**CAP Strategic Plan 2021 Report**

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1 Territorial scope and, if relevant, regional dimension
2 Related Specific Objectives, Cross-Cutting Objective and relevant Sectoral Objectives
3 Need(s) addressed by the intervention
4 Result indicator(s)
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10 WTO compliance
11 Contribution rate(s) applicable to this intervention
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13 Planned Unit Amounts - Financial table with outputs

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1 Territorial scope and, if relevant, regional dimension
2 Related Specific Objectives, Cross-Cutting Objective and relevant Sectoral Objectives
3 Need(s) addressed by the intervention
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1 Strategic Statement

The Multi-Annual Financial Framework 2021-2027 provides an important opportunity for Malta to support investment in the agricultural sector, through the Common Agricultural Policy Strategic Plan. This continues to represent the main EU funding instrument for supporting agriculture in Malta in complementarity with other EU funded interventions and investments. The CAP SP, with a total (EU+MT) budget of approximately EUR 167 million will continue to build on the types and patterns of support that were offered under previous CAP measures, direct payments and schemes. It will also contribute towards the EU’s long-term vision for rural areas in particular actions towards more resilient rural areas that foster well-being.

This plan will cover the entire territory of the Maltese Islands and will provide funding and support from 2023 to the end of 2027. It aims to maintain overall consistency with Malta’s National Agricultural Policy for the Maltese Islands 2018 - 2028, following evidence-gathering, meetings and discussions with a range of relevant stakeholders and Government entities which have been held since 2019. In line with the new European Policies and Regulations for this period, the Common Agricultural Policy Strategic Plan for Malta will support all three general objectives outlined in the regulatory framework which aim to:

1. foster a smart, competitive, resilient and diversified agricultural sector ensuring long-term food security;

2. support and strengthen environmental protection, including biodiversity and climate action and contribute to achieving the environmental and climate-related objectives of the Union, including its commitments under the Paris Agreement; and

3. strengthen the socio-economic fabric of rural areas.

This plan outlines the main priorities and scale of funding proposed under the strategy. CAP SP resources will be primarily mobilised through the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and will target the needs of the agricultural sector with the specific aim of providing adequate resources to meet future demands including environmental objectives, new technologies and digitisation, fair income for farmers and workers, improving rural conditions and improving farm resilience. Other commitments will target organic farming systems, animal welfare awareness, the apiculture sector, eco-schemes and more sustainable agricultural practices as well as support for young farmers. Such efforts will contribute towards the national green targets, in line with the European Green Deal, Farm to Fork Strategy and Biodiversity Strategy, amongst others.

Initiatives supported through this CAP SP will be implemented in line with Government's commitment to earmark 10% of funds under Cohesion and Agricultural funds for Gozo, whereby the plan will address the needs of the agricultural sector in Gozo through several measures.
## Assessments of needs and intervention strategy, including target plan and context indicators

### 2.1 Assessments of needs and intervention strategy

<p>| Code | Title                                                                 | Prioritisation at the level of the CAP Strategic Plan | Need is addressed in Cap Strategic Plan | SO1 | SO2 | SO3 | SO4 | SO5 | SO6 | SO7 | SO8 | SO9 | XCO |
|------|----------------------------------------------------------------------|------------------------------------------------------|----------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 1.1  | Sustain a viable farm income for farmers in Malta, across all sectors | 2                                                    | Yes                                    |     | X   |     |     |     |     |     |     |     |     |
| 1.2  | Improve risk management in Maltese agriculture and make farmers more financially resilient | 5                                                    | No                                     |     | X   |     |     |     |     |     |     |     |     |
| 1.3  | Add value to Maltese agricultural produce by improving quality and environment standards | 1                                                    | Yes                                    |     |     | X   |     |     |     |     |     |     |     |
| 1.4  | Ensure efficient and effective marketing of local produce           | 3                                                    | Yes                                    |     |     |     |     |     |     |     |     |     |     |
| 1.5  | Reform land tenure laws and develop institutions and incentives to ease access to new entrants | 4                                                    | No                                     |     |     |     |     |     |     |     |     |     |     |
| 2.1  | Build human, social and institutional capital through investment in knowledge, training, advice | 2                                                    | Yes                                    |     | X   |     |     |     |     |     |     |     |     |
| 2.2  | More co-ordinated and strategic market approaches in the sectors which currently lack this | 5                                                    | Yes                                    |     |     | X   |     |     |     |     |     |     |     |
| 2.3  | Increase direct selling, adding value, improving processing, marketing facilities and skills | 6                                                    | Yes                                    |     | X   |     |     |     |     |     |     |     |     |
| 2.4  | Increased understanding of Maltese consumer demand and better tapping of the tourism market | 4                                                    | Yes                                    |     |     | X   |     |     |     |     |     |     |     |
| 2.5  | Identify and support the investment needs of the sector to increase its market competitiveness | 3                                                    | Yes                                    |     |     | X   |     |     |     |     |     |     |     |
| 2.6  | Add value to Maltese agricultural produce by improving quality and environment standards | 1                                                    | Yes                                    |     |     | X   |     |     |     |     |     |     |     |
| 3.1  | Build human and social capital and promote facilitation and innovation to improve the supply chain | 1                                                    | Yes                                    |     |     | X   |     |     |     |     |     |     |     |
| 3.2  | Improve the organisation of producers in the relevant sectors, where this is currently lacking | 4                                                    | Yes                                    |     |     | X   |     |     |     |     |     |     |     |
| 3.3  | Increase understanding among Maltese producers and processors of emerging market opportunities | 8                                                    | Yes                                    |     |     | X   |     |     |     |     |     |     |     |
| 3.4  | Promote Product Quality                                             | 7                                                    | Yes                                    |     |     |     |     |     |     |     |     |     |     |</p>
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<th>SO2</th>
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<th>SO8</th>
<th>SO9</th>
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<td></td>
<td>National Scheme (PQNS) and branding to influence consumer choice</td>
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<td>3.5</td>
<td>Further develop established niche markets for authentic Maltese products (olive oil, gbejna, honey)</td>
<td>6</td>
<td>Yes</td>
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<td>3.6</td>
<td>Investment in supply chain organisation and the establishment of demonstration farm-to-fork systems</td>
<td>5</td>
<td>Yes</td>
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<td>3.7</td>
<td>Strengthen capacity for collaboration among producers and supply chains</td>
<td>2</td>
<td>Yes</td>
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<td>3.8</td>
<td>Ensure efficient and effective marketing of local produce</td>
<td>3</td>
<td>Yes</td>
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<td>4.1</td>
<td>Improved distribution and utilisation of treated waste water to ensure sustainable irrigation</td>
<td>2</td>
<td>Yes</td>
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<td>4.10</td>
<td>Improve risk management in Maltese agriculture and make farmers more financially resilient</td>
<td>10</td>
<td>No</td>
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<td>4.2</td>
<td>Promotion of commercially viable crops and farming systems that are adapted to the future climate</td>
<td>3</td>
<td>Yes</td>
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<td>4.3</td>
<td>The use of animal and agricultural waste residues for energy production</td>
<td>4</td>
<td>Yes</td>
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<tr>
<td>4.4</td>
<td>Reduced use of chemical fertilizers and other inputs with similarly high carbon footprint</td>
<td></td>
<td>Yes</td>
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<tr>
<td>4.5</td>
<td>Further investment in renewable energy sources aimed at decarbonisation of the farm sector</td>
<td>9</td>
<td>Yes</td>
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<td>4.6</td>
<td>Reduce, reuse and recycle resources on farms and rural households through Knowledge Exchange</td>
<td>5</td>
<td>Yes</td>
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<tr>
<td>4.7</td>
<td>Risk management schemes that can be availed of by farmers</td>
<td>6</td>
<td>No</td>
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<td>4.8</td>
<td>Research, innovation and demonstration aimed at moving towards low carbon agriculture</td>
<td>7</td>
<td>Yes</td>
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<td>4.9</td>
<td>Improve farmer knowledge on climate change adaptation and mitigation via training and advice</td>
<td>8</td>
<td>Yes</td>
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DRAFT
| Code | Title                                                                 | Prioritisation at the level of the CAP Strategic Plan | Need is addressed in Cap Strategic Plan | SO1 | SO2 | SO3 | SO4 | SO5 | SO6 | SO7 | SO8 | SO9 | XCO |
|------|----------------------------------------------------------------------|------------------------------------------------------|----------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 5.1  | Provide training and advice to increase awareness on the efficient management of natural resources | 6                                                   | Yes                                    | X   |     |     |     |     |     |     |     |     |     |     |
| 5.2  | Ensure adequate treatment of farm waste to reduce groundwater pollution | 7                                                   | Yes                                    | X   |     |     |     |     |     |     |     |     |     |     |
| 5.3  | Introduce Mechanisms and processes that convert agricultural waste to fertilizer and/or energy | 4                                                   | Yes                                    |     |     |     |     |     |     |     |     |     |     |     |
| 5.4  | Increase efficient use of water and soil by restoring geographical and landscape features | 1                                                   | Yes                                    | X   |     |     |     |     |     |     |     |     |     |     |
| 5.5  | Encourage farmers to invest in efficient farming systems that make efficient use of resources | 3                                                   | Yes                                    | X   |     |     |     |     |     |     |     |     |     |     |
| 5.6  | Demonstrate the value to farm profitability of crops and livestock produced to higher standards | 2                                                   | Yes                                    | X   |     |     |     |     |     |     |     |     |     |     |
| 5.7  | Identify ways to reduce nutrient loading to air, soil and water from agricultural activity | 5                                                   | Yes                                    | X   |     |     |     |     |     |     |     |     |     |     |
| 6.1  | Enhance biodiversity on agricultural holdings and wider rural areas |                                       |                                        |     |     |     |     |     |     | X   |     |     |     |     |
| 6.2  | Disseminate knowledge amongst farmers to safeguard biodiversity on land adjacent to Natura 2000 | 6                                                   | Yes                                    | X   |     |     |     |     |     |     |     |     |     |     |
| 6.3  | Promote CAP measures that protect biodiversity, enhance ecosystem and preserve habitats | 7                                                   | Yes                                    | X   |     |     |     |     |     |     |     |     |     |     |
| 6.4  | Promote the removal of invasive alien species and the planting of native and archaeophytic species | 4                                                   | Yes                                    | X   |     |     |     |     |     |     |     |     |     |     |
| 6.5  | Restore habitats and rural landscape features |                                       |                                        |     |     |     |     |     |     | X   |     |     |     |     |
| 6.6  | Promote Malta’s Natura 2000 sites and Malta’s rural landscape heritage amongst farmers | 2                                                   | Yes                                    | X   |     |     |     |     |     |     |     |     |     |     |
| 6.7  | Conserve endemic species with the aim of preserving local agricultural genetic resources | 5                                                   | Yes                                    | X   |     |     |     |     |     |     |     |     |     |     |
| 7.1  | Provide start-up financial aid for young farmers for full and part time farmers and new entrants | 1                                                   | Yes                                    |     |     |     |     | X   |     |     |     |     |     |     |
| Code | Title                                                                 | Prioritisation at the level of the CAP Strategic Plan | Need is addressed in Cap Strategic Plan | SO1 | SO2 | SO3 | SO4 | SO5 | SO6 | SO7 | SO8 | SO9 | XCO |
|------|-----------------------------------------------------------------------|------------------------------------------------------|------------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 7.2  | Provide training, advice, mentoring and assistance for young farmers and rural entrepreneurs | 7                                                    | Yes                                      |     |     |     |     |     |     |     |     |     |     |     |
| 7.3  | Promote cooperation among young farmers to trade at a scale that is resilient and viable | 3                                                    | Yes                                      |     |     |     |     |     |     |     |     |     |     |     |
| 7.4  | Income boost to young farmers to incentivize earlier generational renewal within farming households | 2                                                    | Yes                                      |     |     |     |     |     |     |     |     |     |     |     |
| 7.5  | Explore enhanced opportunities for access to credit among young farmers | 5                                                    | Yes                                      |     |     |     |     |     |     |     |     |     |     |     |
| 7.6  | Support new rural business ventures that add value to rural income and promote rural quality of life | 6                                                    | No                                       |     |     |     |     |     |     |     |     |     |     |     |
| 7.7  | Facilitate land consolidation and farm transfer through legislative changes and fiscal incentives | 4                                                    | No                                       |     |     |     |     |     |     |     |     |     |     |     |
| 8.1  | Provide new funding for small projects, through the LEADER programme | 1                                                    | Yes                                      |     |     |     |     |     |     |     |     |     |     |     |
| 8.2  | Improve and enhance the attractiveness of rural areas through the restoration of existing heritage | 2                                                    | Yes                                      |     |     |     |     |     |     |     |     |     |     |     |
| 8.3  | Maximise synergy between CAP resources, other policies and EU funds | 4                                                    | Yes                                      |     |     |     |     |     |     |     |     |     |     |     |
| 8.4  | Support for LAGs and local communities to explore their unique cultural history and knowledge. | 3                                                    | Yes                                      |     |     |     |     |     |     |     |     |     |     |     |
| 9.1  | Enhance quality transparent environmental and animal welfare standards to increase traceability. | 1                                                    | Yes                                      |     |     |     |     |     |     |     |     |     |     |     |
| 9.2  | Foster higher animal welfare standards to ensure well being among farmed animals. | 4                                                    | Yes                                      |     |     |     |     |     |     |     |     |     |     |     |
| 9.3  | Recognise and reward farmers that go beyond the mandatory requirements of the regulation. | 3                                                    | No                                       |     |     |     |     |     |     |     |     |     |     |     |
| 9.4  | Introduce new measures aimed at reducing, reusing and recycling food waste along the supply chain | 7                                                    | Yes                                      |     |     |     |     |     |     |     |     |     |     |     |
| 9.5  | Promote products produced to higher standards for dietary, environmental and animal welfare | 5                                                    | Yes                                      |     |     |     |     |     |     |     |     |     |     |     |
| Code | Title                                                                 | Prioritisation at the level of the CAP Strategic Plan | Need is addressed in Cap Strategic Plan | SO1 | SO2 | SO3 | SO4 | SO5 | SO6 | SO7 | SO8 | SO9 | XCO |
|------|----------------------------------------------------------------------|------------------------------------------------------|----------------------------------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| 9.6  | Provide support for farmers to make investments that achieve the targets of this objective | 6                                                   | No                                     |     |     |     |     |     |     |     |     |     | X   |
| 9.7  | Setting up of an electronic prescription system and upgrade of AMR laboratory | 2                                                   | Yes                                    |     |     |     |     |     |     |     |     |     | X   |
| XCO.1| Developing a holistic and strategic approach to grow and enhance the AKIS in Malta | 1                                                   | Yes                                    |     |     |     |     |     |     |     |     |     | X   |
| XCO.2| Ensuring that other SO's integrate knowledge exchange, advice, training and information provision | 2                                                   | Yes                                    |     |     |     |     |     |     |     |     |     | X   |

