent land abandonment in areas that are disadvantaged. Agri-environment-climate actions, on the other hand, have a more direct positive impact on the quality of the environment, because these actions go beyond the maintenance of agricultural land in utilisable condition (prevention of abandonment and degradation) and emphasis on mitigation and pro-active actions rather than prevention of environmental damage. Since both measures have a common baseline, farmers that have accessed the ANC measure are encouraged to take on agri-environmental-climate measures on a voluntary basis. Moreover, the system of the single application for area-related measures facilitates the application to agri-environmental measures in addition to the ANC measure. This is especially important in a country where farmers are not particularly keen to take up agri-environmental measures because of the relatively low compensation that they are entitled to as a result of the limited size of their holdings.

Article 32(4) of the Regulation (EU) No. 1305/2013 states:

"By way of derogation, the first sub-paragraph shall not apply to Member States the entire territory of which was considered as an area facing specific handicaps under Regulations (EC) No 1698/2005 and (EC) No 1257/1999."

As explained above, Malta has been considered as a 100% less favoured area since 2004-2006, an arrangement which was also maintained throughout the 2007-2013 programming period. In this respect, the above quoted paragraph indicates that the first sub-paragraph of Article 32(4), which stipulates the 10% area limit on classification as ANC, does not apply to Malta. This derogation, together with the justification explained above, has allowed Malta's entire territory to be classified as an area facing specific constraints.

Contribution to Focus Areas and cross-cutting objectives

Focus Area

Focus Area 4a: Restoring and preserving biodiversity, including in Natura 2000 areas and high nature value farming, and the state of European landscapes.

Contribution to Cross-Cutting Objectives

Environment

The main environmental benefit of ANCs is to help to retain Maltese farmland under active management and prevent abandonment, as well as to ensure that, by adhering to the cross-compliance conditions, management delivers a basic level of environmental standards in respect of both statutory management requirements (notably Nitrates Action Plan and Natura 2000), and good agricultural and environmental conditions (notably the maintenance of landscape features).

Climate

As a relatively simple compensatory measure, ANC will make a modest contribution towards meeting climate adaptation and mitigation targets for Malta. Because the measure incorporates cross-compliance, it directly helps to ensure adherence to Nitrates Directive principles which require Maltese farms to reduce over-use of inputs which should reduce N-gaseous emissions from agricultural soils. Indirectly, by helping to promote adoption of AECM to farms across Malta, it could assist with a variety of climate mitigation and adaptation actions as supported under Measure 10.

8.2.8.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regard to the setting of selection criteria

8.2.8.3.1. 13.3 - Compensation payment to other areas affected by specific constraints

Sub-measure:

- 13.3 - compensation payment to other areas affected by specific constraints

8.2.8.3.1.1. Description of the type of operation

Support under this measure offers beneficiaries a simple, standard payment per hectare of agricultural land in order to help ensure that this land remains under agricultural management.

In addition, beneficiaries are required as a condition of such support to adhere to the cross-compliance conditions defined under the CAP direct payments legislation, even when the areas of holding on which ANC payments are claimed falls below the threshold of 0.3 hectares under which direct payment claimants are either eligible for the small farms payment (which exempts them from cross-compliance obligations in respect of Pillar 1 aid), or ineligible to apply for any Pillar 1 aid (if their total holding is less than 0.3 ha in area).

Because the minimum area on which ANC can be claimed is 1124m2, it is potentially capable of attracting a very significant number of small landholdings (estimated around 4,700, based upon 2012 claims data) that would otherwise not be subject to cross-compliance conditions.

Support for areas with handicaps shall be available to all farmers who have at least 1124m2 of utilisable agricultural land in all the territory of Malta. Farmers receiving support shall commit to farm the area in respect of which compensatory payment is being granted.

Beneficiaries of support will be required to adhere to the cross-compliance conditions defined under Article 92 of Regulation (EU) 1306/2013.

8.2.8.3.1.2. Type of support

Type of support: Grants

Commitments under this measure will take the form of an annual contract. This may be renewed every year. Beneficiaries will receive a fixed payment per hectare, per year, calculated by reference to their total agricultural land area.

8.2.8.3.1.3. Links to other legislation

The following legislation is of relevance:

• Article 92 in the Regulation 1306/2013

• Direct Payments Regulation, Art.4(1)(c) (minimum activity, maintenance of agricultural area)

8.2.8.3.1.4. Beneficiaries

The beneficiaries of this measure are Farmers (active farmers) with the meaning of Article 9 of Regulation (EU) No. 1307/2013.

8.2.8.3.1.5. Eligible costs

See section below on applicable amounts and support rates. See details of the calculations for these rates under the section on methodology for the calculation of costs.

8.2.8.3.1.6. Eligibility conditions

In choosing to apply for aid under Article 31, farmers are accepting the obligation to observe cross compliance conditions on the land upon which aid is claimed. This means that the following conditions will apply:

- In order to apply for aid a farmer must have a holding with a minimum of 1124 m2 of land.
- Farmers must be registered in the IACS Farmer Registry.
- Farmers must observe the baseline Cross Compliance Requirements which include the statutory management requirements and the Good Agricultural and Environmental Conditions (GAEC).
- Payments will only be granted to farmers who undertake to pursue their farming activity in the delimited area.

8.2.8.3.1.7. Principles with regards to the setting of selection criteria

It is assumed that all beneficiaries of each measure provide the same environmental benefits as they are subject to the same commitments regarding cross compliance and the maintenance of land in agriculture; therefore there is no need to undertake any selection of beneficiaries.

Moreover the whole territory of Malta was recognised as an area with natural or specific constraints thus it is important to tie in all eligible land for its to conservation and protection.

In instances where the demand for support under Measure 13 exceeds the available budgetary allocation, the Managing Authority will employ a modulation system, which will be detailed in the relevant measure guidelines.

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8.2.8.3.1.8. (Applicable) amounts and support rates

The new rates of payment for 2014-2020 require separate calculation and justification based upon income forgone and additional costs associated with natural handicaps.

The support rate amounts to €250/Ha/Yr.

The minimum payment per year per hectare is of €25 EUR as laid down in Annex II of Regulation (EU) No 1305/2013.

Payments will be granted annually, as foreseen in Article 31(1) of Regulation (EU) No 1305/2013.

The calculation of payments has been certified by an independent body, confirming the avoidance of potential instances of double-funding.

8.2.8.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.8.3.1.9.1. Risk(s) in the implementation of the measures

See corresponding measure-level section below.

8.2.8.3.1.9.2. Mitigating actions

See corresponding measure-level section below.

8.2.8.3.1.9.3. Overall assessment of the measure

See corresponding measure-level section below.

8.2.8.3.1.10. Methodology for calculation of the amount or support rate, where relevant

See corresponding measure-level section below.

8.2.8.3.1.11. Information specific to the operation

Definition of the threshold level of area per holding on the basis of which the Member State calculates degressivity of payments

Given the small scale of local agricultural holdings, Malta will apply degressivity at a rate of 1%, to agricultural holdings with an area exceeding 5ha. Degressivity will apply for the area beyond 5ha only. This degressivity will apply for claim year 2022 and 2023.

[Designation of areas facing natural and other specific constraints] Description of the local unit-level applied for the designation of the areas.

See corresponding measure-level section below.

[Designation of areas facing natural and other specific constraints] Description of the application of the method including the criteria referred to in Article 32 of Regulation (EU) No 1305/2013 for the delimitation of the three categories of areas referred to in that Article including the description and results of the fine-tuning exercise for areas facing natural and other specific constraints other than mountain areas.

See corresponding measure-level section below.

8.2.8.4. Verifiability and controllability of the measures and/or types of operations

8.2.8.4.1. Risk(s) in the implementation of the measures

Risks associated with this measure primarily comprise of breaches of cross compliance obligations. In the 2007-2013 RDP the Maltese Authorities encountered another issue mainly related to the transfer of land without the necessary notification and transfer of commitments to the new farmer. This resulted in breach of commitments and therefore recovery of funds. Under the new programme the risk of breach of commitment should be very limited given that commitments will now not be linked to a multi-annual commitment but will be on an annual basis.

8.2.8.4.2. Mitigating actions

Advice, training and information will be provided to farmers entering the measure. Specific information sessions, which were already undertaken for the 2007-2013 RDP, will continue as they have proved to be useful for farmers. Published materials and other communication tools will be organised through the National Rural Network with the aid of the foreseen Rural Animators. Support by the Farm Advisory Service will be provided to farmers to guide them in relation to the Cross Compliance and the measure obligations.

All commitments will be verifiable when effecting cross-compliance inspections, eligibility controls and other on the spot checks.

8.2.8.4.3. Overall assessment of the measure

It is anticipated that uptake of the ANC measure will be similar to that which applied in the 2007-13 period

to measure 212. From a financial viewpoint, the impact will be minimal for most farmers, due to the low amount of payment. However, from a countryside maintenance perspective, there is a positive impact through the permanence of agricultural activity abetted to an extent by this measure.

Measure 212 was relatively successful in terms of take up by the agricultural sector, in the 2007-2013 programming period. This was in part due to its simplicity in terms of cross-compliance, and experience gained with a similar measure under the 2004-2006 RDP. A problem which was however apparent with this measure lies with the small size of holdings meaning that the financial support received is not always sufficiently attractive, especially when considered in terms of total amounts received as conditioned by the low size of holdings.

Perhaps even more importantly, applicants reported to the Mid-Term Evaluation team that they found the 5-year commitment under the measure as onerous, within the context of established practices of transferring of parcels between farmers for operational reasons, or upon inheritance. Notwithstanding this comment, take up covered almost 6,000 claimants, which is likely to represent more than half of the farms in Malta.

8.2.8.5. Methodology for calculation of the amount or support rate, where relevant

Support rate

The methodology adopted is based on the Maltese agricultural context, where agricultural production (that is, horticulture, annual crops, permanent crops, fodder, etc.) has been compared to the southern region of Italy, which is classified as being without natural constraints. Based on the calculations Malta considers €250 as a suitable amount to be paid for all farmers, as per the following justification.

In the case of Malta, the data from FADN 2011 has been taken into consideration whereby the value gross output for Maltese horticulture was €9,228.9/ha in 2011 whilst production costs were €7,200/ha, resulting in net income of €2,028.90.

In the case of Italy's southern region, the data from FADN 2011 has been taken into consideration whereby the value gross output for horticulture under 5 ha was €18,548/ha in 2011 whilst production costs were €11,607/ha, resulting in net income of €6,941/ha.

Based on these calculations, the ANC in Malta contribute to a loss of net income of €4,912.1, and based on these calculation Malta considers the maximum amount of €250 to be paid for all farmers.

Income foregone calculation

Small horticultural holdings in Italy were used as a comparator group, to examine income, costs and yields per hectare, in situations with broadly comparable production structures, crop types and climate, without natural constraints within the meaning of Article 31.

The value of gross output (excluding subsidies) in Maltese horticulture, from FADN 2011, is 9,464,235 for indoor horticulture and 15,619,950 for outdoor horticulture, and covering an area of 2718ha; which makes

€9,228.9/ha on average. Including subsidies, the figure is €10,664.7/ha on average. The production costs per hectare (fixed and variable combined) are €7,200/ha.

In southern Italy, the value of output from horticultural holdings under 5ha in size is €18,548/ha and the costs are €11,607/ha. (source: FADN2011).

Comparatively, therefore, Maltese producers face slightly lower costs than their Italian counterparts (this is largely due to the very low land rental costs in Malta, with much land owned by the government) but they receive a considerably lower value of output, reflecting the poorer natural conditions experienced in Malta, as well as any significant difference in the market price return to producers. The difference between net revenue per hectare is or €4,912/ha excluding subsidies or €3,464/ha including subsidies.

Differences in yield for representative annual crop types between Italy and Malta in comparable years indicate yields as roughly 20% lower for tomatoes, 50% lower for fodder, 30% lower for figs, equal for aubergines, gourds and marrows, and 20% higher for beans. This suggests that natural handicap is affecting some key crops in Malta to an extent varying between +20% and -50% of output, in an average year. The yield differences for PDO wines are particularly high, at 70% in some years.

Valuing output at Maltese prices, an average figure for output value from land-based agriculture in Malta is €13,524/ha (figures as calculated for AECM measure 28), so the yield differences may therefore account for anything between +€270/ha and -€6762/ha.

The 2010 agricultural census in Malta found that 50% of land area is devoted to fodder cropping; suggesting that the significant yield difference in fodder should have higher weighting in estimating the overall yield disadvantage, compared to other outputs. So, we assume an implied yield gap, some of which will be due to natural disadvantage/constraint, of around €2-3,000/ha.

On this basis, a proposed payment rate for ANC, of €250/ha is justified for all Maltese agricultural area, in terms of income forgone arising from natural constraints.

Justification of calculations

The reason for ANC payments is largely due to the uniform natural disadvantages faced by producers on this small island state including harsh terrain, poor soils and the impossibility of achieving economies of scale in production; as well as high input costs due to its island nature.

All these factors affect Maltese land-based farms in a similar way, regardless of their position on the islands. The comparison with the southern region of Italy was made due to similarities in climate and types of horticulture. However, due to the Italian region having a larger land surface, it can take advantage of economies of scale and naturally does not suffer from island status, so it serves as a reference for 'non-constrained' areas.

The proposed support rate is much more modest than the income differential, reflecting the need to avoid over-compensation.

8.2.8.6. Information specific to the measure

Definition of the threshold level of area per holding on the basis of which the Member State calculates degressivity of payments

Given the small scale of local agricultural holdings, Malta will apply degressivity at a rate of 1%, to agricultural holdings with an area exceeding 5ha. Degressivity will apply for the area beyond 5ha only. This degressivity will apply for claim years 2021, 2022 and 2023.

[Designation of areas facing natural and other specific constraints] Description of the local unit-level applied for the designation of the areas.

Not applicable

[Designation of areas facing natural and other specific constraints] Description of the application of the method including the criteria referred to in Article 32 of Regulation (EU) No 1305/2013 for the delimitation of the three categories of areas referred to in that Article including the description and results of the fine-tuning exercise for areas facing natural and other specific constraints other than mountain areas.

Not applicable

8.2.8.7. Other important remarks relevant to understand and implement the measure

The baseline conditions are made of:

•The rules of cross-compliance comprising the statutory management requirements and the standards for good agricultural and environmental conditions as provided for in Council Regulation (EU) No 1306/2013(HR) ;

•The relevant criteria and minimum activities as established pursuant to the second and third indents of point (c) of Article 4(1) of Regulation (EU) No 1307/2013;

•Relevant minimum requirements for fertilisers and plant protection products use;

•Other relevant mandatory requirements established by national legislation.

8.2.9. M16 - Co-operation (art 35)

8.2.9.1. Legal basis

- Article 35 of Regulation (EU) No. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)
- Articles 32-35 of Regulation (EU) No. 1303/2013 (Common Provisions Regulation)
- Commission Delegated Regulation (EU) No. 807/2014 supplementing Regulation (EU) No. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and introducing transitional provisions
- Commission Implementing Regulation (EU) No. 808/2014 laying down rules for the application of Regulation (EU) No. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)
- Malta Partnership Agreement for the Programming Period 2014-2020

8.2.9.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

The Measure offers support for groups, partnerships and cooperative activities to assist in the achievement of a wide range of RDP objectives. Given the very small-scale nature of farms, the large-scale nature of many of Malta's needs (e.g. in water management and market development) and the difficulties of undertaking cooperation activities in Malta (as a result of previous negative experiences, and a culture of distrust among rural stakeholders) this measure will be an essential component of the RDP. Support for co-operation will help to encourage the formation of partnerships that will be necessary to undertake improvements in environmental quality, supply chain efficiencies, and sustainable energy, water and waste management. The roles of this measure can be differentiated according to the five relevant needs for Malta, identified below.

Water, Wastes and Energy

A territorial approach based on individual valleys, valley sub-catchments or protected areas (such as Natura 2000, Special Areas of Conservation, etc) would be most appropriate in ensuring most efficient and effective management of local resources of soils and water, in particular. In terms of their size, environmental and ecological needs, and agricultural cohesiveness, such areas offer scope to target a wide range of support at priority actions spatially for maximum impact, thus making the limited resources more effective. Actions focusing on specific areas will require collaborative review, planning and agreement amongst farmers, land managers, local councils and other stakeholders. In turn, this process of working together will also enable farmers and other stakeholders in an area to have a stronger voice in expressing their needs to government agencies. Such area-based, ecological management approaches are also likely to be cost-effective in terms of avoiding duplication of effort for infrastructure and planning, while providing synergy with Malta's Water Catchment Management Plan and Natura 2000 Management Plans and/or Conservation Orders.

This measure can be used to establish collaborative approaches involving farmers and relevant local and national authorities for managing these areas and then enable these partnerships to appoint advisors to work

with farmers to co-ordinate and plan action over the programme period. In due course, the partnerships and their advisors will also be involved in helping farmers to apply individually or collectively for agri-environment-climate measures, as well as investment aids for appropriate infrastructure (e.g. reservoirs, pipes, terraces), where required.

In the field of renewable energy generation, support to enable livestock producers to collaborate in order to plan and establish shared bio digester facilities for the use of manures to generate power would also be highly relevant to achieving successful projects of this kind.

Maltese Quality Produce

Building and maintaining a reputation for quality produce in Malta requires much stronger partnership work across the supply chain, between primary producers, processors, retailers, and distributors., New partnerships and co-operative action are needed to ensure traceability and quality assurance, develop direct sales and other forms of short supply chains, and also to support activities that can add value to local produce, and develop new products.

Cooperation in this area may include the following:

• *Traceability and quality:* new strategic groups bringing together farmer representatives (co-operatives, Producer Groups) to plan action; such as seeking funding for the development of quality labels, organising testing & laboratory services, fostering innovation and market research into storage, packing & distribution needs.

• *Marketing and promotion*: creation of new alliances for product identity, funding for promotion & brands, new links to retailers / catering and hospitality, development of direct sales such as expansion of farmers markets, new forms of direct sales, and improved data on sales, distribution, and consumer attitudes and desires.

• *Groups to organise the provision and sharing of facilities* among small operators (e.g. storage, washing, packaging, processing, and distribution).

• *Creation of alliances* between researchers, producers and processors for new product development.

Most of the POs are currently perceived as not operating effectively due to their very small size and weak capacity. More collaboration within and between producer organisations was seen as a means of increasing influence over decisions that affect the agricultural sector.

Sustainable Livestock

Cooperation in this area is expected to focus on the following needs:

• *Improving production efficiency* - helping key sector co-operatives to work with other experts to provide advice to producers, for example, by adoption or piloting new technologies or techniques to enable cutting costs, improving performance, and ensuring targeted investment where the impact is greatest.

• *Encouraging new co-operation* e.g. sheep & goat sector, poultry, rabbits.

• *Enhancing the quality & value of Maltese forage*: setting up a network to promote good practice (e.g. building upon the interest already expressed by Gozitan dairy producers and spreading this across both

islands); supporting exchange visits, encouraging new partnerships with land-based sector groups of farmers/land-holders to provide improved domestic forage

• *Sourcing imported feed more cost-effectively*: via joint planning with all the main stakeholders

Landscape and Environment

This Measure would be a central element to support the needs identified under the theme of landscape and environment. In particular cooperation is required for the setting up of valley, sub-catchment, or area partnerships that will engage in water, waste, and energy management (see also need 1). This Measure would provide support for creating partnerships between land managers, owners, NGOs, and local councils, permitting agencies and environmental bodies for cooperation in protecting and conserving the landscape, natural habitat, and environment of protected areas or valleys.

Wider Rural Economy and Quality of Life

Networks, clusters, and operational groups are required for cooperation in developing the rural economy. These could support diversification, assist in protecting, restoring and conserving cultural heritage, and provide for social inclusion. Cooperation is required in particular to support small-scale rural tourism development through horizontal actions that bring together farmers, craftsmen, local councils and tourism operators to create suitable actions such as rural heritage or culture 'trails'. LAGs have a key role to play in this activity, as facilitators of new forms of co-operation. Cooperation in this area could include the following activities:

• *Setting up of Networks/clusters/operational groups* for cooperation in developing the rural economy, supporting diversification, protecting, restoring or conserving cultural heritage, and providing for social inclusion, could also be supported.

• *A specific approach for Gozo*: building on tourism, ecology, rural economy, etc co-ordinated with key Gozitan authorities

Under Measure 16, Malta has programmed sub-measures:

- 16.2 – support for pilot projects, and for the development of new products, practices, processes and technologies

Contribution to Focus Areas and cross-cutting objectives

Contribution to Focus Area

• *(Primary) Focus Area 1A: Fostering innovation and the knowledge base in rural areas*

The co-operation measure will have a direct contribution to fostering innovation with the creation of Co-operation Groups, pilot projects and developing new, innovative products, practices, processes and technologies, as well as through encouragement of diversification of farming activities. The knowledge base will also be supported through the dissemination of results/findings from projects carried out under Measure 16.

• *Focus Area 1B: Strengthening the links between agriculture and research and innovation*

Co-operation potentially offers much scope here. One example might be pulling together researchers, olive growers, processors, and retailers to explore the additional benefits of local varieties of olive and how to market and promote new olive based products (direct contribution through sub-measure 16.2).

• *Focus Area 3A: Better integrating primary producers into the food chain through quality schemes, promotion in local markets and short supply circuits, producer groups and inter-branch organisations*

Improvements in marketing, short supply chains, and quality schemes requires interaction across a range of different individuals and groups in order to be successful. These were all identified as opportunities in Malta for supporting a more sustainable agricultural sector and rural economy (direct contribution through sub-measure 16.2).

• *Focus Area 5A: Increasing efficiency in water use by agriculture*

Cooperation offers scope for improving efficiency of water use in agricultural activities. There are already small-scale cooperative type actions regarding water (e.g. sharing a common borehole and pump) but these tend to be limited in effectiveness and are conducted largely to minimise costs. Significant gains could be made in water use through sharing water capture and distribution infrastructure, and sharing of modern technology for control water use (e.g. smart irrigation systems). Land fragmentation and small parcel size require a cooperative approach from multiple landowners and farmers to improve the efficiency of water use.

• *Focus Area 5C: Facilitating the supply and use of renewable sources of energy, of by-products, wastes, residues and other non-food raw materials for purposes of the bio-economy*

Waste management from the livestock sector has been identified in the SWOT as both a weakness and a potential opportunity for Malta. Utilisation of organic wastes, however, whether for energy, nutrients, or both, will require cooperative action between livestock farmers, arable farmers, regional energy producers, and logistics companies, as well as with permitting and environmental regulatory bodies. Effective waste management will only come about through cooperative action (directly through sub-measure 16.2).

Contribution to Cross-Cutting Objectives

Environment

In many instances environmental improvements can only be achieved through partnership work. Small scale farmers or processors seldom have the capacity to make more than marginal changes. In a situation such as Malta, where farmers operate on very small parcels of land, individual actions spread out over the whole territory may have little impact. Dilapidated rubble walls, for example, are problematic in many areas resulting in soil erosion and potential for increased flooding, and individual action often does not target areas most in need of restoration or improvement. Supporting cooperative actions, particularly through territorial partnerships (e.g. focused on specific targeted areas or valleys) will enable strategic decisions to be made that target the most vulnerable or high risk areas for support, and ensure that actions to restore rubble walls, control flooding, and manage soil conservation are integrated and cost-effective.

In a similar manner partnerships can be utilised to undertake more effective forms of waste management and renewable energy development (e.g. through bio-digesters). Cooperation that links livestock farmers, arable farmers, researchers and others provides scope for developing new forms of energy generation from waste

and recycling of nutrients through composted material (direct contribution though sub-measure 16.2).

Innovation

Cooperative activities focusing on improved or new product development will link producers, processors, and researchers (directly through sub-measure 16.1). Innovation is more likely to occur where researchers are involved with those producing and processing raw materials (e.g. in improving fodder quality for livestock nutrition), as well as with social scientists and market researchers who can provide improved understanding of consumer attitudes and needs.

Climate change

Cooperation will indirectly influence climate change through a range of activities. For example: improvements in waste management and development of anaerobic digesters for renewable energy will help mitigate greenhouse gas emissions (GHGs) (directly through sub-measure 16.2).

8.2.9.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regard to the setting of selection criteria

8.2.9.3.1. 16.2 - Support for pilot projects, and for the development of new products, practices, processes and technologies

Sub-measure:

- 16.1 - support for the establishment and operation of operational groups of the EIP for agricultural productivity and sustainability
- 16.2 - support for pilot projects, and for the development of new products, practices, processes and technologies

8.2.9.3.1.1. Description of the type of operation

Many innovative actions need to be 'piloted' or tested before being made more widely available. Support may also be provided for 'demonstration', where the demonstration activity is a final part of the process of testing/validating a technology or process. The most relevant areas for this type of activity in the Malta RDP will be co-operation to pilot or experiment with practices to increase efficiency of input use (fertilisers, manures, pesticides, fodder crops for nutrition, water); practices to enhance product quality through better handling and storage; and practices to develop new varieties of, and new production systems for, crops and livestock better able to cope with Malta's natural constraints, in the face of anticipated climate change. Under these operation pilot projects involving specialised techniques, technologies and expertise will be allowed compared to more simple projects supported under Article 14. These might involve the purchasing

of specialised laboratory equipment, the engagement of local or foreign research teams and expertise.

RDP will support grants under this measure.

Each operational group must establish internal procedures to ensure transparency in their operation and decision-making, and avoid conflicts of interest. they must draw up a plan containing:

- a description of their innovative project;
- a description of the expected results;

They must disseminate the results of their project through the EIP Network

Additional information on EIP operational groups may be found in the guidance document of [December] 2014.

In the case of the selection of an innovation project proposed by a single actor, dissemination is equally obligatory according to Art 35(4). However, in this case the project will not be allowed to be called an Operational Group and shall not benefit from the actions of the EIP network, nor Horizon 2020 or Horizon Europe projects under the multi-actor approach

In the case the cooperating group with the innovative project does not want to benefit from the EIP, the project will not be called Operational Group, and will not benefit from the actions of the EIP network.

8.2.9.3.1.2. Type of support

Type of support: Grants

Sub-measure 16.2 will provide grant support covering costs related to the project implementation. Such support will cover:

- Costs related to coordination;
- Costs related to work of researcher/facilitator;
- Meeting room hire;
- Travel costs for meetings;
- Training related to the project
- Work and/or participation by farmers or advisors.

The Managing Authority may decide that costs which may be covered by other Measures will be financed through Measure 16, with the applicable support rates and rules of the relevant measure. For eg. investments will be financed through Measure 16, applying the rules of the relevant sub-measure under Measure 4.

Sound Financial Management

For reasons of sound financial management, the groups will have three possibilities to receive payment:

- Either have a legal identity
- Either have a document rule attributing liability among the members - evidence to be provided by the group clearly spelling out responsibility for parts of received funds prior to support being paid out. When projects include investments, document should also spell out liability of members, who will provide the private co-financing and who will be the owner of the investment following project completion.
- Either one of the partners of the group may function as the lead-entity and be nominated to deal with support applications and payment. However, payments absorbed by the lead entity must be clearly merited by corresponding work, and cannot allocate funding to itself on an arbitrary basis.

Such information is to be outlined in the application for support submitted by the group.

In such cases, where the rules of the relevant sub-measure under Measure 4 may apply, the applicable aid intensity will be in accordance with the rates stipulated in Annex II of Regulation (EU) No 1305/2013 and as also outlined in the respective RDP section pertaining to the respective sub-measure.

8.2.9.3.1.3. Links to other legislation

- Regulation (EU) No. 1303/2013
- Annex I to the Treaty

8.2.9.3.1.4. Beneficiaries

Groups suitable/relevant to achieving the objectives of sub-measure 16.2.

In line with EU Regulation 1305/2013 Article 35 (3), support for operations under points (a) and (b) of paragraph 2 of same article (i.e. M16.2) will also be granted to individual actors.

8.2.9.3.1.5. Eligible costs

Sub-measure 16.2 will cover the following activities and interventions:

Running costs of the co-operation - are not all running costs of the project, but rather the running costs arising from the "act" of co-operation such as the salary of a "co-ordinator", the costs of meetings and provision of a secretariat function.

Direct costs of specific planned projects - linked to the implementation of a business plan, an environmental plan, a forest management plan or equivalent, a local development strategy other than the one referred to in Article 33 of Regulation (EU) No 1303/2013 or other actions targeted towards innovation, including but not limited to investments costs and importantly, including salary costs for animation and co-

ordination activities delivered on the ground by dedicated project officers.

Promotion - refers to direct costs arising from promotion activities related to short supply chains and local markets, as referred to in Art. 35 (2)(e).

8.2.9.3.1.6. Eligibility conditions

- Support will only be granted for Groups with specific planned actions resulting in specific planned outcomes
- ·Project proposal must be in line with the scope and objectives of sub-measure 16.2

Operational Groups supported will be bound to disseminate the results of their proposed project, including through the EIP network.

Individual actor's projects must also disseminate the results of their project.

8.2.9.3.1.7. Principles with regards to the setting of selection criteria

In 2015, the Maltese Managing Authority held a consultation session with sector stakeholders to discuss draft selection criteria to be established for each measure in the new programming period. Under Malta's Rural Development Programme 2014-2020, preference will be given to applications in which the project proposed targets more than one indicator and/or contributes considerably towards the relevant measure indicators.

Preference will also be given to applications showing that the organisation submitting the application has the necessary resources to implement the project. Applications demonstrating effective and clear cost-benefits will be prioritised, to ensure the viability and added value of the proposed project.Proposed intervention/s should aim to contribute towards the promotion of equal opportunities, equality, non-discrimination and improved accessibility whilst targeting sustainable development in the areas of economic growth, social cohesion and environmental protection. In this regard, preference will be given to interventions addressing these principles.

Further weighting in selection will be included in the form of criteria related to the targeting of project objectives to practical outcomes, targeting (according to the project proposal and relevant sub-measure) of the composition of the Groups, and group composition which will increase outreach of result dissemination.

In addition to the general principles for the selection criteria, under this measure, proposals in which the applicant or at least one of the farmers forming part of the PO/PG/Farmer Group applying for funding falls within the definition of young farmer as stipulated by Regulation (EU) No. 1305/2013, will be preferred. The principles for selection will take into account the complementary and targeted composition of entities/organisations forming part of the cooperation/OG, the dimension of the project proposed (sectoral, multi-sectoral, national etc.), as well as the level of innovation elements which will be addressed by the proposed project.

The selection criteria will be detailed in the subsequent guidelines and will conform to the provisions of Art. 49 of Regulation (EU) no. 1305/2013.

Selection of Groups

The selection procedure will be as follows:

- The Managing Authority will issue a call of application for potential projects
- The applicants will have to introduce a project idea, together with their application
- On the basis of the applicants' eligibility and the project proposal presented the Managing Authority will select Groups to implement their project

Actors participating in the Group must be the most suitable/relevant to achieving the objectives of the submitted project proposal and of the relevant sub-measure.

8.2.9.3.1.8. (Applicable) amounts and support rates

- Running costs: Aid intensity is 100 %.
- Direct cost of specific planned projects: Aid intensity is 100 % (dependent on relevant measure rules as explained in section "Type of support").
- Promotion: Aid intensity is 100 %.

The categories of support must be proportional to the nature, scope and size of the project.

Support will be limited to 5 years.

8.2.9.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.9.3.1.9.1. Risk(s) in the implementation of the measures

It is also important to take into account that the cooperation measure is directed, to a certain extent, towards pilot-projects and it is possible that the development/testing activities will **not** generate the expected result. Such unexpected/negative results are a normal aspect of the development/testing process and, as long as the eligibility conditions for obtaining the financing were fulfilled, these results should not be taken as "failed projects" subject to financial sanctions or penalties. This principle applies only for projects of an experimental nature.

The aim behind this measure is to try and create an incubator of innovative ideas and projects, an approach that may encounter certain resistance from a permitting point of view. Finally the attitude of the key actors must also change to allow for coordination and trust in order to succeed.

8.2.9.3.1.9.2. Mitigating actions

The national rural network and its rural animators play a key role in this measure whereby they will be responsible to support with timely and appropriate information for a clear understanding of the measure and its respective aims.

8.2.9.3.1.9.3. Overall assessment of the measure

This measure is considered to be a very important one to address certain “needs” articulated in the SWOT. The fact that it will allow “soft” interventions like mobilising actors, exchanging information, enhancing and stimulating cooperation in all levels will assist in overcoming issues encountered in the execution of the 2007-13 RDP linked to fragmented approaches, lack of synergies, economies of scale, collective approaches and cohesive territorial/sectorial development.

8.2.9.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Support will be provided on the basis of real costs incurred. In cases where the partnership is based on public entities, public procurement regulations will apply.

8.2.9.3.1.11. Information specific to the operation

Specification of the characteristics of pilot projects, clusters, networks, short supply chains and local markets

See relevant section at measure-level.

8.2.9.4. Verifiability and controllability of the measures and/or types of operations

8.2.9.4.1. Risk(s) in the implementation of the measures

It is also important to take into account that the cooperation measure is directed, to a certain extent, towards pilot-projects and it is possible that the development/testing activities will **not** generate the expected result. Such unexpected/negative results are a normal aspect of the development/testing process and, as long as the eligibility conditions for obtaining the financing were fulfilled, these results should not be taken as "failed projects" subject to financial sanctions or penalties. This principle applies only for projects of an

experimental nature.

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8.2.9.4.2. Mitigating actions

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8.2.9.4.3. Overall assessment of the measure

This measure is considered to be a very important one to address certain “needs” articulated in the SWOT. The fact that it will allow “soft” interventions like mobilising actors, exchanging information, enhancing and stimulating cooperation in all levels will assist in overcoming issues encountered in the execution of the 2007-13 RDP linked to fragmented approaches, lack of synergies, economies of scale, collective approaches and cohesive territorial/sectorial development.

8.2.9.5. Methodology for calculation of the amount or support rate, where relevant

8.2.9.6. Information specific to the measure

Specification of the characteristics of pilot projects, clusters, networks, short supply chains and local markets

Pilot projects - are important tools for testing the applicability of technologies, techniques and practices in different contexts, and adapting them where necessary.”

For the purposes of cooperation, the term used in Article 35(2)(a), "pilot projects", is widely understood as referring to a "test project". Notwithstanding this, a pilot project may also form part of a larger process of "development" that can lead to commercialisation or wider adoption (for non-profit actions).

Local markets – the demarcation between local markets and short supply chains relates to the kilometric distance from the farm and the site of the local market/s, whereas the number of intermediaries should be used as a criterion in order to define short supply chains. For the scope of this measure a local market is any market set up within a radius of not more than 25Km from the place of origin of the produce.