1.1 - Sustain a viable farm income for farmers in Malta, across all sectors

1. Income support measures from the CAP will remain an important element underpinning the public commitment to sustain the farm sector in Malta, helping to ensure continued management of agricultural landscapes and supporting the survival of key farm sectors.
2. However, broad investment to enhance the profitability, quality, sustainability and added-value of Maltese agriculture and to develop its competitiveness in local markets is vital, to address this need in the longer-term.
3. Improving profitability requires more cost-effective utilisation of resources, both natural (soil, water) and imported (chemicals, seed, feed, etc.). This requires scope for improvements through adoption of new technology and production systems adapted to local conditions.

1.2 - Improve risk management in Maltese agriculture and make farmers more financially resilient

4. Farmers will require encouragement to engage in risk management activities, and a wider range of mechanisms will be needed, in order to suit different activities across the sector targeting both full-time and part-time farmers.
5. Initial support will be required to encourage providers to move into this sector. This should be sustained until farm profitability and the recognition of risks have increased sufficiently to stimulate action independent of public incentives.

1.3 - Add value to Maltese agricultural produce by improving quality and environment standards

6. Add value to Maltese agricultural produce, building enhanced quality, profitability and environment standards that meet consumer demand and expectations
7. The overall focus of meeting the goals of SO1 require making farmers more resilient and sustainable both financially and environmentally. This can only be done through supporting farmers in numerous ways across all parts of the agricultural sector to become more professional and resource-efficient and to add value to their produce.
8. Adding value requires investment in improving quality, and in marketing through understanding how to meet consumer demand. Agriculture will only be sustainable in Malta if it focuses on high value production based on achieving higher quality standards including environmental and animal welfare considerations.

1.4 - Ensure efficient and effective marketing of local produce
9. Improving the competitiveness of production (Need 1.3) will not make farmers more resilient, or necessarily increase profitability unless there are parallel improvements in making the marketing more effective and increasing demand for and consumption of local produce, in Malta.

1.5 - Reform land tenure laws and develop institutions and incentives to ease access to new entrants

10. Reform land tenure laws; develop institutions and incentives to help mobilise agricultural land markets is necessary to encourage access to new entrants.
11. Changes are required to prevent further fragmentation of land, and enable consolidation of holdings, both of which would assist new entrants to enter the sector as well as provide potential for greater efficiency in production.
12. Farmers and landowners can be encouraged to transfer land by appropriate institutions and incentives – this is also an important need.
13. Such initiatives will not be pursued by CAP funding, but through parallel national initiatives and legislative change.

2.1 - Build human, social and institutional capital through investment in knowledge, training, advice

14. Build human, social and institutional capital through investment in knowledge, training, advice to support development of partnerships, initiatives and institutions that will improve the capacity of farmers and other stakeholders to improve their sustainability and competitiveness, to gain consumer confidence.
15. The highest priority need is to improve human and social capital. Increased competitiveness, technical improvements and adoption of new technology will not occur unless farmers (and other key stakeholders) are aware of opportunities and have the management and technical skills to adapt them to the Maltese context.
16. Improvements in institutional arrangements and collaborative organisations are required to generate the potential benefits from the application of new technologies (including digital), particularly in relation to marketing.

2.2 - More co-ordinated and strategic market approaches in the sectors which currently lack this

17. Improve strategic market development in all sectors.
18. Development of marketing through branding, traceability systems, raising awareness and quality improvements is required.
19. Key stakeholders in the supply chain – not just producers – need improved understanding and awareness of consumer demand and training in marketing skills.

2.3 - Increase direct selling, adding value, improving processing, marketing facilities and skills

20. Short supply chains offer the opportunity to increase competitiveness using new technology and communications systems.
21. Direct selling approaches offer potential to be effective due to proximity of production to markets. Such approaches will require cooperation among producers, improved quality control, traceability and adaption of the approach to the Maltese context.

2.4 - Increased understanding of Maltese consumer demand and better tapping of the tourism market
Improving competitiveness requires adding value to products, producing to higher standards and ensuring the supply chain operates efficiently.
A key requirement for improving competitiveness is to understand consumer demand and how to influence it, in particular how to access the large tourism market.
Research is required to explore and develop options for accessing the tourism market and hospitality sector.

2.5 - Identify and support the investment needs of the sector to increase its market competitiveness

Identify and support the investment needs of the sector to increase its market competitiveness, including new technologies and production systems, farm accessibility, more efficient use of resources, management skills, and R&D to support innovative approaches.
Targeted investments are required to enable farmers to become more competitive. Different areas of the agricultural sector have differing needs depending on the extent to which they are currently cooperating and implementing modern production techniques.
Knowledge exchange, with conditions concerning management skills transfer and advisory support are required to maximise outcomes from investments and create long-term sector improvements.
Investment support is also required to develop new organisations and supply chain links—specifically targeted at the marketing of products.
Investment support is required throughout the supply chain to ensure improvements in productivity and adding value.
Investment in farm access road to improve farm utilisation and competitiveness.

2.6 - Add value to Maltese agricultural produce by improving quality and environment standards

Add value to Maltese agricultural produce, building enhanced quality, profitability and environment and welfare standards that meet consumer demand and expectations.
The overall focus of achieving the goals of SO1 require making farmers more resilient and sustainable, both financially and environmentally. This can only be done through supporting farmers in numerous ways across all parts of the agricultural sector to become more professional and resource efficient and to add value to their produce.
Adding value requires improving quality, and in marketing through understanding how to meet consumer demand. Agriculture will only be sustainable in Malta by focusing on high-value production based on achieving higher quality standards including consumer, environmental, and animal welfare considerations.

3.1 - Build human and social capital and support facilitation and innovation to improve the supply chain

Build human and social capital and support facilitation and innovation to improve the capacity of the sector to improve the supply chain, especially in fruit and vegetable, sheep and goat cheese, and the olive and wine sectors.
Farmer’s situation as price takers and low bargaining power will not change until producers have greater skills and knowledge of product storage, distribution, marketing, and alternative approaches to marketing.
Without developing human capital through knowledge exchange producers will not have the capacity to know how to make improvements and add value.
Similarly without developing social capital producers will not have the capacity for the cooperation required to improve the supply chain and marketing efficiency.

3.2 - Improve the organisation of producers in the relevant sectors, where this is currently lacking
38. Provide additional support for activities that add value and involve direct sales and stronger branding and identity.
39. Focusing on supply chains in specific sectors is a lower priority need. Building confidence, skills, and capacity for action are far more important and where effective will generate action.
40. Providing support for supply chain improvements requires identifying which sectors are developing the collaborative capacity and where action needs to be nurtured through advice, targeted training and investment aids.

3.3 - Increase understanding among Maltese producers and processors of emerging market opportunities
41. Increase strategic understanding among all Maltese producers and processors of emerging market opportunities for a Product Quality National Scheme (PQNS) and producer-led quality brands.
42. A key requirement is to develop awareness and support among farmers for a PQNS.
43. Demonstrated improvements in marketing opportunities will be required to persuade farmers to support such a standard.

3.4 - Promote Product Quality National Scheme (PQNS) and branding to influence consumer choice
44. Promote PQNS and branding to educate the general public and visitors, and instill a sense of ‘food pride’ and ‘food culture’ in local businesses and the resident population, to influence consumer choice.
45. Influencing consumer behaviour requires large scale national campaigns, but this is a lower priority since recognized improvements can only be made in the supply chain first, guaranteeing quality and origin, (including production, branding, and marketing).

3.5 - Further develop established niche markets for authentic Maltese products (olive oil, ġbejna, honey)
46. Promote new and innovative products of quality and authenticity that meet emerging consumer tastes e.g. organic produce.
47. Niche markets are important and there is scope for further development, but they are only likely to benefit small numbers of producers.
48. Developing human and social capital under Need 3.1 will support the potential to develop markets in all sectors.

3.6 - Investment in supply chain organisation and the establishment of demonstration farm-to-fork systems
49. Farmers react more effectively to practical demonstrations of successful systems.
50. Provision of aid conditional on training and advice and targeted at key institutional developments (new agencies, producer governance) offers a way to incentivise rapid change.