8.2.9.7. Other important remarks relevant to understand and implement the measure

Durability of operations

Article 71 of Regulation (EU) No 1303/2013 stipulates that financial support provided by one of the European Structural and Investment (ESI) Funds for an operation comprising a "productive investment" must be repaid if, within three or five years of the final payment to the beneficiary , the operation is subject to either of the following:

- a cessation or relocation of a productive activity outside the programme area;
- a substantial change affecting its nature, objectives or implementation conditions which would result in undermining its original objectives.

If a supported project meets both of the following conditions, this will be considered a as not "productive":

- costs related to equipment, buildings, land etc. only if they arise from the use / depreciation of these items solely over the duration of the project and in direct relation to it;
- the detailed results of the project are disseminated.

State Aid rules

The Co-operation measure will be used to support operations which are not covered by Annex I to the EU Treaty.

However, at this stage it cannot be ruled out that in some cases, state aid rules may apply and may impose eligibility conditions and maximum aid intensities / amounts which are more limiting than those in Art. 35.

8.2.10. M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)

8.2.10.1. Legal basis

- Articles 32-35 of Regulation (EU) No. 1303/2013 of the European Parliament and of the Council Common Provisions Regulation (CPR)
- Articles 42-44 of Regulation (EU) No. 1305/2013 of the European Parliament and of the Council
- Commission Delegated Regulation (EU) No. 807/2014_ supplementing Regulation (EU) No. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and introducing transitional provisions
- Commission Implementing Regulation (EU) No. 808/2014 laying down rules for the application of Regulation (EU) No. 1305/2013 of the European Parliament and of the Council on support for rural development by the European Agricultural Fund for Rural Development (EAFRD)

8.2.10.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

LEADER was first implemented in Malta during the 2007-2013 Rural Development Programme.

The distinguishing characteristics of LEADER are the bottom-up-approach and the inclusive local participation it promotes. These factors translate into integrated local strategies that embody local knowledge and ideas that are otherwise not given due prominence in central strategies and national programmes. LEADER therefore presents local communities with the opportunity to develop and implement integrated strategies specifically elaborated to reflect the needs of their local area. Three Local Action Groups (LAGs) were established to deliver the LEADER objectives under the 2007-13 RDP in Malta.

The aim of the 2014-2020 RDP is to continue with the existing LAGs and build on the foundations and recognition that have been created during the current programming period. Thus, the Managing Authority will launch a call for LAGs to submit a Local Development Strategy, which will then be subject to a transparent selection process, based on selection criteria which will be made public.

LAGs will need to justify, through their strategies, support for their operations. The strategies must be complementary to the goals of the RDP, the Partnership Agreement for Malta and other relevant National Policies or Strategies. The main themes that the LDS must build upon shall be the 5 main needs identified for the RDP. Thus measures and actions proposed in the LDS must be complementary and contribute to the achievement of their goals and targets.

Under Measure 19, Malta has programmed sub-measures:

- 19.1 – preparatory support
- 19.2 – implementation of operations under the CLLD strategy
- 19.3 – preparation and implementation of cooperation activities of the local action group

- 19.4 – running costs and animation

Contribution to Focus Areas and cross-cutting objectives

Contribution to Focus Area

Focus Area 6B: Promoting social inclusion, poverty reduction and economic development in rural areas

LEADER targets the local development of rural areas and contributes to enhancing social capital through the implementation of operations under local development strategies together with cooperation activities (direct contribution through sub-measures 19.2 and 19.3). The contribution will vary across LAGs depending on the nature and characteristics of the actions carried out and the projects supported. The functioning of the LAGs will be facilitated through sub-measures 19.1 (indirect contribution to FA through provision of preparatory support for the drawing up of the LDS) and sub-measure 19.4 (indirect contribution to FA through provision of LAG running and animation costs).

LEADER-supported themes do not have to be linked to only one focus area and can be viewed as horizontal topics which help to integrate those Union priorities for rural development at a programme level that can be tackled by local development strategies. The strategies proposed by the LAGs will be structured around one or several of those themes, and linked to the five Malta needs identified in this document.

Contribution to Cross-Cutting Objectives

Environment

LAG activities have the potential to contribute to environmental objectives through their selection of projects and operations. Each LAG will make a different contribution depending on the local strategy and thematic objectives upon which it focuses (direct contribution to cross-cutting objective through sub-measures 19.2 and 19.3).

Innovation

LAG activities have particular potential to contribute to innovation through the selection of projects and operations they undertake. LAG operations may facilitate the development, use and transfer of new ideas, products or technologies in order to improve a system, product, or service. LEADER therefore has the potential to contribute to the following: increased competitiveness of agri-food and rural tourism sectors (for example, by promoting innovative technologies and a Maltese brand of 'agri-tourism'); promoting cooperation actions; increasing awareness and introducing innovative systems; landscape management and biodiversity protection; promoting innovative technologies and ideas for efficient use of resources and adaptation to climate change, and promoting social inclusion and economic development in rural areas (direct contribution to cross-cutting objective through sub-measures 19.2 and 19.3).

Climate

LAG activities have the potential to contribute to climate objectives through their selection of projects and operations. Each LAG will make a different contribution depending on the local strategy and thematic objectives in which it focuses.

Local Action Groups (LAGs)

Legal form

A non-profit organisation is a typical legal form for a LAG, however there is no limitation on the form that a LAG may wish to adopt. Statutes should define elements such as the size and composition of the Board, as well as the General Assembly procedures.

The basic requirements of the LAG

Criteria for LAGs to fulfill:

- The area defined: The operational area of the LAG must be defined in a clear and binding manner in the LAG statute and strategy. The area of the LAG has to follow administrative borders set for Local Councils. Each area can belong to only one LAG. Only Rural Areas as defined in the 2014-2020 Rural Development Programme (see definition below) are eligible.
- Sufficient resources: LAGs must show that they have sufficient financial resources, or proof that they can obtain sufficient funding. For certain measures (19.2 and 19.3), 20% of the value of projects will come from public contributions. Also, in case of recoveries applied sufficient resources need to be in place for the LAG to honour obligations.
- Competent actor: The LAG must be a competent actor. All the actors of the area must have the opportunity to become LAG members (the statutes cannot exclude certain actors). There must be a sufficiently large and extensive representation of members in the LAG. The members could include representatives of public administration, entrepreneurs, communities, non-government organisations, voluntary organisations and local people amongst others.
- Public-private principle: Decision making rules of the Board must follow the public-private partnership principle where predominance is given to the private sector. At least 51 per cent of the votes must come from partners which are not public authorities. This principle must be also embedded in the LAG statutes.
- Skills to administer public funds: The LAG must show in its statutes and strategy how it will organize itself internally and acquire the sufficient economic and administrative skills required to administrate public funds. Elected members are obliged to attend any training provided by the Managing Authority.

Local Development Strategies (LDS)

Selection of LDS

Community-led local development strategies shall be selected by a committee set up for that purpose by the managing authority or authorities responsible and approved by the managing authority or authorities responsible. The first round of selection of community-led local development strategies shall be completed within two years of the date of the approval of the Partnership Agreement.

Eligibility Criteria of LDS

- LAG must cover territory with population of between 10,000 and 150,000 inhabitants. This eligibility criterion is assessed at LDS selection stage and shall not be reviewed (again) throughout the programming period.
- Supported operations shall be in line with the priorities identified for CLLD in the Partnership Agreement for Malta and the EAFRD Regulation and contribute to the objectives of the LDS
- The Local Development Strategy must be built on local public-private partnership, reflect the bottom-up approach adopted in decision making, and have an integrated multi-sectoral approach
- The minimum content of an LDS stipulated in Malta's RDP 2014-2020 (as well as in the relevant LDS guidelines) must be respected
- LDS operations may not overlap with other operations supported under other RDP 2014-2020 programmed measures

Selection Principles of LDS

The LDS selection criteria will be based on the following headings:

· Compliance – Accountable Body roles, LAG working process and financial resources

· Fit with Malta's Rural Development Programme 2014-2020 needs

· Development of local priorities and evidence base

· Degree of engagement with local stakeholders

· Experience, capacity and capability of the Local Action Group

· Value for money of proposed LDS

· Action planning to begin implementation

· Degree of contribution to programme indicators, Focus Areas, cross-cutting objectives

Minimum content of LDS

The minimum specified content is:

1. Definition of the territory and of the population

2. Analysis of the Territory

3. Description and objectives of the strategy

4. Description of the process for engagement in LDS preparation and implementation

5. Transposing Needs and Objectives into Projects

6. Implementation Plan

7. Financial Plan

8. Set-up of the Local Action Groups

9. The Implementation Capacity

Implementation of LDS

In the 2014-2020 RDP Focus Area 6B is dedicated to LEADER: its main focus is promoting social inclusion, poverty reduction and economic development in rural areas that are classified as rural, in line with the definition for rural areas outlined in the RDP. Once a locality has been defined as rural, it shall maintain this classification, for RDP purposes, throughout the implementation of the programme. LEADER targets the local development of rural areas and contributes to enhancing social capital through the implementation of operations under local development strategies. The contribution will vary across LAGs depending on the nature and characteristics of the actions carried out and the projects supported. LEADER supported themes do not have to be linked to only one focus area and can be viewed as horizontal topics which help to integrate those Union priorities for rural development at a programme level that can be tackled by local development strategies. The strategies proposed by the LAGs will be structured around one or several of those themes and linked to the five Malta needs identified in Malta's Rural Development Programme. The five main themes are:

· Theme 1. Water, wastes and energy: improving sustainable use and generating renewable energy

· Theme 2. Maltese quality produce: improving quality, traceability, strategic marketing, adding value, branding and promotion

· Theme 3. Sustainable livestock: improving resource efficiency, competitiveness and productivity, and welfare

· Theme 4. Landscape and environment: managing habitats and features

· Theme 5. Wider rural economy and quality of life: developing rural tourism, rural skills and promoting social inclusion

Preparatory support for the LDS will be funded from the 2014-2020 RDP.

Decision Committee/Board

The Decision Committee (DC) is the body elected according to the stipulated clauses in the statute between the members of the LAG. The DC is responsible for the decision-making processes related to the implementation of the Local Development Strategy.

The DC of the LAG is the decision-making body in relation to all activities. All decisions taken during its

meetings must be formally recorded in the minutes. The role of the DC includes the assessment and review of all pre-recommendations made by the Evaluation Committee (EC), giving points to each eligible project and eventually ranking and selecting the projects together with the subsequent allocation of funding. Where the DC's decision is not in accordance to the pre-recommendations made by the EC, reasons backing the decision must be documented. In cases where the Decision Committee members have a conflict of interest, these cannot sit on the selection board assessing that particular call. The Decision Committee has to appoint other independent members as replacements. Once the selection process is concluded, the Decision Committee will proceed to publish the preliminary result.

The Decision Committee will also need to set up an autonomous & independent appeals board. Any appeals presented must be lodged with the Chairperson of the appeals board. No members from the evaluation committee or decision committee can be nominated to sit on this board

Selection/Evaluation Committee

The Selection Committee (SC) for projects co-financed under LEADER will be set up to evaluate and select project proposals submitted under sub-measure 19.2. The SC shall have full power and authority to consider and/or select applications for funding during the project appraisal process.

LAG Action Plan

An action plan must be developed by the LAG following consultation with its members. This process will be coordinated by the Decision Committee of the LAG and upon its approval the same plan is to be presented to the MA for approval. This will contain amongst others the type of training required and for whom, the way consultation will be structured and its extensiveness, the areas where technical expertise is required and the information and communications tools and products to be used for animation.

This action plan will be used as the basis for further development of terms of references and elaboration of specifications that will form part of call for tenders or quotations in line with Public Procurement principles.

Principles of Financial Allocations

The allocation between each LAG will be distributed between the LAGs based on the same principles adopted for the 2007-2013 RDP which comprised of total surface area of LAG territory, population, agricultural land within the territory, and the selected Local Development Strategies.

Rural Areas

For the purposes of Malta's Rural Development Programme 2014-2020, rural areas are being defined as follows:

- Having a population density lower than 5,000 persons per square kilometre

- Having not less than 10% of the area of the locality as agricultural land
- Having not less than 35% of the locality outside development zone.

Eurostat defines agricultural land as:

Agricultural area, abbreviated as **AA**, (or **utilised agricultural area** abbreviated as **UAA**) describes the area used for farming. It includes the land categories:

- arable land;
- permanent grassland;
- permanent crops;
- other agricultural land such as kitchen gardens (even if they only represent small areas of total UAA).

The term does not include unused agricultural land, woodland and land occupied by buildings, farmyards, tracks, ponds, garigue, etc.

Definitions

Arable land, in agricultural statistics, is land worked (ploughed or tilled) regularly, generally under a system of crop rotation.

Permanent grassland and meadow is land used permanently (for several - usually more than five - consecutive years)

· to grow herbaceous forage crops, through cultivation (sown) or naturally (self-seeded);

· not included in the crop rotation scheme on the agricultural holding.

Permanent grassland and meadow can be either used for grazing by livestock, or mowed for hay or silage (stocking in a silo).

Three different types of permanent grassland are identified in the Farm structure survey (FSS):

· *permanent grassland and meadow*: permanent pasture on good or medium quality soils, which can normally be used for intensive grazing;

· *rough grazings*: low-yielding permanent grassland, usually on low-quality soil (for example on hilly land and at high altitudes), usually unimproved by fertiliser, cultivation, reseeding or drainage, which can normally be used only for extensive grazing and are normally not mown or are mown in an extensive manner and which cannot support a large density of animals;

· *permanent grassland and meadow*: areas of permanent grassland and meadows no longer used for production purposes which, in line with Regulation 1782/2003 or, where applicable, the most recent legislation, are maintained in good agricultural and environmental condition and are eligible for financial support.

Permanent crops are ligneous crops, meaning trees or shrubs, not grown in rotation, but occupying the soil and yielding harvests for several (usually more than five) consecutive years. Permanent crops mainly consist

of fruit and berry trees, bushes, vines and olive trees.

Permanent crops are usually intended for human consumption and generally yield a higher added value per hectare than annual crops. They also play an important role in shaping the rural landscape (through orchards, vineyards and olive tree plantations) and helping to balance agriculture within the environment.

http://ec.europa.eu/eurostat/statistics-explained/index.php/Glossary:Agricultural_area_(AA)EUROSTAT

8.2.10.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regard to the setting of selection criteria

8.2.10.3.1. 19.1 - Preparatory support

Sub-measure:

- 19.1 - Preparatory support

8.2.10.3.1.1. Description of the type of operation

This operation will allow LAGs to receive the necessary preparatory support for the design and development of a local development strategy for their respective territories following an extensive consultation process within the LAG region.

The consultation process will serve as a means for the LAG to actively engage with a wide range of people and organisations operating in one form or another within the respective territory to explore development needs and opportunities, and act as a mechanism for active engagement with the local population. This process will feed into a wider SWOT analysis which will identify the needs and subsequently a complementary set of measures.

Local stakeholders and representatives of a range of different organisations and interests will need to work together to develop strategies that will be mutually beneficial for their interests and local communities.

In addition the LAG being the administrator of this process may also receive support to strengthen its knowledge base and skill sets to ensure an effective and efficient model of governance. This can be complemented with external expertise especially in the development phase of the strategy.

8.2.10.3.1.2. Type of support

Type of support: Grants

The preparatory support will cover capacity building, training, external expertise required and networking with a view to preparing and implementing a local development strategy.

Support for all actions similar to the implementation period 2014-2020 may also be provided for the drafting of Local Development Strategies for implementation period 2023 – 2027.

8.2.10.3.1.3. Links to other legislation

- Rules on Eligibility of expenditure provided under Articles 65-71 of CPR
- REGULATION (EU) No 1306/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008

8.2.10.3.1.4. Beneficiaries

Potential LAGs

8.2.10.3.1.5. Eligible costs

- training actions for potential LAGs' staff and other local stakeholders;
- studies of the area concerned;
- costs related to the design of the LDS, including consultancy costs and costs for actions related to consultations of stakeholders for the purposes of preparing the strategy;
- costs related to necessary data-collection and/or research to provide information about the area and the local development strategy;
- administrative costs (operating and personnel costs) of potential LAGs that apply for preparatory support during the preparatory phase.
- preparatory support for the design and development of future local development strategies.

The Managing Authority will ensure that risks of double-funding are avoided when providing preparatory support to potential LAGs who have already benefitted from funding under the RDP 2007-2013.

For operations with eligible costs up to EUR 5 000, the reasonableness of the costs may be established by a draft budget agreed ex-ante by the Managing Authority.

8.2.10.3.1.6. Eligibility conditions

- The potential LAG must be built on local public-private partnership, reflect the bottom-up approach adopted in decision making, and have an integrated multi-sectoral approach.
- The private component of the Decision Body, which embodies representatives from the economic and social partners, and civil society, must make up at least 51% of the decision body.
- The Local Councils involved in the group must pertain exclusively to the rural territory covered by the potential LAG.
- Only one action group per territory is allowed, and no overlapping of localities is permitted.
- The number of inhabitants in the partnership must not exceed 150,000 and not be less than 10,000.

8.2.10.3.1.7. Principles with regards to the setting of selection criteria

No selection criteria will be established. All applicants (potential LAGs) which fulfil the eligibility criteria will be eligible for preparatory support. The maximum amount of preparatory support granted per applicant will be stipulated by the Managing Authority.

8.2.10.3.1.8. (Applicable) amounts and support rates

- The LAGs will be supported at 100% thus no private co-financing is required.

8.2.10.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.1.9.1. Risk(s) in the implementation of the measures

See relevant section at measure level.

8.2.10.3.1.9.2. Mitigating actions

See relevant section at measure level.

8.2.10.3.1.9.3. Overall assessment of the measure

See relevant section at measure level.

8.2.10.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Not Applicable.

8.2.10.3.1.11. Information specific to the operation

Description of the obligatory community-led local development (hereafter "CLLD") elements of which the LEADER measure is composed: preparatory support, implementation of operations under the CLLD strategy, preparation and implementation of co-operation activities of the local action group (hereafter "LAG"), running costs and animation, referred to in Article 35(1) of Regulation (EU) No 1303/2013

See relevant section at measure level.

Description of the use of the LEADER start-up-kit referred to in Article 43 of Regulation (EU) No 1305/2013 as specific type of preparatory support if relevant

Not Programmed.

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

See relevant section under sub-measure 19.3.

The procedure and timetable to select the local development strategies

See section “General description of the measure”.

Justification for selection of geographical areas for local development strategy implementation whose population falls outside the limits laid down in Article 33(6) of Regulation (EU) No 1303/2013

Not Applicable.

Co-ordination with the other European Structural and Investment (hereafter "ESI") Funds as regards CLLD, including possible solution applied with regard to the use of the lead fund option, and any global complementarities between the ESI Funds in financing the preparatory support

Not applicable.

Possibility or not of paying advances

No.

Definition of the tasks of the Managing Authority, the paying agency and the LAGs under LEADER, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations referred to in Article 34(3)(b) of Regulation (EU) No 1303/2013

See relevant section at measure level.

Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural activities and business start-up aid under Article 19 of Regulation (EU) No 1305/2013; investments under Article 20 of Regulation (EU) No 1305/2013; and co-operation under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

Avoidance of double-funding

The risk of double-funding will be offset through the Inter-Ministerial Coordination Committee(s), which has been set up to coordinate complementarity between the various funding instruments and carry out checks related to risks of double-funding, together with the IT system which is to be developed to also carry out such checks.

In addition to the standard checks and controls carried out to avoid the risk of double-funding, the Managing Authority will ensure that risks of double-funding are avoided when providing preparatory support to LAGs who have already benefitted from funding under the RDP 2007-2013.

8.2.10.3.2. 19.2 - Support for implementation of operations under the community-led local development strategy

Sub-measure:

- 19.2 - Support for implementation of operations under the community-led local development strategy

8.2.10.3.2.1. Description of the type of operation

LEADER aims at reinforcing territorial coherence. The support for implementation of activities under LEADER provides potential to meet local needs through an integrated, multi-sectoral, and bottom-up approach. A key role is the selection of projects to meet the objectives of the LDS, which will be carried out by the LAG through a Selection Committee composed of members of the local partnership supported by expertise whenever required.

By selecting projects at local level, the LAG will contribute to:

- strengthening the local identity and the local profile;
- improving the quality of life and the attractiveness of the local area;
- creation and safeguarding of jobs in rural areas;
- improvement of equal opportunities for youth, women, elderly people, disabled persons and members of minorities;
- increasing the local added value and competiveness of the area;
- contribute to the preservation of resources and environmental protection;
- establishment of an integrated approach to rural development.

It is important to note that the above list is not exhaustive.

8.2.10.3.2.2. Type of support

Type of support: Grants

Financial support will be granted for selected projects to be implemented within the local development strategy, in compliance with the eligibility rules and maximum aid intensities established in the approved strategies.

8.2.10.3.2.3. Links to other legislation

- Rules on Eligibility of expenditure provided under Articles 65-71 of CPR
- REGULATION (EU) No 1306/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008

8.2.10.3.2.4. Beneficiaries

Local actors operating within the LAG Territory.

8.2.10.3.2.5. Eligible costs

Projects must be selected on the basis of the selection criteria set in the calls for application. Eligible costs must be clearly identified and linked to the achievement of the strategy goals and targets.

Once the strategies are presented the Managing Authority will initiate a process to verify if there are any State Aid implications. If in the affirmative it will carry out the necessary procedure of notification whilst ensuring that all provisions are respected.

The actions proposed will not be eligible if these are already supported under any of the ESIF funds or other National schemes.

The LAGs cannot be a direct beneficiary.

Publicity costs are also eligible, in line with Section 8.1 of the RDP and Article 13 and Annex III of Regulation (EU) No 808/2014;.

Contributions in kind in the form of provision of works, goods, services, land and real estate for which no cash payment supported by invoices or documents of equivalent probative value has been made, are eligible provided such provisions are made in National Implementing guidance document in line with Article 69 of Regulation (EU) No 1303/2013 and other relating eligibility rules of the ESI Funds.

For operations with eligible costs up to EUR 5 000, the reasonableness of the costs may be established by a draft budget agreed ex-ante by the Managing Authority.

8.2.10.3.2.6. Eligibility conditions

Supported operations shall be in line with the priorities identified for CLLD in the Partnership Agreement for Malta and the EAFRD Regulation and contribute to the objectives of the LDS.

8.2.10.3.2.7. Principles with regards to the setting of selection criteria

The Managing Authority may provide all LAGs with a list of suggested selection criteria, to which they can add in their own criteria according to the characteristics of the territory covered and the respective LDS. The selection process will be: proportionate; open; transparent and fair throughout the programming period and

will set out clearly the criteria that will apply. The principles of separation of functions will be respected at all times. Applications will undergo an appraisal which will include the following selection principles:

· Eligibility for LEADER support and fit with the LDS;

· Deadweight and displacement;

· Fit with Malta's Rural Development Programme 2014-2020 needs;

· Demonstrable need for public support and assessment of value for money;

· Degree of contribution to programme indicators, Focus Areas, cross-cutting objectives;

· Deliverability and measurability.

8.2.10.3.2.8. (Applicable) amounts and support rates

- Projects may be supported up to 80% with the remaining 20% coming from private contributions.

State Aid regimes apply.

8.2.10.3.2.9. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.2.9.1. Risk(s) in the implementation of the measures

See relevant section at measure level.

8.2.10.3.2.9.2. Mitigating actions

See relevant section at measure level.

8.2.10.3.2.9.3. Overall assessment of the measure

See relevant section at measure level.

8.2.10.3.2.10. Methodology for calculation of the amount or support rate, where relevant

Not Applicable.

8.2.10.3.2.11. Information specific to the operation

Description of the obligatory community-led local development (hereafter "CLLD") elements of which the LEADER measure is composed: preparatory support, implementation of operations under the CLLD strategy, preparation and implementation of co-operation activities of the local action group (hereafter "LAG"), running costs and animation, referred to in Article 35(1) of Regulation (EU) No 1303/2013

See relevant section at measure level.

Description of the use of the LEADER start-up-kit referred to in Article 43 of Regulation (EU) No 1305/2013 as specific type of preparatory support if relevant

Not Programmed.

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

See relevant section under sub-measure 19.3.

The procedure and timetable to select the local development strategies

See section “General description of the measure”.

Justification for selection of geographical areas for local development strategy implementation whose population falls outside the limits laid down in Article 33(6) of Regulation (EU) No 1303/2013

Not Applicable.

Co-ordination with the other European Structural and Investment (hereafter "ESI") Funds as regards CLLD, including possible solution applied with regard to the use of the lead fund option, and any global complementarities between the ESI Funds in financing the preparatory support

Not applicable.

Possibility or not of paying advances

An advance payment may be provided subject to a relevant bank guarantee or equivalent for

investment type actions.

Definition of the tasks of the Managing Authority, the paying agency and the LAGs under LEADER, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations referred to in Article 34(3)(b) of Regulation (EU) No 1303/2013

See relevant section at measure level.

Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural activities and business start-up aid under Article 19 of Regulation (EU) No 1305/2013; investments under Article 20 of Regulation (EU) No 1305/2013; and co-operation under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

Avoidance of double-funding

The risk of double-funding will be offset through the Inter-Ministerial Coordination Committee(s), which has been set up to coordinate complementarity between the various funding instruments and carry out checks related to risks of double-funding, together with the IT system which is to be developed to also carry out such checks.

During the evaluation and selection process of the submitted LDS, the Managing Authority will ensure that the content of the strategy is complementary to Malta's Rural Development Programme 2014-2020. Actions proposed in each respective LDS cannot support the same interventions as those supported under the programmed measures in the RDP, but will complement the overall strategy and needs of the programme and actions which may be supported under other measures, particularly Measure 6 on farm and business development, and Measure 16 on cooperation.

8.2.10.3.3. 19.3 - Preparation and implementation of cooperation activities of the local action

Sub-measure:

- 19.3 - Preparation and implementation of cooperation activities of the local action

8.2.10.3.3.1. Description of the type of operation

Cooperation is a fundamental means for LAGs to improve local knowledge, understanding, and awareness, and a means to access to new information and ideas, learn from experiences of other regions or countries, to stimulate and support innovation, and to acquire skills to improve the quality of delivered services.

Responsibilities of each partner within a cooperative action will be identified in a Cooperation and Partnership Agreement. The agreement will include an agreed budget, project objectives, the activities for joint implementation in order to accomplish the objectives, the role of each partner, and the final financial contribution of each partner within the project. Cooperation actions between LAGs/partners will be implemented under the responsibility of a coordinating LAG.

The cooperation project may be of two types:

a. inter-territorial
b. Trans-national cooperation projects.

In the case of inter-territorial cooperation the LAGs in Malta can propose a joint project of a national dimension.

Projects proposed under any type of cooperation must contribute to the RDP objectives as expressed in the five Malta needs. The ability to deliver clear tangible results must be demonstrated in order to be eligible for support.

8.2.10.3.3.2. Type of support

Type of support: Grants

- This sub-measure will finance transnational cooperation projects (between Malta and other EU member states or EU non-member states) and inter-territorial cooperation projects (within Malta), among Local Action Groups.
- Support will be provided for preparatory actions that will lead to a potential project commitment. In case of failure to formalise an agreement with a partner LAG preparatory expenses incurred would still be eligible.
- The implementation of the cooperation project.
- The NRN will support this measure by making the necessary contacts with the ENRD and other NRNs from other Member States, to identify potential cooperation opportunities with their country LAGs.

8.2.10.3.3.3. Links to other legislation

- Rules on Eligibility of expenditure provided under Articles 65-71 of CPR
- REGULATION (EU) No 1306/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008

8.2.10.3.3.4. Beneficiaries

- LAGs

8.2.10.3.3.5. Eligible costs

- Eligible costs will include both the costs of technical preparatory actions for a co-operation project and also the implementation costs of a cooperation project either within Malta or within other MS. This is not an exhaustive list and eligible and non-eligible costs will be published as part of the operating guidelines: _ Training
- Capacity building exercise/s
- Organisation of events and events planning
- Publicity costs, in line with Section 8.1 of the RDP and Article 13 and Annex III of Regulation (EU) No 808/2014;
- Support for innovation in products / services in rural areas
- Adoption of common methodological and working methods
- Communication and networking
- Marketing activities
- Job creation and sustaining of existing jobs

Generation of additional and alternative incomes in rural areas.

For operations with eligible costs up to EUR 5 000, the reasonableness of the costs may be established by a draft budget agreed ex-ante by the Managing Authority.

8.2.10.3.3.6. Eligibility conditions

- LAGs have to envisage implementation of a concrete project
- The scope and objectives of cooperation must be established in the LDS
- In case of cooperation with Non-EU MS the private–public partnership must be similar in form and function to a LAG and operate in a rural area.
- Article 44(1) of Regulation (EU) No 1305/2013 states that the support referred to in Article 35(1)(c) of Regulation (EU) No 1303/2013 [preparation and implementation of the local action group's cooperation activities] shall be granted to:
- Co-operation projects within a Member State (inter-territorial co-operation) or co-operation projects between territories in several Member States or with territories in third countries (transnational co-

operation).

- Preparatory technical support for inter-territorial and transnational co-operation projects, on condition that local action groups are able to demonstrate that they are envisaging the implementation of a concrete project.

8.2.10.3.3.7. Principles with regards to the setting of selection criteria

Principles include:

- Innovation that is how the proposed project builds upon new processes, ideas, forms of cooperation, etc;
- The extent the project will generate cross benefit results for various local community groups;
- The relevance of the project objectives to key LDS, RDP priorities.

8.2.10.3.3.8. (Applicable) amounts and support rates

- Projects may be supported up to 80% with the remaining 20% coming from private contributions.
- State Aid regimes apply.

8.2.10.3.3.9. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.3.9.1. Risk(s) in the implementation of the measures

See relevant section at measure level.

8.2.10.3.3.9.2. Mitigating actions

See relevant section at measure level.

8.2.10.3.3.9.3. Overall assessment of the measure

See relevant section at measure level.

8.2.10.3.3.10. Methodology for calculation of the amount or support rate, where relevant

Not Applicable.

8.2.10.3.3.11. Information specific to the operation

Description of the obligatory community-led local development (hereafter "CLLD") elements of which the LEADER measure is composed: preparatory support, implementation of operations under the CLLD strategy, preparation and implementation of co-operation activities of the local action group (hereafter "LAG"), running costs and animation, referred to in Article 35(1) of Regulation (EU) No 1303/2013

See relevant section at measure level.

Description of the use of the LEADER start-up-kit referred to in Article 43 of Regulation (EU) No 1305/2013 as specific type of preparatory support if relevant

Not Programmed.

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

Given that cooperation projects will not be selected by the LAG, Malta will establish a system of ongoing application. The Local Development Strategies selected must contain details of the nature of cooperation initiatives that will be supported. The Managing Authority will allow an open call procedure for contracted LAGs to present their detailed proposals at any time during the lifetime of the programme. The MA will make public the national administrative procedures concerning the selection of transnational cooperation projects, together with a list of eligible costs at the latest two years after the date of approval of Malta's RDP 2014-2020.

The LAGs must include a description of the main objectives and aims for cooperation, specify the themes and other basic information in the LDS. This will be approved by the MA when approving the LDS. However the LAGs must develop further the project concept once they start making use of preparatory funds and establish a project or enter into partnership with other LAGs.

The selection and approval of cooperation projects shall be performed by the MA no later than four months after the date of submission of the project application.

The procedure and timetable to select the local development strategies

See section "General description of the measure".

Justification for selection of geographical areas for local development strategy implementation whose population falls outside the limits laid down in Article 33(6) of Regulation (EU) No 1303/2013

Not Applicable.

Co-ordination with the other European Structural and Investment (hereafter "ESI") Funds as regards CLLD, including possible solution applied with regard to the use of the lead fund option, and any global complementarities between the ESI Funds in financing the preparatory support

Not applicable.

Possibility or not of paying advances

No.

Definition of the tasks of the Managing Authority, the paying agency and the LAGs under LEADER, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations referred to in Article 34(3)(b) of Regulation (EU) No 1303/2013

See relevant section at measure level.

Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural activities and business start-up aid under Article 19 of Regulation (EU) No 1305/2013; investments under Article 20 of Regulation (EU) No 1305/2013; and co-operation under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

Avoidance of double-funding

The risk of double-funding will be offset through the Inter-Ministerial Coordination Committee(s), which has been set up to coordinate complementarity between the various funding instruments and carry out checks related to risks of double-funding, together with the IT system which is to be developed to also carry out such checks.

The Managing Authority will ensure that the content of the proposal submitted under sub-measure 19.3 is complementary to the overall strategy and needs of the Malta's Rural Development Programme 2014-2020. LAGs will be encouraged to utilise cooperation activities under sub-measure 19.3 in a manner facilitating the take-up of other complementary RDP measures, particularly Measure 16 on cooperation.

8.2.10.3.4. 19.4 - Support for running costs and animation

Sub-measure:

- 19.4 - Support for running costs and animation

8.2.10.3.4.1. Description of the type of operation

The efficient administration of the Local Action Group is crucial for the success of the LEADER Axis. This measure will enter into force once the LDS has been approved and preparatory support no longer applicable.

As a measure it will be mostly geared to cover the running costs of the LAGs but will also include the training of LAG staff and members of the Decision Committee involved in the implementation of the strategy.

Other costs supported include the organisation of promotional events, animation actions and any associated costs linked with the implementation of the local development strategy.

Efficient management systems are required in order to effectively deliver the LDS. This will also include monitoring and evaluation of LAG activities and projects supported.

The main task, for the LAG is implementation of the strategy, but it must also undertake the following administrative functions:

- Animation of the territory;
- Preparation and publication of public calls in line with the LDS;
- Receipt. analysis, assessment, selection and contracting of projects;
- Management, Monitoring and implementation of the strategy;
- Bookkeeping and legal-related specific issues[1]

Raising awareness among local stakeholders of the LEADER approach will be an important initial activity during the early stage of the programme and the LAG will need to provide information and training sessions on LEADER, local development, project elaboration and the development strategy. Animation activities will be essential for stimulating the local development process and should be proportionate in relation to the project development needs identified by the LAGs under the local development strategy.

LAGs should use various means to inform the local community about the possibilities for project grants. In this respect the NRN (supported under Measure 20) will also assist the LAGs.

[1] Legal-related specific issues may include costs associated with ensuring compliance with National Regulatory requirements for recognition of particular legal personalities, costs for engaging services of a lawyer/legal expert particularly for appeals procedures, screening of documents from a legal perspective, etc.

8.2.10.3.4.2. Type of support

Type of support: Grants

The types of support for running and animation costs linked to the management of the strategy implementation are laid down in Article 35 (1) (d) and (e) of CPR 1303/2013.