3.7 - Strengthen capacity for collaboration among producers and supply chains
51. Enable development of alternative forms of marketing and access to tourism markets.
52. Most producers are very small scale. Creating efficiencies through innovative approaches to production and marketing requires collaborative action which in turn requires trust and understanding of clear benefits.
53. Strengthening capacity of producers via facilitation, advice and co-learning is fundamental to long-term sector sustainability

3.8 - Ensure efficient and effective marketing of local produce
54. Improving the competitiveness of production (Need 1.3) will not make farmers more resilient, or necessarily increase profitability unless there are parallel improvements in making the marketing more effective and increasing demand for and consumption of local produce, in Malta.

4.1 - Improved distribution and utilisation of treated waste water to ensure sustainable irrigation

55. Treated sewage water is now available in some parts of Malta for irrigation, but the network requires further expansion.

4.10 - Improve risk management in Maltese agriculture and make farmers more financially resilient

56. Farmers will require encouragement to engage in risk management activities, and a wider range of mechanisms is needed, in order to suit different activities across the sector and targeted at both full-time and part-time farmers.
57. Initial support will be required to ensure providers have confidence to move into this sector. This should be sustained until farm profitability and the recognition of risks have increased sufficiently to stimulate action independent of public incentives.

4.2 - Promotion of commercially viable crops and farming systems that are adapted to the future climate

58. The identification and promotion of commercially viable crops and farming systems that are more adapted to the future local climate, as well as management practices that assist climate adaptation and mitigation (eg no fertiliser use, cover cropping etc.)
59. Long-term adaptation to climate change requires development of new varieties of crops and/or alternative cropping systems that are less water consumptive, as well as restoration and rehabilitation of traditional water conservation and water storing facilities on farmland (covered in more detail under SO5).
60. Knowledge exchange is required to raise awareness of alternative varieties and technical training will be needed to enable farmers to switch to new crops and cropping systems.
61. Some agri-environment-climate measures may be attractive to larger agricultural holdings with more than a hectare of land – these are relatively few in number but their overall impact could be significant.

4.3 - The use of animal and agricultural waste and residues for energy production

62. The livestock sector urgently needs to explore alternative approaches for managing waste streams.
63. Collaborative approaches to enable development of small-scale energy production schemes offers one possible alternative that will reduce transport of waste.
64. Research and development is required to explore potential for implementation

4.4 - Reduced use of chemical N-fertilizers and other inputs with similarly high carbon footprint

65. Decarbonising will require reductions in agri-chemical use and more efficient means of utilising water leading to more cost-effective use of resources and improved competitiveness.

4.5 - Further investment in renewable energy sources, aimed at decarbonisation of the farm sector
66. Supporting investments to de-carbonise production processes requires financial incentives.
67. The benefits of de-carbonising will include localised energy generation for some sectors, reduced costs, more efficient resource use, and reduced exposure to risk.
68. Zero-interest loans with state-underwritten guarantees could be more attractive than grants, for some beneficiaries.

4.6 - Reduce, reuse and recycle resources on farms and rural households through Knowledge Exchange
69. Offer training in new technologies and production systems.
70. De-carbonisation will require knowledge exchange (KE) in order to raise awareness of climate change impacts, and options for alternative production systems.

4.7 - Risk management schemes that can be availed of by farmers
71. Adaptation to the uncertainty of climate change will require the development of a wider range of targeted risk management options. Farmers will need to become more risk aware and understand options for reducing risk.

4.8 - Research, innovation and demonstration aimed at moving towards low carbon agriculture
72. Farmers are persuaded by evidence of success and practical examples that demonstrate the operation of new technologies, clarifying costs and benefits.
73. Demonstration farms can be an effective tool for teaching farmers as well as testing how best to adapt technologies to the Maltese context.

4.9 - Improve farmer knowledge on climate change adaptation and mitigation via training and advice
74. Farmer understanding of potential climate change impacts is currently low. In order to take agriculture down a path of de-carbonisation, a greater level of awareness and understanding is required across the sector.

5.1 - Provide training and advice to increase awareness on the efficient management of natural resources
75. Provide training and advice to increase awareness of the importance and the business benefits of efficient management of natural resources, especially soil, water and air.
76. Knowledge exchange to raise awareness of the potential for new technologies, cropping systems and collaborative approaches is essential to achieve change in behaviour.
77. Linked to Need 5.5 – encouraging investment requires raising awareness of what is available and how it might be applied.

5.2 - Ensure adequate treatment of farm waste to reduce groundwater pollution
78. Cost efficient treatment systems will require collaborative approaches and investment in new technology.
79. Strategies operating across two programming cycles are required to change farmer behaviour and develop long-term sustainable solutions.

5.3 - Introduce Mechanisms and processes that convert agricultural waste to fertilizer and/or energy
80. Linked with Need 5.2
81. Requires long-term action, by a central entity and/or collaboration between groups of farmers for cost-efficient methods to be developed

5.4 - Increase efficient use of water and soil by restoring geographical and landscape features
82. Increase efficient harnessing and use of water resources, including the restoration of key geographical and landscape features such as valleys, estuaries, rubble walls, channels and reservoirs, while contributing to maintaining or restoring water flows required to support valley ecosystems and improved connectivity between habitats. Soil protection may be improved through the setting up and implementation of incentives for landowners.
83. Increased efficiency of surface water retention in the landscape, as well as its consumption, is essential to ensure financial and environmental sustainability.
84. More efficient utilisation of surface water resources, preventing their rapid run-off into the sea, could be obtained through collaborative action to manage water within catchments and through developing small scale local collection and distribution systems. Many of Malta’s surface water bodies are only seasonally filled, drying up in summer, so reservoirs will not displace this water but will enhance it. In addition, the maintenance of this intricate landscape infrastructure will help to reduce soil erosion on farmland.

5.5 - Encourage farmers to invest in efficient farming systems that make efficient use of resources
85. Encourage farmers to invest in new techniques and farming systems to make more efficient use of water, protect and conserve soils, to improve their quality, organic matter content, structure, biodiversity and nutrient status.
86. Investment that will bring about desired efficiency improvements will not occur unless farmers recognise the value of improvements (Need 5.6), and are trained in the use of new technology/systems (Need 5.1). Once this training and awareness-raising is achieved, it will be possible to promote collective actions to enable soil conservation, improved rainwater harvesting and enhanced efficiency in water use on farms.

5.6 - Demonstrate the value to farm profitability of crops and livestock produced to higher standards
87. Demonstrate the value to farm profitability and marketing success, of crops and livestock produced to higher standards of water and soil protection, working with key supply chain actors wherever possible.
88. Demonstrations of production improvements, cost reductions, and increased efficiency are one of the most effective means of changing behaviour.
89. Must be linked to supply chain improvements to ensure farmers will invest and find a market for improved quality/increased production at higher standards.

5.7 - Identify ways to reduce nutrient loading to air, soil and water from agricultural activity
90. Support farmers and researchers to identify and apply better ways to grow crops and rear livestock with reduced use of water and reduced nutrient loading to air, soils and water.
91. This is a more long-term need to underpin future development and long-term sustainability of agriculture in Malta

6.1 - Enhance biodiversity on agricultural holdings and wider rural areas
92. Adoption of low-input and less chemically dependent modes of production, including organic farming as well as planting native and archaeopytic species for increased pollination.
93. The primary aim of SO6 is to enhance and protect ecological and landscape quality.
94. Majority of land is managed by farmers and due to the small-scale nature of landholdings, the effects of agricultural chemicals can travel across boundaries easily.
95. Changing agricultural management behaviour can have significant ecological impacts across wide areas.

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<th>Section</th>
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<tbody>
<tr>
<td>6.2</td>
<td>Disseminate knowledge amongst farmers to safeguard biodiversity on land adjacent to Natura 2000</td>
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<tr>
<td>96.</td>
<td>Changing agricultural management and behaviour requires improved awareness and understanding of ecological impacts of activity among farmers/landowners.</td>
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<td>6.3</td>
<td>Promote CAP SP measures that protect biodiversity, enhance ecosystems and preserve habitats</td>
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<tr>
<td>97.</td>
<td>This need is ranked quite low as the CAP strategic plan measures will have little meaning to farmers/landowners, or the wider public without greater understanding of the significance of Malta’s ecosystems. People need to understand the wider ecological context of the strategic plan in order to be persuaded to change behaviour.</td>
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<tr>
<td>6.4</td>
<td>Promote the removal of invasive alien species and the planting of native and archaeophytic species</td>
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<tr>
<td>98.</td>
<td>Invasive species reduce capacity of endemic species and native flora/fauna to regenerate and thrive. Active support is required to reduce the negative impacts of invasive species on local biodiversity.</td>
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<td>99.</td>
<td>As part of habitat restoration, alien species need to be removed and landowners encouraged to invest in planting and supporting native species.</td>
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<td>6.5</td>
<td>Restoration of habitats and rural landscape features</td>
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<td>100.</td>
<td>Large areas of Malta are ecologically degraded from overuse and limited protection of basic resources such as soil and local habitat.</td>
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<td>101.</td>
<td>Grant aid is required along with knowledge exchange to support farmers and land managers to restore local landscape features and habitats, including through set-aside areas where scrub and some trees can grow.</td>
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<td>6.6</td>
<td>Promote Malta’s Natura 2000 sites and Malta’s rural landscape heritage amongst farmers</td>
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<td>102.</td>
<td>There is a strong requirement to raise awareness and knowledge about designated areas and the reason for their protection and ecological significance. This applies not just to farmers and land managers but also to the general public to reduce the negative impacts of inappropriate actions and gain greater support for conservation.</td>
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<td>103.</td>
<td>Effective utilisation and protection of ecosystem services requires behaviour change which will only come about through enhanced understanding of ecological processes in the local area.</td>
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<td>6.7</td>
<td>Conserve endemic species with the aim of preserving local agricultural genetic resources</td>
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104. Enhancement of local agricultural genetic resources requires support through provision of habitat and removal of invasive species.
105. Landscape scale approaches are required to identify prime sites for habitat restoration and protection.
106. Grant support linked to training are required to enable the basic aims of this SO to be attained.

7.1 - Provide start-up financial aid for young farmers for full and part time farmers and new entrants

107. Start-up financial aid for young farmers in the form of grants, for both full-time and part-time farmers and new entrants, that are tailored to the small farm structures in the Maltese Islands, linked also to training support and business planning advice, thereby reducing the barriers faced by young farmers that wish to enter the sector.
108. Some form of start-up financial support is required to encourage young farmers to get started.
109. Access to land and to credit are extremely difficult for young farmers, and establishment of a stable business can take several years.
110. This is the highest priority need in farm businesses in what is perceived to be a low-paid job with insecurity of income.
111. Financial support needs to be linked to advisory support and compulsory business management training to ensure that grant beneficiaries have the necessary skills, and support to assist in decision making.

7.2 - Provide training, advice, mentoring and assistance for young farmers and rural entrepreneurs

112. Enhance continuous professional development for young farmers and rural entrepreneurs through training, advice, mentoring and assistance for them, whether new entrants or established ones, both from a technical and from a business management point of view.
113. Enhanced continuous professional development for young farmers and rural entrepreneurs is essential to reduce risks of business failure and ensure rural businesses remain innovative and aware of market drivers and changing technologies and operational context.
114. It is an important long-term requirement but is identified as a lower priority need because the primary need is to support young farmers to get into positions of farm/business responsibility.

7.3 - Promote cooperation among young farmers to trade at a scale that is resilient and viable

115. Promotion of collaborative activity among young farmers will create additional opportunities for cost reduction and innovation in production systems and marketing.
116. Developing the capacity for collaboration among young farmers will pay dividends into the future as the generation matures.
117. Many driving forces affecting Maltese agriculture will require cooperative actions if farming is going to become sustainable in the 21st century (e.g. resource utilisation; climate change mitigation; enhancing marketing power).

7.4 - Income boost to young farmers to incentivize earlier generational renewal within farming households
7.5 - Explore enhanced opportunities for access to credit among young farmers

121. Opportunities for credit can provide a major boost to support investment in innovation activities, from investing in new production systems to developing supply chains and new product lines.

122. Such opportunities can also support larger numbers of beneficiaries by enabling the establishment of revolving funds.

7.6 - Support new rural business ventures that add value to rural income and promote rural quality of life

123. Young farmers need support to undertake investment to innovate and develop new business ventures.

124. Young farmers are often in the best position to take business risks – they tend to have fewer or no dependents, the ability to recover from losses, and the energy to engage in innovative activity.

7.7 - Facilitate land consolidation and farm transfer through legislative changes and fiscal incentives

125. Land consolidation will improve the cost-effectiveness of agricultural production, but it is a long-term process that requires action that is beyond the scope of the CAP SP. Changes are unlikely to occur over one programme cycle, making this a long-term priority.

126. Enhancing potential for farm successions is more important as it can encourage young farmers through enabling them to get into positions of management responsibility early in their careers and make farming a more attractive career option.

127. But farm succession will not occur unless young farmers see potential for sustainable income generation and a future for agriculture. Therefore, this need has a lower priority than those supporting new business development, training and start-up support.

128. Land consolidation will be addressed by national policy.

8.1 - Provide new funding for small projects, through the LEADER programme

129. Provide new funding for small projects, through the LEADER programme, aimed at supporting voluntary, non-governmental organisations and businesses in rural areas, especially where these are synergistic with the aims of the Local Development Strategies (LDSs) and enhance the quality of life.

130. LEADER offers potential for addressing a wide range of social inclusion issues through developing small scale locally focused programmes and projects.

131. Increased capacity to address environmental and socio-economic issues in a holistic and integrated manner within LAG areas.

8.2 - Improve and enhance the attractiveness of rural areas through the restoration of existing heritage
132. Creation of open spaces, or enhancement of existing ones, for the enjoyment of locals and visitors.
133. There is a need to better recognise the value of local cultural heritage and provision of recreational space including trails; access.
134. Business and micro-enterprise opportunities exist targeting visitors in particular.

8.3 - Maximise synergy between CAP resources, other policies and EU funds

135. This would be useful and would enhance capacity to address weaknesses and threats, but LEADER can meet some of these objectives even if this does not occur.

8.4 - Support for LAGs and local communities to explore their unique cultural memory and knowledge.

136. Provision of small-scale support to undertake feasibility studies would be invaluable in identifying enterprise opportunities and raising awareness of local assets.

9.1 - Enhance quality transparent environmental and animal welfare standards to increase traceability.

137. Enhance quality and explicit, transparent functional, environmental and animal welfare standards for locally produced food to increase traceability and trust throughout supply chains.
138. The key need to be addressed in order to achieve the desired outcomes for this objective is to improve trust in the quality and source of locally produced food in Malta.
139. A high level of trust needs to be established, complemented with monitoring and auditing, in order to encourage the consumer preference for food produced to higher environmental and animal welfare standards, and as a result, farmers to engage in changing production behaviour.

9.2 - Foster higher animal welfare standards to ensure well being among farmed animals

140. The livestock sector could add value to production through improving animal welfare, in particular the dairy sector.

9.3 - Recognise and reward farmers that go beyond the mandatory requirements of the regulation

141. Recognition of those producing to high standards will enhance confidence and status among peers.
142. Demonstration of successful farming to higher standards will encourage other farmers to engage with actions to improve quality.

9.4 - Introduce new measures aimed at reducing, reusing and recycling food waste along the supply chain

143. Introduce new measures aimed at reducing, re-using and recycling food waste along the supply chain, such as incentives for composting that include fruit and vegetable residues from farms and farmers' markets.
144. Reducing waste at all points on the supply chain from production to consumption is important in terms of improving efficiency and reducing the need for waste management.
145. Wherever possible organic waste should be composted to enable nutrient re-cycling.

9.5 - Promote products produced to higher standards for dietary, environmental and animal welfare
146. Promote products that are produced to higher standards, raising awareness on the importance of choosing this produce for dietary health, environmental benefits, and animal welfare.

147. Marketing campaigns and public education will be essential to increase consumption of locally produced food.

9.6 - Provide support for farmers to make investments that achieve the targets of this objective

148. Investment support will be required to encourage development of standards through collaborative activities.

149. Investment support will be essential to assist farmers adapt to higher standards of production, through adopting new technologies and/or new production and marketing systems.

9.7 - Setting up of an electronic prescription system and upgrade of AMR laboratory

Support the setting up of an electronic prescription system monitoring and collection of quality data on the prescription, use, consumption and trends of antibiotics in Malta, and support upgrade of an AMR laboratory.

XCO.1 - Developing a holistic and strategic approach to grow and enhance the AKIS in Malta

150. Developing a holistic and strategic approach to grow and enhance the AKIS in Malta, involving all relevant actors and public, commercial and third sectors to plan and invest in knowledge exchange, advice and innovation in a co-ordinated way.

XCO.2 - Ensuring that other SO's integrate knowledge exchange, advice, training and information provision

151. Ensuring that the pursuit of other Specific Objectives integrates knowledge exchange, advice, training and information provision alongside other CAP funding measures to increase the resilience and added value of sector investments and multi-annual support payments including land based commitments.

Need assessment to specific geographical areas, such as the outermost regions, mountainous and island areas.

The objectives selected in the CAP SP have taken into consideration the whole geographical area of the Maltese Islands.

Methodology and criteria used for prioritisation

The needs identified in the CAP SP have been prioritised in line with the sequential order as defined in the CAP SPR.

Justification for the decision to not address the identified needs in the CAP Strategic Plan or address them partially

All of the identified needs in the CAP SP have been considered.
2.1.SO1 Support viable farm income and resilience of the agricultural sector across the Union in order to enhance long-term food security and agricultural diversity as well as to ensure the economic sustainability of agricultural production in the Union

2.1.SO1.1 Summary of the SWOT Analysis

2.1.SO1.1.1 Strengths

152. Large proximal market offers significant opportunities for local farmers
153. Diverse range of products and production systems
154. Low transportation costs and short supply chains for domestic produce
155. Pluri-activity (diversity of income) can reduce the risks to household incomes of those who farm
156. Well-organised collaborative full-time production in dairy cow and pig sectors, and some market success in fresh milk

2.1.SO1.1.2 Weaknesses

157. Small and fragmented farm structures: barriers to young farmers, new entrants and investment
158. High percentage (25%) of semi-subsistence farms, many old, barely active farmers
159. Low level of skills, investment, knowledge exchange, R&D in the sector
160. Small-scale production and comparatively high costs of production (for all outputs) due to island status and fragmented farm structure
161. Pluri-activity means lack of time and resource to focus on farm management
162. Poor quality products due to dated production methods in some sectors.

2.1.SO1.1.3 Opportunities

163. Investment in adding value to Maltese traditional products such as Ġbejna and Kunserva, also new products and varieties
164. Growing appreciation in wider society of the need to keep the landscape well-managed and to produce local, healthy food more sustainably
165. Training and support to young farmers, new entrants and innovators to develop new business ideas and ventures, and grow their market share through more professional operations

2.1.SO1.1.4 Threats

166. Low-cost competition from producers in other countries erodes the competitiveness of Maltese farmers in domestic markets
167. Declining farm incomes and ageing farm population create a negative image of farming among young people, discouraging generational renewal
168. Limited labelling and traceability - it is hard to distinguish Maltese produce from cheap imports
169. High agricultural land prices, strong land inheritance culture, and pressure for continued built development on land for tourism and service sectors

2.1.SO1.1.5 Other comments

Information and data supporting the SWOT may be found under Annex II.

2.1.SO1.2 Identification of needs

<table>
<thead>
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<tbody>
<tr>
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<td></td>
<td></td>
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<tr>
<td></td>
<td>Strategic Plan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>----------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1</td>
<td>Sustain a viable farm income for farmers in Malta, across all sectors</td>
<td>2</td>
<td>Yes</td>
</tr>
<tr>
<td>1.2</td>
<td>Improve risk management in Maltese agriculture and make farmers more financially resilient</td>
<td>5</td>
<td>No</td>
</tr>
<tr>
<td>1.3</td>
<td>Add value to Maltese agricultural produce by improving quality and environment standards</td>
<td>1</td>
<td>Yes</td>
</tr>
<tr>
<td>1.4</td>
<td>Ensure efficient and effective marketing of local produce</td>
<td>3</td>
<td>Yes</td>
</tr>
<tr>
<td>1.5</td>
<td>Reform land tenure laws and develop institutions and incentives to ease access to new entrants</td>
<td>4</td>
<td>No</td>
</tr>
</tbody>
</table>

Other comments related to needs assessment.

.
2.1.SO1.4 Intervention logic

<table>
<thead>
<tr>
<th>Form of Intervention</th>
<th>Type of Intervention</th>
<th>Intervention Code (MS) - Name</th>
<th>Common Output Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>DP decoupled</td>
<td>BISS(21) - Basic income support</td>
<td>DP BISS - Direct Payments (Basic Income Support for Sustainability)</td>
<td>O.4. Number of hectares benefitting from basic income support</td>
</tr>
<tr>
<td>DP decoupled</td>
<td>BISS(21) - Basic income support</td>
<td>DP BISS SF - Direct Payments (Basic Income Support for Sustainability for Small Farmers)</td>
<td>O.5. Number of beneficiaries or hectares benefitting from payments for small farmers</td>
</tr>
<tr>
<td>DP decoupled</td>
<td>CIS-YF(30) - Complementary income support for young farmers</td>
<td>DP CIS-YF - Direct Payments (Complementary income support for young farmers)</td>
<td>O.6. Number of hectares benefiting from complementary income support for young farmers</td>
</tr>
<tr>
<td>DP coupled</td>
<td>CIS(32) - Coupled income support</td>
<td>DP CIS-Beef - Direct Payments: Coupled Income Support for the Beef Sector</td>
<td>O.11. Number of heads benefitting from coupled income support</td>
</tr>
<tr>
<td>DP coupled</td>
<td>CIS(32) - Coupled income support</td>
<td>DP CIS-Dairy - Direct Payments: Coupled Income Support for the Dairy Sector</td>
<td>O.11. Number of heads benefitting from coupled income support</td>
</tr>
<tr>
<td>DP coupled</td>
<td>CIS(32) - Coupled income support</td>
<td>DP CIS-Sheep - Direct Payments: Coupled Income Support for the Sheep Sector</td>
<td>O.11. Number of heads benefitting from coupled income support</td>
</tr>
<tr>
<td>DP coupled</td>
<td>CIS(32) - Coupled income support</td>
<td>DP CIS-Tomatoes - Direct Payments: Coupled Income Support for the Tomatoes Sector</td>
<td>O.11. Number of heads benefitting from coupled income support</td>
</tr>
<tr>
<td>RD</td>
<td>ANC(71) - Natural or other area-specific constraints</td>
<td>RD AN CONSTRAINTS - Areas under natural or other area-specific constraints</td>
<td>O.12. Number of hectares benefitting from support for areas facing natural or specific constraints, including a breakdown per type of area</td>
</tr>
</tbody>
</table>

Overview

The objectives attributed to SO1 will include interventions which are designed to offer a similar level of income support to the landless livestock sectors as in the previous programme, while BISS is designed to offer a higher-than previous level of support to land-based farms, reflecting emerging evidence of further decline in this sector, which is likely to be more effective in sustaining agricultural activity on Maltese Farms. SO 1 Objectives will be represented through EAGF interventions that focus on BISS direct payments to small farms, coupled income support to the beef, sheep, dairy and tomato sectors, and complementary income support for young farmers. EAFRD interventions will include support for natural or other area specific constraints which will further support farm viability and resilience of the agricultural sector in efforts to prevent land abandonment.