8.2.10.3.4.3. Links to other legislation

- Rules on Eligibility of expenditure provided under Articles 65-71 of CPR
- REGULATION (EU) No 1306/2013 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008

8.2.10.3.4.4. Beneficiaries

- LAGs (staff and administration)

8.2.10.3.4.5. Eligible costs

Running costs

Costs linked to the management of the implementation of the strategy consisting of operating costs, personnel costs, training costs, costs linked to communication, financial costs as well as the costs linked to monitoring and evaluation of the strategy as referred to in point (g) of Art. 34(3) CPR, including publicity costs in line with Section 8.1 of the RDP and Article 13 and Annex III of Regulation (EU) No 808/2014;

Animation

Costs of animation of the CLLD strategy in order to facilitate exchange between stakeholders, to provide information and to promote the strategy and to support potential beneficiaries to develop operations and prepare applications, including publicity costs in line with Section 8.1 of the RDP and Article 13 and Annex III of Regulation (EU) No 808/2014.

For operations with eligible costs up to EUR 5 000, the reasonableness of the costs may be established by a draft budget agreed ex-ante by the Managing Authority.

8.2.10.3.4.6. Eligibility conditions

An annual plan of expenditure must be presented by the LAGs for the approval of the MA. This will serve

to demonstrate efficient financial management and to ensure the delivery of anticipated activities.

8.2.10.3.4.7. Principles with regards to the setting of selection criteria

Not applicable for sub-measure 19.4.

8.2.10.3.4.8. (Applicable) amounts and support rates

The LAGs will be supported at 100% thus no private co-financing is required.

8.2.10.3.4.9. Verifiability and controllability of the measures and/or types of operations

8.2.10.3.4.9.1. Risk(s) in the implementation of the measures

See relevant section at measure level.

8.2.10.3.4.9.2. Mitigating actions

See relevant section at measure level.

8.2.10.3.4.9.3. Overall assessment of the measure

See relevant section at measure level.

8.2.10.3.4.10. Methodology for calculation of the amount or support rate, where relevant

Not Applicable.

8.2.10.3.4.11. Information specific to the operation

Description of the obligatory community-led local development (hereafter "CLLD") elements of which the LEADER measure is composed: preparatory support, implementation of operations under the CLLD strategy, preparation and implementation of co-operation activities of the local action group (hereafter "LAG"), running costs and animation, referred to in Article 35(1) of Regulation (EU) No 1303/2013

See relevant section at measure level.

Description of the use of the LEADER start-up-kit referred to in Article 43 of Regulation (EU) No 1305/2013 as specific type of preparatory support if relevant

Not Programmed.

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

See relevant section under sub-measure 19.3.

The procedure and timetable to select the local development strategies

See section “General description of the measure”.

Justification for selection of geographical areas for local development strategy implementation whose population falls outside the limits laid down in Article 33(6) of Regulation (EU) No 1303/2013

Not Applicable.

Co-ordination with the other European Structural and Investment (hereafter "ESI") Funds as regards CLLD, including possible solution applied with regard to the use of the lead fund option, and any global complementarities between the ESI Funds in financing the preparatory support

Not Applicable.

Possibility or not of paying advances

An advance payment may be provided for up to 50% of the total amount of the allocated public support on running costs and animation.

Definition of the tasks of the Managing Authority, the paying agency and the LAGs under LEADER, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations referred to in Article 34(3)(b) of Regulation (EU) No 1303/2013

See relevant section at measure level.

Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural activities and business start-up aid under Article 19 of Regulation (EU) No 1305/2013; investments under Article 20 of Regulation (EU) No 1305/2013; and co-operation under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

Avoidance of double-funding

The risk of double-funding will be offset through the Inter-Ministerial Coordination Committee(s), which has been set up to coordinate complementarity between the various funding instruments and carry out checks related to risks of double-funding, together with the IT system which is to be developed to also carry out such checks.

8.2.10.4. Verifiability and controllability of the measures and/or types of operations

8.2.10.4.1. Risk(s) in the implementation of the measures

Risks may include the following:

- Adequacy of the Local Development Strategy
- Non-achievement of the objectives and plans of the LDS
- Non-respect of Public Procurement Regulations by public beneficiaries
- Demonstration of reasonability of costs (comparability and market prices)
- Adequate checks and controls by LAGs
- Conflicts of interests amongst Decision Committee members

8.2.10.4.2. Mitigating actions

The Local Development Strategies will be subject to a selection process that will ensure that the LDS is adequate and takes into consideration the characteristics and needs of the local community. Moreover, the LAG and the MA will continuously monitor the progress of the achievement f the LDS to ensure progress towards the set objectives.

The projects supported under LEADER will be subject to checks on reasonableness of costs and all interventions will be subject to the relevant procurement procedures. Should the beneficiary be a public entity then Public Procurement regulations will apply. In the case of private entities 3 comparable quotations need to be presented. Interventions will be subject to on the spot checks to verify expenditure incurred.

Checks will be carried out by the MA, PA and LAGs. Sampling and details of controls will be detailed in the respective Manual of Procedures.

The MA will also develop LEADER Operational Guide within which detailed guidelines on all key steps of LDS delivery will be included. This guide will feature latest developments in EC regulations and guidelines as well as any lessons learnt for the outgoing programming period, including:

- Provision of clear guidelines to applicants
- Information sessions and materials for better understanding of measure eligibility requirements
- Declaration of self-interest by the LAG staff and Decision Committee
- Ensuring that the LDS contain measurable targets
- Actions to facilitate implementation of projects and to help avoid errors including the use of simplified cost options whenever possible. This will apply to certain categories of interventions such as travel, per diem and other operational costs. Detailed rules will be presented by the MA in the LEADER Operating Rules (Manual).

8.2.10.4.3. Overall assessment of the measure

The LEADER measure is an important tool for local rural development tool in Malta. In particular it can engage with rural stakeholders on a local level who would otherwise not be affected by RDP activities, and through raising awareness and providing information and advice it can support new approaches, new ideas, and innovation among the rural population. However, LAG activities need to undertake significant amounts of animation to engage the population, and constant monitoring to ensure they are engaging with the full range of rural actors acting in a positive manner to involve socially excluded groups. A high level of oversight is required to ensure LAGs deliver against both local and RDP objectives.

8.2.10.5. Methodology for calculation of the amount or support rate, where relevant

Not Applicable.

8.2.10.6. Information specific to the measure

Description of the obligatory community-led local development (hereafter "CLLD") elements of which the LEADER measure is composed: preparatory support, implementation of operations under the CLLD strategy, preparation and implementation of co-operation activities of the local action group (hereafter "LAG"), running costs and animation, referred to in Article 35(1) of Regulation (EU) No 1303/2013

Refer to section "Description of the type of operation" for each sub-measure.

Description of the use of the LEADER start-up-kit referred to in Article 43 of Regulation (EU) No 1305/2013 as specific type of preparatory support if relevant

Not Programmed.

Description of the system for ongoing application for LEADER co-operation projects referred to in Article 44(3) of Regulation (EU) No 1305/2013

See relevant section under sub-measure 19.3.

The procedure and timetable to select the local development strategies

See section “General description of the measure”.

Justification for selection of geographical areas for local development strategy implementation whose population falls outside the limits laid down in Article 33(6) of Regulation (EU) No 1303/2013

Not Applicable.

Co-ordination with the other European Structural and Investment (hereafter "ESI") Funds as regards CLLD, including possible solution applied with regard to the use of the lead fund option, and any global complementarities between the ESI Funds in financing the preparatory support

LEADER will only be supported through EAFRD.

Possibility or not of paying advances

See section "(Applicable) amounts and support rates".

Definition of the tasks of the Managing Authority, the paying agency and the LAGs under LEADER, in particular with regard to a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations referred to in Article 34(3)(b) of Regulation (EU) No 1303/2013

Managing Authority

- Provision of guidelines on LDS structure and content
- Issue call for LDS
- Receipt and evaluation of the LDS
- Approval of the LDS
- Approval of action plans on LDS implementation
- Allocation of budget
- Approve financing of preparatory costs
- Contracting LAGs
- Selection and approval of Cooperation projects
- Approval of operational budgets
- Monitoring and Evaluation of LAGs/LEADER
- Checks and controls on Paying Agency, LAGs and beneficiaries

Paying Agency

- Receipt of payment claims
- Processing and execution of payments
- Controls on beneficiaries

Local Action Group

- Build the capacity of local actors to develop and implement operations including fostering their project management capabilities
- Preparatory actions for the development of an LDS including consultations, animation, design and development
- Draw up a non-discriminatory and transparent selection procedure and objective criteria for the selection of operations, which avoid conflicts of interest, ensure that at least 50 % of the votes in selection decisions are cast by partners which are not public authorities, and allow selection by written procedure (as per Article 34(3)(b) of Regulation (EU) No. 1303/2013)
- Implementation of the LDS including drafting of guidelines including defining selection criteria, development of application forms, publicity and information, receipt of applications, evaluations and selection, contracting, project monitoring and controls.
- Calls for applications under the Local Development Strategies will be published by the respective LAGs.

- Implementation of cooperation projects including the undertaking of the necessary preparatory requirements
- Ensure coherence with the LDS when selecting operations, by prioritising those operations according to their contribution to meeting that strategy's objectives and targets;

Monitor the implementation of the LDS and the operations supported and carry out specific evaluation activities linked to that strategy

Description of co-ordination mechanisms foreseen and complementarities ensured with operations supported under other rural development measures especially as regards: investments in non-agricultural activities and business start-up aid under Article 19 of Regulation (EU) No 1305/2013; investments under Article 20 of Regulation (EU) No 1305/2013; and co-operation under Article 35 of Regulation (EU) No 1305/2013, in particular implementation of local development strategies by public-private partnerships

See relevant sections at sub-measure level.

8.2.10.7. Other important remarks relevant to understand and implement the measure

See section “General description of the measure”.

8.2.11. M22 - Exceptional temporary support to farmers and SMEs particularly affected by the impact of Russia's invasion of Ukraine (39c)

8.2.11.1. Legal basis

REGULATION (EU) 2022/1033 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 29 June 2022 amending Regulation (EU) No 1305/2013 as regards a specific measure to provide exceptional temporary support under the European Agricultural Fund for Rural Development (EAFRD) in response to the impact of Russia's invasion of Ukraine

8.2.11.2. General description of the measure including its intervention logic and contribution to focus areas and cross-cutting objectives

The Russian invasion of Ukraine is directly and indirectly resulting in an emergency for citizens and societies around the world and a major shock to the global and Union's economies across a multitude of sectors. The Maltese agricultural sector is no exception.

This measure is solely based on the impacts, within the local context, of the war in Ukraine. Furthermore, this sub-measure is intended to provide support to forage dependent livestock sectors covered by Voluntary Coupled Support Mechanisms, namely Dairy Production, Beef Production and Sheep, with the addition of Goat rearing provided that they have suffered similar conditions to the sheep sector; this to counteract the effects of the increase in forage feeds arising from the Ukraine conflict. In this regards Swine is not considered as a forage dependent sector in the context of this aid, in addition this sector is already being supported through other instruments.

Agricultural production in Malta is characterised by an inherent difficulty to obtain the necessary inputs required. The very small size of Malta combined with the island's insularity creates several geophysical and structural disadvantages. All the inputs used in local agriculture are heavily reliant on imports from other European and third countries; furthermore, due to the small size of Maltese holdings, producers fail to take advantage of bulk buying strategies and consequently they are very disadvantaged in terms of bargaining power when negotiating with their suppliers.

This situation increases both fixed and variable costs crunching on the profit margin of these producers, making them very sensitive to changes in such costs. Due to the invasion of Ukraine, the prices of straw and dehydrated hay, which are the two most prevalently used components of forage feed, have led to increases estimated at 36% and 41% respectively in 2022 as compared to 2021.

With further cost increases expected, this situation is making production financially unfeasible for the Bovine, Ovine and Caprine sectors. In the short term it is expected that the market demonstrates inelastic behaviour whereby planned levels of production is only slightly affected, mostly because most of agriculture holdings are already in production, a portion of the increase in costs is passed on to the customers and the rest of the increase in costs to be borne by the producers themselves. In a few months' time however this shall no longer be the case as a significant number of producers could opt not to produce any longer due to financial unfeasibility and losses experienced. This will pose serious threats: it will force more producers to seek employment in other sectors, it will increase land abandonment, it will impact on other priorities such as generation renewal, and it shall put further strains on Malta's efforts to deal with

food security.

There is no element of double funding to the proposed aid, as this aid particularly concern the use of forage.

Contribution to Focus Area

The measure shall primarily contribute to the fulfilment of the following focus area within the following Priority:

• Priority 2 *FA2A Improve the economic performance of all farms and encourage the restructuring and modernisation of farms, in particular to increase market share and market orientation and diversification of activities*. In this context, the measure aims to enable the continuity of economic activities, contributing to food security, responding to market imbalances, helping farmers engaged in one or more of the following activities: circular economy, nutrient management, resource efficiency, environmentally and climate-friendly production methods.

8.2.11.3. Scope, level of support, eligible beneficiaries, and where relevant, methodology for calculation of the amount or support rate broken down by sub-measure and/or type of operation where necessary. For each type of operation specification of eligible costs, eligibility conditions, applicable amounts and support rates and principles with regard to the setting of selection criteria

8.2.11.3.1. Exceptional temporary support to farmers and SMEs particularly affected by the impact of Russia's invasion of Ukraine (art 39c)

Sub-measure:

8.2.11.3.1.1. Description of the type of operation

The operation consists of lump sum that will support livestock farmers in the bovine, ovine and caprine sector affected by rising forage prices as a result of the impact of Russia's invasion of Ukraine, aiming at ensuring continuity of their business activity, in line with provisions of Article 39(c) of Regulation 1305/2013. The proposed scheme will cover operators for a 2-year period of operations. This will ensure that they are covered for the increase in the cost of forage in 2022 and 2023, as compared to 2021, on the assumption that prices will stabilize at the levels currently prevailing for 2022.

8.2.11.3.1.2. Type of support

Type of support: Grants

Lump Sum support will be provided under this sub-measure.

8.2.11.3.1.3. Links to other legislation

The measure shall be implemented in accordance with the following: Decision of the European Commission C(2022) 1890 of 23 March 2022: 'Temporary crisis framework for State aid and economic support measures following Russia's aggression against Ukraine'; Council Regulation (EU) 2022/259 of 23 February 2022 amending Regulation (EU) No 269/2014 on restrictive measures in respect of actions affecting or threatening the territorial integrity, sovereignty and independence of Ukraine; Council Implementing Regulation (EU) 2022/260 and 2022/261 of 23 February 2022 implementing Regulation (EU) No 269/2014 on restrictive measures in respect of actions affecting or threatening the territorial integrity, sovereignty and independence of Ukraine; Regulation (EU) No 1306/2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008.

8.2.11.3.1.4. Beneficiaries

Farmers or groups of farmers, whether natural or legal persons in the livestock sector of Bovine, Ovine and Caprine Sector registered in the National Livestock Database.

8.2.11.3.1.5. Eligible costs

Not Applicable

8.2.11.3.1.6. Eligibility conditions

- Bovine, caprine and ovine producers that are registered in the National Livestock Database as such with the VRD.
- For bovine and ovine (only): these must be farmers that applied and were eligible for payment for VCS claim year 2022. Farmers must remain with active production during claim year 2023. Farmers benefitting from VCS have minimum tresholds of production potential that they have to reach and hence are the farmers with economically meaningful production and part of the Control System of the Paying Agency that checks for adherence to Cross-compliance rules.
- For caprine: Farmers that as at 31 December 2022 had registered in the National Livestock Database at least 20 female animals of at least 1 year of age. Farmers must remain with active production in 2023. These farmers form part of the Control system carried out by the Directorate of Agriculture in its capacity as competent authority for the Nitractes Action Programme, compliance shall be confirmed with the Directorate of Agriculture in this regards.
- In line with Para 3(d) of article 39(c) of Regulation 1305/2013, to be eligible for funds under this scheme bovine farmers must store manure in a leak-proof, covered storage clamp which is connected to a cesspit, which cesspits shall be leak-proof, covered and shall be of sufficient capacity to collect all urine and washings for at least fifteen days.
- In line with Para 3(d) of article 39(c) of Regulation 1305/2013, to be eligible for funds under this scheme caprine and ovine farmers must either store manure in a leak-proof, covered storage clamp which is connected to a cesspit, which cesspits shall be leak-proof, covered and shall be of sufficient capacity to collect all urine and washings for at least fifteen days; or where a deep litter system has

been adopted those parts of the farm where the animals are kept are suitably covered at all times.

8.2.11.3.1.7. Principles with regards to the setting of selection criteria

All benficiaries that meet the Eligibility Conditions as per section 1.1.1.3.1.6 will benefit from this measure. No selection process of beneficiaries will be undertaken.

8.2.11.3.1.8. (Applicable) amounts and support rates

Payment mechanism

The payment shall be based on a claimless system where the threshold indicated below shall be calculated as follows:

- For Dairy and Beef producers: the classification shall be carried out based on the number of eligible heads to be paid for under VCS Measures 1 and 2 for Claim year 2022.
- For Sheep producers the classification shall be carried out based on the number of eligible heads to be paid for under VCS Measures 3 for Claim year 2022.
- For Caprine producers, the classification shall be carried out based on the number of female animals of at least 1 year of age as at 31 December 2022 as recorded in the National Livestock Database.
- In any case no farmer shall receive more than €15,000 under this scheme.
- Farmers need to remain active in 2023; should checks reveal that a farmer did not remain eligible, action will be taken to recover any funds paid.

Sheep VCS eligible Heads	**Lump sum payment**	**Goats eligible heads as at 31.12.2022**	**Lump sum payment**
20-30	€2,533	**20-30**	€2,533
31-40	€3,454	**31-40**	€3,454
41-50	€4,376	**41-50**	€4,376
51-60	€5,297	**51-60**	€5,297
61-70	€6,218	**61-70**	€6,218
71-80	€7,139	**71-80**	€7,139
81-90	€8,060	**81-90**	€8,060
91-100	€8,981	**91-100**	€8,981
101+	€13,818	**101+**	€13,818

Dairy VCS eligible heads	Lump sum payment	Beef VCS eligible heads	Lump sum payment
0-10	€4,347	**0-10**	€775
11-20	€10,142	**11-20**	€1,809
21-30	€15,000	**21-30**	€2,843
31-40	€15,000	**31-40**	€3,876
41-50	€15,000	**41-50**	€4,910
51-60	€15,000	**51-60**	€5,944
61-70	€15,000	**61-70**	€6,977
71-80	€15,000	**71-80**	€8,011
81-90	€15,000	**81-90**	€9,045
91-100	€15,000	**91-100**	€10,078
100+	€15,000	**100+**	€15,000

8.2.11.3.1.9. Verifiability and controllability of the measures and/or types of operations

8.2.11.3.1.9.1. Risk(s) in the implementation of the measures

Affected farmers do not remain active in 2023

8.2.11.3.1.9.2. Mitigating actions

Provided that this is an exceptional aid based on a claimless system no payment penalties are foreseen, however, if it is found that the applicant provided false declarations concerning his/her agricultural activity to receive aid under this scheme, no funds shall be issued; any funds already issued under this scheme will have to be refunded.

The provisions concerning paragraph 3(d) of article 39(c) of Regulation 1305/2013, shall be checked by requesting information from the Agricultural Directorate within MAFA being the Competent Authority implementing the Nitrates Action Programme, on whether there were any findings from 2021, 2022 and 2023 indicating farmers that are not in line with the last two requirements under the section on eligibility criteria referred to in this document.

Should the ARPA and/or the Agriculture Directorate identify any undue payments issued to a beneficiary or note that irregularities have been made by a beneficiary, ARPA will initiate debt recovery procedures. A

beneficiary will be notified of a debt through a notification sent to the same beneficiary through registered mail. Such a letter will include the amount to be recovered and the reason for recovering these amounts. On receiving a debt notification, the Beneficiary is required to either accept the debt or object to it.

If the Beneficiary accepts the debt, he/she is to complete a Debt Acceptance Form, which would mean that the beneficiary would like to have the said amount deducted from any upcoming payments. If the Beneficiary does not have any upcoming payments, the debt is to be settled within thirty (30) calendar days from the date of the notification.

If on the other hand the Beneficiary does not agree with the debt, an Objection Form is to be completed and submitted to the Agency within fifteen (15) working days from the date of the debt notification. Objections submitted to the Agency will be reviewed by the Agency's Objection Board.

The Beneficiary will be notified in writing of the Board's decision to accept or refuse such an Objection.

If the Beneficiary has any pending debts after the elapse of sixty (60) calendar days from the date of debt notification and has neither submitted a Debt Acceptance Form nor an Objection Form, interest at a rate of 8% will be applied as per Commission Regulation (EC) No 1122/2009, Directive 2011/7/EU and Article 1852 of Chapter 16 of the Laws of Malta.

8.2.11.3.1.9.3. Overall assessment of the measure

Based on experience acquired in the management of the 2007-2013 Programme and RDP2014 – 2020, measure verfiability and controllability is ensured so as to prevent any prejudice to the financial interests of the European Union.

8.2.11.3.1.10. Methodology for calculation of the amount or support rate, where relevant

Based on the foregoing methodology[1], around 4,800 lactating cows require 5.9 kg of straw feed per head per day, amounting to 10,337 MT per annum.

Considering the prices of straw feed for cattle for 2021 and 2022, the increase in cost per year is estimated at €775,260. Around 3,197 MT of Baleage per annum is also required to feed 1,200 heads which when considering the increase in price in 2022 over 2021 leads to an increase in cost of €318,941 per annum. Thus overall, on account of the conflict in Ukraine, feeding cost of lactating cows increase by €1.09 million in a year of operations.

When considering also straw feed for non-lactating cows, the increase in costs for dairy farmers amounts to €1.74 million in one year of operations. This covers both lactating and non-lactating cows but not beef heads.

Considering a total of 6,000 eligible lactating cows covered by the Voluntary Coupled Support Scheme, the total support required per lactating cow is estimated at €290 per head, covering the additional costs arising from the price increase for a year. For the intended support over a two-year period, the rate would amount to €580 per lactating cow.

Considering the same methodology, a total of 1,378 MT of straw feed is estimated to be required for around 800 beef heads. Based on the price of straw feed for 2021 and 2022 found in Table 2, the increase in costs in one year of operations is estimated at €103,368. Based on the assumption that 2,000 heads are slaughtered in a year, the total support require per slaughtered head in a year of operations to cover the additional cost on account of the war is estimated at €52 per annum. Thus, the required support for a period of two years is estimated at around €103 per slaughtered head.

Furthermore, the increase in costs incurred by farmers of breeding sheep amounted to €377,548 in one year of operations, whereas the increase in the cost of feed for breeding goats amounted to €102,634. When considering a total of 13,100 breeding female sheep and goats, the total increase in costs in 2022 over 2021 amounted to €480,182. Other sheep and goats amounting to a total of 9,000 heads experienced an increase of €123,188 overall. When considering both breeding females and other sheep and goats, the total increase in costs is estimated at €603,370 in one year of operations covering a total of 19,100 heads.

Considering a total of 13,100 eligible breeding females covered by the Voluntary Coupled Support Scheme, the total support required per breeding female is estimated at €46 per head, covering the additional costs arising from the price increase within a year. For the intended support over a two-year period of operations, the rate would amount to €92 per breeding female.

Considering a maximum support of €15,000 per farm to cover two operational years, the maximum number of heads eligible for support on each farm amount to 25 lactating cows, 145 slaughtered bulls and 162 breeding female sheep and goats respectively.

Please refer to annexed report (*The Provision of Support to Compensate for the Increase in the Prices of Forage Feeds Arising from the Ukraine Conflic*t. January 2023. E-Cubed Consultants).

[1] 'The Provision of Support to Compensate for the Increase in the Prices of Forage Feeds Arising from the Ukraine Conflict'. January 2023. E-Cubed Consultants.

8.2.11.3.1.11. Information specific to the operation

8.2.11.4. Verifiability and controllability of the measures and/or types of operations

8.2.11.4.1. Risk(s) in the implementation of the measures

Kindly refer to relevant section for information on each operation

8.2.11.4.2. Mitigating actions

Kindly refer to relevant section for information on each operation

8.2.11.4.3. Overall assessment of the measure

Kindly refer to relevant section for information on each operation

8.2.11.5. Methodology for calculation of the amount or support rate, where relevant

Kindly refer to relevant section for information on each operation

8.2.11.6. Information specific to the measure

8.2.11.7. Other important remarks relevant to understand and implement the measure

N/A

9. EVALUATION PLAN

9.1. Objectives and purpose

A statement of the objectives and purpose of the evaluation plan, based on ensuring that sufficient and appropriate evaluation activities are undertaken, in particular to provide information needed for programme steering, for the annual implementation reports in 2017 and 2019 and the ex-post evaluation, and to ensure that data needed for RDP evaluation are available.

The objective of the Evaluation Plan (EP) is to ensure that all evaluation activities detailed in the respective regulations are carried out throughout the life of the RDP. This allows Malta to allocate the financial and human resources required. The EP will ensure that information required for the reports submitted to the Commission, is available in a timely manner.

Better planning and structuring of evaluation

Evaluation will fit into the implementation of the programme from the start and must be considered as an integral part of the programme. In this regard, information regarding the EP will be readily available to stakeholders both before the programme is launched and after.

The EP will clarify roles and responsibilities of stakeholders through early dialogue between stakeholders whose contribution will be required in evaluation studies. Thus, stakeholders will understand their role and be aware that their contribution will be required before, during and after project completion.

The EP will ensure that appropriate resources are available for administrators and evaluators to carry out monitoring and evaluation tasks. The requirements for the MA and its evaluators have been mapped out before the implementation of the programme, and so, all parties are well aware of their responsibilities.

An EP will reduce the administrative burden through the design of a data management and monitoring system, tailor-made to address evaluation needs.

Targeted monitoring and evaluation activities

The EP will help the MA organise monitoring and evaluation activities targeting the needs of the stakeholders and compliant with EU Regulations. It will allow application of advanced evaluation methods for the specification of thematic priorities throughout the programming period. The EP also provides a clear reference point for flexible annual planning of evaluation activities, facilitating the work of evaluators and administrators.

Making better use of evaluation results

An EP helps strengthen communication of evaluation findings to decision makers and stakeholders with results based on robust evidence. Additionally, it will foster transparency on evaluation and common understanding about the effects of rural development policy on all those involved in programming, managing, implementing and evaluating the RDP, including beneficiaries and the broad public.

Additional Objectives

The EP will ensure early availability of indicator information. The MA will therefore be equipped with

more timely information regarding programme progress:

a. Most successful measures, and those lagging behind;

b. What can be done to accelerate the uptake/implementation of measures lagging behind;

c. Programme amendments/modifications required to ensure that the budget is utilised, in line with programme targets and objectives.

Having an EP in place will also enable the MA to plan its evaluation communication strategy ensuring that stakeholders and the general public access relevant information regarding programme progress. The EP will therefore ensure that local authorities, stakeholders and beneficiaries are equipped with the necessary information regarding programme progress, ensuring that policy objectives are being reached, targets are met and information is disseminated.

Legal Obligations

The EP ensures the implementation of a reinforced monitoring and evaluation system as set out by the Common Provisions Regulation and the Rural Development Regulation.

9.2. Governance and coordination

Brief description of the monitoring and evaluation arrangements for the RDP, identifying the main bodies involved and their responsibilities. Explanation of how evaluation activities are linked with RDP implementation in terms of content and timing.

The legal responsibilities for monitoring and evaluation (M&E) are described in Regulation 1303/2013 on the Common Provisions Regulation, in Regulation 1305/2013 (RDR) on support for rural development by the EAFRD as well as in the draft implementing regulation setting detailed rules on the application of the common framework for monitoring and assessment of rural development policy.

Organisation of the M&E System

The M&E team within the MA, complemented by a team of contracted ongoing evaluators, is in charge of drafting the AIR and collecting the necessary data for the calculation of indicators.

Apart from quantitative data, the MA requires information regarding programme progress, including implementation of measures, LEADER, publicity, events and the NRN. The M&E team therefore requires the contribution of MA and LAG representatives in order to continuously monitor the progress of the programme.

The MA shall also be in communication with the Paying Agency (PA) to ensure that all data required is being captured at application stage and is therefore available on the IT system, for the MA to access and download in real time. The IT system shall be updated to cater for the requirements of the new programming period.

Additionally, given that there is one set of common indicators for the entire CAP, M&E of Pillars I and II must be coordinated. This requires further collaboration between the MA and the PA andn between MAs of various ESI funds. Common evaluation training should be supported.

Stakeholders within the M&E System (see figures)

Main Bodies involved in M&E

The role of the **MA** is to coordinate the M&E process and communication with the Commission. The MA is the link between all bodies in the M&E system, including the Commission. The MA shall also be in charge of disseminating evaluation results and involved in the design and adjudication process of any evaluation tenders. The roles of the MA are defined in the RD and CPR Regulations.

The MA is responsible for the Evaluation Plan (EP) and ensuring that its consistency with the M&E system. The MA organises evaluation and related activities on the basis of the EP. The RDP's contribution to each priority objective should be evaluated at least once during the programming period. This requirement reflects the need for enhanced AIRs in 2017 and 2019, as well as the requirements of *ex post* evaluation. The MA must also make sure that the *ex ante* and *ex post* evaluations conform to the M&E system and that the *ex post* evaluation is conducted within the given time limits. The MA is also responsible for communicating each evaluation to the Commission and for making evaluation reports public.

The MA shall chair the Evaluation Steering Group if such entity is created, manage evaluation tenders, coordinate any other evaluation needs and communicate evaluation results to internal and external stakeholders.

External ongoing Evaluators provide the necessary support to the MA with respect to reporting. Their role is to complement the MA in data collection and provide necessary indicator calculations. The ongoing evaluators shall propose methods for the collection of important data from the beneficiaries; such methods may include one-to-one interviews with beneficiaries, phone or web-based questionnaires, focus groups and queries to other entities such as the National Statistics Office (NSO).

Beneficiaries should provide the necessary information required by the MA at application stage. More information and data shall be provided throughout implementation of the programme. Additional info might also be required on project completion. The contract signed by the beneficiary shall highlight the importance of this and beneficiaries shall be made aware that they are bound to provide information to the MA, PA or any of its contracted evaluators.

The ***PA*** needs to work closely with the MA in order to provide the necessary data and information throughout the implementation of the programme especially since the PA records and holds most of the data and information required for M&E purposes. It also holds most data required by evaluators. Final controls and checks shall be carried out, in line with the respective regulations and the PA must ensure that all information required by the Commission is being captured.

IT Experts design and update the IT system as required by the PA and MA. During programme implementation, these two authorities may encounter scenarios which could not have been foreseen before programme implementation. Therefore, amendments and upgrades might be required throughout the programming period. The role of these IT experts is to support the needs of the MA and PA, especially with respect to quantitative data.

The ***Monitoring Committee (MC)*** shall provide the MA with necessary feedback on programme

implementation. On the other hand, the MA shall periodically disseminate the evaluation updates through appropriate communication channels, including email updates and MC meetings, to ensure that the MC has access to M&E information. The MC reviews implementation and progress towards the objectives of the programme and approves the Annual Implementation Reports before they are sent to the Commission.

The MA shall seek to strengthen its collaboration with ***Local Action Groups (LAGs)*** to ensure that they provide all necessary data and information with regards to programme implementation. The aim of the LAGs, is to strengthen the bottom up approach and ensure that the needs of the rural communities are catered for through the RDP. LAGs also act as links between the MA (and/or contracted evaluators) and the beneficiaries, especially when beneficiary information is required. LAGs are duty bound to provide information related to M&E.

The ***National Rural Network (NRN)*** brings together rural stakeholders, creating a channel of communication between the MA and the different stakeholders. The NRN will also be involved in evaluation activities. Since the NRN includes several representatives from various cooperatives, it is essential that its members understand the importance and relevance of evaluation. They should in turn ensure that members are well aware that they are bound to provide the MA/evaluators with information requested for M&E purposes.

The MA shall consider the setting up of an ***Evaluation Steering Group*** to support the evaluation process and bring together various stakeholders whose contribution is required in the Evaluation process. Members of this Steering Group may include the M&E team within the MA, representatives from the PA, ongoing evaluators (with the contribution of ex-ante and/or ex-post evaluators, depending on programming year), IT experts, NSO representatives and M&E experts from other MAs in Malta. The composition of this group may be adjusted as necessary.

Coordination of Evaluation Activities with RDP Implementation

Coordination of M&E activities shall be carried out by the MA. During the first months of programme implementation the MA shall issue a call for tenders for the services of ongoing and ex-post evaluators. Evaluators will complement the personnel within the MA M&E team and carry out the on-going evaluation of the 2014–2020 RDP. On-going evaluators shall also provide additional support in 2017 and 2019, when the enhanced AIRs need to be submitted by the MA. Ex-post evaluation will be carried out when the programme is closed.

Evaluators shall report objectively and independently on the programme targets, as well as its output, result and impact indictors. Through periodic studies and reports, they should identify possible weaknesses and put forward recommendations on how the quality, efficiency and effectiveness of the programme can be improved. Ongoing evaluators shall also suggest possible modifications to the programme to ensure its success.

Contracted evaluators shall be required to analyse existing data collection methods and propose improvements and new methods that enhance collection of data required for programme implementation and reporting purposes. Programme indicators shall also be reviewed and data shall be collected for the verification of result and impact indicators.

The IT system shall be updated to ensure that M&E data is readily available. Data will be captured at application stage and throughout implementation, both through interviews and questionnaires with beneficiaries and from sources such as FADN and information held within other Ministries and

Departments. These processes will be developed further when external contractors are engaged.

The MA is responsible for communicating each evaluation to the European Commission and for making evaluation reports public, as per RDR.