2.1.SO1.5 Where relevant, justification for the use of InvestEU, including the amount and its expected contribution to the Specific Objective/Cross-Cutting Objective

At initial programming stage, contributions towards InvestEU are not foreseen.

2.1.SO1.8 Selection of the result indicator(s)

Selection of the result indicator(s) for this specific objective

<table>
<thead>
<tr>
<th>Result indicators [recommended Result indicators for this specific objective are fully displayed in bold]</th>
<th>Target value [to be filled from section 2.3]</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>R.4 - Linking income support to standards and good practices</strong> Share of utilised agricultural area (UAA) covered by income support and subject to conditionality</td>
<td>66.42 %</td>
</tr>
<tr>
<td><strong>R.7 PR - Enhancing support for farms in areas with specific needs</strong> Percentage of additional support per hectare in areas with higher needs (compared to average)</td>
<td>33.59 %</td>
</tr>
</tbody>
</table>
R.8 - **Targeting farms in specific sectors** Share of farms benefitting from coupled income support for improving competitiveness, sustainability or quality

4.48 %

Justification of the selection of the result indicator(s) for this specific objective

The result indicator/s chosen aim to reflect the main thrust of the interventions foreseen under this SO. Further information may be found under Chapter 5.

2.1.SO1.9 Justification of the financial allocation

Further justification on the financial allocation has been provided under Chapter 5 for Direct Payment Interventions, Sectoral Interventions and Rural Development Interventions under the Planned Unit Amounts.

2.1.SO2 Enhance market orientation and increase farm competitiveness, both in the short and long term, including greater focus on research, technology and digitalisation

2.1.SO2.1 Summary of the SWOT Analysis

2.1.SO2.1.1 Strengths

170. Large resident population and visitor population offer a significant opportunity for local producers to sell to local consumers
171. An island nation and economy, farmers benefit from focusing upon producing for the domestic market
172. Proximity to markets enable freshness, authenticity and reduced food miles
173. Short food supply chains – better communication
174. Established fresh food markets
175. Good conditions for particular ‘unique’ local products - tomatoes for Kunserva, and endemic varieties of olives and grape vines
176. Promotional links between specific Maltese types or brands of food and popular Maltese chefs and restaurants

2.1.SO2.1.2 Weaknesses

177. Lack of demonstrable product quality and traceability, in most sectors but especially land-based production
178. Lack of consumer confidence in buying local
179. Limited farm accessibility
180. Lack of good quality market research and analysis to help farmers to be more customer-focused and to identify more opportunities to add value with processing and marketing
181. Lack of cooperation among farmers
182. Part-time and small-scale nature of farming - low incomes from agriculture
183. Unwillingness to invest in improved productivity and technologies - small, part time farmers - resulting in high production costs

2.1.SO2.1.3 Opportunities

184. Scope for developing human and social capital in the sector by enhanced advice, learning and communications
185. Coordinated and strategic market and supply chain development, including research, to improve competitiveness
186. Increased focus on product quality, market orientation, and adding value: by upskilling farmers in sustainable production methods, R&D
187. Improving the marketing and branding of Maltese products by using EU quality labels, like protected designation of origin and protected geographical indications
188. Utilising market research and intelligence to help producers better understand and meet consumer needs
189. Increased collaboration to create initiatives or bodies to act on behalf of small and independent producers
190. Water use reduced through investing in management, and water-conserving practices (SO4, SO5)
191. Increase processing of primary produce to create higher value outputs
192. Changes in use of land to sustainably grow more suitable high-quality livestock fodder

2.1.SO2.1.4 Threats
193. Climate change - soil and coastal erosion, desertification, floods, drought and water scarcity
194. Agriculture is a relatively small sector for Malta in respect of its contribution to national GDP, and receives a relatively minor share of attention in national R&D policy
195. Continuing pressure upon rural land-growing population, a buoyant economy and significant tourism sector
196. Reduced confidence among Maltese businesses to invest in primary production, as land has much higher monetary value when used for other purposes
197. Low incomes not providing suitable returns on investment, sector not attracting young people

2.1.SO2.1.5 Other comments
Information and data supporting the SWOT may be found under Annex I.

2.1.SO2.2 Identification of needs

<table>
<thead>
<tr>
<th>Code</th>
<th>Title</th>
<th>Prioritisation at the level of the CAP Strategic Plan</th>
<th>Need is addressed in Cap Strategic Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>Build human, social and institutional capital through investment in knowledge, training, advice</td>
<td>2</td>
<td>Yes</td>
</tr>
<tr>
<td>2.2</td>
<td>More co-ordinated and strategic market approaches in sectors which currently lack this</td>
<td>5</td>
<td>Yes</td>
</tr>
<tr>
<td>2.3</td>
<td>Increase direct selling, adding value, improving processing, marketing facilities and skills</td>
<td>6</td>
<td>Yes</td>
</tr>
<tr>
<td>2.4</td>
<td>Increased understanding of Maltese consumer demand and better tapping of the tourism market</td>
<td>4</td>
<td>Yes</td>
</tr>
<tr>
<td>2.5</td>
<td>Identify and support the investment needs of the sector to increase its market competitiveness</td>
<td>3</td>
<td>Yes</td>
</tr>
<tr>
<td>2.6</td>
<td>Add value to Maltese agricultural produce by improving quality and environment standards</td>
<td>1</td>
<td>Yes</td>
</tr>
</tbody>
</table>
2.1.SO2.4 Intervention logic

<table>
<thead>
<tr>
<th>Form of Intervention</th>
<th>Type of Intervention</th>
<th>Intervention Code (MS) - Name</th>
<th>Common Output Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>RD</td>
<td>INVEST(73-74) - Investments, including investments in irrigation</td>
<td>RD Off-Farm INFRA - Off Farm Investments – Infrastructure</td>
<td>O.22. Number of supported infrastructures investment operations or units</td>
</tr>
<tr>
<td>RD</td>
<td>INVEST(73-74) - Investments, including investments in irrigation</td>
<td>RD Off-Farm P.INVEST - Off-farm Productive Investment</td>
<td>O.24. Number of supported off-farm productive investment operations or units</td>
</tr>
<tr>
<td>RD</td>
<td>INVEST(73-74) - Investments, including investments in irrigation</td>
<td>RD On-farm Invest P. - On-farm Productive Investments</td>
<td>O.20. Number of supported on-farm productive investment operations or units</td>
</tr>
<tr>
<td>RD</td>
<td>COOP(77) - Cooperation</td>
<td>RD COOP - Cooperation- Quality Schemes</td>
<td>O.29. Number of beneficiaries receiving support to participate in official quality schemes</td>
</tr>
<tr>
<td>RD</td>
<td>COOP(77) - Cooperation</td>
<td>RD OTHER COOP ACT - Other Cooperation Activities</td>
<td>O..2. Number of supported other cooperation operations or units (excluding EIP reported under O.1)</td>
</tr>
<tr>
<td>RD</td>
<td>KNOW(78) - Knowledge exchange and dissemination of information</td>
<td>RD KNOW - Knowledge exchange, training and dissemination of information</td>
<td>O.33. Number of supported training, advice and awareness actions or units</td>
</tr>
</tbody>
</table>

Overview

The objectives under SO will include interventions under EAFRD including off-farm investments relating to infrastructure, off-farm productive investments, quality schemes and other cooperation activities, Knowledge Exchange including training and dissemination of information and on-farm productive investments. The interventions will contribute to the priorities of this SO and are designed to enhance farm competitiveness and better market orientation whilst promoting a greater focus on research, technology and digitalisation that will take the sector forward.

This is the highest priority for future survival of agriculture in Malta, given the vulnerability of the sector to external pressures and challenges of many kinds, and the wide range of market failures and competitive pressures in Malta’s food market. Malta requires new institutional investments and new initiatives among Maltese farmers and processors. In turn, maintaining small family farms and the Maltese rural landscape will make a significant contribution to Maltese culture and its attraction for the local population and for visitors and tourism. Enhancing the quality of farm management and the quality, diversity and traceability of the marketed products of Maltese agriculture are necessary steps in enhancing farm sector viability, as well as ensuring that farmers are adequately rewarded through the market for these products and that consumers are well-informed and reassured about the quality and authenticity of Maltese products.

2.1.SO2.5 Where relevant, a justification for the use of InvestEU, including the amount and its expected contribution to the Specific Objective/Cross-Cutting Objective

At initial programming stage, contributions towards InvestEU are not foreseen.

2.1.SO2.8 Selection of the result indicator(s)

Selection of the result indicator(s) for this specific objective

<table>
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<th>Result indicators [recommended Result indicators for this specific objective are fully displayed in bold]</th>
<th>Target value [to be filled from section 2.3]</th>
</tr>
</thead>
<tbody>
<tr>
<td>R.1 CU PR - Enhancing performance through knowledge and innovation Number of</td>
<td>4371.00</td>
</tr>
</tbody>
</table>
persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP in order to enhance sustainable economic, social, environmental, climate and resource efficiency performance.

R.9 CU PR - Farm modernisation Share of farmers receiving investment support to restructure and modernise, including to improve resource efficiency

2.1. SO2.9 Justification of the financial allocation

Further justification on the financial allocation has been provided under Chapter 5 for Direct Payment Interventions, Sectoral Interventions and Rural Development Interventions under the Planned Unit Amounts.

2.1. SO3 Improve the farmer's position in the value chain

2.1. SO3.1 Summary of the SWOT Analysis

2.1. SO3.1.1 Strengths

198. Increasing awareness among farmers and producer organisations of the need to organise themselves into larger collective groups and bodies, in order to seek enhanced returns, particularly among younger farmers

199. Large resident consumer markets in close proximity to rural areas

200. Production of quality fresh produce well-matched to consumer demand

201. A very diverse product offer matching most food consumption demands

2.1. SO3.1.2 Weaknesses

202. A tendency to emulate neighbour's behaviour or long-established and inefficient practices, leading to low quality in some sectors which undermines farmers’ ability to get a good price for products

203. Weak branding and presentation of Maltese produce

204. Lack of cooperation among producers in production and marketing reduces access to high-volume tourist/hospitality markets

2.1. SO3.1.3 Opportunities

205. Large tourism market in close proximity

206. Potential to offer higher quality fresh produce to attract better prices and customer loyalty among Maltese players and the Maltese resident population

207. Set up and support Operational Groups

208. Impact of COVID-19 and desire for shorter and more secure supply chains creates opportunities for improved position in the supply chain

209. Setting up of the Malta Food Agency in order to tackle market failures in the Maltese food system

2.1. SO3.1.4 Threats

210. Strength of wholesaler middlemen in insufficiently transparent trading market conditions

211. Limited skills and time are barriers to engaging in direct sales and there is potential discrimination against those who engage in alternative marketing by larger players
212. Imported goods sold as local produce
213. Increasing costs of imported feed for livestock and imported inputs (fertiliser and pesticides)

2.1.SO3.1.5 Other comments
Information and data supporting the SWOT may be found under Annex II.