Roles of the MA as per Regulation (EU) 1305/2013

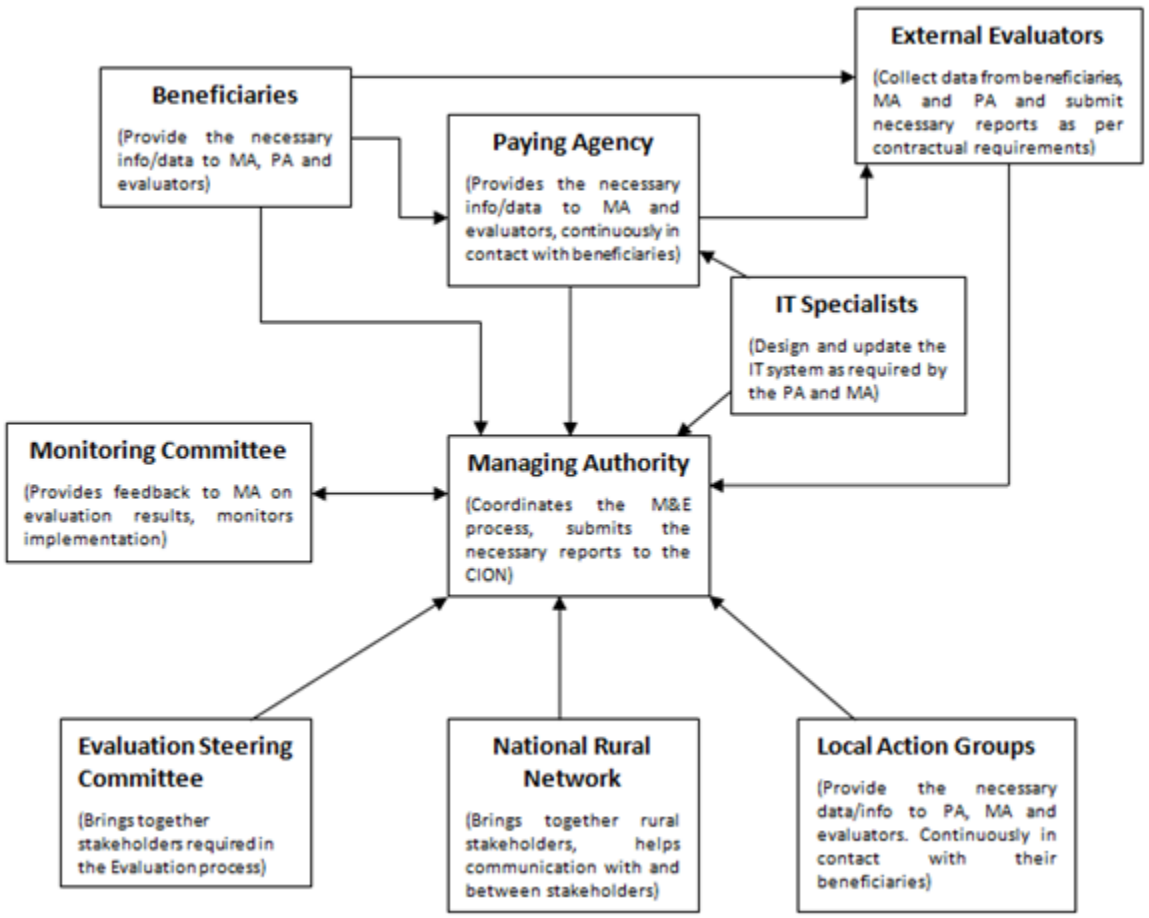
Article 66 of the RDR outlines the function of the MA, including its role in M&E:

The MA shall be responsible for managing and implementing the programme, effectively and efficiently.

The MA shall ensure that an appropriate secure electronic system is in place, to record, maintain and manage statistical information on the programme and its implementation. This information is required to monitor progress towards the defined objectives and priorities. The MA shall also provide the Commission, by 31 January and 31 October of each year, with relevant indicator data on operations selected for funding, including information on output and financial indicators.

Additionally, the MA shall ensure that beneficiaries and other stakeholders are informed of their obligations resulting from the aid granted and are made aware of the requirements concerning the provision of data to the MA and the recording of outputs and results. The MA shall ensure that the *ex ante* evaluation referred to in Article 55 of Regulation (EU) No 1303/2013 conforms to the M&E system and accepting and submitting it to the Commission.

With respect to M&E during the implementation of the Programme, the MA shall provide the MC with information and documents required to monitor implementation of the programme in the light of its specific objectives and priorities and draw up the annual progress report, including aggregate monitoring tables, and, after approval by the MC, submit to the Commission.



Stakeholders within the M&E System

9.3. Evaluation topics and activities

Indicative description of evaluation topics and activities anticipated, including, but not limited to, fulfilment of evaluation requirements provided for in Regulation (EU) No 1303/2013 and Regulation (EU) No 1305/2013. It shall cover: (a) activities needed to evaluate the contribution of each RDP Union priority as referred to in Article 5 of Regulation (EU) No 1305/2013 to the rural development objectives laid down in Article 4 of that Regulation, assessment of result and impact indicator values, analysis of net effects, thematic issues, including sub-programmes, cross-cutting issues, national rural network, contribution of CLLD strategies; (b) planned support for evaluation at LAG level; (c) programme specific elements such as work needed to develop methodologies or to address specific policy areas.

Evaluation Topics and Activities (see figures)

Result and impact indicator values

Throughout 2014-2020 the MA may require information from beneficiaries to obtain data necessary to update result and impact indicators, ensuring that targets and aims are met. In order to capture data at application stage, actions such as one to one and phone interviews, online questionnaires, site visits and case studies will be carried out. Beneficiaries shall be bound by contract to provide such information throughout

project implementation and after completion.

Major evaluation topics in evaluation

The RDP strategy will be evaluated according to progress. Uptake of measures will be evaluated to ensure that progress is achieved across all Priorities, FAs and Measures. Measures lagging behind will be evaluated for actions necessary to steer the RDP in the right direction. Such actions include shift of funds, amendments to selection criteria, inclusion of other target groups which may benefit from the measure and a publicity and information campaign. Amendments must be in line with the RDP's objectives.

The evaluation of the RDP will be undertaken across the themes identified in the RDP allowing for an assessment of the extent to which the funds allocated have met the objectives in terms of addressing the needs outlined in the RDP. As was the case for the 2007-2013 Rural Development Programme, it is likely that the Managing Authority will engage external ongoing evaluators to carry out the evaluation tasks and activities required for effective ongoing evaluation according to pre-determined terms of reference established by the MA. Evaluation will however also have to focus on the specific measures outlined in the RDP and the respective focus areas as well as the cross-cutting objectives tying these to the needs identified in the RDP. The evaluation will be undertaken through a collection of methodological approaches including, albeit not limited to:

- Continuous monitoring and analysis of the uptake of the programmed Measures. This entails the collection of data at project application stage, during project implementation and following implementation ensuring that the collection of data particularly related to the indicators is collected in a sufficient and representative manner
- Collection and use of published data sources where relevant particularly for the quantitative part of the assessment
- Collection and use of data through data-gathering activities such as surveys, focus groups etc as may be relevant;

Assessment of cross-cutting issues may be carried out quantitatively and qualitatively. Measures will be designed to ensure consideration of elements of such issues. Assessment will include activities such as:

- Continuous monitoring and analysis of the uptake of the programmed Measures;
- Collection of data at project application stage to determine the extent to which projects have contributed to the cross-cutting themes
- Collection and use of published data sources particularly for climate change and environment
- Collection and use of data through data-gathering activities such as surveys, focus groups etc as may be relevant.;
- Research actions in cases where data gaps exist (such as with regards Risk Management measure, research is necessary in order to gather baseline data which does not exist in Malta);
- Impact assessments to evaluate effectively the environmental impact of the various measures programmed under the new RDP;
- Any ad hoc assessments/actions which may be required throughout the life of the programme based on lessons learned.

It is important to note that the above lists of evaluation approaches and activities is not exhaustive, and may be amended throughout the life of the programme as the Managing Authority deems necessary. Cost-effectiveness of RDP is evaluated by checking whether funds allocated and disbursed have led to achieving

targets.

If RDP objectives focus significantly on a particular topic, evaluation should assess the effects on issues linked to the topic.

Theme 1 – Water, wastes and energy (see figures)

Theme 2 – Maltese Quality Produce (see figures)

Theme 3 – Sustainable Livestock (see figures)

Theme 4 – Landscape and the Environment (see figures)

Theme 5 – Wider Rural Economy and Quality of Life (see figures)

National Rural Network

The identity and role of the Maltese National Rural Network will be strengthened for the 2014-2020 period. A greater emphasis will be given to effective stakeholder engagement, including the involvement of a higher number of individuals with the required knowledge to provide effective support to the implementation of the RDP.

Following on from past experiences (effective and efficient communication activities, significant stakeholder involvement, etc.) throughout the current programming period the MA will embark on the following key steps and timetable for re-launching the NRNM 2014-2020 are:

- Convene meetings of the NRN Committee to oversee the re-launching and resourcing of the new NRNM 2014-2020.

Proposals will be presented regarding the strategic approach to animate the network, including the intervention logic, setting of objectives, prioritisation of actions and allocation of financial/human resources. A multi-annual NRNM Action Plan will integrate actions for strengthening the network, with the network activities specifically proposed to fulfil the requirements of Art. 54 of Regulation No. 1305/2013.

- Re-establish the Network Support Unit (NSU) as a discrete administrative unit (with clear mandate and operational budget) within the MA. Recruit and train additional staff as necessary.
- Prepare Annual Work Plan (AWP) for Year 1 of the NRNM. The AWP will operationalise the NRNM Action Plan in terms of short to medium activities supported by the NSU. The AWP will: i) be consulted/agreed with the National Rural Network Committee, and; ii) be co-ordinated with the Maltese RDP Communications Strategy. The NRNM will be promoted in the Communications Strategy as an integral part of the RDP 2014-2020, as well as being delegated specific tasks and responsibilities within the Strategy.
- Launch NRNM as high profile component of the RDP for Malta 2014-2020. Organise promotion

campaign for NRNM.

It is anticipated that the above steps will be completed by the end of December 2015 in time to support the launch and rollout of the RDP for Malta 2014-2020.

Major evaluation activities to be conducted

Ongoing observation of changes in context in which the RDP's interventions take place against set baselines. Evaluation should report on the RDP's progress by comparing target values against the baselines set initially.

Assessment of RDP effectiveness, efficiency, impacts and contribution to CAP objectives includes analyses of net effects of the RDP towards observed changes in the contextual situation. Periodic evaluation shall establish whether the RDP is achieving the CAP objectives and what amendments are required.

Assessment of RDP results and contribution to FAs under RD priorities, of multiple effects and synergies, and analysis of the complementary result indicators also need to be considered. Evaluation shall examine whether measures have secondary effects measured through indicators directly related to each particular measure.

Monitoring of RDP progress in relation to target and output indicators shall be carried out annually, when implementation has progressed enough to enable data collection.

Assessment of progress and achievements will be carried out on specific topics such as the NRN and TA. Such information will be qualitative ensuring that funding allocated towards such topics is of benefit to the RDP.

Territorial development can also be evaluated by assessing LEADER and its impact on the territory.

Programme-Specific Elements

The outcome of the evaluation reports/activites for the 2007-2013 RDP (such as mid-term and ongoing evaluation reports, surveys) – recommendations from such reports will be taken on board and the MA will take the necessary follow-up action.

Expected Effects of the RDP on the Environment (see figures)

	Ex-ante	On-going	Thematic	Ex-Post	Other	AIRs	Enhanced AIRs
Objectives/ Themes	Ex-ante carried out within objectives and themes set out in context of EU respective legislation	Ongoing evaluation carried out throughout programming period to provide external feedback on RDP		Compiled by ex-post evaluator and includes evaluation of RDP milestones, calculation of indicators and answers to common evaluation questions. It shall complete all evaluation tasks and activities in relation to all evaluation topics	Compiled by MA, with support of evaluators	Compiled by MA, and includes updates on indicators by evaluators, as per respective legislation	Compiled by MA, and includes updates on indicators by evaluators, as per respective legislation
Timing	Currently being carried out and to be submitted by May 2014	Carried out throughout the programme, reports submitted at end of March of each year		Report submitted by end December 2023	Ad hoc evaluation activities as per MA requirements	Reports submitted by end June 2016, 2018, 2020, 2021, 2022, 2023, 2024	Reports submitted by end June 2017, 2019
Evaluation Topics							
Programme Strategy	Evaluation considers the RDP strategy in line with EU and national objectives noting contributio	x		x		x	x

Evaluation Topics and Activities

Objectives	Evaluation Topic
Reducing input costs for farmers	RDP effects on improving cost effectiveness in farming
Improving energy efficiency and generating renewable energy on farms, including bio-energy from livestock waste	RDP effects on improving energy efficiency of farming
Improving efficiency of water use and increasing capacity to use rain water for agricultural production	RDP impact on improving efficiency in water use and storage
Ensuring more efficient organic and artificial fertilizer use through improved nutrient management planning on all farms to reduce waste and risks to the environment	RDP impact on increased efficiency of fertilizer use and improved nutrient management

Theme 1 – Water, wastes and energy

Objectives	Evaluation Topic
Creation of quality assurance schemes for Maltese produce	RDP contribution towards creation of quality assurance schemes for local produce
Improving quality of fresh produce through investment in storage, grading and adding value	RDP impact on enhancing quality of fresh produce
Improved marketing of local produce, developing supply chains and traceability	RDP contribution towards marketing of local produce
Creating new partnerships within supply chains linking producers, processors and consumers	RDP contribution towards creation of new partnerships within the supply chain

Theme 2 – Maltese Quality Produce

Objectives	Evaluation Topic
Ensure economic and environmental sustainability of the livestock industry in an increasingly competitive market	RDP contributions towards improvement of local livestock sector
Enhance health and welfare of farmed animals	RDP impact on the improvement of farm animal welfare
Improve competitiveness by increasing production efficiency, livestock product quality, management and marketing skills	RDP impact on the improvement of competitiveness in the livestock sector
Develop producer partnerships in sectors lacking cooperation, and strengthen partnerships operating in other livestock sectors	RDP effects on the development of producer partnerships

Theme 3 – Sustainable Livestock

Objectives	Evaluation Topic
Conserving and enhancing the landscape and its biodiversity	RDP effects on conservation and enhancement of landscape and biodiversity
Restoring features expanding vulnerable areas and improving sensitive and active management	RDP impact on restoring vulnerable areas
Maximising effectiveness of investment through area targeting and cooperative partnerships	RDP effects on improving cooperative partnerships

Objectives	Evaluation Topic
Supporting small enterprises and micro-businesses to improve the rural economy, especially through LEADER actions	Impact of LEADER actions on supporting small businesses
Farm diversification into non-agricultural business options, using capacity building, training and advice as well as investment funds	RDP contribution towards farm diversification
Developing 'farm focused' tourism to improving income of farm households, and encourage cooperation between farming and tourism	RDP contribution on the development of farm focused tourism
Making rural areas and jobs more inclusive, increasing confidence and participation among women and young people	RDP contribution towards making rural areas and jobs more inclusive

Type	Potential cumulative significant effects	Relevant Indicators to be monitored
Biodiversity, Flora and Fauna	Impacts on biodiversity, flora and fauna are largely expected to be positive because of the different contributions and interactions of the various articles and sub-measures. Of particular relevance to the achievement of positive impacts are the measures associated with training and advisory services (Articles 14 and 15) that will enable the farmer or operator to understand the link between agriculture and the environment and the importance of environmental sustainability. Direct impacts are expected from the implementation of a number of articles including investment in physical assets (Measure 1), investment in forestry (Measure 8), agri-environment measures (Measure 10), organic farming (Measure 11), payments to areas with natural constraints (Measure 13), cooperation projects (Measure 16) and potentially through the implementation of projects under LEADER (Measure 19). As described in Table 7.2 some measures can be improved for enhanced benefits but overall the impact remains positive. In terms of potential negative attention must be given to habitats and species when projects are proposed in rural areas. Start-ups (under article 19) could negatively affect biodiversity, on a localised scale.	• Conservation status of habitats and species • Number of projects specifically targeted for the conservation and management of natural assets/protected natural sites
Human health	The RDP is beneficial in terms of human health through measures that will improve quality of production such as funding for quality schemes (Measure 3) and organic farming	• Ground water quality results • Area under organic farming • Number of projects providing public open space / recreation activities

Expected Effects of the RDP on the environment (1)

Type	Potential cumulative significant effects	Relevant Indicators to be monitored
	(Measure 11). Indirectly, an improvement in the environmental performance of the sector will also benefit human health.	
Emissions	Emissions are targeted mainly through the provision of measures to encourage energy efficiency, carbon sequestration and renewable energy. Training and advisory measures are also likely to further enhance the benefits in this area.	• Number of complaints related to odour from agricultural/livestock operations Emission trends of key pollutants over time from the sector
Climate change	With a strong proportion of the RDP budget aimed at climate change and environment (approximately 63%), impacts on climate change are expected to be positive. Although the emphasis is on climate change mitigation, there are various measures that address adaptation including the water harvesting and water management actions.	• GHG emission trends over time • Use of renewable energy in the sector over time • Total investment in renewable energy production (projects funded by the RDP) • % of agricultural and forest land under management to foster carbon sequestration/conservation • % of Land Units concerned by investments in livestock management in view of reducing GHG and/or ammonia emissions • % of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions • % of agricultural and forest land under management to foster carbon sequestration/conservation
Water	The envisaged cooperation projects	• Groundwater quality over

Expected Effects of the RDP on the environment (2)

Type	Potential cumulative significant effects	Relevant Indicators to be monitored
	under water and the emphasis of improved water management across the RDP, coupled with a strong emphasis on educating farmers should result in cumulative positive impacts on water resources.	time. • Area (ha) concerned by investments for saving water (e.g. more efficient irrigation systems) • Quality of freshwater bodies • Quality of marine surface waters • Proportion of water abstraction by use • Distribution of nitrate concentration • Location of project with respect to the groundwater safeguard zone
Soil	The impact on soils is generally positive as a result of a number of measures that address training, tree planting, agri-environment measures, organic farming and potential cooperation projects.	• Number of projects implemented through the RDP that include soil conservation
Material Assets	The impact on material assets is considered positive from the proposed improvement in water management and investment in waste management.	• Water consumption by the sector over time • Number of water management projects by the RDP • Number of waste management projects funded by the RDP
Cultural heritage	Cultural heritage impacts are slightly positive mainly through initiatives aimed at restoring rubble walls and other rural structures. Major negative impacts on cultural heritage are not anticipated, but these would depend on the type of projects that would be proposed and funded.	• Number of projects targeting the restoration of cultural heritage features and improvement of the cultural landscape
Landscape	Landscape is one of the environmental	• Environmental Impact

Expected Effects of the RDP on the environment (3)

Type	Potential cumulative significant effects	Relevant Indicators to be monitored
	parameters that is given priority in the RDP. Landscape partnerships are envisaged and the various measures to sustain the agricultural sector will contribute towards maintaining landscape quality. Restoration of rubble walls will also address landscape issues.	Assessment results on landscape assessment • Number permitted projects located in Areas of High Landscape Value.

9.4. Data and information

Brief description of the system to record, maintain, manage and report statistical information on RDP implementation and provision of monitoring data for evaluation. Identification of data sources to be used, data gaps, potential institutional issues related to data provision, and proposed solutions. This section should demonstrate that appropriate data management systems will be operational in due time.

Data Sources

The National Statistics Office provides FADN data. The Paying Agency and the NSO collaborate to collect this information which is then used for several purposes, including evaluation of the RDP. This data can be used to evaluate performance of entities impacted by interventions, as well as in the possible establishment of control groups.

The IT System will be updated to cater for the 2014 – 2020 period, in order to provide adequate information in the required format. During the 2007 – 2013 programming period, the IT system relied on manual extraction of data by IT specialists. Data was then used for reporting requirements by evaluators and the MA. Following the submission of the RDP 2014 – 2020, the IT system will be updated to collect information for the calculation of indicators related to each Priority, Focus Area and Measure. This will make data and information more accessible to MA personnel, without having to resort to IT specialist for every query. Shortcomings in data availability have been highlighted by several evaluation processes throughout the 2007 – 2013 programming period. Therefore, the IT system for the 2014 – 2020 will be updated to avoid these deficiencies.

Additional data and information might be required throughout the programming period and this can be collected in specific surveys. Surveys will be adapted to the type of beneficiary and will be carried out by phone, on a one to one basis or online. Surveys were carried out during the 2007 – 2013 programming period therefore the Managing Authority will apply best practices from this experience. These surveys will also be used to gather information on affected population and control groups.

Interviews, site visits, case studies and other ad hoc evaluation studies will be carried out to collect information which was not or could not be captured at application stage. Such activities can also provide the Managing Authority and evaluators direct contact with the beneficiaries, giving a better understanding of how the programme is effecting the agricultural sector and the environment.

Application forms are also an important source of monitoring information. The Managing Authority and the Paying Agency have to work together to draft applications which contain all the necessary information. Nevertheless, these applications should not be excessively complex since this may hinder applicants from applying.

Data gaps/Bottlenecks 2007 – 2013

The lack of integration between IACS and PAMS and the lack of a common data warehouse have resulted in delays in the preparation and analysis of the required data throughout the 2007 – 2013 programming period. This lack of integration in the IT system caused ineffectiveness in the collection of quality result and impact indicator data, consequently hindering monitoring and evaluation activities. However, challenges around collection of quality result and impact indicator data have been greatly remedied towards the end of

the programme.

The major stumbling block towards the compilation of AIRs is the timely availability of data in the required format. This issue should be remedied throughout the current programming period since the IT system shall be modified to ensure that it is in line with the information required.

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9.5. Timeline

Major milestones of the programming period, and indicative outline of the timing needed to ensure that results are available at the appropriate time.

An effective monitoring and evaluation system requires timely planning and appropriate sequencing of actions. This will help the MA to anticipate tasks and workloads and manage deadlines. Submission of AIRs and monitoring data are regulated by the CPR and RDR respectively. Limited availability of data lengthens the evaluation process, therefore, evaluation has to be planned well in advance.

Major Milestones during Programming Period

Annual Implementation Reports have to be submitted in the following years, reporting on the previous calendar year: 2016, 2017 (Enhanced AIR), 2018, 2019 (Enhanced AIR), 2020, 2021, 2022 and 2023.

AIRs will be compiled by the MA, with the input of evaluators, and submitted to the Commission by the stipulated deadline. In collaboration with evaluators, necessary studies will be carried out, including interviews, case studies, focus groups and questionnaires, in order to obtain the necessary information from the beneficiaries. The final draft of the AIR shall be prepared by mid-May of each year. It will then be circulated for feedback and presented at the Monitoring Committee Meeting which is held in end of May or beginning of June. Following the MC Meeting, the Annual Implementation Report is finalised and eventually submitted to the Commission before the end of June.

By the end of December 2023, a programme ex-post evaluation has to be submitted to the Commission. This report shall be compiled by independent evaluators, reviewed by the MA and eventually submitted before the stipulated deadline.

Major Milestones in Evaluation

Indicative outline of the timing

In order to ensure timely submission of reports, the MA starts compiling the information required for the AIR throughout the reporting year. The Monitoring and Evaluation team ensures that all information provided is up to date by consulting other MA personnel and Paying Agency officials. Concurrently, the ongoing evaluators compile an Interim Evaluation Report, whose final draft version is submitted to the MA by the end of March. The MA requires about 6 months to finalise the first draft of the AIR by mid-May.

It is common for procurement procedures to take longer than usually planned since the input of several individuals from various departments is required. Also, lodging of appeals by the non-chosen bidders is rather common and this leads to a further lengthening of the process. Therefore, in order to rope in the

evaluators as early as possible the MA should start the the necessary procurement processes in a timely manner.

9.6. Communication

Description of how evaluation findings will be disseminated to target recipients, including a description of the mechanisms established to follow-up on the use of evaluation results.

Making Results of Evaluation Available

Dissemination of evaluation results shall be the responsibility of the M&E team, in collaboration with the Communication and Information team within the MA. The latter's role is to effectively deliver the opportunities and benefits of the different funding opportunities under the RDP to the general public and potential beneficiaries.

The MA plans to organise a number of activities related solely to Evaluation and also participate in other events, such as NRN meetings, to present evaluation findings.

Communication of Evaluation Results (see figures)

Communicating evaluation results was not given enough priority during the 2007 – 2013 period, therefore most stakeholders where not well acquainted with what the MA needs to submit to the Commission. As a result, several beneficiaries were reluctant to provide the information required, resulting in delays which could have been well avoided. Also, by disseminating the results of evaluation, the benefits, progress and success stories of the RDP can be appreciated by both the general public and the beneficiaries.

Target recipients

Evaluation findings can be rather technical for some audiences. Therefore, in order to communicate these results, various initiatives have to be taken and results have to be presented depending on the target audience.

Evaluation findings will be presented to the MC Members in the yearly meeting which is held prior to submission of the Annual Implementation Report to the Commission.

NRN Members, which include several farmers' representatives, will also be presented with evaluation findings in meetings held close to or after submission of the AIR in June. Evaluation findings presented shall be concise and less technical, adapted to the target audience. The NRN newsletter can also be used to communicate evaluation activities and findings. This newsletter is published periodically in Maltese and English by the MA. It is available for download from the MA website while printed versions are distributed during fairs, festivals and events from the MA stand.

Beneficiaries and the general public should also be presented with M&E findings. Such audience shall be presented with non-technical information.

Evaluation data should also be made available to Policy Makers to ensure that policy discussions and political decisions taken at ministerial levels are in line with actual findings.

Information Channels

The MA will make use of information and communication channels which have proved to be effective during the 2007 – 2013 period.

M&E findings were discussed during the annual MC meeting and also periodically during NRN meetings. This practice has been successful and has brought Evaluation information closer to important stakeholders influential in the rural development and agricultural sector. During the 2014 – 2020 period, such practices will again be adopted.

Television programmes proved to be a very effective means of communication and the MA aims to introduce dissemination of evaluation results through such channels. In the previous programming period, the MA has sponsored a number of features related to RDP implementation, highlighting a number of important projects and their impact on rural development. The MA shall consider dedicating a number of short features to evaluation, following the submission of the AIR to the Commission in June. Results will be presented in a non-technical form, which the general public can relate to.

The MA shall also consider the publication of information leaflets solely related to evaluation, to be published in mid-programme and at the end of the programme. This leaflet shall then be distributed by the MA to all relevant stakeholders, including the general public, beneficiaries, other government entities and NRN members.

Press releases and media events can also be used to promote the RDP and disseminate M&E findings. Such events can be planned in conjunction with MC Meetings and aimed mainly at the general public, through news and press coverage.

During the 2007 – 2013 programme, the Annual Progress Report was circulated internally within the MA and also within the PA. During the next programming period the MA shall summarise evaluation results and activities in the form of a short report which will be circulated independently. Additionally, this report might be circulated to other entities within the Ministry implementing the RDP, including the Agriculture Directorate, Office of the Permanent Secretary and various heads of units. This will strengthen the communication within other government entities which are somewhat related to policy making in agriculture and rural development.

The MA website has a page dedicated to M&E. During the next Programming Period, this section will be updated with Evaluation findings, aimed at the general public.

Follow-up

Increasing public awareness aims to increase the amount of feedback from the general public, policy makers and various stakeholders. Such feedback may be useful as part of programme implementation and may be used to steer the programme into the right direction, to ensure success in implementation and absorption of funds.

Any recommendations by external evaluators, PA and other actors, especially following the presentation of evaluation results during the MC meeting, will then be brought back to programme implementation through follow-up meetings with the parties concerned, ensuring the programme is led into the right direction.

The communication strategy shall be monitored annually, especially through the AIR.

Evaluation Milestone	What to Communicate	Recipient	Who Will Communicate	When	How
AIR 2014/2015	Outcomes of AIR, mainly evaluation of the application process, data availability	PA, MC, AD, NRN, LAGs, Policy Makers	MA (and evaluators)	May – November 2016	MC meeting, NRN meetings/newsletter, other informative evaluation brochures
Enhanced AIR 2016	Outcomes of AIR, mainly initial impact of the programme	PA, MC, AD, NRN, LAGs, Policy Makers	MA (and evaluators)	May – November 2017	MC meeting, NRN meetings/newsletter, other informative evaluation brochures
AIR 2017	Outcomes of AIR, mainly observations and analysis of implementation	PA, MC, AD, NRN, LAGs, Policy Makers	MA (and evaluators)	May – November 2018	MC meeting, NRN meetings/newsletter, other informative evaluation brochures
Enhanced AIR 2018	Outcomes of AIR, further analysis of the implementation process and impacts of funds	PA, MC, AD, NRN, LAGs, Policy Makers	MA (and evaluators)	May – November 2019	MC meeting, NRN meetings/newsletter, other informative evaluation brochures
AIR 2019	Outcomes of AIR, further analysis of the implementation process and impact of projects	PA, MC, AD, NRN, LAGs, Policy Makers	MA (and evaluators)	May – November 2020	MC meeting, NRN meetings/newsletter, other informative evaluation brochures
AIR 2020	Outcomes of AIR, further analysis of the implementation process and impact of projects	PA, MC, AD, NRN, LAGs, Policy Makers	MA (and evaluators)	May – November 2021	MC meeting, NRN meetings/newsletter, other informative evaluation brochures
AIR 2021	Outcomes of AIR, further analysis of the implementation process and impact of projects	PA, MC, AD, NRN, LAGs, Policy Makers	MA (and evaluators)	May – November 2022	MC meeting, NRN meetings/newsletter, other informative evaluation brochures
AIR 2023	Outcomes of AIR, further	PA, MC, AD, NRN,	MA (and evaluators)	May – November	MC meeting, NRN meetings/newsletter,

Communication of Evaluation Results

Target Audience	Info Needs	Timing	Channel
PA	Detailed summary of all evaluation results	In line with AIR and monitoring information and periodically, as required	Email, inter-departmental meetings, MC meeting
MC	Detailed summary of all evaluation results	In line with AIR and monitoring information and periodically, as required	Email, MC meeting
Policy Makers	Concise summary of evaluation results	In line with AIR and monitoring information and periodically, as required	Email, MC meeting, inter-ministerial presentations
General Public/ Beneficiaries	Concise summary of evaluation results	In line with AIR and monitoring information and periodically, as required	Press releases, information sessions, TV programmes, publications

Communication Strategy - Evaluation Results

9.7. Resources

Description of the resources needed and foreseen to implement the plan, including an indication of administrative capacity, data, financial resources, IT needs. Description of capacity building activities foreseen to ensure that the evaluation plan can be fully implemented.

Financial Resources

The Managing Authority must ensure that appropriate evaluation capacity is available within its ranks. Most activities related to Monitoring and Evaluation can be co-financed through Technical Assistance. The Monitoring and Evaluation needs must be proportionate to the needs detailed in the Evaluation Plan. Proportionality must be ensured, both financially and administratively.

The major expenses for Monitoring and Evaluation will be related to the engagement of ongoing and ex-post evaluators. Financial resources will also be required to train staff within the MA on Monitoring and Evaluation issues, in order to cover travel expenses, subsistence allowance and course fees.

Additional financial resources may include the ad hoc engagement of other specialists and/or consultants which the MA may require to supplement its staff during periods of high demand.

Throughout programme implementation, adjustments or upgrades might be required to align the IT systems

with MA requirements and this might require substantial financial resources.

Financial Resources will also be allocated towards the communication strategy for evaluation since it will require organisation of a number of activities.

Allocation of Financial Resources (see figures)

Most requirements related to Monitoring and Evaluation can be financed through Technical assistance:

- Administrative training and capacity building;
- Ongoing evaluation reports, expert reports, and other reports;
- Analysis, management, monitoring, exchange of information and programme implementation;
- Implementation of control systems, technical and administrative assistance;
- Installation, operation, interconnection and support of computerised systems for management, monitoring, audit, control and evaluation;
- Actions to improve evaluation methods and the exchange of information on evaluation practices between MAs.

Staff Resources

In order to implement this extensive Evaluation Plan, the MA might require additional human resources.

The Maltese Managing Authority consists of seven full time employees, including two senior managers in charge of coordinating activities within the Authority and six officers, each of whom carries out a number of tasks:

- Monitoring and Evaluation
- Axis 3 Implementation
- LEADER Support
- Technical Assistance
- Publicity and Information

The Managing Authority might require additional staff to cater for the implementation of the new programme, especially since there will be years in which the two programmes will be running in parallel to each other.

Capacity Building

The MA shall seek to allocate funds to ensure adequate training of the Monitoring and Evaluation team and ensure participation in thematic working groups, workshops, conferences, training courses and other meetings abroad. This will help the MA staff share experiences with other MSs and learn from their best practices.

The staff turnover at the Managing Authority has been quite high and as a consequence, knowledge and experience are not necessarily transferred wholly to the newly recruited officers. Therefore the MA must ensure that adequate continuous training is given to its staff.

	Description	Approximate Budget
Training	MA personnel will be required to attend several meetings and training sessions abroad. TA funds will be required to cover per diem allowance and possibly transportation.	€14,000 for each official, for a period of 7 years
Ongoing evaluation	Contracting of external evaluators to conduct ongoing evaluation and ex-post evaluation of the RDP.	€500,000
Communication Strategy	Implementation of an evaluation communication plan: printing of leaflets, purchasing airtime on TV, organisation of conferences etc.	€519,076
IT System upgrades/ data extraction	IT system might require upgrades during implementation of the programme. Funding might be required to remunerate IT officials who extract and/or analysed data from the system	€200,000
Other consultants	Additional evaluation processed might be required from time to time, requiring the services of additional consultant and/or evaluators.	€100,000

Allocation of Financial Resources

10. FINANCING PLAN

10.1. Annual EAFRD contributions in (€)

Types of regions and additional allocations	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
Article 59(3), point (b) of Regulation (EU) No 1305/2013 - All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	0.00	20,905,107.00	20,878,690.00	13,914,927.00	13,893,023.00	13,876,504.00	13,858,647.00	23,852,009.00	19,334,497.00	**140,513,404.00**
Total EAFRD (without EURI)	**0.00**	**20,905,107.00**	**20,878,690.00**	**13,914,927.00**	**13,893,023.00**	**13,876,504.00**	**13,858,647.00**	**23,852,009.00**	**19,334,497.00**	**140,513,404.00**
Out of which performance reserve (Article 20 of Regulation (EU) No 1303/2013)	**0.00**	**1,254,306.42**	**1,252,721.40**	**834,895.62**	**833,581.38**	**832,590.24**	**831,518.82**	**0.00**	**0.00**	**5,839,613.88**
Article 59(4)(ea) of Regulation (EU) No 1305/2013 - EURI(NGEU) / Operations receiving funding from additional resources referred to in Article 58a(1)								2,588,898.00	6,161,577.00	**8,750,475.00**

Total (EAFRD + EURI)		**20,905,107.00**	**20,878,690.00**	**13,914,927.00**	**13,893,023.00**	**13,876,504.00**	**13,858,647.00**	**26,440,907.00**	**25,496,074.00**	**149,263,879.00**

Total indicative amount for EAFRD and EURI of support envisaged for climate change objectives	**92,791,449.39**	Share of the total indicative amount for EAFRD and EURI of support envisaged for climate change objectives (%)	**62.17**
Total indicative amount, for EAFRD, of support envisaged for climate change objectives	**89,288,735.64**	Share of the total indicative amount, for EAFRD, of support envisaged for climate change objectives (%)	**63.54**
Total indicative amount, for EURI, of support envisaged for climate change objectives	**3,502,713.75**	Share of total indicative amount, for EURI, of support envisaged for climate change objectives (%)	**40.03**

EAFRD and EURI contribution for Art59(6)	**85,288,949.39**	Share of EAFRD and EURI contribution for Art59(6) (%)	**57.14**
Total EAFRD contribution for Art59(6)	**81,786,235.64**	Share of total EAFRD contribution for Art59(6) (%)	**58.21**
Total EURI contribution for Art59(6)	**3,502,713.75**	Share of total EURI contribution for Art59(6) (%)	**40.03**

RDP non-regression threshold (%)	**53.98**

Reg 2024/3242: EAFRD reallocated to measure 23 and to Art 18(1), point (b):	**0.00**	Reg 2024/3242 RDP non-regression threshold (%):	**53.98**

10.2. Single EAFRD contribution rate for all measures broken down by type of region as referred to in Article 59(3) of Regulation (EU) No 1305/2013

Article establishing the maximum contribution rate.	Applicable EAFRD Contribution Rate	Min applicable EAFRD cont. rate 2014-2022 (%)	Max applicable EAFRD cont. rate 2014-2022 (%)
Article 59(3), point (b) of Regulation (EU) No 1305/2013 - All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	75%	20%	75%

10.3. Breakdown by measure or type of operation with a specific EAFRD contribution rate (in € total period 2014-2022)

10.3.1. M01 - Knowledge transfer and information actions (art 14)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2022 (%)	Applicable EAFRD Contribution rate with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2022 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4), point (d) 2014-2022 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4), point (d) with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2022 (%)	Financial Instruments Indicative EAFRD amount 59(4)(d) 2014-2022 (€)	Total Union Contribution planned 2014-2022 (€)
Article 59(3), point (b) of Regulation (EU) No 1305/2013 - All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	Main	75%					412,500.00 (P4)
Total (EAFRD only) Total (EURI only) Total (EAFRD + EURI)						0.00 0.00 0.00	412,500.00 0.00 412,500.00

10.3.2. M02 - Advisory services, farm management and farm relief services (art 15)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2022 (%)	Applicable EAFRD Contribution rate with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2022 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4), point (d) 2014-2022 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4), point (d) with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2022 (%)	Financial Instruments Indicative EAFRD amount 59(4)(d) 2014-2022 (€)	Total Union Contribution planned 2014-2022 (€)
Article 59(3), point (b) of Regulation (EU) No 1305/2013 - All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	Main	75%					150,000.00 (P4)
Total (EAFRD only) Total (EURI only) Total (EAFRD + EURI)						0.00 0.00 0.00	150,000.00 0.00 150,000.00

10.3.3. M04 - Investments in physical assets (art 17)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2022 (%)	Applicable EAFRD Contribution rate with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2022 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4), point (d) 2014-2022 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4), point (d) with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2022 (%)	Financial Instruments Indicative EAFRD amount 59(4)(d) 2014-2022 (€)	Total Union Contribution planned 2014-2022 (€)
Article 59(3), point (b) of Regulation (EU) No 1305/2013 - All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	Main	75%					29,698,470.00 (2A) 4,466,250.00 (3A) 18,750,000.00 (P4) 32,360,280.00 (5A)
Article 59(3)(b) of Regulation (EU) No 1305/2013 - Article 59(4)(ea) of Regulation (EU) No 1305/2013 (EURI)NGEU - EURI(NGEU) / All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	Main	100%					4,812,761.25 (2A) 0.00 (3A) 0.00 (P4) 0.00 (5A)

Total (EAFRD only) Total (EURI only) Total (EAFRD + EURI)	0.00 0.00 0.00	85,275,000.00 4,812,761.25 90,087,761.25

Total Union contribution reserved for operations falling within the scope of (EU) No 1305/2013 Article 59(6) (€)	51,110,280.00

out of which EAFRD (€)	51,110,280.00

out of which EURI (€)	0.00

10.3.4. M06 - Farm and business development (art 19)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2022 (%)	Applicable EAFRD Contribution rate with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2022 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4), point (d) 2014-2022 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4), point (d) with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2022 (%)	Financial Instruments Indicative EAFRD amount 59(4)(d) 2014-2022 (€)	Total Union Contribution planned 2014-2022 (€)
Article 59(3), point (b) of Regulation (EU) No 1305/2013 - All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	Main	75%					4,672,500.00 (2B) 450,000.00 (6A)
Total (EAFRD only) Total (EURI only) Total (EAFRD + EURI)						0.00 0.00 0.00	5,122,500.00 0.00 5,122,500.00

10.3.5. M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2022 (%)	Applicable EAFRD Contribution rate with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2022 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4), point (d) 2014-2022 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4), point (d) with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2022 (%)	Financial Instruments Indicative EAFRD amount 59(4)(d) 2014-2022 (€)	Total Union Contribution planned 2014-2022 (€)
Article 59(3), point (b) of Regulation (EU) No 1305/2013 - All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	Main	75%					11,905,542.64 (5E)
Total (EAFRD only) Total (EURI only) Total (EAFRD + EURI)						0.00 0.00 0.00	11,905,542.64 0.00 11,905,542.64

10.3.6. M10 - Agri-environment-climate (art 28)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2022 (%)	Applicable EAFRD Contribution rate with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2022 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4), point (d) 2014-2022 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4), point (d) with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2022 (%)	Financial Instruments Indicative EAFRD amount 59(4)(d) 2014-2022 (€)	Total Union Contribution planned 2014-2022 (€)
Article 59(3), point (b) of Regulation (EU) No 1305/2013 - All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	Main	75%					3,446,250.00 (P4) 6,210,000.00 (5E)
Total (EAFRD only) Total (EURI only) Total (EAFRD + EURI)						0.00 0.00 0.00	9,656,250.00 0.00 9,656,250.00

10.3.7. M11 - Organic farming (art 29)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2022 (%)	Applicable EAFRD Contribution rate with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2022 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4), point (d) 2014-2022 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4), point (d) with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2022 (%)	Financial Instruments Indicative EAFRD amount 59(4)(d) 2014-2022 (€)	Total Union Contribution planned 2014-2022 (€)
Article 59(3), point (b) of Regulation (EU) No 1305/2013 - All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	Main	75%					12,233.00 (P4)
Total (EAFRD only) Total (EURI only) Total (EAFRD + EURI)						0.00 0.00 0.00	12,233.00 0.00 12,233.00

10.3.8. M13 - Payments to areas facing natural or other specific constraints (art 31)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2022 (%)	Applicable EAFRD Contribution rate with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2022 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4), point (d) 2014-2022 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4), point (d) with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2022 (%)	Financial Instruments Indicative EAFRD amount 59(4)(d) 2014-2022 (€)	Total Union Contribution planned 2014-2022 (€)
Article 59(3), point (b) of Regulation (EU) No 1305/2013 - All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	Main	75%					9,101,930.00 (P4)
Article 59(3)(b) of Regulation (EU) No 1305/2013 - Article 59(4)(ea) of Regulation (EU) No 1305/2013 (EURI)NGEU - EURI(NGEU) / All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	Main	100%					3,502,713.75 (P4)

Total (EAFRD only) Total (EURI only) Total (EAFRD + EURI)	0.00 0.00 0.00	9,101,930.00 3,502,713.75 12,604,643.75

10.3.9. M16 - Co-operation (art 35)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2022 (%)	Applicable EAFRD Contribution rate with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2022 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4), point (d) 2014-2022 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4), point (d) with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2022 (%)	Financial Instruments Indicative EAFRD amount 59(4)(d) 2014-2022 (€)	Total Union Contribution planned 2014-2022 (€)
Article 59(3), point (b) of Regulation (EU) No 1305/2013 - All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	Main	75%					558,000.00 (3A) 2,046,000.00 (P4) 2,046,000.00 (5C)
Total (EAFRD only) Total (EURI only) Total (EAFRD + EURI)						0.00 0.00 0.00	4,650,000.00 0.00 4,650,000.00

10.3.10. M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2022 (%)	Applicable EAFRD Contribution rate with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2022 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4), point (d) 2014-2022 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4), point (d) with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2022 (%)	Financial Instruments Indicative EAFRD amount 59(4)(d) 2014-2022 (€)	Total Union Contribution planned 2014-2022 (€)
Article 59(3), point (b) of Regulation (EU) No 1305/2013 - All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	Main	75%					7,120,000.00 (6B)
Total (EAFRD only) Total (EURI only) Total (EAFRD + EURI)						0.00 0.00 0.00	7,120,000.00 0.00 7,120,000.00

10.3.11. M20 - Technical assistance Member States (art 51-54)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2022 (%)	Applicable EAFRD Contribution rate with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2022 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4), point (d) 2014-2022 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4), point (d) with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2022 (%)	Financial Instruments Indicative EAFRD amount 59(4)(d) 2014-2022 (€)	Total Union Contribution planned 2014-2022 (€)
Article 59(3), point (b) of Regulation (EU) No 1305/2013 - All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	Main	75%					5,882,980.36
Article 59(3)(b) of Regulation (EU) No 1305/2013 - Article 59(4)(ea) of Regulation (EU) No 1305/2013 (EURI)NGEU - EURI(NGEU) / All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	Main	100%					435,000.00

Total (EAFRD only) Total (EURI only) Total (EAFRD + EURI)	0.00 0.00 0.00	5,882,980.36 435,000.00 6,317,980.36

10.3.12. M22 - Exceptional temporary support to farmers and SMEs particularly affected by the impact of Russia's invasion of Ukraine (39c)

Types of regions and additional allocations		Applicable EAFRD Contribution rate 2014-2022 (%)	Applicable EAFRD Contribution rate with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2022 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4), point (d) 2014-2022 (%)	Rate applicable to financial instruments under Managing Authority responsibility 59(4), point (d) with Article 59(4)(g) of Regulation (EU) No 1305/2013, 2014-2022 (%)	Financial Instruments Indicative EAFRD amount 59(4)(d) 2014-2022 (€)	Total Union Contribution planned 2014-2022 (€)
Article 59(3), point (b) of Regulation (EU) No 1305/2013 - All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	Main	75%					1,224,468.00 (2A)
Total (EAFRD only) Total (EURI only) Total (EAFRD + EURI)						0.00 0.00 0.00	1,224,468.00 0.00 1,224,468.00

10.4. Indicative breakdown by measure for each sub-programme

Thematic sub-programme name	Measure	Total Union Contribution planned 2014-2022 (EUR)

11. INDICATOR PLAN

11.1. Indicator Plan

11.1.1. P1: Fostering knowledge transfer and innovation in agriculture, forestry and rural areas

11.1.1.1. 1A) Fostering innovation, cooperation, and the development of the knowledge base in rural areas

Target indicator(s) 2014-2022

Target indicator name	Target value 2025
T1: percentage of expenditure under Articles 14, 15 and 35 of Regulation (EU) No 1305/2013 in relation to the total expenditure for the RDP (focus area 1A)	**3.54**
Total RDP planned public expenditures	196,101,680.33
Public expenditures (focus area 1A)	6,950,000.00

Planned output indicator(s) 2014-2022

Measure name	Indicator name	Value	Out of which financed by EURI
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	550,000.00	0.00
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	200,000.00	0.00
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	6,200,000.00	0.00

11.1.1.2. 1B) Strengthening the links between agriculture, food production and forestry and research and innovation, including for the purpose of improved environmental management and performance

Target indicator(s) 2014-2022

Target indicator name	Target value 2025
T2: Total number of cooperation operations supported under the cooperation measure (Article 35 of Regulation (EU) No 1305/2013) (groups, networks/clusters, pilot projects…) (focus area 1B)	**4.00**

Planned output indicator(s) 2014-2022

Measure name	Indicator name	Value	Out of which financed by EURI
M16 - Co-operation (art 35)	Nr of EIP operational groups to be supported (establishment and operation) (16.1)	0.00	0
M16 - Co-operation (art 35)	Nr of other cooperation operations (groups, networks/clusters, pilot projects…) (16.2 to 16.9)	4.00	0

11.1.1.3. 1C) Fostering lifelong learning and vocational training in the agricultural and forestry sectors

Target indicator(s) 2014-2022

Target indicator name	Target value 2025
T3: Total number of participants trained under Article 14 of Regulation (EU) No 1305/2013 (focus area 1C)	**1,500.00**

Planned output indicator(s) 2014-2022

Measure name	Indicator name	Value	Out of which financed by EURI
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nbr of participants in trainings	1,500.00	0.00

11.1.2. P2: Enhancing farm viability and competitiveness of all types of agriculture in all regions and promoting innovative farm technologies and the sustainable management of forests

11.1.2.1. 2A) Improving the economic performance of all farms and facilitating farm restructuring and modernisation, notably with a view to increasing market participation and orientation as well as agricultural diversification

Target indicator(s) 2014-2022

Target indicator name	Target value 2025
T4: percentage of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)	**1.79**
Number of agricultural holdings with RDP support for investments in restructuring or modernisation (focus area 2A)	224.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
17 Agricultural holdings (farms) - total	12,530.00

Planned output indicator(s) 2014-2022

Measure name	Indicator name	Value	Out of which financed by EURI
M04 - Investments in physical assets (art 17)	Nr of holdings supported for investment in agricultural holdings (4.1)	224.00	65.00
M04 - Investments in physical assets (art 17)	Total public expenditure for investments in infrastructure (4.3)	23,500,000.00	0
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	58,040,000.00	9,625,523.00
M04 - Investments in physical assets (art 17)	Total public expenditure € (4.1)	20,907,761.00	4,812,761.00
M04 - Investments in physical assets (art 17)	Total public expenditure €	39,595,000.00	4,812,761.00
M22 - Exceptional temporary support to farmers and SMEs particularly affected by the impact of Russia's invasion of Ukraine (39c)	Total public expenditure €	1,632,624.00	0
M22 - Exceptional temporary support to farmers and SMEs particularly affected by the impact of Russia's invasion of Ukraine (39c)	Nr of holdings supported	241.00	0

11.1.2.2. 2B) Facilitating the entry of adequately skilled farmers into the agricultural sector and, in particular, generational renewal

Target indicator(s) 2014-2022

Target indicator name	Target value 2025
T5: percentage of agricultural holdings with RDP supported business development plan/investments for young farmers (focus area 2B)	**0.71**
Number of agriculture holdings with RDP supported business development plan/investments for young farmers (focus area 2B)	89.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
17 Agricultural holdings (farms) - total	12,530.00

Planned output indicator(s) 2014-2022

Measure name	Indicator name	Value	Out of which financed by EURI
M06 - Farm and business development (art 19)	Nr of beneficiaries (holdings) receiving start up aid young farmers (6.1)	89.00	0
M06 - Farm and business development (art 19)	Nr of beneficiaries (holdings) receiving support for investments in non-agric activities in rural areas (6.4)	0.00	0
M06 - Farm and business development (art 19)	Nr of beneficiaries (holdings) receiving transfer payment (6.5)	0.00	0
M06 - Farm and business development (art 19)	Total investment € (public + private)	6,230,000.00	0
M06 - Farm and business development (art 19)	Total public expenditure € (6.1)	6,230,000.00	0
M06 - Farm and business development (art 19)	Total public expenditure €	6,230,000.00	0

11.1.3. P3: Promoting food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

11.1.3.1. 3A) Improving competitiveness of primary producers by better integrating them into the agri-food chain through quality schemes, adding value to agricultural products, promotion in local markets and short supply circuits, producer groups and inter-branch organisations

Target indicator(s) 2014-2022

Target indicator name	Target value 2025
T6: percentage of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations (focus area 3A)	**0.00**
Number agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations (focus area 3A)	0.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
17 Agricultural holdings (farms) - total	12,530.00

Planned output indicator(s) 2014-2022

Measure name	Indicator name	Value	Out of which financed by EURI
M04 - Investments in physical assets (art 17)	Nr of operations supported for investment (e.g. in agricultural holdings, in processing and marketing of ag. products) (4.1 and 4.2)	24.00	0
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	11,910,000.00	0
M04 - Investments in physical assets (art 17)	Total public expenditure €	5,955,000.00	0
M16 - Co-operation (art 35)	Nr of agricultural holdings participating in cooperation/local promotion among supply chain actors (16.4)	0.00	0
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	744,000.00	0

11.1.3.2. 3B) Supporting farm risk prevention and management

No measures have been selected in the strategy for this focus area.

11.1.4. P4: Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Agriculture

Planned output indicator(s) 2014-2022

Measure name	Indicator name	Value	Out of which financed by EURI
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Nbr of participants in trainings	1,500.00	0
M01 - Knowledge transfer and information actions (art 14)	Training/skills acquisition (1.1) - Total public for training/skills	550,000.00	0
M01 - Knowledge transfer and information actions (art 14)	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)	550,000.00	0
M02 - Advisory services, farm management and farm relief services (art 15)	Nr of beneficiaries advised (2.1)	450.00	0
M02 - Advisory services, farm management and farm relief services (art 15)	Total public expenditure € (2.1 to 2.3)	200,000.00	0
M04 - Investments in physical assets (art 17)	Nr of operations of support for non productive investment (4.4)	220.00	0
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	31,250,000.00	0
M04 - Investments in physical assets (art 17)	Total public expenditure €	25,000,000.00	0
M10 - Agri-environment-climate (art 28)	Area (ha) under agri-environment-climate (10.1)	671.10	0
M10 - Agri-environment-climate (art 28)	Public expenditure for genetic resources conservation (10.2)	875,000.00	0
M10 - Agri-environment-climate (art 28)	Total public expenditure (€)	4,595,000.00	0
M11 - Organic farming (art 29)	Area (ha) - convertion to organic farming (11.1)	3.60	0
M11 - Organic farming (art 29)	Area (ha) - maintainance of organic farming (11.2)	11.80	0
M11 - Organic farming (art 29)	Total public expenditure (€)	16,310.60	0
M13 - Payments to areas facing natural or other specific constraints (art 31)	Area (ha) - mountain areas (13.1)	0.00	0
M13 - Payments to areas facing natural or other specific constraints (art 31)	Area (ha) - other areas with significant NC (13.2)	0.00	0
M13 - Payments to areas facing natural or other specific constraints (art 31)	Area (ha) - areas with specific constraints (13.3)	8,700.00	0
M13 - Payments to areas facing natural or other specific constraints (art 31)	Total public expenditure (€)	15,638,620.00	3,502,714.00
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	2,728,000.00	0

Forest

No measures have been selected in the strategy for this focus area.

11.1.4.1. 4A) Restoring, preserving and enhancing biodiversity, including in Natura 2000 areas, and in areas facing natural or other specific constraints and high nature value farming, as well as the state of European landscapes

Agriculture

Target indicator(s) 2014-2022

Target indicator name	Target value 2025
T9: percentage of agricultural land under management contracts supporting biodiversity and/or landscapes (focus area 4A)	**6.17**
Agricultural land under management contracts supporting biodiversity and/or landscapes (ha) (focus area 4A)	706.80

Context Indicator used as denominator for the target

Context Indicator name	Base year value
18 Agricultural Area - total UAA	11,450.00

Forest

No measures have been selected in the strategy for this focus area.

11.1.4.2. 4B) Improving water management, including fertiliser and pesticide management

Agriculture

Target indicator(s) 2014-2022

Target indicator name	Target value 2025
T10: percentage of agricultural land under management contracts to improve water management (focus area 4B)	**2.98**
Agricultural land under management contracts to improve water management (ha) (focus area 4B)	341.10

Context Indicator used as denominator for the target

Context Indicator name	Base year value
18 Agricultural Area - total UAA	11,450.00

Forest

No measures have been selected in the strategy for this focus area.

11.1.4.3. 4C) Preventing soil erosion and improving soil management

Agriculture

Target indicator(s) 2014-2022

Target indicator name	Target value 2025
T12: percentage of agricultural land under management contracts to improve soil management and/or prevent soil erosion (focus area 4C)	**2.98**

Agricultural land under management contracts to improve soil management and/or prevent soil erosion (ha) (focus area 4C)	341.10

Context Indicator used as denominator for the target

Context Indicator name	Base year value
18 Agricultural Area - total UAA	11,450.00

Forest

No measures have been selected in the strategy for this focus area.

11.1.5. P5: Promoting resource efficiency and supporting the shift towards a low carbon and climate resilient economy in agriculture, food and forestry sectors

11.1.5.1. 5A) Increasing efficiency in water use by agriculture

Target indicator(s) 2014-2022

Target indicator name	Target value 2025
T14: percentage of irrigated land switching to more efficient irrigation system (focus area 5A)	**3.18**
Irrigated land switching to more efficient irrigation system (ha) (focus area 5A)	90.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
20 Irrigated Land - total	2,830.00

Planned output indicator(s) 2014-2022

Measure name	Indicator name	Value	Out of which financed by EURI
M04 - Investments in physical assets (art 17)	Nr of operations supported for investment (4.1, 4.3)	26.00	0
M04 - Investments in physical assets (art 17)	Area (ha) concerned by investments for saving water (e.g. more efficient irrigation systems…)	72.00	0
M04 - Investments in physical assets (art 17)	Total investment € (public + private)	49,130,000.00	0
M04 - Investments in physical assets (art 17)	Total public expenditure €	43,150,000.00	0

11.1.5.2. 5B) Increasing efficiency in energy use in agriculture and food processing

No measures have been selected in the strategy for this focus area.

11.1.5.3. 5C) Facilitating the supply and use of renewable sources of energy, of by products, wastes, residues and other non food raw material for the purposes of the bio-economy

Target indicator(s) 2014-2022

Target indicator name	Target value 2025
T16: Total investment in renewable energy production (€) (focus area 5C)	**0.00**

Planned output indicator(s) 2014-2022

Measure name	Indicator name	Value	Out of which financed by EURI
M16 - Co-operation (art 35)	Total public expenditure € (16.1 to 16.9)	2,728,000.00	0

11.1.5.4. 5D) Reducing green house gas and ammonia emissions from agriculture

No measures have been selected in the strategy for this focus area.

11.1.5.5. 5E) Fostering carbon conservation and sequestration in agriculture and forestry

Target indicator(s) 2014-2022

Target indicator name	Target value 2025
T19: percentage of agricultural and forest land under management contracts contributing to carbon sequestration and conservation (focus area 5E)	**5.31**
Agricultural and forest land under management to foster carbon sequestration/conservation (ha) (focus area 5E)	608.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
18 Agricultural Area - total UAA	11,450.00
29 Forest and other wooded land (FOWL) (000) - total	0.00

Planned output indicator(s) 2014-2022

Measure name	Indicator name	Value	Out of which financed by EURI
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Area (ha) to be afforested (establishment - 8.1)	0.00	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.1)	0.00	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Area (ha) to be established in agro-forestry systems (8.2)	0.00	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.2)	0.00	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.3)	0.00	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.4)	0.00	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.5)	15,874,058.00	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Nr of operations (investments improving resilience and value of forest ecosystems) (8.5)	3.00	0
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Total public expenditure (€) (8.6)	0.00	0
M10 - Agri-environment-climate (art 28)	Area (ha) under agri-environment-climate for carbon sequestration	608.00	0
M10 - Agri-environment-climate (art 28)	Total public expenditure (€)	8,280,000.00	0

11.1.6. P6: Promoting social inclusion, poverty reduction and economic development in rural areas

11.1.6.1. 6A) Facilitating diversification, creation and development of small enterprises, as well as job creation

Target indicator(s) 2014-2022

Target indicator name	Target value 2025
T20: Jobs created in supported projects (focus area 6A)	**7.50**

Planned output indicator(s) 2014-2022

Measure name	Indicator name	Value	Out of which financed by EURI
M06 - Farm and business development (art 19)	Nr of beneficiaries (holdings) receiving start up aid/support for investment in non-agric activities in rural areas (6.2 and 6.4)	4.00	0
M06 - Farm and business development (art 19)	Total investment € (public + private)	1,309,091.00	0
M06 - Farm and business development (art 19)	Total public expenditure €	600,000.00	0

11.1.6.2. 6B) Fostering local development in rural areas

Target indicator(s) 2014-2022

Target indicator name	Target value 2025
T21: percentage of rural population covered by local development strategies (focus area 6B)	**99.97**
Rural population covered by local development strategies (focus area 6B)	268,733.00
T22: percentage of rural population benefiting from improved services/infrastructures (focus area 6B)	**0.00**
T23: Jobs created in supported projects (Leader) (focus area 6B)	**4.50**
Net population benefiting from improved services	0.00

Context Indicator used as denominator for the target

Context Indicator name	Base year value
1 Population - total	417,432.00
1 Population - rural	64.40
1 Population - intermediate	0.00
1 Population - specific rural definition used for targets T21; T22 and T24 (if relevant)	0

Planned output indicator(s) 2014-2022

Measure name	Indicator name	Value	Out of which financed by EURI
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	Number of LAGs selected	3.00	0
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	Population covered by LAG	268,733.00	0
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	Total public expenditure (€) - preparatory support (19.1)	491,453.00	0
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	Total public expenditure (€) - support for implementation of operations under the CLLD strategy (19.2)	6,908,334.00	0
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	Total public expenditure (€) - preparation and implementation of cooperation activities of the local action group (19.3)	266,028.00	0
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	Total public expenditure (€) - support for running costs and animation (19.4)	1,827,517.91	0

11.1.6.3. 6C) Enhancing the accessibility, use and quality of information and communication technologies (ICT) in rural areas

No measures have been selected in the strategy for this focus area.

11.2. Overview of the planned output and planned expenditure by measure and by focus area (generated automatically)

Measures	Indicators	P2		P3		P4			P5					P6			Total
		2A	2B	3A	3B	4A	4B	4C	5A	5B	5C	5D	5E	6A	6B	6C	
M01	Training/skills acquisition (1.1) - Nbr of participants in trainings							1,500									1,500
	Training/skills acquisition (1.1) - Total public for training/skills							550,000									550,000
	Total public expenditure € (trainings, farm exchanges, demonstration) (1.1 to 1.3)							550,000									550,000
M02	Nr of beneficiaries advised (2.1)							450									450
	Total public expenditure € (2.1 to 2.3)							200,000									200,000
M04	Total investment € (public + private)	58,040,000		11,910,000				31,250,000	49,130,000								150,330,000
	Total public expenditure €	39,595,000		5,955,000				25,000,000	43,150,000								113,700,000
M06	Total investment € (public + private)		6,230,000											1,309,091			7,539,091
	Total public expenditure €		6,230,000											600,000			6,830,000
M08	Total public expenditure (€) (8.1)												0				0

	Total public expenditure (€) (8.2)										0				0
	Total public expenditure (€) (8.3)										0				0
	Total public expenditure (€) (8.4)										0				0
	Total public expenditure (€) (8.5)										15,874,058				15,874,058
	Total public expenditure (€) (8.6)										0				0
M10	Area (ha) under agri-environment-climate (10.1)					671									671
	Area (ha) under agri-environment-climate for carbon sequestration										608				608
	Total public expenditure (€)					4,595,000					8,280,000				12,875,000
M11	Area (ha) - convertion to organic farming (11.1)					4									4
	Area (ha) - maintainance of organic farming (11.2)					12									12
	Total public expenditure (€)					16,310.6									16,310.6
M13															0.00
															0.00
	Area (ha) - areas with specific constraints					8,700									8,700

	(13.3)														
	Total public expenditure (€)					15,638,620									15,638,620
M16	Nr of agricultural holdings participating in cooperation/local promotion among supply chain actors (16.4)			0											0
	Total public expenditure € (16.1 to 16.9)			744,000		2,728,000			2,728,000						6,200,000
M19	Number of LAGs selected												3		3
	Population covered by LAG												268,733		268,733
	Total public expenditure (€) - preparatory support (19.1)												491,453		491,453
	Total public expenditure (€) - support for implementation of operations under the CLLD strategy (19.2)												6,908,334		6,908,334
	Total public expenditure (€) - preparation and implementation of cooperation activities of the local action group (19.3)												266,028		266,028
	Total public expenditure (€) - support for running costs and animation (19.4)												1,827,517.91		1,827,517.91
M22	Total public expenditure €	1,632,624													1,632,624

	Nr of holdings supported	241													241

11.3. Secondary effects: identification of potential contributions of Rural Development measures/sub-measures programmed under a given focus area to other focus areas / targets

FA from IP	Measure	P1			P2		P3		P4			P5					P6		
		1A	1B	1C	2A	2B	3A	3B	4A	4B	4C	5A	5B	5C	5D	5E	6A	6B	6C
1A	M01 - Knowledge transfer and information actions (art 14)	**P**	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
	M02 - Advisory services, farm management and farm relief services (art 15)	**P**		X	X	X			X	X	X	X	X		X	X			
	M16 - Co-operation (art 35)	**P**	X	X			X		X		X	X		X			X	X	
1B	M16 - Co-operation (art 35)	X	**P**	X			X		X		X	X		X			X	X	
1C	M01 - Knowledge transfer and information actions (art 14)	X	X	**P**	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
2A	M04 - Investments in physical assets (art 17)		X		**P**	X	X		X	X	X	X	X	X	X				
	M22 - Exceptional temporary support to farmers and SMEs particularly affected by the impact of Russia's invasion of Ukraine				**P**														

	(39c)																	
2B	M06 - Farm and business development (art 19)				X	**P**							X			X		
3A	M04 - Investments in physical assets (art 17)		X		X	X	**P**		X	X	X	X	X	X	X			
	M16 - Co-operation (art 35)	X	X	X			**P**		X		X	X		X			X	X
5A	M04 - Investments in physical assets (art 17)		X		X	X	X		X	X	X	**P**	X	X	X			
5C	M16 - Co-operation (art 35)	X	X	X			X		X		X	X		**P**			X	X
5E	M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)															**P**		
	M10 - Agri-environment-climate (art 28)								X	X	X					**P**		
6A	M06 - Farm and business development (art 19)				X	X								X			**P**	
6B	M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)																	**P**

P4 (AGRI)	M01 - Knowledge transfer and information actions (art 14)								**P**	**P**	**P**								
	M02 - Advisory services, farm management and farm relief services (art 15)								**P**	**P**	**P**								
	M04 - Investments in physical assets (art 17)		X		X	X	X		**P**	**P**	**P**	X	X	X	X				
	M10 - Agri-environment-climate (art 28)								**P**	**P**	**P**					X			
	M11 - Organic farming (art 29)						X		**P**	**P**	**P**								
	M13 - Payments to areas facing natural or other specific constraints (art 31)								**P**	**P**	**P**								
	M16 - Co-operation (art 35)	X	X	X			X		**P**	**P**	**P**	X		X			X	X	

11.4. Support table to show how environmental measure/schemes are programmed to achieve one (or more) environment/climate targets

11.4.1. Agricultural Land

11.4.1.1. M10 - Agri-environment-climate (art 28)

Type of operation or group of type of operation	AECM typology	Total expenditure (EUR)	Total area (ha) by measure or type of operations	Biodiversity FA 4A	Water management FA 4B	Soil management FA 4C	Reducing GHG and ammonia emissions FA 5D	Carbon sequestration/conservation FA 5E
AECM6 - Integration and maintenance of autochthonous Maltese species	Others	299,625.00		X				
AECM5 - implementingIntroduction and implementation of soil management and conservation plans for whole holdings	Soil cover, ploughing techniques, low tillage, Conservation agriculture	3,682,303.67	326.80	X		X		X
AECM4 - Implementing integrated pest management plans for vineyards and orchards	Better management, reduction of mineral fertilizers and pesticides (inclus. Integrated production)	1,726,500.00	230.80	X	X	X	X	X
AECM2 - Maintenance of recommended tree species replacing Alien Species or planted on slopes and terraces to prevent soil and wind erosion	Creation, upkeep of ecological features (e.g. field margins, buffer areas, flower strips, hedgerows, trees)	177,627.00	50.60	X				X

AECM1 - Using mechanical control (rather than herbicides) for weeds in permanent crop production systems	Others	312,603.00	63.50	X	X	X		
AECM3 - Support for introduction and management of bee boxes on holdings to improve pollination	Others	375,000.00		X				

11.4.1.2. M11 - Organic farming (art 29)

Submeasure	Total expenditure (EUR)	Total area (ha) by measure or type of operations	Biodiversity FA 4A	Water management FA 4B	Soil management FA 4C	Reducing GHG and ammonia emissions FA 5D	Carbon sequestration/conservation FA 5E
11.1 - payment to convert to organic farming practices and methods	2,016.19	3.60	X				
11.2 - payment to maintain organic farming practices and methods	14,294.41	11.80	X				

11.4.1.3. M12 - Natura 2000 and Water Framework Directive payments (art 30)

Submeasure	Total expenditure (EUR)	Total area (ha) by measure or type of operations	Biodiversity FA 4A	Water management FA 4B	Soil management FA 4C	Reducing GHG and ammonia emissions FA 5D	Carbon sequestration/conservation FA 5E
12.3 - compensation payment for agricultural areas included in river basin management plans	0.00						
12.1 - compensation payment for Natura 2000 agricultural	0.00						

areas							

11.4.1.4. M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)

Submeasure	Total expenditure (EUR)	Total area (ha) by measure or type of operations	Biodiversity FA 4A	Water management FA 4B	Soil management FA 4C	Reducing GHG and ammonia emissions FA 5D	Carbon sequestration/conservation FA 5E
8.2 - support for establishment and maintenance of agro-forestry systems	0.00						
8.1 - support for afforestation/creation of woodland	0.00						

11.4.2. Forest areas

11.4.2.1. M15 - Forest environmental and climate services and forest conservation (art 34)

Type of operation or group of type of operation	Total expenditure (EUR)	Total area (ha) by measure or type of operations	Biodiversity FA 4A	Water management FA 4B	Soil management FA 4C

11.4.2.2. M12 - Natura 2000 and Water Framework Directive payments (art 30)

Submeasure	Total expenditure (EUR)	Total area (ha) by measure or type of operations	Biodiversity FA 4A	Water management FA 4B	Soil management FA 4C
12.2 - compensation payment for Natura 2000 forest areas	0.00				

11.4.2.3. M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)

Submeasure	Total expenditure (EUR)	Total area (ha) by measure or type of operations	Biodiversity FA 4A	Water management FA 4B	Soil management FA 4C
8.5 - support for investments improving the resilience and environmental value of forest ecosystems	5,400,000.00	1,990.00	X		

11.5. Programme-Specific Target and Output

Specific Target indicator(s)

Code	Target indicator name	Focus Area	Target value 2025	Unit
T6B	Nr of operations supported under M4.2 contributing to FA3A (M4.2)	3A	19.00	operations

Specific Output indicator(s)

Code	Output Indicator Name	Measure	Focus Area	Planned output	out of which EURI	Unit

12. ADDITIONAL NATIONAL FINANCING

For measures and operations falling within the scope of Article 42 of the Treaty, a table on additional national financing per measure in accordance with Article 82 of Regulation (EU) No 1305/2013, including the amounts per measure and indication of compliance with the criteria under RD regulation.