2.1.SO3.2 Identification of needs

<table>
<thead>
<tr>
<th>Code</th>
<th>Title</th>
<th>Prioritisation at the level of the CAP Strategic Plan</th>
<th>Need is addressed in CAP Strategic Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>Build human and social capital and support facilitation and innovation to improve the supply chain</td>
<td>1</td>
<td>Yes</td>
</tr>
<tr>
<td>3.2</td>
<td>Improve the organisation of producers in the relevant sectors, where this is currently lacking</td>
<td>4</td>
<td>Yes</td>
</tr>
<tr>
<td>3.3</td>
<td>Increase understanding among Maltese producers and processors of emerging market opportunities</td>
<td>8</td>
<td>Yes</td>
</tr>
<tr>
<td>3.4</td>
<td>Promote Product Quality National Scheme (PQNS) and branding to influence consumer choice</td>
<td>7</td>
<td>Yes</td>
</tr>
<tr>
<td>3.5</td>
<td>Further develop established niche markets for authentic Maltese products (olive oil, ġbejna, honey)</td>
<td>6</td>
<td>Yes</td>
</tr>
<tr>
<td>3.6</td>
<td>Investment in supply chain organisation and establishment of demonstration farm-to-fork systems</td>
<td>5</td>
<td>Yes</td>
</tr>
<tr>
<td>3.7</td>
<td>Strengthen capacity for collaboration among producers and supply chains</td>
<td>2</td>
<td>Yes</td>
</tr>
<tr>
<td>3.8</td>
<td>Ensure efficient and effective marketing of local produce</td>
<td>3</td>
<td>Yes</td>
</tr>
</tbody>
</table>
2.1.SO3.4 Intervention logic

<table>
<thead>
<tr>
<th>Form of Intervention</th>
<th>Type of Intervention</th>
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<td>O.32. Number of supported other cooperation operations or units (excluding EIP reported under O.1)</td>
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</tbody>
</table>

Overview

This SO will make available a forward-looking toolkit of measures, mainly from the EAFRD, to provide the mix of soft and hard incentives to effectively support product, market and producer knowledge and development. Interventions under EAFRD will include off-farm productive investments, quality schemes, other cooperation activities, knowledge exchange, training, and dissemination of information.

Knowledge exchange, training, advice and demonstration aids are important to help achieve co-operation and investment aids to enable stronger market and supply chain presence, among individual producers or groups of farmers acting together, that will prove to be profitable. Supporting research and development, may also be considered. Participating in Organisational Groups can increase farmers’ confidence and ability to negotiate effectively in supply chain situations.

Interventions under Quality Schemes can also provide support to encourage uptake of National Quality Standards, once such standards have been established. However, this will need to be achieved in line with the further complementarity of the objectives of other SO’s.

2.1.SO3.5 Where relevant, a justification for the use of InvestEU, including the amount and its expected contribution to the Specific Objective/Cross-Cutting Objective

At initial programming stage, contributions towards InvestEU are not foreseen.

2.1.SO3.8 Selection of the result indicator(s)

Selection of the result indicator(s) for this specific objective

<table>
<thead>
<tr>
<th>Result indicator</th>
<th>Recommended Result indicators for this specific objective are fully displayed in bold</th>
<th>Target value [to be filled from section 2.3]</th>
</tr>
</thead>
<tbody>
<tr>
<td>R.10 CU PR - Better supply chain organisation</td>
<td>Share of farms participating in producer groups, producer organisations, local markets, short supply chain circuits and quality schemes supported by the CAP</td>
<td>1.78 %</td>
</tr>
</tbody>
</table>

Justification of the selection of the result indicator(s) for this specific objective

The result indicator(s) chosen aim to reflect the main thrust of the interventions foreseen under this SO. Further information may be found under Chapter 5.
2.1.SO3.9 Justification of the financial allocation

Further justification on the financial allocation has been provided under Chapter 5 for Direct Payment Interventions, Sectoral Interventions and Rural Development Interventions under the Planned Unit Amounts.

2.1.SO4 Contribute to climate change mitigation and adaptation, including by reducing greenhouse gas emission and enhancing carbon sequestration, as well as promote sustainable energy

2.1.SO4.1 Summary of the SWOT Analysis

2.1.SO4.1.1 Strengths

214. Long periods of sunshine provide a resource for solar power generation
215. Effective generation of solar power and renewable clean energy are available to support productivity
216. Indigenous and potentially high-value or distinctive agricultural products are already well-adapted to Malta’s dry climate and extreme weather conditions – with opportunities to expand production sustainably

2.1.SO4.1.2 Weaknesses

217. Energy use in agriculture is inefficient. Comparatively high levels of GHG emissions from overuse of fertilisers and generation and management of livestock manures
218. Many farm sectors depend on fossil fuels – e.g. for imported feedstuffs, chemical fertilisers, plant protection and veterinary medicines, the extraction of water from underground sources and heating or cooling livestock facilities
219. Safe and effective management of manures from small livestock (rabbits and poultry) is not guaranteed
220. Lack of accessible research and knowledge exchange for the re-adaptation and mitigation of climate change in Maltese agriculture
221. Methane and ammonia emissions from housed cattle and associated slurry stores

2.1.SO4.1.3 Opportunities

222. Renewable energy generation and improved energy efficiency on farms by investing in technologies (AD, solar, green insulation) and collaboration to share facilities
223. Encourage soil management to increase carbon content via better R&D and advice
224. Encourage permanent crops in place of annual cereals, promote tree planting along field boundaries
225. Encourage livestock sectors to invest in sustainable and low-carbon, Maltese animal feeds
226. Invest in market research, product development and promotion for lower carbon inputs (notably, treated and processed livestock manures to replace imported chemical fertilisers)
227. Enhanced risk management practices among land-based producers for climate adaptation

2.1.SO4.1.4 Threats

228. Climate change impacts from extreme events and warming (including flooding, desertification, coastal erosion, and soil erosion, water scarcity, aquifer exhaustion/drought, more intense storms, rise in sea levels, increased heat stress for livestock)
229. Limited risk reduction measures or schemes

2.1.SO4.1.5 Other comments

Information and data supporting the SWOT may be found under Annex II.
### 2.1.SO4.2 Identification of needs

<table>
<thead>
<tr>
<th>Code</th>
<th>Title</th>
<th>Prioritisation at the level of the CAP Strategic Plan</th>
<th>Need is addressed in Cap Strategic Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>Improved distribution and utilisation of treated waste water to ensure sustainable irrigation</td>
<td>2</td>
<td>Yes</td>
</tr>
<tr>
<td>4.10</td>
<td>Improve risk management in Maltese agriculture and make farmers more financially resilient</td>
<td>10</td>
<td>No</td>
</tr>
<tr>
<td>4.2</td>
<td>Promotion of commercially viable crops and farming systems that are adapted to the future climate</td>
<td>3</td>
<td>Yes</td>
</tr>
<tr>
<td>4.3</td>
<td>The use of animal and agricultural waste and residues for energy production</td>
<td>4</td>
<td>Yes</td>
</tr>
<tr>
<td>4.4</td>
<td>Reduced use of chemical N-fertilizers and other inputs with similarly high carbon footprint</td>
<td>1</td>
<td>Yes</td>
</tr>
<tr>
<td>4.5</td>
<td>Further investment in renewable energy sources, aimed at decarbonisation of the farm sector</td>
<td>9</td>
<td>Yes</td>
</tr>
<tr>
<td>4.6</td>
<td>Reduce, reuse and recycle resources on farms and rural households through Knowledge Exchange</td>
<td>5</td>
<td>Yes</td>
</tr>
<tr>
<td>4.7</td>
<td>Risk management schemes that can be availed of by farmers</td>
<td>6</td>
<td>No</td>
</tr>
<tr>
<td>4.8</td>
<td>Research, innovation and demonstration aimed at moving towards low carbon agriculture</td>
<td>7</td>
<td>Yes</td>
</tr>
<tr>
<td>4.9</td>
<td>Improve farmer knowledge on climate change adaptation and mitigation via training and advice</td>
<td>8</td>
<td>Yes</td>
</tr>
</tbody>
</table>

### 2.1.SO4.3 Identification of the relevant (elements of) national plans emanating from the legislative instruments referred to in Annex XI of the CAP plan Regulation that have been taken into account in the CAP plans’ needs assessment for this specific objective

This SO has taken into account the relevant elements from Malta’s 2030 National Energy and Climate Plan, its National Strategy on Adaptation to Climate Change, and its National Renewable Energy Action Plan, emanating from the relevant EU legislative instruments on climate and renewable energy.

None of the other national plans emanating directly from Annex XI instruments which cover biodiversity/Natura 2000, water quality, nitrates, air pollution, and pesticide reduction are directly incorporated into the SO needs assessment, as they are better covered under other SOs.
2.1.SO4.4 Intervention logic

<table>
<thead>
<tr>
<th>Form of Intervention</th>
<th>Type of Intervention</th>
<th>Intervention Code (MS) - Name</th>
<th>Common Output Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>DPdecoupled</td>
<td>Eco-scheme(31) - Schemes for the climate, the environment and animal welfare</td>
<td>DP ECO (Stubble) - Direct Payments (Eco-scheme – Soil Cover): Stubble management practices</td>
<td>O.8. Number of hectares or of livestock units benefitting from eco-schemes</td>
</tr>
<tr>
<td>DPdecoupled</td>
<td>Eco-scheme(31) - Schemes for the climate, the environment and animal welfare</td>
<td>DP ECO-Biodiversity - Direct Payments (Eco-scheme) Land parcels dedicated for biodiversity purposes</td>
<td>O.8. Number of hectares or of livestock units benefitting from eco-schemes</td>
</tr>
<tr>
<td>DPdecoupled</td>
<td>Eco-scheme(31) - Schemes for the climate, the environment and animal welfare</td>
<td>DP ECO-Cultivation - Direct Payments (Eco-scheme Soil Cover) Encouraging the cultivation of catch crops and/or nitrogen-fixing crops as soil cover</td>
<td>O.8. Number of hectares or of livestock units benefitting from eco-schemes</td>
</tr>
<tr>
<td>DPdecoupled</td>
<td>Eco-scheme(31) - Schemes for the climate, the environment and animal welfare</td>
<td>DP ECO-IPM - Direct Payments (Eco-scheme: IPM and SSP for temporary crops)</td>
<td>O.8. Number of hectares or of livestock units benefitting from eco-schemes</td>
</tr>
<tr>
<td>RD</td>
<td>ENVCLIM(70) - Environmental, climate-related and other management commitments</td>
<td>RD MANG COMT - Land Based management commitments</td>
<td>O.14. Number of hectares (excluding forestry) or number of other units covered environmental or climate-related commitments going beyond mandatory requirements</td>
</tr>
<tr>
<td>RD</td>
<td>INVEST(73-74) - Investments, including investments in irrigation</td>
<td>RD On-Farm Invest P. - On-farm Productive Investments</td>
<td>O.20. Number of supported on-farm productive investment operations or units</td>
</tr>
</tbody>
</table>

Overview

This SO will benefit from investment aids for farm and business development and diversification, also support for training and education for farmers in climate-friendly technologies and modern farming systems development. Interventions under EAFRD and EAGF covering agri-environment-climate measures and eco-schemes will also contribute to climate adaptation or mitigation. The schemes will provide financial support to farmers who carry out actions that may include carbon building soil management practices, tree planting, permanent cropping. GAECs 3, 4, 5, 6, 7 and 8 will be relevant to this SO.

2.1.SO4.5 Where relevant, a justification for the use of InvestEU, including the amount and its expected contribution to the Specific Objective/Cross-Cutting Objective

At initial programming stage, contributions towards InvestEU are not foreseen.