Measure	Additional National Financing during the period 2014-2022 (€)
M01 - Knowledge transfer and information actions (art 14)	0.00
M02 - Advisory services, farm management and farm relief services (art 15)	0.00
M04 - Investments in physical assets (art 17)	0.00
M06 - Farm and business development (art 19)	0.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	0.00
M10 - Agri-environment-climate (art 28)	0.00
M11 - Organic farming (art 29)	0.00
M13 - Payments to areas facing natural or other specific constraints (art 31)	0.00
M16 - Co-operation (art 35)	0.00
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	0.00
M20 - Technical assistance Member States (art 51-54)	0.00
M22 - Exceptional temporary support to farmers and SMEs particularly affected by the impact of Russia's invasion of Ukraine (39c)	0.00
Total	0.00

12.1. M01 - Knowledge transfer and information actions (art 14)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

NA

12.2. M02 - Advisory services, farm management and farm relief services (art 15)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

NA

12.3. M04 - Investments in physical assets (art 17)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

NA

12.4. M06 - Farm and business development (art 19)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

NA

12.5. M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

NA

12.6. M10 - Agri-environment-climate (art 28)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

NA

12.7. M11 - Organic farming (art 29)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

NA

12.8. M13 - Payments to areas facing natural or other specific constraints (art 31)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

NA

12.9. M16 - Co-operation (art 35)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

NA

12.10. M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

NA

12.11. M22 - Exceptional temporary support to farmers and SMEs particularly affected by the impact of Russia's invasion of Ukraine (39c)

Indication of compliance of the operations with the criteria under Regulation (EU) No 1305/2013

N/A

13. ELEMENTS NEEDED FOR STATE AID ASSESMENT

For the measures and operations which fall outside the scope of Article 42 of the Treaty, the table of aid schemes falling under Article 81(1) of Regulation (EU) No 1305/2013 to be used for the implementation of the programmes, including the title of the aid scheme, as well as the EAFRD contribution, national cofinancing and additional national funding. Compatibility with Union State aid rules must be ensured over the entire duration of the programme.

The table shall be accompanied by a commitment from the Member State that, where required under State aid rules or under specific conditions in a State aid approval decision, such measures will be notified individually pursuant to Article 108(3) of the Treaty.

Measure	Title of the aid scheme	EAFRD (€)	National Cofinancing (€)	Additional National Funding (€)	Total (€)
M01 - Knowledge transfer and information actions (art 14)	Knowledge transfer and information actions	412,500.00	137,500.00		550,000.00
M02 - Advisory services, farm management and farm relief services (art 15)	Advisory services, farm management and farm relief services	150,000.00	50,000.00		200,000.00
M04 - Investments in physical assets (art 17)	Investments in physical assets	85,275,000.00	28,425,000.00		113,700,000.00
M06 - Farm and business development (art 19)	Farm and business development	5,122,500.00	1,707,500.00		6,830,000.00
M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	Investments in forest area development and improvement of the viability of forests	11,905,543.55	3,968,514.52		15,874,058.07
M16 - Co-operation (art 35)	Co-operation	4,650,000.00	1,550,000.00		6,200,000.00
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	Support for LEADER local development	7,120,000.00	2,373,333.33		9,493,333.33
M22 - Exceptional temporary support to farmers and SMEs particularly affected by the impact of Russia's invasion of Ukraine (39c)	Exceptional temporary support to farmers and SMEs particularly affected by the impact of Russia's invasion of Ukraine (art 39c)	1,224,467.83	408,155.94		1,632,623.77
Total (€)		**115,860,011.38**	**38,620,003.79**	**0.00**	**154,480,015.17**

13.1. M01 - Knowledge transfer and information actions (art 14)

Title of the aid scheme: Knowledge transfer and information actions

EAFRD (€): 412,500.00

National Cofinancing (€): 137,500.00

Additional National Funding (€):

Total (€): 550,000.00

13.1.1.1. Indication:*

1.1 – Support for vocational training and skill acquisition actions

For the above sub-measure State Aid clearance will be requested on the basis of Commission Regulation (EU) No 702/2014 of 25th June 2014 declaring certain categories of aid in the agricultural and forestry sector and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union and repealing Commission Regulation (EC) 1857/2006. In the meantime aid will be granted in line with Commission Regulation (EU) No 2831/2023 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid, as amended.

In all other cases where State aid rules are applicable under this measure, aid is granted in line with Commission Regulation (EU) No 2831/2023 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid, as amended, until it is State aid cleared through a notification or an exemption from notification.

13.2. M02 - Advisory services, farm management and farm relief services (art 15)

Title of the aid scheme: Advisory services, farm management and farm relief services

EAFRD (€): 150,000.00

National Cofinancing (€): 50,000.00

Additional National Funding (€):

Total (€): 200,000.00

13.2.1.1. Indication:*

2.1 - Support to help benefitting from the use of advisory services

For the above sub-measure State Aid clearance will be requested on the basis of Commission Regulation (EU) No 702/2014 of 25th June 2014 declaring certain categories of aid in the agricultural and forestry

sector and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union and repealing Commission Regulation (EC) 1857/2006. In the meantime aid will be granted in line with Commission Regulation (EU) No 2831/2023 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid, as amended.

In all other cases where State aid rules are applicable under this measure, aid is granted in line with Commission Regulation (EU) No 2831/2023 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid, as amended, until it is State aid cleared through a notification or an exemption from notification.

13.3. M04 - Investments in physical assets (art 17)

Title of the aid scheme: Investments in physical assets

EAFRD (€): 85,275,000.00

National Cofinancing (€): 28,425,000.00

Additional National Funding (€):

Total (€): 113,700,000.00

13.3.1.1. Indication:*

4.3 – Support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry

4.4 - Support for non-productive investments linked to the achievement of agri-environment-climate objectives

For the above sub-measures State Aid clearance will be requested on the basis of Commission Regulation (EU) No 702/2014 of 25th June 2014 declaring certain categories of aid in the agricultural and forestry sector and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union and repealing Commission Regulation (EC) 1857/2006. In the meantime aid will be granted in line with Commission Regulation (EU) No 2831/2023 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid, as amended.

In all other cases where State aid rules are applicable under this measure, aid is granted in line with Commission Regulation (EU) No 2831/2023 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid, as amended, until it is State aid cleared through a notification or an exemption from notification.

13.4. M06 - Farm and business development (art 19)

Title of the aid scheme: Farm and business development

EAFRD (€): 5,122,500.00

National Cofinancing (€): 1,707,500.00

Additional National Funding (€):

Total (€): 6,830,000.00

13.4.1.1. Indication:*

6.4 - Support for investments in creation and development of non-agricultural activities

The above sub-measure will be financed in accordance with Commission Regulation (EU) No 2831/2023of 13th December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid.

13.5. M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)

Title of the aid scheme: Investments in forest area development and improvement of the viability of forests

EAFRD (€): 11,905,543.55

National Cofinancing (€): 3,968,514.52

Additional National Funding (€):

Total (€): 15,874,058.07

13.5.1.1. Indication:*

8.5 – Support for investments improving the resilience and environmental value of forest ecosystems

For the above sub-measure State Aid clearance will be requested on the basis of Commission Regulation (EU) No 702/2014 of 25th June 2014 declaring certain categories of aid in the agricultural and forestry sector and in rural areas compatible with the internal market in application of Articles 107 and 108 of the Treaty on the Functioning of the European Union and repealing Commission Regulation (EC) 1857/2006. In the meantime aid will be granted in line with Commission Regulation (EU) No 2831/2023 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid, as amended.

In all other cases where State aid rules are applicable under this measure, aid is granted in line with Commission Regulation (EU) No 2831/2023 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid, as amended, until it is

State aid cleared through a notification or an exemption from notification.

13.6. M16 - Co-operation (art 35)

Title of the aid scheme: Co-operation

EAFRD (€): 4,650,000.00

National Cofinancing (€): 1,550,000.00

Additional National Funding (€):

Total (€): 6,200,000.00

13.6.1.1. Indication:*

16.2 - Support for pilot projects and for the development of new products, practices, processes and technologies

For the above sub-measure State Aid clearance will be on the basis of the 2014 European Union Guidelines for State aid in the Agricultural and Forestry Sectors and in Rural Areas. In the meantime aid will be granted in line with Commission Regulation (EU) No 2831/2023 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid, as amended.

In all other cases where State aid rules are applicable under this measure, aid is granted in line with Commission Regulation (EU) No 2831/2023 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid, as amended, until it is State aid cleared through a notification or an exemption from notification.

13.7. M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)

Title of the aid scheme: Support for LEADER local development

EAFRD (€): 7,120,000.00

National Cofinancing (€): 2,373,333.33

Additional National Funding (€):

Total (€): 9,493,333.33

13.7.1.1. Indication:*

19.2 - Support for implementation of operations under the CLLD strategy

19.3 - Preparation and implementation of cooperation activities of the local action group

State aid clearance will be sought if and as necessary following approval of each respective Local Development Strategy.

19.4 – Support for running costs and animation

For the above sub-measure State Aid clearance will be requested on the basis of Commission Regulation (EU) No 2831/2023 of 13th December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid

13.8. M22 - Exceptional temporary support to farmers and SMEs particularly affected by the impact of Russia's invasion of Ukraine (39c)

Title of the aid scheme: Exceptional temporary support to farmers and SMEs particularly affected by the impact of Russia's invasion of Ukraine (art 39c)

EAFRD (€): 1,224,467.83

National Cofinancing (€): 408,155.94

Additional National Funding (€):

Total (€): 1,632,623.77

13.8.1.1. Indication:*

Not Applicable

14. INFORMATION ON COMPLEMENTARITY

14.1. Description of means for the complementarity and coherence with:

14.1.1. Other Union instruments and, in particular with ESI Funds and Pillar 1, including greening, and other instruments of the common agricultural policy

With the new regulatory framework for 2014-2020 MS are required to draft a Partnership Agreement setting out their development objectives and how these will be addressed through investments from ESI Funds.

The RDP compliments other ESI Funds geared towards enhancing Malta's competitiveness and quality of life. Through the RDP and the other Fund-specific missions, Government will continue to enhance environmental sustainability, social wellbeing and a healthy society whilst fostering competitiveness through economic development and job creation.

The main focus will be to consolidate and build on gains achieved to date. The next programming period presents an opportunity for the economy to continue fostering the right environment for economic growth and job creation. Three main Funding Priorities will serve as the main overarching objectives for the 2014-2020 programming period:

a) Fostering competitiveness through innovation and the creation of a business-friendly environment;

b) Sustaining an environmentally-friendly and resource-efficient economy; and

c) Creating opportunities through investment in human capital and improving health and wellbeing.

The figure below illustrates the inter-linkages between the funding priorities identified above and the eleven Thematic Objectives outlined in Article 9 of the CPR.

The Inter-linkages between the funding priorities identified above and the eleven Thematic Objectives outlined in Article 9 of the CPR (see figures)

Management of Programmes

The programmes for the Structural and Cohesion Funds, the EMFF and the EAFRD are coordinated and managed by the Planning and Priorities Coordination Division (for the Structural and Cohesion Funds) and the Funds and Programmes Division (for the EMFF and the EAFRD and the Territorial Cooperation Programmes), both within the Ministry for European Affairs and Equality. The centralised system, which is in place for the implementation of the ESI Funds and other funding initiatives (including the Connecting Europe Facility), ensures coordination at the national level of the different programmes and related initiatives. This approach also minimises the risk of duplication of efforts.

Coordination and Complementarity between ESI funds and other Union and National funding instruments

Coordination between ESI funds and other Union and relevant National funding instruments, will be assured through the coordination mechanisms which have been set up during the 2007-2013 programming period. These coordination mechanisms will be maintained and, where necessary, optimised in order to facilitate synergies between the different operational programmes, while at the same time avoiding unnecessary duplication of effort.

For the 2014-2020 programming period, coordination between the ESI Funds and other Union and National funding instruments will be ensured through the framework of the Inter Ministerial Coordination Committee (IMCC) already set up under the 2014-2020 period. As necessary, the existing structures of the IMCC will be optimised to take account of the different Union instruments that will be launched in the 2014-2020 period.

The aim of the IMCC is to maximise resources whilst reducing the risk of overlap and duplication of effort by providing the necessary direction on the complementarity between different funds and programmes, undertaking ad hoc consultation where potential overlaps are identified and exchanging information about any changes required to the individual programmes which may have an impact on other programmes. The IMCC also serves the role of a forum for the sharing of knowledge of any new funds.

The IMCC is expected to meet on a bi-annual basis. Members on the IMCC include representatives from the managing authorities, the intermediate bodies, national contact points for the European Territorial Cooperation programmes, responsible authorities for the migration and asylum programmes and national contact points for community programmes, such as LIFE+ and Horizon2020. Other ad hoc technical experts, to cover also the Common Agricultural Policy's 1st and 2nd pillar initiatives, may also participate in IMCC meetings so as to give clarifications and presentations on particular issues which might be required. If the need arises, the IMCC may also decide to appoint ad hoc sub-committees to deal with issues of a very specific nature.

The areas of intervention where ESI funds will be used in a complementary manner include, amongst others:

- Research, development and innovation (e.g. interventions in RTD infrastructure will be complemented by training initiatives, such as post-doctoral programmes);
- Social inclusion (including investment in an integrated approach aimed at fostering economic growth and creating new jobs);
- Climate change (infrastructural initiatives for mitigation and adaptation will be complemented by research and training);
- Transport (measures to minimise the impact of transport on climate change, underpinned by the necessary infrastructure, will be introduced),

Infrastructural and research investments carried out through the ERDF and CF will be complemented by softer measures aimed at strengthening the knowledge and job creation within the various sectors. For this reason complementary measures under the ESF are envisaged in the area of research and innovation and in the ICT sector. With respect to EAFRD support aimed at stimulating and creating better linkages between research and farming practice, knowledge transfer and development will be mainly addressed through actions under the new EIP and cooperation measures. These will address areas such as support for pilot

projects, development of new products, practices, processes and technologies in agriculture.

Infrastructural investments and financial support will also be complemented by measures fostering entrepreneurship at a societal and education level through ESF actions. Complementary capacity building interventions are planned in order to strengthen the knowledge and skills base in the low carbon economy while fostering green job creation. Under sustainable urban development the implementation of complementary soft measures is also required in order to address holistically the needs and challenges of families living in identified urban areas. Similarly, infrastructural investment through the ERDF in the health and social sectors will be complemented by ESF measures ensuring integrated interventions towards vulnerable target groups. ERDF investments in education will also be complemented by ESF measures to address challenges posed by early school leavers and a low participation level in tertiary education.

The funding priorities for the ERDF and CF will seek to complement Malta's priority areas within the Rural Development Programme for 2014-2020. Complementary actions are envisaged in the following areas:

- Water management, with a focus on mitigating agricultural impact on water resource management, promoting the harvesting of rainwater, conservation and rehabilitation of valley systems and the provision of alternative sources of water;

- Waste management, mainly by transforming animal waste into bio-energy, and generating energy from renewable sources;

- Shifting towards a lower carbon based economy through measures with the aim of improving production efficiency.

Complementarity between EAFRD, ERDF and CF is also being envisaged through actions aimed at conserving and protecting the natural capital and improving the sustainability of rural communities through rural, cultural and tourism activities that contribute towards enhanced quality of life and the economy of rural areas.

Interventions carried out under the ESF will also seek to complement Malta's priorities under the EAFRD and EMFF programmes. It is planned that complementary actions will be carried out in the valorisation of human capital, particularly to support research capacity for the development of research in various sectors, including water and waste management, and other related technologies. Complementarity is also envisaged with regards promoting training in sectors in order to sustain the rural and fisheries economy. EAFRD will provide support in specialised ICT skills which are required specifically by farmers, mainly through training programmes regarding the use and application of specialised software for herd management, milk recording, breeding and selection programmes, feed mix and rationalisation, nutrient management, crop planning and landscape management, and agronomic practices.

Measures financed by other common agricultural policy instruments or other instruments in the sectors listed in Annex I to this Regulation

Initiatives under the first pillar of the Common Agricultural Policy will seek to complement rural development measures implemented under the EAFRD. First pillar interventions under CAP will in fact provide direct income support to farmers through greening payments that will be directed towards agricultural practices that are beneficial for the climate and the environment. These greening measures may

include crop diversification, permanent grassland and ecological focus areas. These initiatives will, amongst others, aim to encourage farmers to protect and enhance the environment of their farmland. Malta has typical characteristics with regards to small farms, where the majority of small farmers applying for aid under the Single Payment Scheme account for around 5,000 farmers who cultivate holdings less than 2ha in size. Micro and small farmers receive low-value entitlements under Pillar I notwithstanding that they are still obliged to respect the same obligations as larger farmers. The EAFRD will complement the greening payments provided under Pillar I through the agri-environmental-climate measures, organic farming and areas with natural constraints which on their part compensate farmers to adopt an environmental service.

Direct Payments

Malta intends to implement measures under Pillar I from January 2015. New Pillar I direct payments support package will replace the current Single Payment Scheme (SPS). The direct payments support package is expected to contribute approx. €5 million to the Maltese economy each year, between 1st January 2015 and end 2019. Pillar I will be implemented using various options under Regulation (EU) No. 1307/2013.

Access to Direct Payments

In order to meet Direct Payments objectives Malta classified farmers as follows:

- Micro-farmers: farmers possessing a holding of less than 0.3ha, considered less economically viable.
- Small farmers: farmers having a holding of between 0.3ha and 3ha, but who are entitled for less than €1250.
- Large farmer: farmers having a holding of more than 3ha which are entitled for more than €1250 of direct payments.

Micro-farmers will be excluded from receiving support under Pillar I in order to ensure that income support is granted to small and large farmers, who are more likely to be active farmers.

Voluntary Coupled Support

Malta intends to continue providing support to the dairy, beef, sheep and tomatoes for processing sectors with approximately the same amount of aid that these farmers have been receiving under the current programme. Although various schemes are available under this support system, the Voluntary Coupled aid has been considered as the only solution to support specific sectors facing constraints/ difficulties. Malta will be allocating the maximum limit permissible by the Regulation (€3million/year).

Young Farmers Scheme

The new direct payments regime gives priority to young farmers both in terms of the allocation of entitlements from the National Reserve as well as providing for an additional payment through the Young Farmers Scheme. The Young Farmers Scheme and the National Reserve share the same definition of young farmer. Persons who qualify as young farmers but who do not hold entitlements or hold entitlements below the National Reserve average will be eligible for an allocation of entitlements from the National Reserve and will then also receive the payment under the Young Farmers Scheme.

The highest payment rate that young farmers may receive is an additional 25% of the value of the payment entitlements. Given the characteristics of Maltese agriculture coupled with small farm holdings, the payment for young farmers will be relatively insignificant and will not incentivise young farmers to continue or start farming.

Small Farmers Scheme

Malta has typical characteristics with regards to small farms, where most of all small farmers applying for aid under the Single Payment Scheme account for around 5,000 who cultivate holdings less than 2ha in size. Micro and small farmers receive low-value entitlements under Pillar I but are still obliged to respect same obligations as larger farmers. However, small farms play an important role in developing further the existing opportunities in local markets and in the preservation of the local agricultural landscape.

The amount of the annual payment for each farmer participating in the small farmers' scheme cannot be higher than an amount fixed by the MS, and must be between €500 and €1,250. Malta, in accordance with Article 63(3) of Regulation (EU) No. 1307/2013, has been granted a derogation and the threshold was lowered to €50.

Malta intends to implement the Small Farmers Scheme applying the provisions of Article 62(2) and consider all farmers having a holding of more than 0.3ha, but receiving a payment of not more than €1250, to be part of the scheme.

Fruit and Vegetables Sector

The Trade Mechanisms Unit (Paying Agency) handles measures related to the Common Market Organisation and aid to Producer Organisations (POs) relevant to Market Intervention. In this regard, there is no risk of double funding through Market Intervention measures, and the Agriculture Directorate in Malta does not implement support structures that offer financial reimbursement to beneficiaries.

A PO Board Mechanism is enshrined in a formal Legal Notice which mandates the scrutiny of POs to representatives from both the Competent Authority as well as the Paying Agency, among other things to ensure that no risk of funding overlap with other measures exists. Any measures which a PO applies for under the RDP will be cross-checked with the Competent Authority beforehand in order to ensure that the RDP envisages the POs activity in pursuing the relevant objective while excluding actions that may create double-funding risks.

National Apiculture Scheme

The Agriculture and Rural Payments Agency provides aid to registered beekeepers for the purchase of books, to attend seminars and to cover costs for other training material related to the Apiculture Sector. Aid is also granted to beekeepers for control actions in response to the Varroa disease, purchase of equipment required for transportation of bee hives from one location to another and costs incurred for physio-chemical analysis of honey samples. Another incentive provided to beekeepers is to purchase queen bees/queen rearing equipment and purchasing of bee colonies. Associations of beekeepers are eligible to apply under Article 55(d) of Regulation (EU) 1308/2013 under which they may benefit from support for research actions concerning apiculture.

Malta's RDP will not provide the same support outlined above to beekeepers but will be complementary in providing beekeepers with support for the maintenance of active beeboxes on agricultural land (through agri-environment-climate measure 3). In this regard, there is no risk of overlap or double-funding for beekeepers.

Payments for Agricultural Practices Beneficial for the Climate and the Environment

Payments for agriculture practices beneficial for the climate and the environment ("Greening" payments) form an integral part of the CAP post-2013. Farmers who participate in the Basic Payment Scheme must implement the three standard greening measures:

- Crop diversification;

- Permanent grassland;

- Ecological Focus Area (EFA).

The greening element financial package amounts to €1.57 million per year. Greening payments will be issued to all farmers (even those falling under the SFS). In accordance with Article 43 of Regulation (EU) No. 1307/2013 MS may adopt the equivalent practices instead of obliging farmers to go for greening obligations but Malta does not intend to adopt these provisions.

Pillar II payments will complement the Greening payments provided under Pillar I through the provisions of Article 28 "Agri-environmental-climate", and Article 29 "Organic farming" of Regulation (EU) 1305/2013. Environmental and climate payments should encourage farmers to protect and enhance the environment on their land by paying them for the provision of environmental services.

NB. Malta will be implementing the greening measure as per the attached document entitled "Ecological Focus Areas"

Producer Cooperation

Measures to facilitate producer cooperation under both Pillars of CAP should boost the competitiveness of farming by reducing costs, improving access to credit and adding value to the primary sector. The reinforced

legal framework for Producer Organisations under Pillar I is backed by financial incentives under Pillar II.

Instruments under Pillar II which enhance competiveness at farm level include restructuring and modernisation measures and start-up aid for young farmers. Additionally, there is focus on bridging the gap between science and practice via the Farm Advisory System and training and innovation programmes.

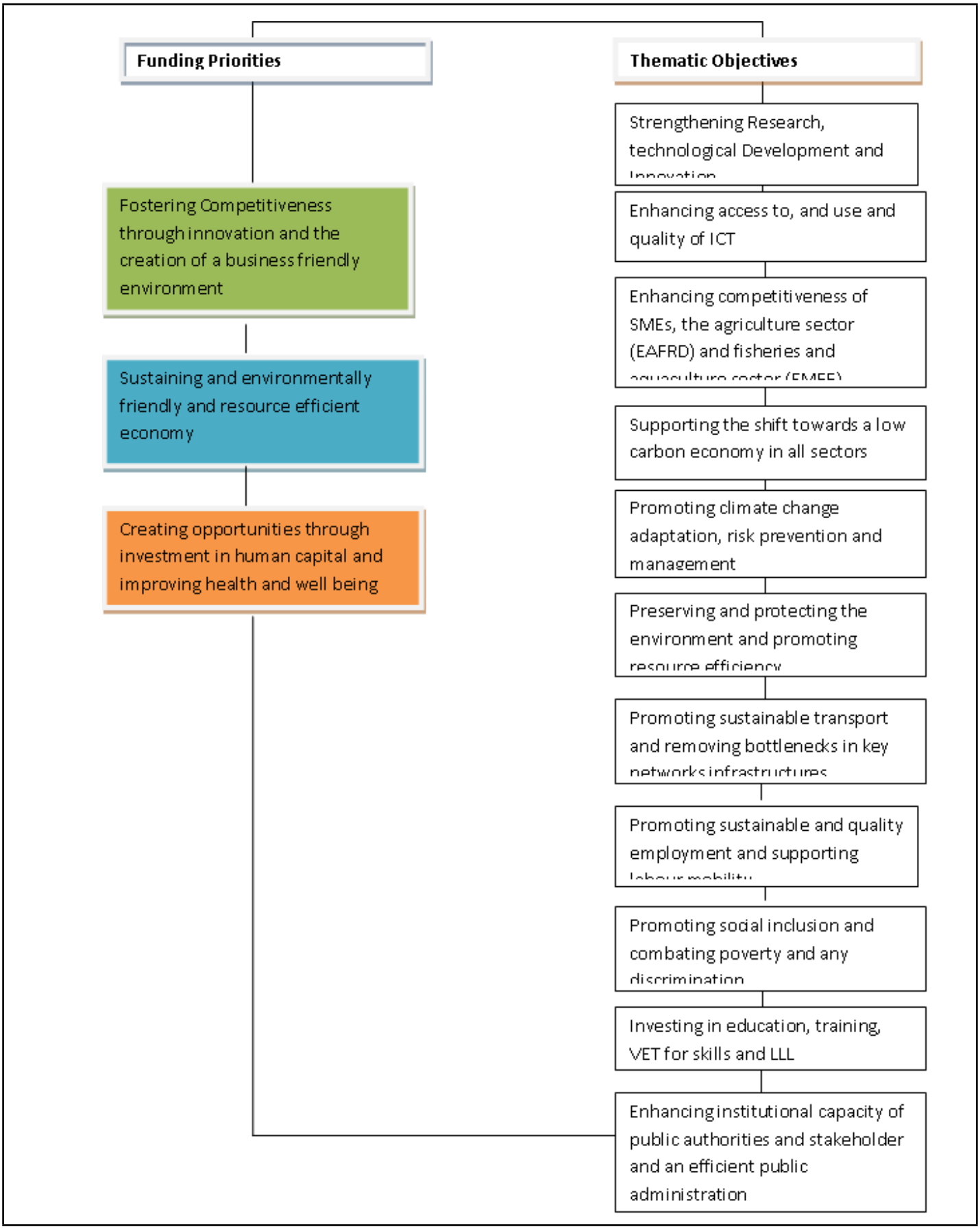
Risks of Overlap

Whilst Malta will not be implementing measures related to the wine sector, there will still be a risk of overlapping of funding under the fruit and vegetables sector. Malta will launch measures in this sector as per Chapter III Section 1 and Chapter II Section 5 of Regulation (EU) No 1308/2013, and Commission Implementing Regulation (EU) No 543/2011 and Commission Regulation (EC) No 917/2004. In this regard, the responsible authorities will be vigilant in order to ensure that no issues arise relating to funding overlap (see section relating to coordinating structures above). The MA will be enhancing the established IT systems in a manner which allows for better and more effective verification, thereby further reducing risks of overlap between different funding schemes.

The same complementarity and coordination will be ensured in the implementation of the Promotion Policy. The risk of overlap in this policy is lower, however, given that applications submitted by the Competent Authority require approval from the European Commission.

Scheme	Percentage of the National Budget	Amount in Euro (€)
Greening	30%	1,571,700
Young Farmers	0.4% (may be increased to 2%)	20,956
Voluntary Coupled Aid	In the case of Malta up to 3million	3,000,000
National Reserve	0.5% (may be increased to 3%)	26,195
BPS	10%	508,149

Annual budget allocation for Pillar 1 schemes to be implemented in Malta


Funding Priorities
Thematic Objectives
Fostering Competitiveness through innovation and the creation of a business friendly environment
Sustaining and environmentally friendly and resource efficient economy
Creating opportunities through investment in human capital and improving health and well being
Strengthening Research, technological Development and
Enhancing access to, and use and quality of ICT
Enhancing competitiveness of SMEs, the agriculture sector (EAFRD) and fisheries and
Supporting the shift towards a low carbon economy in all sectors
Promoting climate change adaptation, risk prevention and management
Preserving and protecting the environment and promoting
Promoting sustainable transport and removing bottlenecks in key
Promoting sustainable and quality employment and supporting
Promoting social inclusion and combating poverty and any
Investing in education, training, VET for skills and LLL
Enhancing institutional capacity of public authorities and stakeholder and an efficient public administration

The Inter-linkages between the funding priorities identified above and the eleven Thematic Objectives outlined in Article 9 of the draft CPR

14.1.2. Where a Member State has opted to submit a national programme and a set of regional programmes as referred to in Article 6(2) of Regulation (EU) No 1305/2013, information on complementarity between them

Not applicable

14.2. Where relevant, information on the complementarity with other Union instruments, including LIFE

At the programming level, coordination between the ESI Funds and other Union and National funding instruments was ensured through the Inter-Ministerial Committee for Programming 2014-2020 (IMC). The framework, steered by the Office of the Permanent Secretary within the Ministry for European Affairs and Equality, consisted of an Inter-Ministerial Committee for Programming 2014-2020 (IMC) with representatives from line Ministries (covering all of the ESI funds) and supported by a number of Sectoral Sub-Committees that looked into different thematic objectives.

The Inter Ministerial Committee for Programming 2014-2020 included, amongst its core members, the Permanent Secretary responsible for EU Funds for the 2014-2020 ESI Programmes; the Permanent Secretary responsible for Finance and the Director Budget Affairs within the Ministry for Finance as the link between Cohesion Policy, the National Reform Programme and National Budget Initiatives; as well as the Director General Economic Policy within the Ministry for Finance as the link between Cohesion Policy and the macro-economic situation in Malta. The Permanent Secretary responsible for rural development and agriculture, as the link between Cohesion Policy, the European Agriculture Fund for Rural Development (EAFRD) and the Common Agricultural Policy's 1st and 2nd pillars (as relevant), was also part of the core group of the IMC.

The role of the Inter-Ministerial Committee was to provide strategic input and guidance into the programming process, supported by the Sectoral Sub-Committees which tackled the main strategic areas set out in the thematic objectives listed under Article 9 of the Common Provisions Regulation. Each Sectoral Sub-Committee was chaired by the Permanent Secretary responsible for the respective policy area, and included a representative from relevant public sector organisations, the socio-economic partners, civil society groups and non-governmental organisations with an interest in the particular policy area.

Government will also seek to maximise the potential synergies between the various EU Funded initiatives. Efforts will be undertaken to complement relevant interventions under different programmes in a number of areas including:

- European Globalisation Fund, the Employment and Social Innovation Programme and the Fund for European Aid to the Most Deprived in the promotion of employment/entrepreneurship, education and training, and social inclusion;

- Synergies with ERASMUS+ and the Creative Europe Programmes will also be sought. The infrastructural interventions in the promotion of the educational and cultural heritage sectors will

provide a more solid platform for participation in these programmes;

- CEF with a view to complement as appropriate the interventions envisaged for funding under the ERDF and the CF;
- COSME, Horizon2020 and SME Initiative in support of priority investments and initiatives;
- LIFE Programme particularly for climate change mitigation and adaptation initiatives.

Based on the successful experience and lessons learned from the 2007-2013 programming period, the Maltese Government will continue to ensure coordination between all relevant line Ministries and entities responsible for the implementation of projects and the respective Managing Authorities responsible for the management and implementation of the ESI Funds through the Inter Ministerial Coordination Committee (see section above on Coordination Structures) in order to ensure complementarity between the different actions and funds.

In order to ensure complementarity between the funds, it will be possible to access advice on the opportunities of support available through the different funds through a common information help desk that is jointly serviced by the Planning and Priorities Coordination Division and the Funds and Programmes Division within the Ministry for European Affairs and Equality and which covers all of the ESI funds.

The help desk, already functioning under the 2007-2013 programme, will be expanded to address all ESI funds with a view to offer prospective applicants, beneficiaries and the general public a direct line of communication (through email and other media) with the Managing Authority(s) on issues of general interest as well as more specific information on a one-to-one basis. The practice of issuing manuals and guidance documents targeting beneficiaries and horizontal stakeholders will also continue, as these prove to be useful tools in assisting beneficiaries in the use and management of the Funds. The help desk and the guidance manuals (as applicable) will also provide information and advice concerning EU programmes (i.e. to include the centralised programmes) more generally.

The National Coordinator for Interreg Programmes and the National Focal Point for the European Territorial Cooperation Programmes (ETC) 2007-2013 are located within the Funds and Programmes Division.

15. PROGRAMME IMPLEMENTING ARRANGEMENTS

15.1. The designation by the Member State of all authorities referred to in Regulation (EU) No 1305/2013 Article 65(2) and a summary description of the management and control structure of the programme requested under Regulation (EU) No 1303/2013 Article 55(3)(i) and arrangements under Regulation (EU) No 1303/2013 Article 74(3)

15.1.1. Authorities

Authority	Name of the authority	Name of the person responsible for the authority	Address	Email
Managing authority	Funds and Programmes Division within the Ministry for Ministry for Funds and Implementation of the Electoral Programme	Ing. Anthony Camilleri, Director General	Funds and Programmes Division, The Oaks Business Centre, Block B, Triq Farsons, Hamrun, Malta	rdd.mfi@gov.mt
Certification body	Internal Audit and Investigations Department (IAID) within the Office of the Prime Minister (OPM)	Mr Kevin Agius, Director General	Internal Audit and Investigations Department, Triq Sa Maison, Floriana	info@iaid.gov.mt
Accredited paying agency	Agriculture and Rural Payments Agency (ARPA) within the Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Ms Louisa Formosa, Director General, Paying Agency	Agriculture and Rural Payments Agency, Block A, Luqa Road, Qormi	arpa.mafa@gov.mt

15.1.2. Summary description of the management and control structure of the programme and arrangements for the independent examination of complaints

15.1.2.1. Management and control structure

The designated **Managing Authority** for EAFRD is the Funds and Programmes Division within the Ministry for European Affairs and Equality. The MA will be responsible for the overall management of the RDP, in accordance with the principle of sound financial management with such tasks and functions being in full accordance with all relevant regulations. The Managing Authority will be the responsible authority to develop the necessary Manuals of Procedures that will detail the processes, controls and approaches, roles and responsibilities and entities involved in the delivery of the programme.

In line with the functions assigned through Art 66 of Regulation 1305/2013 the Managing Authority shall on its part be responsible for all publicity and information activities, the launching of calls for proposals, the evaluation and selection of projects and measures for support and their contracting with beneficiaries. Monitoring and evaluation at project and programme level will be responsibility of the MA. For LEADER actions certain functions may be delegated to the Local Action Groups.

The **Paying Agency** will be the Agricultural and Rural Payments Agency within the Ministry for the Environment, Sustainable Development and Climate Change. The Paying Agency will be subject to checks by the Certifying Body who on its part will accredit the Agency on the basis of relevant articles in Regulation (EC) 1306/2013. The Paying Agency shall on its part be required to follow the procedures

articulated by the Managing Authority in the relevant Manual of Procedures which will entail the receipt, recording, verification and processing of claims for payment to beneficiaries.

The Internal Audit and Investigations Department (IAID), within the Office of the Prime Minister, is the designated **Certifying Body** for the EAFRD. The Certifying body is responsible for certifying statements of expenditure and applications for payments before they are sent to the European Commission. The Certifying body carries out its functions as per Article 126 of Regulation (EU) No 1303/2013.

Authorities and bodies responsible for Management, Control and Audit

In accordance with Title I of Part Four of the Common Provisions Regulation establishing the principles of management and control systems, the relevant authorities and bodies responsible for carrying out the management, control and audit functions of the ESI Funds will be as follows:

Managing Authority

The Funds and Programmes Division within the Ministry for European Affairs and Equality is entrusted with the management and overall coordination of the European Agricultural Fund for Rural Development (EAFRD).

Paying Agency

The Paying Agency will be the Agricultural and Rural Payments Agency within the Ministry for the Environment, Sustainable Development and Climate change.

Certifying Body

The Internal Audit and Investigations Department (IAID) within the Office of the Prime Minister is entrusted with the certification of the declarations of expenditure and applications for payment in relation to the priorities of the Operational Programme(s) before they are submitted to the European Commission.

Effective and Proportionate Anti-fraud Measures

In line with Article 125 paragraph 4 of Part IV of the Common Provisions Regulation (Regulation (EU) No 1303/2013); as regards the financial management and control of the Operational Programme(s), the Managing Authority(s) shall put in place effective and proportionate anti-fraud measures taking into account already existing mitigating controls as well as the identified risks.

Public Procurement and Environmental Permitting Procedures

Resources for public procurement and environmental permitting procedures will be further enhanced during the 2014-2020 programming period. The entities responsible for these procedures notably the Department of Contracts within the Ministry of Finance and the Malta Environment & Planning Authority (MEPA) within the Parliamentary Secretariat for Planning and Simplification of Administrative Processes (Office of the Prime Minister) will be reinforcing their capacity by setting up dedicated teams responsible for handling EU-related projects. Targeted training for staff assigned to these teams is also envisaged. The overarching

aim will be to speed up the procedures with a view to achieving timely absorption of funds.

15.1.2.2. Arrangements for the examination of complaints

Independent examination

An independent Appeals Board will be constituted by the Ministry for European Affairs and Equality to resolve complaints registered by appellants as a result of the outcomes of the selection process for applications for support. The members of the Appeals Board will be independent from the Managing Authority and the Project Selection Committee.

Other disputes that may arise will be governed by the Law of Malta.

A similar independent examination process will be carried out under the LEADER programme as stipulated in the relevant LEADER Operating Rules.

15.2. The envisaged composition of the Monitoring Committee

The monitoring committee shall be formally constituted within three months from approval of the RDP as required by Article 47 of Regulation (EU) 1303/2013. The Monitoring Committee will be required to develop its working procedure and adopt them in agreement with the MA in its first meeting.

The MA will be responsible for assisting the committee by preparing agendas and documentation ahead of meetings and by producing material related to monitoring and evaluation. The committee will be chaired by a representative of the MA and will include representation from:

- economic and social partners
- competent local and public authorities

other bodies representing civil society, non-governmental organisations (including environmental organisations and those responsible for promoting equality).

The list of proposed members of the Monitoring Committee hereunder is not exhaustive and changes may be required to ensure adequate representation of key sectors, in cases of formation of new organisations relevant to the sector, and to the effect that the Committee operates in an efficient way.

a) The Permanent Secretary responsible for EU Funds (or designate) as Chairman;

b) The Permanent Secretary/ies of various Ministries (See Point 1 below) as representatives of their respective portfolios (or designate) (See Point 2 below);

c) The Head of the Funds and Programmes Division (FPD-MEAE) (or designate);

d) The Head of the Rural Development Programme (FPD-MEAE) (or designate)

e) The Head of the Competent Authority (or designate);

f) The Director General (or designate) of the Planning and Priorities Coordination Division (PPCD-MEAE);

g) The Director General (or designate) of the Department of Contracts (MFIN);

h) The Director General (or designate) of the Paying Agency (MSDEC);

i) The Director General (or designate) of the Economic Policy Department (EPD MFIN);

j) One (1) nominated representative (or substitute) of the Malta Council for Economic and Social Development;

k) One (1) nominated representative (or substitute) of the National Commission for the Promotion of Equality;

l) One (1) nominated representative (or substitute) of the National Commission for Persons with Disability;

m) One (1) nominated representative (or substitute) of the Local Councils' Association;

n) One (1) nominated representative (or substitute) from Din l-Art Ħelwa representing the environment NGO sector;

o) One (1) nominated representative (or substitute) of the Farmers' Association representing the fruit and vegetable sector;

p) One (1) nominated representative (or substitute) of the Farmers' Cooperative representing the general farming sector;

q) One (1) nominated representative (or substitute) of the Dairy Producers' Cooperative representing the dairy sector;

r) One (1) nominated representative (or substitute) of the Pig Breeders' Cooperative representing the swine sector;

s) One (1) nominated representative (or substitute) of the Rabbit Producers' Organisation representing the rabbit sector;

t) One (1) nominated representative (or substitute) of the Poultry Producers' Organisation representing the poultry sector;

u) One (1) nominated representative (or substitute) of the Sheep and Goats Producers' Organisation representing the sheep and goats sector.

Together with the MA, the Committee will be responsible for monitoring the quality of programme implementation. To this end, the specific tasks of the Monitoring Committee as outlined in Article 74 of

Regulation (EU) No 1305/2013 shall be:

(a) be consulted and shall issue an opinion, within four months of the decision approving the programme, on the selection criteria for financed operations, which shall be revised according to programming needs;

(b) examine the activities and outputs related to the progress in the implementation of the evaluation plan of the programme;

(c) examine, in particular, actions in the programme relating to the fulfilment of ex ante conditionalities, which fall within the responsibilities of the Managing Authority, and be informed of actions relating to the fulfilment of other ex ante conditionalities;

(d) participate in the national rural network to exchange information on programme implementation; and

(e) consider and approve the annual implementation reports before they are sent to the Commission.

Point 1: Ministry for Gozo (MGOZ), Ministry for Transport and Infrastructure (MTI), Ministry for Finance (MFIN), Ministry for the Environment, Sustainable Development and Climate Change (MESDC), Ministry for Education and Employment (MEDE), Ministry for the Economy, Investment and Small Business (MEIB), Ministry for Justice, Culture and Local Government (MJCL), Ministry for Energy and Health (MEH)

Point 2: Permanent Secretaries will also represent all public authorities, entities and commissions falling within the portfolio of the respective Ministry.

15.3. Provisions to ensure that the programme is publicised, including through the national rural network, making reference to the information and publicity strategy referred to in Article 13 of Implementing Regulation (EU) No 808/2014

Information of potential beneficiaries and all stakeholders about the possibilities offered by the programme and the rules for gaining access to programme funding

The Managing Authority shall ensure that information and publicity actions are implemented according to its information and publicity strategy, which will be developed in line with the requirements set out in Annex III of the Implementing Regulation.

Whilst taking into account any accessibility issues with regards electronic or other communication services for certain potential beneficiaries, the MA will ensure that it provides sufficient access for potential beneficiaries to all relevant information, including:

- Launch of calls for applications under the RDP;
- Funding opportunities, both current and future;
- Administrative procedures and other requirements to be adhered to for beneficiaries to qualify for

funding under the RDP;

- Procedures employed for the evaluation of support applications;
- Eligibility requirements and criteria applied for the evaluation and selection of project applications;
- The Contacts at local level (eg. LAGs, cooperatives, associations, rural animators, etc.) able to offer guidance on the way the RDP works and the criteria for selection and evaluation of operations;
- The potential beneficiaries' responsibility to make public the aim of their project and the support from the EAFRD received;
- Procedures for the examination of complaints under Article 74(3) of Regulation (EU) No 1303/2013.

Information to the general public on the role played by the EU in the programme funding

The Managing Authority shall ensure that the public is informed of the content of the RDP, its adoption by the Commission and any updates or amendments to it, as well as the role being played by the EU in the funding of the national RDP. The MA will also keep the public informed throughout the programming period of the main achievements in the implementation of the RDP and its closure, as well as its contribution to the achievement of the Union priorities as set out in Malta's Partnership Agreement.

The Managing Authority shall also ensure the establishment of a single website or single website portal providing the information related to the established publicity strategy, the information provided to potential beneficiaries, as well as that referred to above.

All beneficiaries who qualify for support will be clearly notified by the Managing Authority that the action/project is being part-financed by the EU (EAFRD). The MA will also ensure to notify/remind beneficiaries of their publicity responsibilities, and monitor their adherence. This implies that beneficiaries are to acknowledge EAFRD support by displaying the EU emblem together with a reference to the EAFRD support. The beneficiary will also be required to inform the general public about the support obtained by the EU by highlighting the Union support on his/her website (where such a website exists), and by adhering to other publicity requirements stipulated and on the basis of the amount of support received (information posters, plaques/ billboards – according to Annex III of the Implementing Regulation).

The role played by the national rural network in the information and communication activity relating to the programme

The National Rural Network (NRN) shall serve as the fore through which all member bodies are involved in the information actions carried out for potential beneficiaries. The Managing Authority shall ensure the effective setup of the NRN, together with the organisation and implementation of NRN information sessions and material.

The NRN shall develop a Communication Plan, which will form part of the information and publicity strategy developed by the Managing Authority. The MA shall ensure that the NRN communication plan is coherent with the general RDP goals, and shall include tasks and a clear timetable for implementation, whilst identifying clearly the target groups of such plan. The means of

communication utilised shall be selected on the basis of the different target groups and the general public.

Principles for the establishment of the selection criteria

The principles for the establishment of the selection criteria in Malta's RDP 2014-2020 shall aim to target the financial support to the beneficiary or groups of beneficiaries which present those projects that are coherent with the aims of the measure and programme

The selection criteria are conditions established by the Managing Authority which allow the establishment of a hierarchy for the funding applications so as the financial support can be targeted to those projects corresponding to the identified needs, to the SWOT Analysis and to the objectives established under the RDP. The selection criteria shall also take into account the proportionality principle in regard to the size of the operation. A scoring system will be utilised for the selection criteria, according to the importance of each criterion, thereby enabling the adequate implementation of the evaluation of applications for support.

The selection criteria will be detailed in the subsequent guidelines and will take into consideration the provisions of Article 49 in Regulation (EU) No. 1305/2013. Without prejudice to Article 34(3)(d) of Regulation (EU) No. 1303/2013, the Managing Authority of the Rural Development Programme shall establish selection criteria for operations, following consultation with the Monitoring Committee.

The selection criteria aim to provide equal treatment of applicants, a better use of financial resources and the targeting of measures in compliance with the rural development priorities of the Union, whilst at the same time allowing for an effective application evaluation and selection process.

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15.4. Description of mechanisms to ensure coherence with regard to local development strategies implemented under LEADER, activities envisaged under the co-operation measure referred to in Article 35 of Regulation (EU) No 1305/2013, the basic services and village renewal in rural areas measure referred to in Article 20 of that Regulation, and other ESI Funds

Malta will not be implementing community-led local development (CLLD) measures in its RDP. Under LEADER, the Local Action Groups will develop and implement approved local development strategies supported only from EAFRD. The Cooperation measure (Article 35) supports the development of innovative horizontal and vertical cooperation actions between partnerships, local actors, as well as promotion activities tailored for Malta, whilst serving as a catalyst for the development of the Maltese rural community. Both LEADER and Cooperation shall contribute, also through a complementary and coherent approach, to achievement of the objectives established by Malta's RDP.

As stated in section 14.1.3, the Basic services and village renewal in rural areas measure (Article 20) will not be programmed by Malta. Thus there is no risk of overlap between the actions financed under the LEADER and the Cooperation measure with this measure.

In order to avoid overlaps of projects financed by LEADER and by the Cooperation measure, Malta will take the necessary steps required in order to avoid the possibility of double-funding. Such steps will aim to ensure that the local development strategies implemented under LEADER do not overlap with the local development actions carried out under Article 35.

The mechanisms set up during the 2007-2013 will be maintained throughout the new programming period with the aim of ensuring coordination and complementarity between the different projects financed under the measures referred to in this section and the actions carried out under other ESI funds. These mechanisms include the previously mentioned IMCC, which will aim to maximise resources whilst reducing the risk of overlap and duplication of effort by providing the necessary demarcation between the different measures, and also contributing to avoiding instances of double-funding. Further information on the functioning of the IMCC can be found in Chapter 14 of the RDP.

This mechanism will also be complemented by the Managing Authority which will ensure that projects selected under the Cooperation measure do not overlap with those financed through LEADER.

15.5. Description of actions to achieve a reduction of administrative burden for beneficiaries referred to in Article 27(1) of Regulation (EU) No 1303/2013

The need to continue to streamline the processes involved in management and control systems of EU funds and the further reduction in administrative burden for beneficiaries is evident through the findings of assessments that have been carried out during the 2007-2013 period. To this effect, Malta is committed to implement further simplification measures that will reduce the administrative requirements and burden on the beneficiaries.

Actions planned include measures at application stage, project selection phase, procurement, horizontal simplification measures and measures in relation to the IT systems. Measures planned include:

<u>Application stage:</u>

- Provision of assistance to applicants in filling the relevant application across the five funds particularly to NGOs, Local Councils, civil society, farming and fishing communities etc. through the NRN as the designated Rural Hub

- The possibility of ongoing open calls will be considered where appropriate particularly for calls under the Rural Development Programme

- The MA may also adopt an Open Block Calls for proposals. This will operate, to a certain extent, in a similar manner to the Open Calls Procedure, however, these are considered a set of semi-open calls. Batch of applications received within each respective time block will be processed separately from applications received in subsequent batches. The time blocks, including the allocated measure budget, will be defined by the MA and published on the MA website. The Open Block Procedure shall close either once the allocated budget has been committed or call withdrawn through a notification by the MA (the MA may eventually re-issue the call in a similar or different format).The selection under the Open Block procedures shall remain consistent throughout the duration of the open call(unless MA notifies otherwise as explained above). The budget of each call has to be

indicated before opening the call.

- Consolidating of Applications through Integrated Project Proposals tapping different measures under the Rural Development Programme in one single application form.

Project selection stage:

- Speeding up of the project selection through streamlined processes and greater involvement of experts.

Procurement:

- Assess the possibility of increasing the threshold for Departmental Tenders.
- Phased rolling-out of the E-procurement system[1].
- The introduction of Procurement managers in Line Ministries to speed up procurement processes.
- Provision of assistance to NGO and civil society for tender drafting.
- Development of procurement templates for NGO's and civil society.

Simplification measures

- The use of simplified costs has proven to be a positive experience under ESF. This will be further analysed and introduced where possible in other funds, including EAFRD.
- In line with Article 48 (5) of Commission Implementing Regulation (EU) 809/2014 the Paying Agency shall conduct checks to verify the realization of investment. The Paying Agency may carry out its verifications for non-IACS Measures through the use of new technologies and geo-tagged photographic evidence, or via physical checks.
- In line with provision (c) of the above-mentioned regulation, the Maltese Authorities shall be making use of new technology and geo-tagged photos to confirm the realisation of investment across all non-IACS Measures.

Nonetheless, as a mitigation measure, a physical check shall be prompted in the following instances:

- There is no timely response to ARPA's request for geo-tagged photos from the beneficiary;
- The Beneficiary does not submit the requested geo-tagged photos; and
- The geo-tagged photos are not of sufficient quality or raise doubt on the investment being carried out.

IT system

- Introduction of e-forms at application stage

- Facilitate the implementation process through the enhancement of IT-enabled systems

[1] E-procurement is already in place and will continue to be developed further over the next programming period. E-procurement is currently being financed through national funds.

The timeline for implementation of the above-mentioned actions has been included in Malta's Partnership Agreement.

15.6. Description of the use of technical assistance including actions related to the preparation, management, monitoring, evaluation, information and control of the programme and its implementation, as well as the activities concerning previous or subsequent programming periods as referred to in Article 59(1) of Regulation (EU) No 1303/2013

Malta will dedicate 4% of its total EAFRD allocation under the RDP 2014-2020 to technical assistance. The main scope of this measure will be the effective and correct implementation of the programme through preparatory, management, monitoring, evaluation, and information and control actions of the financed interventions.

All expenditure and appropriations carried out through technical assistance will be effected in line with the principles of sound financial management outlined in Article 30 of Regulation (EU) No 966/2012. The items on which technical assistance expenditure will be carried out will be identified by the MA on the basis of the results deriving from the necessary needs assessment. Furthermore, in order to minimise the risk of errors the MA will ensure that all national public procurement obligations are respected at all times. These obligations are stipulated in Legal Notice 296 of 2010, and any subsequent updates/amendments to this notice will be respected. Administrative checks to be carried out by the responsible authority, together with regular on-the-spot checks organised by the Financial Control Unit will further ensure that no errors arise from procurement which is not carried out in line with the afore-mentioned legal basis on public procurement.

Technical assistance will also be utilized in order to ensure that the Managing Authority satisfies all publicity and information requirements, as established in the MA's information and publicity strategy. The allocation for TA will also be utilized to set up the National Rural Network while financing its communication plan and activities.

Subrogation requests, namely payments to assignees, can be made by all beneficiaries, where approved by the Paying Agency. Subrogation shall be possible for all measures, including Technical Assistance. In the case of Measure 20, where the beneficiary will include the Managing Authority and the Paying Agency, subrogation is also possible, therefore, payments can also be made directly to assignees providing goods or services, when approved by the Paying Agency.

The main objectives of TA for Malta are the following:

- Human resources;

- Simplifying administrative work;
- Promotion and publicity;
- Improving selection procedures;
- Provide training and knowledge transfer for staff;
- In this regard, the MA will split the TA allocation according to the needs falling under the following TA actions:
    - Preparation and programming;
    - Management and support;
    - Monitoring;
    - Evaluation;
    - Information;
    - Control and
    - National Rural Network.

With respect to funding of human resources, the Managing Authority will ensure that there is a clear apportionment and division of roles, in cases where certain personnel are also involved in tasks related to Pillar I activities, and not solely to EAFRD. Such apportionment of roles will be ensured through checks on timesheets indicating the number of hours the personnel in question dedicated to EAFRD-related tasks, and thus reimbursement of salaries will be carried out accordingly. Eligibility of salary reimbursement through technical assistance will be included in calls for engagement of staff and service contracts for all personnel engaged to carry out work related to EAFRD/Malta's RDP 2014-2020. Involved entities employing such staff will be eligible to apply for reimbursement.

The beneficiaries for support under technical assistance will be the managing authority, the paying agency and the body/ies in charge of the implementation of the National Rural Networks. In Malta's case these beneficiaries include the following:

- The Funds and Programmes Division, within the Ministry for European Affairs and Equality (MEAE) – Managing Authority for EAFRD;
- The Agriculture and Rural Payments Agency, within the Ministry for the Environmnet, Sustainable Development and Climate Change (MESDC) – Paying Agency.

It is important to note that the list of beneficiaries above is not exhaustive, and may be amended as necessary.

The MA will also ensure that Malta is in line with all IT requirements and obligations, and that the internal IT systems and databases used at National level for the implementation of the RDP are improved and updated as necessary. Such actions will also be financed through technical assistance.

In addition in line with Article 51(2) of Regulation (EU) No. 1305/2013 an amount from the Technical Assistance budget will be reserved for establishing and operating the National Rural Network referred to in Article 54 of the same Regulation. Out of the total public expenditure dedicated to Technical Assistance operations, that is around €5.1 million, it is envisaged that around €1.1 million will be reserved and utilised

to cover the costs related to the National Rural Network.

15.7. Internal Financial Management and Control System

The EAFRD Managing Authority, within the Funds and Programmes Division, reports to the Permanent Secretary (MEAIM) and is composed of the Director General Funds and Programmes, the Head of the Rural Development Programme, a senior manager, 6 desk officers. The senior manager and the desk officers are dedicated to carrying out the tasks of the MA in relation to the Funds.

Technical assistance procedures related to authorisation of support requests and payment authorisation will be carried out by the desk officer responsible for technical assistance, the senior manager and the Head of the Rural Development Programme (i.e. the Managing Authority should check whether the procurement is in line with Technical Assistance eligibility rules). Adminsitrative checks on all applications for support and payments will fall under the responsibility of the Paying Agency.

A separate Financial Control Unit within the same Funds and Programmes Division, will assign one of its desk officers the role of financial control for EAFRD TA, and will carry out tasks related to control of technical assistance payments, organising on the spot checks as necessary. The financial controller reports directly to the Director General Funds and Programmes Division, thereby making him functionally independent with respect to Technical Assistance administrative procedures in line with Article 48 and 49 of Regulation (EU) No. 809/2014.

16. LIST OF ACTIONS TO INVOLVE PARTNERS

16.1. Ancillary Consultation

16.1.1. Subject of the corresponding consultation

Various consultations spanning over a 2 year period have been undertaken gearing to inform the design and development of the 2014-2020 RDP. For this purpose the MA engaged a team of consultants who in liaison with the MA embarked on an extensive consultation process with stakeholders who had some form of interest in rural development in Malta. This included amongst others interviews and discussions with a wide range of farming businesses including all sectors important in Malta (vines, olives, caprines as well as dairy, pigs, poultry, rabbits and horticulture), environmental NGOs and other important SMEs.

This process also informed a parallel initiative that is the drafting of a study on a new approach to agricultural policy in Malta. .

A more technical perspective complemented feedback harvested from stakeholders through analysis of FADN data and NSO data on the farm sector, construction of I-O tables for agricultural analysis; review of various legislation, guidelines and national policy documents.

16.1.2. Summary of the results

Through this approach the MA was able to have a fairly comprehensive "health check" of the agricultural and rural development situation in Malta. Plotting of data and feedback recieved provided a detailed mapping of the state of play of each sector, future prospects, evaluation of scope for policy changes in respect of land holdings, education and training, marketing and traceability/standards, permitting for diversification and adding value, water policy and RDP goals and other relevant actions.

Findings were shared and endorsed by all main sector representatives during a public consultation meeting that was organised by the MA and NRN in November 2013. During this seminar the MA explained the process adopted to arrive to the needs and priorities presented, the apportionment of funds by theme, the set of measures proposed and the main development and changes in respect to the delivery mechanisms. Furthermore the ex-ante evaluators undertook a survey amongst participants to gauge recognition of process, needs identified, prioritisation and weighting which results can be found in the Ex ante report annexed to this RDP.

16.2. Consultations for RDP - First Stage Preparation

16.2.1. Subject of the corresponding consultation

Stakeholders involved the Managing Authority, Paying Agency, Director of Agriculture; sector groups KPH (Koperattiva Produtturi tal-Halib); KIM (Koperattiva ta' min Irabbi l-Majjal); Mgarr Farmers' Coop; Ko-op Rurali Manikata; Organizzazzjoni Produtturi Laham tal-Fenek Malti; Ghaqda Produtturi tat-Tadam;

Assocjazzjoni tal-Bdiewa; Maltese Organic Agriculture Movement; VitiMalta; Ta' Mena Enterprises Ltd; Malta Sunripe; Wirt Artna; Magro brothers / Savina; Fur Play; Farmers market participants; Andrews feeds; all three LEADER LAGs. Also consulted Department of Local Government; MEPA planning and Natura 2000 officials; the Malta Water Resources Authority; officials from Health policy; and Food standards, MCAST (the technical training college for agricultural students), University of Malta (Institute of Tourism, Travel & Culture; Horticulture; Climate change Sections)

The meeting aimed to discuss results of the MTE on the RDP 2007-13, and to consider the key needs for the new RDP.

Interviews and meetings were held with a wide range of stakeholders from farming, government and NGO organisations to discuss SWOT issues and needs which RDP funding might assist.

Themes covered were as follows:

• Improvement in farming systems/sectors
• Marketing of agricultural products
• New product development/value-added options (e.g. processing)
• The structural fabric of rural development (i.e. the broad institutional factors that influence rural development in Malta – land tenure, spatial planning, other key regulations, support services)
• Addressing Malta's 'public goods' – energy, water, landscapes and biodiversity, in particular.

16.2.2. Summary of the results

The NRN members strongly endorsed the need for a new approach in which stakeholders and beneficiary groups are more closely involved in planning and development, to ensure better engagement with the RDP once it is launched.

Important information gathered dealt with essential elements of change required to a sustainable rural development in Malta, considering the strategic objectives of EU Rural Development, and the scope for practical action and funding to address these. These findings were fed into an analysis of the future potential for the new RDP, drawing upon data and documentary evidence also available, and discussions with the Managing Authority and Paying Agency. The results of the study were presented to the Minister and the NRN members in June 2012.

As a result of this workshop the MA developed a better understanding of how different needs inter-link and what are the underlying causes of weaknesses or issues identified. Information harvested helped to develop the intervention logic for key RDP actions.

16.3. Feedback received after Consultation

16.3.1. Subject of the corresponding consultation

Feedback on RDP received from:

- Mr. Tony Meli- MSDEC Advisor (original signed copy)

- KPH- Kooperativa Produtturi tal-Halib (memorandum sent by hand)

- Mgarr Farmers Co-Operative Society (email)

- Assocjazzjoni tal-bdiewa (ATB) and Farmers Central Co-operative Society (FCCS). (email)

16.3.2. Summary of the results

The feedback on the RDP received following the consultation process may be summarised as follows:

- Support and encourage agri-tourism
- Simplification of proceduresReduce additional burden in obtaining the necessary planning permits
- Support for biomass conversion operations
- Increased promotion of local produce through quality
- Increased efficiency of water use
- Promote farmers' cooperation and best practicies
- Better definition of eligible aid
- Support for development of business plan for young farmers
- Costs of imports prevents attainment of competitive advantage in EU marketdue to insularity of MaltaEstablishing quality chains and new products
- Contribution to primary local products and integration of sector
- Extra funding needed due to imported forage cost
- Need for low-interest loans, staff technical training, consultancy fees, marketing & promotion of quality products
- Sustainable livestock theme requires higher budgetSupport for insurance, resource hub, training skills for farmers

- Importance of open call system
- Cost of quality mark
- One-stop shop to lessen bureaucracy, save farmers time
- Farmers should be allowed to apply for other funding

16.4. Internal Working Groups for post-2013

16.4.1. Subject of the corresponding consultation

Participants: Managing Authority, Payment Agency, MSDEC

Various thematic working groups were organised by the MA and facilitated by the NRN.

- Financial Engineering Instruments (FEI)

- European Innovation Partnership (EIP)

- Diversification & Adding Value

- Support Training and Skills Development

- Resource Management

- Landscape & Environment.

- Training and Skills Development

- Advice and Business Support

- Sustainable livestock

- Rural Tourism

- Risk Management

- Young Farmers.

16.4.2. Summary of the results

FEI: Research required prior to ex-ante assessment. FEI for more 'complete' projects. Follow-up meetings

with OPM, BOV Ministry for Finance and Malta Enterprise.

EIP: Advice centre for co-ordination and innovation networking. Distinction of eligibility criteria. Project proposals ranking based on quality & relevance to specific objectives. Interactive innovation system focussing on formation of partnerships. Encouragement of pilot projects. Engagement of PGs, POs.

Diversification: Support to actions & activities as per priorities. Discussions with Malta Standards Authority (MSA) and Malta Environment and Planning Authority (MEPA) on recurrent, possible obstacles to RDP. Efficient action plan for effective RDP implementation. Communication with top-management and sector stakeholder.

Possible Actions: Input management: no input or specified regimes for fertiliser use, plant protection, lime, no growth regulator. Management plans, record keeping. Soil cover and management. Buffer strips. Crop, landscape feature, wildlife, and water level management. Non-chemical crop protection, land out of production, apiculture, irrigation management, support training.

Training & Skills: basic and traditional skills. Specialised training for key sectors. Exchange visits. Student placements programme and train the trainer. One-to-one training more effective.

Advice & Business Support: Rural hub for centralised communications, advisory function, cross-programme linkages, commissioned advice if not available at hub. Europe-wide tender. One stop shop, continuous promotion. In-house training, strong core technical staff. Complementarity with MA/PA. Quick sift through applications.

Schemes: Milk testing, Advisory Groups, Veterinary services on farm, Animal welfare.

Rural Tourism: Promotional instruments and publicity. Malta Tourism Authority Rural Tourism Policy (RTP) still in consultation stage, synergy with RDP proposals. MEPA potential stumbling block to rural tourism. **Risk Management:** On-farm strategies. Public aids in response to catastrophes. Agricultural Insurance. **Investing in young farmers:** possible schemes, exchange visits targeting young farmers from farming and non-farming backgrounds. Possible start-up aid, research development of innovative products, adding value.

16.5. Meetings of Sectoral Sub-Committee on Agriculture

16.5.1. Subject of the corresponding consultation

Participants representatives from: MRRA (Managing Authority, Payments Agency, Agriculture Dept, Veterinary Services), Ministry for Gozo, Ministry for Tourism, Funds and Programmes Division, National Statistics Office, Malta Environment and Planning Authority, Malta Resources Authority, State Aid Monitoring Board, EMCS Consultants, Farmers Central Cooperative Society, Għaqda Produtturi tat-Tadam, Koperattiva ta' min Irabbi l-Majjal,Koperattiva Produtturi tal-Ħalib, Organizzazzjoni Produtturi Laħam tal-Fenek Malti, Għaqda tan-Nagħaġ u Mogħoż, VitiMalta, Koperattiva Nazzjonali tas-Sajd, Federation for Maltese Aquaculture Producers, Malta Chamber of Commerce, Nature Trust Enterprise and Industry, Political representatives, General Retailers and Traders Union, and Employees associations

A series of 10 meetings were held – participants included partner and stakeholder organisation representatives. The Committee operated in parallel with the thematic Working Groups explored the same thematic issues as the Working Groups discussed above, but from a higher level policy perspective, taking into account wider EU and policy goals.

- First Meeting: Introductory Meeting – 10th December, 2012;

- Second Meeting: Overview of Malta's preparations for RDP 2014-2020 – 18th January, 2013;

- Third Meeting: Theme 1 'Increasing returns to the fresh produce sector, and improving efficient input use' – 24th January, 2013;

- Fourth Meeting: Theme 4 'Direct sales of fresh produce' – 1st February, 2013;

- Fifth Meeting: Theme 3 'Food processing and adding value – establishing quality chains and new products' – 6th February, 2013;

- Sixth Meeting: Theme 2 'Improving the long-term sustainability of the livestock sector in Malta' – 12th February, 2013;

- Seventh Meeting: Theme 5 'Making a high quality rural visitor experience' – 18th February, 2013;

- Eighth Meeting: Theme 6 'Enhancing the landscape and adapting to future water challenges' – 21st February, 2013;

- Ninth Meeting: New Theme: 'Organisations and groups in Agriculture' – 25th February, 2013;

- Tenth Meeting: Final Meeting 'Conclusions and Proposals for the Partnership Agreement' – 27th February, 2013..

16.5.2. Summary of the results

- The new RDP approach
- Issues on CAP reform
- The greater potential for rural tourism rather than agri-tourism
- Need for in-depth discussions to aid all sectors
- Lack of importance given to education/ training in former RDP
- Problems of land linked to legislation rather than funding
- Need for better promotion and marketing
- Aid to collective organisations
- Need to address permitting
- Prioritising funding, strengthening, assisting, supporting and further developing of POs, cooperatives and farmers through engagement of professionals, setting up of rural hub
- Improve communication, cooperation between all stakeholders including government entities

- Support for modernisation of equipment & processes; for development, marketing, promotion of rural tourism activities, promotion, marketing of local products
- Research and development for innovation re products, marketing, quality standards and quality chains
- Tracking system for products for traceability, establishment of local quality mark to add to value of local products
- Establishment of new slaughterhouse, storage facilities & support modernization
- Strengthening cooperation through supply chain
- Promote use of alternative energy
- Sector-wide projects on national level with sources from different funding regimes, multi-funded investment projects
- Improve water sustainability for agricultural use, upgrading agri-environmental measures and land grading
- Improving of usage of treated waste, creation of recycling purification fertiliser plant
- Development of landscape policy for sustainable agriculture
- Reappraisal network country pathways
- Improvement of road infrastructure for better access to farmland, holdings, other rural areas
- Co-operation, improvement of standards & infrastructure to rural tourism
- Rehabilitation rural areas
- Activities of co-operation with LAGs
- Scheme of aid for young farmers
- Better farmer training, stronger FAS consortium needed
- Lessen bureaucracy, establish rural agency, development of clear agricultural policy

At the end all conclusions and proposals from previous meetings were grouped according to the 11 horizontal Common Strategic Framework (CSF) Thematic Objectives, and their relevant EU and Malta priorities for rural development (RD).

The participants endorsed the approach and reduced themes from 6 to 5.

16.6. NRN Consultation Process

16.6.1. Subject of the corresponding consultation

Participants: Managing Authority, Paying Agency, Farmers/Livestock breeders, Cooperatives, other Sector Stakeholders, Sector Consultants

Scope:

- Presenting the results of the CCRI study, launching the RDP preparatory process, seeking involvement of farmers/key stakeholders in identifying the main priorities, focus, measures for the RDP

- Preparatory meeting for group leaders, facilitators of working groups

- Exploration of key issues and Phase 1 of SWOT analysis

- Phase 2 of SWOT analysis. Focus on identifying strengths, weaknesses, opportunities, threats

- Phase 3 of SWOT analysis. Identifying activities that will enhance strengths/opportunities and minimise weaknesses/threats

- Phase 4 of the SWOT analysis. Priorities and funding - Setting priorities and exploring the allocation of funds

Meeting 4 took the ranked priority activities that had been identified in Meeting 3 and explored with the participants what type and level of resourceswould be required in order to achieve the desired improvements in rural development for Malta over the period 2014-2020.

For the purposes of this exercise 'resources' were defined as:

•Investment in the form of finance to support improvements, change and new developments

•Information and advice required to help individuals and groups achieve their objectives

•Skills development and training that individuals felt they needed in order to achieve their aims

•Other changes required in order to deliver desired rural development objectives

- Phase 5 of SWOT analysis. Fitting it all together - Looking across all sectors and identifying similarities and differences.

Meeting 5 was a joint working group meeting to discuss resources needed to implement the RDP

- Phase 6 of SWOT analysis. Findings of joint meetings were discussed. The working groups explored the design of delivery approaches and examined theme specific and Sector-wide options for delivery of specific elements of the RDP. The focus was on exploring how to make sure the proposals would work in practice and ensuring the proposed elements of the RDP would meet the requirements of the Rural Development Regulation.