2.1.SO4.6 Are you planning CAP contribution towards the LIFE programme (only for SO4, SO5, SO6)

No

2.1.SO4.8 Selection of the result indicator(s)

Selection of the result indicator(s) for this specific objective

<table>
<thead>
<tr>
<th>Result indicators [recommended Result indicators for this specific objective are fully displayed in bold]</th>
<th>Target value [to be filled from section 2.3]</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>R.12 - Adaptation to climate change</strong> Share of utilised agricultural area (UAA) under supported commitments to improve climate adaptation</td>
<td>65.57 %</td>
</tr>
<tr>
<td><strong>R.15 CU - Green energy from agriculture and forestry and from other renewable sources</strong> Supported investments in renewable energy production capacity, including bio-based (in MW)</td>
<td>2.00 MW</td>
</tr>
</tbody>
</table>
R.16 CU - Investments related to climate
Share of farms benefitting from CAP investment support contributing to climate change mitigation and adaptation, and to the production of renewable energy or biomaterials

0.18 %

R.17 CU PR - Afforested land
Area supported for afforestation, agroforestry restoration, including breakdowns

250.00 ha

Justification of the selection of the result indicator(s) for this specific objective
The result indicator/s chosen aim to reflect the main thrust of the interventions foreseen under this SO. Further information may be found under Chapter 5.

2.1.SO4.9 Justification of the financial allocation
Further justification on the financial allocation has been provided under Chapter 5 for Direct Payment Interventions, Sectoral Interventions and Rural Development Interventions under the Planned Unit Amounts.

2.1.SO5 Foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency
2.1.SO5.1 Summary of the SWOT Analysis
2.1.SO5.1.1 Strengths
230. Many fruit and vegetables producers have efficient drip-irrigation equipment installed on their holdings, and more efficient technologies (e.g. IT soil moisture monitoring and management systems) are available to encourage continuous improvement
231. European and Maltese legislation has helped to establish a baseline of enhanced standards of water management among the farm sectors

2.1.SO5.1.2 Weaknesses
232. Very poor water status and severe water challenges including groundwater aquifer exhaustion and salination, coupled with rapid run-off into the sea of too much of Malta’s natural rainfall, due to increased soil sealing, development and declines in active rainwater harvesting infrastructure, across the islands
233. Increasing ammonia emissions from agricultural practices.
234. Low levels of technical awareness and capacity or motivation to act, among part-time land-based farmers - a key obstacle to more efficient use of basic resources of water and soils
235. Insufficient attention by farmers to building the quality and ecological status of their soils (including Carbon content – see SO4), which threatens future farming in Malta
236. Lack of confidence in the acceptability of treated wastewater by the farming community, along with unwillingness to invest in new technologies for more efficient agricultural water use
237. Land ownership and use pattern creates fragmented agricultural holdings which increases costs and lowers efficiency of resource use
238. Traditional field level water collection and distribution systems are not maintained or used

2.1.SO5.1.3 Opportunities
239. Development of action plans to assist in more efficient use of water and farm inputs and enhanced soil management (collective or industry-wide level in collaboration with Government)
240. Investments in enhanced re-use of treated urban wastewater and zero-carbon desalinated water, that can be used in agriculture to replace use of scarce ground and surface water resources
241. Applying new techniques and better management practices to reduce input use (including water use) without compromising output value or quality (training, knowledge exchange) and exploring options for less water-intensive farming
242. Shift towards innovative and more environmentally friendly technologies (establish demonstration sites and farms, to demonstrate innovative technologies and disseminate best practices)
243. Collaborative action to improve efficiency of resource use and lower production costs

[1] This is sometimes referred to as 'new water' which is a term used in Malta that makes reference to treated sewage affluent that can be used for agricultural purposes

2.1.SO5.1.4 Threats

244. The effects of climate change may lead to increased constraints to the natural environment and farming, e.g. desertification, storm water runoff and soil erosion, leading to threats to water resources and soils
245. More stringent future regulations on nitrates and contaminants in water could result in certain agricultural systems becoming unsustainable
246. Overuse of pesticides and fertilisers contaminates groundwater

2.1.SO5.1.5 Other comments

Information and data supporting the SWOT may be found under Annex II.

2.1.SO5.2 Identification of needs

<table>
<thead>
<tr>
<th>Code</th>
<th>Title</th>
<th>Prioritisation at the level of the CAP Strategic Plan</th>
<th>Need is addressed in Cap Strategic Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1</td>
<td>Provide training and advice to increase awareness on the efficient management of natural resources</td>
<td>6</td>
<td>Yes</td>
</tr>
<tr>
<td>5.2</td>
<td>Ensure adequate treatment and reduce groundwater pollution</td>
<td>7</td>
<td>Yes</td>
</tr>
<tr>
<td>5.3</td>
<td>Introduce new land and processes that convert agricultural waste to fertilizer and/or energy</td>
<td>4</td>
<td>Yes</td>
</tr>
<tr>
<td>5.4</td>
<td>Increase efficient use of water and soil by restoring geographical and landscape features</td>
<td>1</td>
<td>Yes</td>
</tr>
<tr>
<td>5.5</td>
<td>Encourage farmers to invest in efficient farming systems that make efficient use of resources</td>
<td>3</td>
<td>Yes</td>
</tr>
<tr>
<td>5.6</td>
<td>Demonstrate the value to farm profitability of crops and livestock produced to higher standards</td>
<td>2</td>
<td>Yes</td>
</tr>
<tr>
<td>5.7</td>
<td>Identify ways to reduce nutrient loading to air, surface water from agricultural activity</td>
<td>5</td>
<td>Yes</td>
</tr>
</tbody>
</table>

2.1.SO5.3 Identification of the relevant (elements of) national plans emanating from the legislative instruments referred to in Annex XI of the CAP plan Regulation that have been taken into account in the CAP plans’ needs assessment for this specific objective

This SO has taken into account the relevant elements emanating from the relevant EU legislative instruments on water, pollution of water by Nitrates, and soils, as follows: The 2nd Water Catchment Management plan, the Nitrates Action Programme Malta, The Maltese National Environment Policy and The National Agricultural Policy for the Maltese Islands 2018-2028.

None of the other national plans emanating directly from Annex XI instruments â€“ which cover
biodiversity/Natura 2000, climate change and renewable energy, air pollution and pesticide reduction â€“ are directly incorporated into the SO5 needs assessment, as they are better covered under other SOs.
### 2.1.SO5.4 Intervention logic

<table>
<thead>
<tr>
<th>Form of Intervention</th>
<th>Type of Intervention</th>
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<tbody>
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<td>Eco-scheme(31) - Schemes for the climate, the environment and animal welfare</td>
<td>DP ECO (Stubble) - Direct Payments (Eco-scheme – Soil Cover): Stubble management practices</td>
<td>O.8. Number of hectares or of livestock units benefitting from eco-schemes</td>
</tr>
<tr>
<td>DPdecoupled</td>
<td>Eco-scheme(31) - Schemes for the climate, the environment and animal welfare</td>
<td>DP ECO-Cultivation - Direct Payments (Eco-scheme Soil Cover): Encouraging the cultivation of catch crops and/or nitrogen-fixing crops as soil cover</td>
<td>O.8. Number of hectares or of livestock units benefitting from eco-schemes</td>
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<td>DP ECO-IPM - Direct Payments (Eco-scheme: IPM and SSP for temporary crops)</td>
<td>O.8. Number of hectares or of livestock units benefitting from eco-schemes</td>
</tr>
<tr>
<td>RD</td>
<td>ENVCLIM(70) - Environmental, climate-related and other management commitments</td>
<td>RD MANG COMT - Land Based management commitments</td>
<td>O.14. Number of hectares (excluding forestry) or number of other units covered by environmental or climate-related commitments going beyond mandatory requirements</td>
</tr>
<tr>
<td>RD</td>
<td>INVEST(73-74) - Investments, including investments in irrigation</td>
<td>RD OnFarm NP Invest - Farm Non-Productive Investments</td>
<td>O.20. Number of supported on-farm productive investment operations or units</td>
</tr>
<tr>
<td>RD</td>
<td>INVEST(73-74) - Investments, including investments in irrigation</td>
<td>RD Off Farm NP INVST - Off-farm Non-Productive Investments and Afforestation</td>
<td>O.23. Number of supported off-farm non-productive investment operations or units</td>
</tr>
<tr>
<td>RD</td>
<td>INVEST(73-74) - Investments, including investments in irrigation</td>
<td>RD Off-Farm INFRA - Farm Infrastructure</td>
<td>O.22. Number of supported infrastructures investment operations or units</td>
</tr>
<tr>
<td>RD</td>
<td>INVEST(73-74) - Investments, including investments in irrigation</td>
<td>RD On-farm Invest P. - On-farm Productive Investments</td>
<td>O.20. Number of supported on-farm productive investment operations or units</td>
</tr>
<tr>
<td>RD</td>
<td>COOP(77) - Cooperation</td>
<td>RD OTHER COOP ACT - Other Cooperation Activities</td>
<td>O.32. Number of supported other cooperation operations or units (excluding EIP reported under O.1)</td>
</tr>
</tbody>
</table>

**Overview**

A range of small and larger-scale investments is needed to help Malta’s farm sectors to respond to this SO. At national scale, investment in water infrastructure for treated urban wastewater to continue distribution to the main agricultural areas of the Maltese islands, is critical. This is not only important for agricultural purposes, but will provide much needed greening opportunities in rural areas. In addition, smaller scale investment in enhanced water capture facilities on farms, along with restoration and renovation of water management features in the landscape and the maintenance of traditional field boundaries for soil protection, are also important.

Additionally, intervention through agri-environment-climate measures and eco-schemes can contribute to enhanced protection of soils, water and air. Incentives for growing green manures or cover crops or in inter-cropping arrangements, to enable C-sequestration in soils; and planting more trees and shrubs along field boundaries, will encourage a better management of natural resources.

Farm-level and higher level technical training for all commercial (trading) Maltese farmers in soil and water protection and enhancement techniques, is essential. Flanking support in the form of aids for cooperation and collaboration, including support for Operational Groups, is also necessary. GAEC’s...
3, 4, 5, 6, 7, 8, and 9 will be relevant to this SO.

2.1.SO5.5 Where relevant, a justification for the use of InvestEU, including the amount and its expected contribution to the Specific Objective/Cross-Cutting Objective

At initial programming stage, contributions towards InvestEU are not foreseen.

2.1.SO5.7 Are you planning CAP contribution towards the LIFE programme (only for SO4, SO5, SO6): No

2.1.SO5.8 Selection of the result indicator(s)

Selection of the result indicator(s) for this specific objective

<table>
<thead>
<tr>
<th>Result indicators [recommended Result indicators for this specific objective are displayed in bold]</th>
<th>Target value [to be filled from section 2.3]</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>R.19 PR - Improving and protecting soils</strong> Share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil quality and biota (such as reducing tillage, soil cover with crops, crop rotation included with leguminous crops)</td>
<td>12.57 %</td>
</tr>
<tr>
<td><strong>R.24 PR - Sustainable and reduced use of pesticides</strong> Share of Utilised Agricultural Area (UAA) under supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides such as pesticide slackage</td>
<td>2.98 %</td>
</tr>
<tr>
<td><strong>R.25 - Environmental performance in the livestock sector</strong> Share of livestock units (LU) under supported commitments to improve environmental sustainability</td>
<td>0.57 %</td>
</tr>
<tr>
<td><strong>R.27 CU - Environmental or climate-related performance through investment in rural areas</strong> Number of operations contributing to environmental sustainability and the achievement of climate mitigation and adaptation goals in rural areas</td>
<td>36.00</td>
</tr>
<tr>
<td><strong>R.28 CU - Environment or climate-related performance through knowledge</strong> Number of persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP related to environmental or climate-related performance</td>
<td>4371.00</td>
</tr>
<tr>
<td><strong>R.29 PR - Development of organic agriculture</strong> Share of utilised agricultural area (UAA) supported by the CAP for organic farming with a split between maintenance and conversion</td>
<td>0.77 %</td>
</tr>
</tbody>
</table>

Justification of the selection of the result indicator(s) for this specific objective

The result indicator/s chosen aim to reflect the main thrust of the interventions foreseen under this SO. Further information may be found under Chapter 5.