16.6.2. Summary of the results

Key issues transpiring from consultations:

- Difficulties to obtain MEPA permits
- Too much funding geared for dairy sector
- Problems with running of POs.
- Problem of irrigation/ water supply

- Problems with rubble boundary walls
- Cultivation of fodder too expensive
- Repair of rural streets
- Encourage rural tourism. Local product as part of rural experience
- Reduce land fragmentation
- Poor marketing, farming practise
- Pitkalija reform, trust issues between farmers and producers
- Lack of funding for co-operatives
- Veterinary service limited
- Competition from cheap imports
- Poor animal productivity
- Weather effects on productivity
- Importance of traceability
- Farmers unite to sell by retail
- Lack of youth interest in farming, land abandonment
- Lack of time for farmers for learning of new skills etc.
- Educating consumers
- Change how co-operatives work
- Vaccines too expensive
- Traceability not enforced
- Bio-gas option
- Improved storage of feed might lower prices
- Funding to clean land
- Entrepreneurial schemes and apprenticeships for young farmers
- Issue of packaging

- Raising quality standards
- Investment in laboratory testing
- National audit scheme of POs
- Study visits for farmers
- School visits for practical farming experience
- Cold storage for individual farms and collective/local area
- Adding value and small scale processing
- LAGs to organise events
- Farmer's organisations to market produce
- Develop communication strategy
- Investments should address the need for small scale processing space, storage, sales infrastructure, quality assurance, land, water & renewable energy, laboratory services, facilities to support rural tourism, young rural stakeholders
- Info & advice to educate consumers, quality assurance, communication & networks, marketing & promotion. Develop new skills, revival of traditional skills Training on quality assurance & marketing. Learning from other MS, apprenticeship schemes. Support for more integrated & facilitated delivery approach of RDP
- Investment in rural hub
- Need for measure on renewable energy
- Creation of rural tourism trails
- Guidance in tourism sector
- Direct links needed between farmers and supermarkets
- Accessibility to land

16.7. Public Consultation Seminar on Malta's RDP 2014-2020

16.7.1. Subject of the corresponding consultation

Participants: Parliamentary Secretary MESDC, Managing Authority, Paying Agency, Department of

Agriculture, various Cooperatives, livestock breeders, wine producers, local councils, representatives from MEAE, MEUSAC, MECW, LAGs, MEPA, MITA, SMEs, Consultants, certifying body, general public, NGOs, ex ante evaluators, etc.

- Key Findings from the Consultation Process - The event was attended by the majority of the partners and stakeholders involved in the Working Group Consultation process over the previous year, and additional representatives of interested organisations. The event consisted of presentations of the outputs from the working groups, along with the broad allocations of RDP funding to thematic areas and cross cutting inititiatives.

- The Architecture of Malta's RDP 2014-2020 - Financial allocations were presented and opportunities for discussion and input from stakeholders were provided. Stakeholders and partners also had the opportunity to respond in writing using a 'tear-out' response form, (or electronically) during a six-week period following the meeting.

- New Approaches to Implement the RDP – Various lessons learnt on what worked well and less well in the delivery of the 2007-2013 RDP were highlighted. A new way of delivery was introduced explaining the why, the how and the who will be involved. This included the engagement of rural animators, the setting of a new rural hub, the integrated approach for project proposals, the rolling of calls, etc. Furthermore emphasis was put on the need of a more representative MC to ensure more effectiveness in defining appropriate selection criteria and monitoring of RDP delivery.

- Small Groups Discussions. Presentation of discussions outcomes - Partners and stakeholders discussed the proposals in small groups, scoring the thematic approaches proposed, weighting and apportionment of budgets, suitability of targets, cross cutting objectives, etc. Summarised scores were presented back to the participants at the meeting.

- Way Forward

Highlighting the possibility for further written contributions by stakeholders and general public through email, postal mail. Concluded by providing an overview of the state of play of Malta's Partnership agreement, the stages of development of the RDP and Commission timelines for review and approval.

16.7.2. Summary of the results

Key Findings from the Consultation Process

- Clearer understanding of issues, ways forward;
- Widespread support for change;
- Identification of key elements;

Elements which will be included in the RDP will be linked for more integrated rural development.

RDP themes, proposed financial allocations:

- Water, wastes and energy - €19 million;
- Maltese quality produce - €27 million;

- Sustainable livestock - €18 million;
- Landscape and environment - €37 million;
- Wider rural economy and quality of life - €24 million.
Could include financial engineering instruments, risk management schemes and technical assistance with total allocation of €11 million.

Lessons learnt. Important aspects – detailed and timely information, accredited systems and structure from an early stage, development of more effective selection criteria, more efficient payment processing systems, integrated projects, resources, more tailored made programme related indicators and targets. Positive aspects – better knowledge, flexibility, cooperation, active participation and the setting up of a Rural Network. Ideas for 2014-2020 – effective information campaign, rural animators, project promotion/promoters, cooperation with relevant entities, rural hub/one stop shop, single integrated application, training; Co-operation from all stakeholders. Suggestions for potential projects.

Main Outcomes: 5 most important measures selected by participants: restoration of storage and distribution systems; quality standards for fresh produce; restoration of large public reservoirs; on farm investment in water management, abstraction distribution and efficiency improvements; Maltese food products: promotion, quality control and traceability 5 least important measures: research and development and demonstration projects; aid for partnerships and develop solutions and pilot schemes to address complex problems; transnational cooperation by LAGs; cooperatives; investment in basic services including leisure. Above measures incorporate the different views and priorities of different sectors. The average scores attained by the themes resulted in the following ranking: 1 – wider rural economy, 2 – Maltese quality produce, 3 – landscape and environment, 4 – sustainable livestock, 5 – water, wastes and energy.

16.8. (Optional) explanations or additional information to complement the list of actions

The approach to design and develop the Malta RDP 2014-2020 builds upon the experience of the current programme, as evaluated and experienced by the Managing Authority, Paying Agency and a wide range of rural stakeholders and beneficiary groups. A bottom-up approach, engaging all of the sector in a range of discussion and debate, has been managed over three years, following immediately on from the publication and dissemination of the Mid-Term Evaluation of the RDP 2007-2013, in June 2011.

An initial, strategic level study (Sept 2011 – June 2012), was commissioned by the Ministry to identify the key needs which the new Programme might best seek to address. This study was launched by a presentation and discussion at the July 2011 meeting of the Maltese NRN, following their consideration of the findings of the MTE. The study required a mixture of document review, EU policy and economic analysis but importantly, it also undertook sector-wide one-to-one interviews with key stakeholder organisations and selected rural business actors and innovators in Malta's agriculture and rural development community. In addition, seven discussion groups were held with different types of stakeholder including fruit and vegetable producers, the dairy, pig and small livestock sectors, LAG representatives and representatives from government departments for water, environment and planning, as well as NGOs and experts, covering environmental and rural interests. This initial study reported in July 2012 and was presented and discussed at an open meeting for farmers and other stakeholders attended by the Minister for Agriculture, which

attracted more than 100 non-government participants.

At the meeting, the Ministry invited participants to signal their interest in taking part in further development of the RDP via membership of working groups. These groups would be established to discuss and evaluate ideas for the RDP under the six main themes that had been identified in the strategic study and endorsed at the stakeholder meeting. More than 50 farmers and others signed up to take part in the working group discussions. The six themed working groups, involving more than 50 farmer & non-farm members, each met seven times between September 2012 and March 2013.

Those consulted during the initial strategic review and the working groups process included key sector representatives: KPH (Koperattiva Produtturi tal-Halib); KIM (Koperattiva ta' min Irabbi l-Majjal); Mgarr Farmers' Coop; Ko-op Rurali Manikata; Organizzazzjoni Produtturi Laham tal-Fenek Malti; Ghaqda Produtturi tat-Tadam; Assocjazzjoni tal-Bdiewa; Maltese Organic Agriculture Movement; VitiMalta; Ta' Mena Enterprises Ltd; Malta Sunripe; Wirt Artna; Magro brothers / Savina; Fur Play; Farmers market participants; Andrews feeds; all three LEADER LAGs. Also consulted were the Department of Local Government; MEPA planning and Natura 2000 officials; the Malta Water Resources Authority; officials from Health policy; and Food standards. Discussions were held with MCAST (the technical training college for agricultural students), the University of Malta (Institute of Tourism, Travel & Culture; Agri-Business Sections).

Working groups were each chaired by a key stakeholder (explicitly non- NRN representatives). Each was supported by the MA team members to provide facilitation and a secretariat, and each had between 15 and 20 members. The groups considered a SWOT for their theme, and then identified priorities, relevant measures and possible selection criteria for their theme, over the course of seven meetings. One combined meeting was held half-way through the process to identify synergies and trade-offs between the aspirations of each group. Following the combined meeting, the six themes were refined to a final five priority areas, for the RDP. These were presented to the new government team following the elections in Malta in spring 2013 and endorsed at another NRN meeting shortly afterwards. They also fed directly into the discussions held to prepare the partnership agreement for Malta, which took place during 2013.

Analysis and refinement of the outcomes from the working group process were then developed into a formal consultation document for the RDP which was published in October 2013. An open meeting was held in collaboration with the ex-ante evaluation team, to promote and facilitate discussion of the consultation document. More than 150 people attended this meeting and took part in an exercise devised by the ex-ante consultants to check and endorse the choice of key themes and priorities for the RDP 2014-2020. More details of this exercise and the results are given in the ex-ante evaluation (see section 3).

As well as the formal RDP preparation process described here, in November 2012 the Ministry also commissioned an economic and policy review of Malta's agriculture. This study made an evaluation of sector health and key challenges and then drew up a report for discussion which covered some proposals for CAP policy, including the five priority themes of the RDP 2014-2020. Consultation on the findings of this study took place in November 2013 and involved a period of intensive discussions with key sector representatives and other relevant government Ministries and NGOs. This gave a second opportunity to consider the contents of the RDP consultation document and the findings of this report also informed decision-making concerning the selection of RDP measures and priorities for funding.

Whilst the detailed drafting process for the RDP was completed in June 2014, no further meetings of the working groups, NRN or other stakeholders have taken place but there has been ongoing consultation with other government departments, particularly in respect of environmental priorities and legislation, as well as

CAP Pillar 1 policy.

17. NATIONAL RURAL NETWORK

17.1. The procedure and the timetable for establishing the National Rural Network (hereinafter NRN)

The NRNM will be re-launched for 2014-2020 with a stronger identity, higher visibility, more dynamic role and greater emphasis on effective stakeholder engagement, including involvement of more individuals with relevant knowledge to support implementation of the *RDP for Malta 2014-2020*.

Key steps and timetable for re-launching the NRNM 2014-2020 are:

1. Convene meetings of the **NRN Committee** to oversee the re-launching and resourcing of the new NRNM 2014-2020.

   Proposals will be presented regarding the strategic approach to animate the network, including the intervention logic, setting of objectives, prioritisation of actions and allocation of financial/human resources. A multi-annual **NRNM Action Plan** will integrate actions for strengthening the network, with the network activities specifically proposed to fulfil the requirements of Art. 54 of Regulation No. 1305/2013.

   2. Re-establish the **Network Support Unit (NSU)** as a discrete administrative unit (with clear mandate and operational budget) within the MA. Recruit and train additional staff as necessary.

   3. Prepare **Annual Work Plan (AWP)** for Year 1 of the NRNM. The AWP will operationalise the NRNM Action Plan in terms of short to medium activities supported by the NSU. The AWP will: i) be consulted/agreed with the National Rural Network Committee, and; ii) be co-ordinated with the **Maltese RDP Communications Strategy**. The NRNM will be promoted in the Communications Strategy as an integral part of the *RDP 2014-2020*, as well as being delegated specific tasks and responsibilities within the Strategy.

   4. Launch NRNM as high profile component of the *RDP for Malta 2014-2020*. Organise promotion campaign for NRNM.

It is anticipated that the above steps will be completed by the end of December 2015 in time to support the launch and rollout of the *RDP for Malta 2014-2020.*

17.2. The planned organisation of the network, namely the way organisations and administrations involved in rural development, including the partners, as referred to in Article 54(1) of Regulation (EU) No 1305/2013 will be involved and how the networking activities will be facilitated

Stakeholder Participation and Representation

Membership of the NRNM during the 2014-2020 period will remain open to public institutions, stakeholder organisations, community groups and individuals interested or involved in rural development in Malta – including those involved in the consultations regarding Malta's Partnership Agreement for ESI Funds under the 2014-2020 period. Potential members of the network will be invited to register their interest to participate in and benefit from the activities of the NRNM. All contact details will be maintained in a central database. Individual mailing lists may also be developed for specific issues / interest groups.

Network Governance and Management

The NRNM was restructured in 2012 with the aim of increasing the network's effectiveness during the final years of the 2007-2013 programming period, including enhancement of its supporting role in preparation of the *Rural Development Programme (RDP) for Malta 2014-2020*.

The original Steering Committee and Coordination Committee of the NRNM were merged into one **National Rural Network Committee** with a broader membership consisting of three LAG managers, representatives from the Managing Authority, Paying Agency and the Ministry for Resources and Rural Affairs, together with representatives from the following rural sectors: craft, dairy, crop, poultry, pork, culture, environment, tourism and wine. This new committee structure will be retained with the possibility to broaden its representation. Regular meetings will be convened regularly.

Networking Processes

The core function of the NRNM will remain the sharing and exchanging of information, practices, experiences, ideas and resources amongst all relevant rural development stakeholders in Malta. This function will be enhanced by i) the comprehensive process of stakeholder mapping (target groups, needs and influences) already undertaken in preparation for the *RDP for Malta 2014-2020*, and; ii) co-ordination of the NRNM Annual Work Plan (AWP) with the implementation of the Maltese RDP Communications Strategy.

Based upon a SWOT analysis and needs assessment of the existing experiences / activities of the NRNM during the 2007-2013 programme period, the following **general networking processes** will continued to be facilitated and strengthened:

- bringing together and engaging with rural stakeholders;
- developing and enhancing channels of communication through information activities;
- building a common understanding of the *RDP for Malta 2014-2020*;
- stimulating dialogue between rural stakeholders on key issues of common concern;
- collecting, analysing, disseminating and exchanging experiences, know-how and good practices amongst rural stakeholders;
- encouraging and enhancing bottom-up initiatives by targeted groups of rural stakeholders e.g. young farmers and rural youth;
- assisting Local Action Groups through training programmes and joint actions, including the promotion of inter-territorial and trans-national cooperation initiatives.

Tools for Rural Networking

The tools / activities used by the NSU for facilitating networking processes within the NRNM will continue to be developed in the following areas:

- **Knowledge development tools** – analytical studies (if necessary); thematic working groups; collection of project examples, good practices and case studies etc.
- **Knowledge sharing tools** – website with static and dynamic pages, on-line databases, links and discussion forums; other electronic media; various publications; audio-visual materials; mailing lists; workshops and seminars; training seminars; project visits; webinars; peer-to-peer learning; best practice competitions / awards; study visits and staff exchanges etc.
- **Exchange and cooperation tools** – co-operation guides; contact information databases; partner search tools; co-operation events / fairs etc.

Care will be taken to balance the use of on-line networking tools with activities / tools relevant and accessible to the "off-line" community also. The NRNM will maintain its commitment to reach out to stakeholders and the general public via the publication of its newsletter every four months. The newsletter will focus on the benefits of the new RDP measures by showcasing specific projects; communicating beneficiary experiences and examples of good practice; hosting articles from guest contributors and promoting forthcoming activities.

The NRNM will continue be an active participant and contributor to the work of the European Network for Rural Development (ENRD) and co-operation amongst rural stakeholders. In addition to strengthening relationships with other countries, the benefits of working at a European level include: sharing experience

and knowledge; identifying opportunities for transnational co-operation; and pooling of resources. The NRNM will also have a regular exchange of information with national and regional rural networks in other Member States, with a particular focus upon developing links with other networks in the Mediterranean region.

17.3. A summary description of the main categories of activity to be undertaken by the NRN in accordance with the objectives of the programme

The multi-annual **NRNM Action Plan** and **Annual Work Plans (AWPs)** will be developed in accordance with the aims for networking outlined in Article 54(2) of Regulation No. 1305/2013:

1. increase the involvement of stakeholders in implementing the RDP;
2. improve the quality of implementation of the RDP;
3. inform the broader public and potential beneficiaries on rural development policy and funding opportunities;
4. foster innovation in agriculture, food production, forestry and rural areas.

A detailed intervention logic (including hierarchy of objectives, tasks/actions, anticipated outcomes and indicators) will be used to link network activities to the requirements of Art. 54 (3)(b) of Regulation No. 1305/2013.

The main priorities for the first Year of activity for 2014-2020 (continued in subsequent years) will be:

5. Publicity and information activities supporting the launch of the *RDP for Malta 2014-2020*
6. Animation of the "partnership approach" underpinning delivery of the *RDP for Malta 2014-2020*
7. Provision of training and networking for LAGs and other stakeholder groups
8. Provision of networking for advisors and innovation support services to support the piloting of Operational Groups under the European Innovation Partnership (EIP) for Agricultural Productivity and Sustainability
9. Partner search for establishment of potential Operational Groups
10. Collection of examples of projects covering all 5 themes of the *RDP for Malta 2014-2020*
11. Active participation in, and contribution to, the activities and events of ENRD

12. Information and communication activities aimed at the broader public (in line with RDP Communication Strategy)

Additional priorities for subsequent years will include (besides pursue the activities launched in the first year): :

13. Facilitation of thematic and analytical exchanges between stakeholders, and sharing and dissemination of findings

14. Facilitation of co-operation among LAGs, in particular technical assistance for inter-territorial and transnational co-operation

15. Sharing and dissemination of monitoring and evaluation findings

17.4. Resources available for establishing and operating the NRN

In accordance with Article 51(2), an amount will be reserved in the Technical Assistance measure of the *RDP for Malta 2014-2020* for establishing and operating the NRNM, which is indicatively estimated at €200,000.00. The NRN will be funded through the Technical Assistance measure.

18. EX-ANTE ASSESSMENT OF VERIFIABILITY, CONTROLLABILITY AND ERROR RISK

18.1. Statement by the Managing Authority and the Paying Agency on the verifiability and controllability of the measures supported under the RDP

In undertaking this exercise the Managing Authority and the Agricultural and Rural Payments Agency have looked at each measure and operation in detail and assessed associated risks linked with verification of supported interventions and way to control and assess compliance and conformity with approved expenditure.

The baseline for this exercise was data and knowledge acquired during the implementation of the 2007-2013 Rural Development Programme as well as Commission Guidelines and other information available at EU level as a result of exchanges during meetings, seminars and audits.

In addition careful attention has been placed in ensuring that the way the measures are being programmed are clear in what they can support to avoid potential overlaps between measures or operations.

Various meetings have been held between the two authorities in order to ensure that the root causes for errors of the 2007-2013 RDP are addressed. This also builds on the action plan submitted by the Maltese Authorities to the Commission as part of the shared effort to reduce error rates for the EAFRD.

For all the programmed measures, wherever it is possible standard unit costs or similar approaches will be applied to reduce further risks associated with comparability, inflated costs, fluctuations in prices and other possible arising risks.

Commitment is also made to ensure that a mechanism is in place to allow for ongoing revisions of the approach or systems adopted to provide for any improvements required that would guarantee effectiveness of all checks and controls.

Note (08.11.21): During a review of sub-measure 11.1, a variance of 1.6 % was noted. The rate should therefore read €1,188.36/ha rather than €1208.55/ha. Under Measure 11.2, a variance of 1.8% was noted and text should therefore read €545.18/ha rather than €555.28/ha. Both the certification body and the functionally independent body (from the authorities responsible for the programme implementation) have confirmed the need to revise the rates. These rates will apply to any new contracts, as from the approval of RDP V6.

18.2. Statement by the functionally independent body from the authorities responsible for the programme implementation confirming the adequacy and accuracy of the calculations of standard costs, additional costs and income forgone

Gordon Cordina

E-Cubed Consultants Ltd

Mosta MALTA

30 August 2015

We have carefully analysed and reviewed all the information and data sent to us by the Managing Authority and the Department of Agriculture and have used official secondary data sources for the purposes of providing independent estimation and verification of monetary values used for standard costs, additional cost and foregone income in the Rural Development Programme for Malta for the 2014-2020 period. The evaluators have analysed the rates initially presented in the RDP and following discussions with the draft reporters of the Programme, the support rates have been revised to take into account, where possible, the latest data sources.

The principal estimation and verification work has been done, and its outcome with respect to the Programme are summarised in the table overleaf.

In the absence of available information on certain costs such as feed, energy and other variables, these costs have not been revised from the level utilised to determined the AEMs in the 2007-2013 RDP. As explained in the Annex which discusses the methodological assumptions, the only costs which have been revised upwards are labour costs on account of the fact that the cost of labour is published and hence utilised.

We overall conclude that, save for issues which call for further assessment and verification as identified in the above table, the monetary values used are realistic, arithmetically accurate and adequate for the purposes of the Programme. We would like to furthermore add that:

- costs and income foregone may vary significantly between sites and holdings, and are thus mainly indicative of the mean situation, which is not necessarily typical of any significant number of sites and holdings;
- values should be appropriate for a maximum of 5 years but external factors, e.g. energy costs, can cause significant cost variation that can impact on the cost of an individual operation in a relatively short period of time;
- estimation methodologies are based on the best approaches as enabled by available reliable data – results and consequent measure design can be improved through the compilation of additional granular primary data, which was however neither possible nor feasible;
- a significant part of this information is based on agronomic assumptions used by the Department of Agriculture and on assumptions accepted in the 2007-2013 RDP, which as such have not been individually verified by us.

Note (08.11.21): During a review of sub-measure 11.1, a variance of 1.6 % was noted. The rate should therefore read €1,188.36/ha rather than €1208.55/ha. Under Measure 11.2, a variance of 1.8% was noted and text should therefore read €545.18/ha rather than €555.28/ha. Both the certification body and the functionally independent body (from the authorities responsible for the programme implementation) have confirmed the need to revise the rates. These rates will apply to any new contracts, as from the approval of

RDP V6.

RDP Measure	Variables subject to independent estimation/verification	Comments
	Measure01	
Support for demonstration activities and information actions	Standard cost as used in M111 in 2007-13 Programme for the costing of units of training services	It is understood that the cost of farmer replacement or any standard cost rate will not constitute foregone income but will be determined on the basis of certifiable incurred costs
Support for short-term farm and forest management exchange as well as farm and forest visits		
Support for vocational training and skills acquisition actions		The MA has indicated that a standard cost per farmer has been established which is slightly higher than the rate at which farmers benefitted in the previous programme. The standard cost is differentiated according to the course. The evaluators however have not been provided with an estimate of this cost or the methodology utilsed to estimate the standard cost.
	Measure06	
Business start up aid for young farmers	Support rate at maximum allowable by programme	Justified on basis that €70,000 support would provide one-third of the capital required to acquire an average farm.
	Measure08	
Planting of indigenous trees/shrubs	Foregone income is specified as an eligible cost	Evaluators suggest that this is provided at a rate of profit on vineyards and orchards equivalent to €2,548.9/ha/yr based on income foregone and a 71% ratio of profit and fixed costs), or €38.99/tree/yr as a total support rate (see Measure 10)
	Measure10	
	Output per ha per year for crops sector	Determined at €9,1312ha/yr on basis of official statistics (Economic Accounts; Agriculture Census)
	Output per ha per year for vineyards and orchards	Determined at €3,590/ha/yr on basis of official statistics (Economic Accounts; Agriculture Census)

18.2 - Figure 1 (1)

RDP Measure	Variables subject to independent estimation/verification	Comments
Measure01		
Support for demonstration activities and information actions	Standard cost as used in M111 in 2007-13 Programme for the costing of units of training services	It is understood that the cost of farmer replacement or any standard cost rate will not constitute foregone income but will be determined on the basis of certifiable incurred costs
Support for short-term farm and forest management exchange as well as farm and forest visits		
Support for vocational training and skills acquisition actions		The MA has indicated that a standard cost per farmer has been established which is slightly higher than the rate at which farmers benefitted in the previous programme. The standard cost is differentiated according to the course. The evaluators however have not been provided with an estimate of this cost or of the methodology utilsied to estimate the standard cost.
Measure06		
Business start up aid for young farmers	Support rate at maximum allowable by programme	Justified on basis that €70,000 support would provide one-third of the capital required to acquire an average farm.
Measure08		
Planting of indigenous trees/shrubs	Foregone income is specified as an eligible cost	Could be provided at the rate of profit on vineyards and orchards to €2,548.9/yr based on income foregone and a 71% ratio of rofit and fixed costs), or €38.99/tree/yr as a total support rate (see Measure 10)

18.2 - Figure 2 (1)

Measure 10		
AECMs	Output per ha per year for crops sector	Determined at €9,131/ha/yr on basis of official statistics (Economic Accounts; Agriculture Census)
	Output per ha per year for vineyards and orchards	Determined at €3,590/ha/yr on basis of official statistics (Economic Accounts; Agriculture Census)
	Share of output contributing to fixed cost recovery and to profit for crops sector	Determined at 71% on basis of official statistics (Economic Accounts)
	Support rate per tree	Determined at €38.99/tree/yr on basis of agronomic assumptions according to the Department of agriculture as approved for 2007-13 programme
	Support rate per bee box	Determined at €145.95/box/yr on basis of agronomic assumptions provided by Department of agriculture as approved for 2007-13 programme, updated by labour cost data.
		To ensure absence of double funding with aid provided by PA.
	Additional costs and revenues from production of organic	Confirmed on basis of agronomic data and assumptions in use at Dept of agriculture which follow suggestions by the evaluators to be included in the annex.
	Support rates on livestock	Confirmed on basis of agronomic data and assumptions in use at Dept of agriculture
Measure 11		
Payment to convert to organic farming practices and methods	Income foregone	Determined on the basis of income foregone taking into account increase in production cost and % increase in revenue from the sale of organic goods. The rate does not distinguish between open vegetables and fruit, fodder and vines unlike the previous programme.
Payment to maintain organic farming practices and methods		
Measure 13		
Compensation payment to other areas affected by specific constraints	Support rate	Justified at the maximum allowable by regulation on basis of cost/productivity differentials between Malta and Southern Italy

18.2 - Figure 2 (2)

AECMs	Share of output contributing to fixed cost recovery and to profit for crops sector	Determined at 71% on basis of official statistics (Economic Accounts)
	Support rate per tree	Determined at €38.99/tree/yr on basis of agronomic assumptions provided by Department of agriculture as approved for 2007-13 programme, updated by labour cost data
	Support rate per bee box	Determined at €145.95/box/yr on basis of agronomic assumptions provided by Department of agriculture as approved for 2007-13 programme, updated by labour cost data.
		To ensure absence of double funding with aid provided by Paying Agency.
	Additional costs and revenues from production of organic	Confirmed on basis of agronomic data and assumptions in use at Dept of agriculture which following suggestions by the evaluators are to be included in the annex.
	Support rates on livestock	Confirmed on basis of agronomic data and assumptions in use at Dept of agriculture
Measure11		
Payment to convert to organic farming practices and methods Payment to maintain organic farming practices and methods	Income foregone	Determined on basis of agronomic data and assumptions in use at Dept of agriculture: Payment to convert to organic: €1188.36/ha, Payment to maintain organic practices and methods: €545.18/ha (Updated on 08/11/2021)
Measure13		
Compensation payment to other areas affected by specific constraints	Support rate	Justified at the maximum allowable by regulation on basis of cost/productivity differentials between Malta and Southern Italy.

18.2 - Figure 1 (2)

19. TRANSITIONAL ARRANGEMENTS

19.1. Description of the transitional conditions by measure

Measure 212 – Support for areas with handicaps, other than mountain areas (LFA)

Rationale for intervention

Agriculture in Malta is characterised by extensive land fragmentation, smallscale holdings, and intensive livestock rearing. The most important biophysical factors driving abandonment of agricultural land are land fragmentation, lack of farm access, topographical position and poor soil productivity. In general, large-scale abandonment of agricultural land implies a general wastage of an economically productive resource and is inductive to mass land degradation. Land management should be continued in order to conserve and improve the environment, maintain the countryside and preserve the tourist potential of the areas.

All agricultural land in Malta is affected by significant natural handicaps, notably a low soil productivity and poor climate conditions. Malta's position south of the 42 parallel, and climatic conditions, including low and erratic rainfall patterns, that are not favourable to rain-fed production, together with the effects of climate change, impose severe disadvantages on productivity. All areas of utilisable agricultural land in Malta are affected by one or more of the following natural handicaps: unfavourable soil chemical status as a result of alkalinity and the calcareous nature of the soils, soil salinity, unfavourable soil physical characteristics, shallow depth to bedrock, low soil organic matter, high soil stoniness, and unfavourable water regime as a result of an impermeable surface crust.

Scope and actions

Support for areas with handicaps shall be available to all farmers who have at least 1 tumolo (0.1124 ha) of utilisable agricultural land in all the territory of Malta. Farmers receiving support shall commit to farm the area in respect of which compensatory payment is being granted for a minimum of five years following the first payment.

Commitments with beneficiaries under Measure 212, rolling into years 2016, 2017 and 2018, will be financed from Malta's Rural Development Programme 2014-2020.

Measure 214 – Agri-environmental measures (Rural Areas Conservation Scheme)

Rationale for intervention

The role of agriculture in Malta is far more important than its economic contribution indicates, primarily because it is the largest single land user, occupying about 48% of the total land area, and because of the increasing appreciation of its multifunctionality – including its role in maintaining the rural landscapes and biodiversity, in addition to providing food and rural livelihoods. It is also recognised, however, that certain agricultural activities may have negative impacts on the quality of the natural environment related to intensive agricultural systems and associated increased use of inputs, and resulting in threats to the natural resource base in the form of pollution of soil, water and air, fragmentation of natural habitats and loss of wildlife, and land abandonment and marginalisation. Agri-environment measures therefore provide an excellent opportunity to reinforce the role of farmers as stewards of the rural landscape and to support

farmers in return for providing an environmental service to the community.

Specific actions

The Rural Areas Conservation Scheme shall consist of:

i. a mandatory obligation related to the acquisition of training;
ii. a number of agri-environmental measures for which farmers shall receive support if they fulfil the corresponding environmental obligations.

Mandatory action

Acquire training in agricultural practices that are compatible with the protection of the environment.

Agri-environmental measures

AEM1: Support for the use of environmentally friendly plant protection products in vineyards

AEM2: Support for the traditional cultivation of sulla through crop rotation

AEM3: Support for low input farming

AEM4: Support to suppress the use of herbicides in vineyards and fruit orchards

AEM5: Support for the establishment and maintenance of conservation buffer strips

AEM6: Support for the conservation of rural structures providing a natural habitat for fauna and flora

AEM7: Support for providing a healthy forage area for bees

Commitments with beneficiaries under Measure 214, rolling into years 2016, 2017 and 2018, will be financed from Malta's Rural Development Programme 2014-2020.

19.2. Indicative carry-over table

Measures	Total Union Contribution planned 2014-2022 (€)
M01 - Knowledge transfer and information actions (art 14)	0.00
M02 - Advisory services, farm management and farm relief services (art 15)	0.00
M04 - Investments in physical assets (art 17)	0.00
M06 - Farm and business development (art 19)	0.00

M08 - Investments in forest area development and improvement of the viability of forests (art 21-26)	0.00
M10 - Agri-environment-climate (art 28)	973,778.00
M11 - Organic farming (art 29)	0.00
M13 - Payments to areas facing natural or other specific constraints (art 31)	1,249,895.00
M16 - Co-operation (art 35)	0.00
M19 - Support for LEADER local development (CLLD – community-led local development) (art 35 Regulation (EU) No 1303/2013)	0.00
M20 - Technical assistance Member States (art 51-54)	0.00
M22 - Exceptional temporary support to farmers and SMEs particularly affected by the impact of Russia's invasion of Ukraine (39c)	0.00
Total	2,223,673.00

20. THEMATIC SUB-PROGRAMMES

Thematic sub-programme name

Documents

Document title	Document type	Document date	Local reference	Commission reference	Checksum	Files	Sent date	Sent By
Measure 13_ Justification for ANC	8.2 M13 - Payments to areas facing natural or other specific constraints (art 31) - annex	16-07-2018	Measure 13_Justification for ANC	Ares(2025)8241079	2912716945	Measure 13_Justification for ANC	30-09-2025	nscicken
Doc C_RDP_Mod_5_Indicators shift justification	11 Indicator Plan - annex	04-11-2021		Ares(2025)8241079	3514503420	Doc C_RDP_Mod_5_Indicators shift justification	30-09-2025	nscicken
Measure 11 Organic Farming Payment Calculation	8.2 M11 - Organic farming (art 29) - annex	18-10-2021		Ares(2025)8241079	2075387189	Measure 11 Organic Farming Payment Calculation	30-09-2025	nscicken
Doc B_RDP_Mod_5_Budget Shifts Amendment 16	10 Financial plan - annex	27-10-2021		Ares(2025)8241079	3045484672	Refer to Doc B_RDP_Mod_5_Budget Shifts Amendment 16	30-09-2025	nscicken
M10 Methodological Assumptions for Payment Calculations	8.2 M10 - Agri-environment-climate (art 28) - annex	18-10-2021		Ares(2025)8241079	475500579	M10 Methodological Assumptions for Payment Calculations	30-09-2025	nscicken
List of trees under M8.5	8.2 M08 - Investments in forest area development and improvement of the viability of forests (art 21-26) - annex	27-10-2021		Ares(2025)8241079	1123537187	List of trees under M8.5	30-09-2025	nscicken
M10_Detailed Baseline Tables_AECMs_Final (05.11.2015)	8.2 M10 - Agri-environment-climate (art 28) - annex	16-07-2018	M10_Detailed Baseline Tables_AECMs_Final (05.11.2015)	Ares(2025)8241079	4209393982	M 10_Detailed Baseline Tables_AECMs_Final (5.11.2015)	30-09-2025	nscicken
Groundwater Quantitative Status Assessment 2015	8.2 M04 - Investments in physical assets (art 17) - annex	16-07-2018	Quantitative Status Assessment 2015	Ares(2025)8241079	3549433632	Quantitative Status Assessment 2015	30-09-2025	nscicken
Groundwater Quantitative Status Assessment 2010	8.2 M04 - Investments in physical assets (art 17) - annex	16-07-2018	Quantitative Status Assessment 2010	Ares(2025)8241079	1426170520	Quantitative Status Assessment 2010	30-09-2025	nscicken
SEA Environmental	4 SWOT and	16-07-2018	SEA Environmental	Ares(2025)8241079	4151249008	SEA Environmental	30-	nscicken

Report RDP 2014-2020	identification of needs - annex		Report RDP 2014-2020			Report RDP 2014-2020	09-2025	
SEA Adoption Statement Nov 2015	4 SWOT and identification of needs - annex	16-07-2018	SEA Adoption Statement Nov 2015	Ares(2025)8241079	2334945127	SEA Adoption Statement Nov 2015	30-09-2025	nscicken
Executive Summary - Ex-Ante Evaluation Report	6 Ex-ante conditionalities - annex	16-07-2018	Executive Summary - Ex-Ante Evaluation Report	Ares(2025)8241079	719563570	Executive Summary- Ex Ante Evaluation Report	30-09-2025	nscicken
Ex-Ante Evaluation Report (30.09.2015)	3 Ex-ante evaluation report - annex	16-07-2018	Ex-Ante Evaluation Report (30.09.2015)	Ares(2025)8241079	2675930085	Ex-Ante Evaluation Report (30.09.2015)	30-09-2025	nscicken