2.1.SO5.9 Justification of the financial allocation

Further justification on the financial allocation has been provided under Chapter 5 for Direct Payment Interventions, Sectoral Interventions and Rural Development Interventions under the Planned Unit Amounts.

2.1.SO6 Contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes

2.1.SO6.1 Summary of the SWOT Analysis

2.1.SO6.1.1 Strengths

247. Variety of indigenous and endemic species, and a range of priority habitats
248. High diversity of terrestrial plants and animals present on the territory
249. Historic landscape considered an important cultural asset (important archaeological sites, intricate terraced small field patterns)
250. Garrigue and maquis represent terrestrial habitats of national and international importance for biodiversity
251. Comprehensive management planning for the highest value protected sites (Natura 2000)

2.1.SO6.1.2 Weaknesses

252. Low levels of awareness of the existing and potential value of farmed landscape for biodiversity and the designated terrestrial Natura 2000 sites, among the farming and non-farming population. This is linked also to insufficient detailed data on the state of biodiversity
253. Biodiversity status of farmland is vulnerable and in decline (aggregated landholdings and a lack of upkeep of landscape features and management infrastructure for natural resources in some areas, also over-exploitation of resources leading to soil loss, water scarcity, nutrient pollution)
254. Lack of knowledge, training and insufficient incentives for farmers to engage in biodiversity management or organic farming
255. Small size of farm holdings, also of Malta’s protected Natura 2000 sites on farmland, combined with strong winds and storms means pesticide drift from farms onto neighbouring areas is a risk
256. Biodiversity management not considered an integral part of farm management

2.1.SO6.1.3 Opportunities

257. Raise awareness of Malta’s distinctive biodiversity and encourage activities to protect and valorise its semi-natural habitats and landscape features associated with field boundaries and channels; and to enhance appreciation of its Natura 2000 sites
258. Encourage expansion of permanent crops and trees (e.g. tree crops like olives and almonds, or other drought-tolerant species)
259. Adopt more biodiversity-friendly production methods via conversion to organic farming and promoting more sustainable agricultural practices including maintenance of organic farming

2.1.SO6.1.4 Threats

260. Limited unwillingness to engage with CAP support and low levels of awareness of farming’s impact upon biodiversity (especially among small, part-time farmers)
261. Spread of invasive alien species through agricultural practices
262. Increasing population density, urbanisation and the need for additional infrastructure
263. Decline of local indigenous populations and varieties for both livestock and endemic crops
264. Degradation of rural areas including habitats and cultural landscapes (via abandonment, over-exploitation and pollution)
265. Changing climate patterns - potential increase in the number and variety of pests, water stress and biodiversity loss

2.1.SO6.1.5 Other comments

Information and data supporting the SWOT may be found under Annex II.

2.1.SO6.2 Identification of needs

<table>
<thead>
<tr>
<th>Code</th>
<th>Title</th>
<th>Prioritisation at the level of the CAP Strategic Plan</th>
<th>Need is addressed in Cap</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic Plan</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---------------</td>
<td>---</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.1 Enhance biodiversity on agricultural holdings and wider rural areas</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.2 Disseminate knowledge amongst farmers to safeguard biodiversity on land adjacent to Natura 2000</td>
<td>6</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.3 Promote CAP SP measures that protect biodiversity, enhance ecosystems and preserve habitats</td>
<td>7</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.4 Promote the removal of invasive alien species and the planting of native and archaeophytic species</td>
<td>4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.5 Restoration of habitats and rural landscape features</td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.6 Promote Malta’s Natura 2000 sites and Malta’s rural landscape heritage amongst farmers</td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6.7 Conserve endemic species with the aim of preserving local agricultural genetic resources</td>
<td>5</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

2.1 SO6.3 Identification of the relevant (elements of) national plans emanating from the legislative instruments referred to in Annex XI of the CAP plan Regulation that have been taken into account in the CAP plans’ needs assessment for this specific objective

This SO has taken into account the relevant elements from Malta’s National Strategic Biodiversity Action Plan (NSBAP) and its National Pesticides Action Plan. None of the other national plans emanating directly from Annex XI instruments – which cover water quality, nitrates, air pollution, and climate change and renewable energy generation – are directly incorporated into this SO6 needs assessment, as they are better covered under other SOs.
### 2.1 SO6.4 Intervention logic

<table>
<thead>
<tr>
<th>Form of Intervention</th>
<th>Type of Intervention</th>
<th>Intervention Code (MS) - Name</th>
<th>Common Output Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>DP decoupled</td>
<td>Eco-scheme(31) - Schemes for the climate, the environment and animal welfare</td>
<td>DP ECO-Biodiversity - Direct Payments (Eco-scheme) Land parcels dedicated for biodiversity purposes</td>
<td>O.8. Number of hectares or of livestock units benefitting from eco-schemes</td>
</tr>
<tr>
<td>DP decoupled</td>
<td>Eco-scheme(31) - Schemes for the climate, the environment and animal welfare</td>
<td>DP ECO-Cultivation - Direct Payments (Eco-scheme Soil Cover) Encouraging the cultivation of catch crops and/or nitrogen-fixing crops as soil cover</td>
<td>O.8. Number of hectares or of livestock units benefitting from eco-schemes</td>
</tr>
<tr>
<td>DP decoupled</td>
<td>Eco-scheme(31) - Schemes for the climate, the environment and animal welfare</td>
<td>DP ECO-IPM - Direct Payments (Eco-scheme: IPM and SSP for temporary crops)</td>
<td>O.8. Number of hectares or of livestock units benefitting from eco-schemes</td>
</tr>
<tr>
<td>Sectoral - Apiculture products</td>
<td>ADVIBEES(55(1)(a)) - advisory services, technical assistance, training, information and exchange of best practices, including through networking, for beekeepers and beekeepers' organisations</td>
<td>Sectoral API T&amp;I - Apiculture - Training, Information and Networks</td>
<td>O.37. Number of actions or units for beekeeping preservation or improvement</td>
</tr>
<tr>
<td>Sectoral - Apiculture products</td>
<td>INVAPI(55(1)(b)) - investments in tangible and intangible assets, as well as other actions</td>
<td>Sectoral API Product - Apiculture - Products</td>
<td>O.37. Number of actions or units for beekeeping preservation or improvement</td>
</tr>
<tr>
<td>Sectoral - Apiculture products</td>
<td>ACTLAB(55(1)(c)) - actions to support laboratories for the analysis of apiculture products, bee losses or productivity declines, and substances potentially toxic to bees</td>
<td>Sectoral API Labs - Apiculture Products: Support for laboratories</td>
<td>O.37. Number of actions or units for beekeeping preservation or improvement</td>
</tr>
<tr>
<td>Sectoral - Apiculture products</td>
<td>COOPAPI(55(1)(e)) - cooperation with specialised bodies for the implementation of research programs in the field of beekeeping and apiculture products</td>
<td>Sectoral API RESRCH - Apiculture - Research Programmes</td>
<td>O.37. Number of actions or units for beekeeping preservation or improvement</td>
</tr>
<tr>
<td>RD</td>
<td>ENVCLIM(70) - Environmental, climate-related and other management commitments</td>
<td>RD Gen Res - Conservation and sustainable use of genetic resources</td>
<td>O.19. Number of operations or units supporting genetic resources</td>
</tr>
<tr>
<td>RD</td>
<td>ENVCLIM(70) - Environmental, climate-related and other management commitments</td>
<td>RD MANG COMT - Land Based management commitments</td>
<td>O.14. Number of hectares (excluding forestry) or number of other units covered by environmental or climate-related commitments going beyond mandatory requirements</td>
</tr>
<tr>
<td>RD</td>
<td>INVEST(73-74) - Investments, including investments in irrigation</td>
<td>RD OnFarm NP Invest - On-Farm Non-Productive Investments</td>
<td>O.21. Number of supported on-farm non-productive investment operations or units</td>
</tr>
<tr>
<td>RD</td>
<td>INVEST(73-74) - Investments, including investments in irrigation</td>
<td>RD Off Farm NP INVEST - Off-farm Non-Productive Investments and Afforestation</td>
<td>O.23. Number of supported off-farm non-productive investment operations or units</td>
</tr>
<tr>
<td>RD</td>
<td>INVEST(73-74) - Investments, including investments in irrigation</td>
<td>RD On-farm Invest P. - On-farm Productive Investments</td>
<td>O.20. Number of supported on-farm productive investment operations or units</td>
</tr>
</tbody>
</table>

### Overview

The interventions that will be most relevant to this SO under EAFRD will include non productive and productive investments, conservation and sustainable use of genetic resources and land based management commitments. Interventions under EAGF will include Eco Schemes as well as interventions supporting the Apiculture sector including support for labs, varroasis, restocking and transhumance.
From experience of the previous programming period, the expenditure profile under this SO is judged likely to be moderate, although it will be important to seek to ensure higher uptake of these interventions in the next period so as to ensure the minimum required allocation to environment and climate goals and to achieve an adequate contribution towards the halting and reversal of biodiversity decline in Malta. Some simplification of interventions should encourage a higher level of participation than was achieved up to 2020.

2.1.SO6.5 Where relevant, a justification for the use of InvestEU, including the amount and its expected contribution to the Specific Objective/Cross-Cutting Objective

At initial programming stage, contributions towards InvestEU are not foreseen.

2.1.SO6.7 Are you planning CAP contribution towards the LIFE programme (only for SO4, SO5, SO6): No

2.1.SO6.8 Selection of the result indicator(s)

Selection of the result indicator(s) for this specific objective

<table>
<thead>
<tr>
<th>Result indicators [recommended Result indicators for this specific objective are fully displayed in bold]</th>
<th>Target value [to be filled from section 2.3]</th>
</tr>
</thead>
<tbody>
<tr>
<td>R.7 <strong>PR</strong> - Enhancing support for farms in areas with specific needs</td>
<td>33.59 %</td>
</tr>
<tr>
<td>Percentage of additional support per hectare in areas with higher needs (compared to average)</td>
<td></td>
</tr>
<tr>
<td>R.17 <strong>CU PR</strong> - Afforested land</td>
<td>250.00 ha</td>
</tr>
<tr>
<td>Area supported for reforestation, agroforestry restoration, including breakdowns</td>
<td></td>
</tr>
<tr>
<td>R.19 <strong>PR</strong> - Improving and protecting soils</td>
<td>12.57 %</td>
</tr>
<tr>
<td>Share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil quality and biota (such as reducing tillage, soil cover with crops, crop rotation included with leguminous crops)</td>
<td></td>
</tr>
<tr>
<td>R.24 <strong>PR</strong> - Sustainable and reduced use of pesticides</td>
<td>2.98 %</td>
</tr>
<tr>
<td>Share of Utilised Agricultural Area (UAA) under supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides, such as pesticides leakage</td>
<td></td>
</tr>
<tr>
<td>R.29 <strong>PR</strong> - Development of organic agriculture</td>
<td>0.77 %</td>
</tr>
<tr>
<td>Share of utilised agricultural area (UAA) supported by the CAP for organic farming with a split between maintenance and conversion</td>
<td></td>
</tr>
<tr>
<td>R.30 <strong>PR</strong> - Preserving habitats and species</td>
<td>4.10 %</td>
</tr>
<tr>
<td>Share of utilised agricultural area (UAA) under supported commitments for supporting biodiversity conservation or restoration including high nature value farming practices</td>
<td></td>
</tr>
<tr>
<td>R.32 <strong>CU</strong> - Investments related to biodiversity</td>
<td>0.27 %</td>
</tr>
<tr>
<td>Share of farms benefitting from CAP investment support contributing to biodiversity</td>
<td></td>
</tr>
<tr>
<td>R.34 <strong>PR</strong> - Preserving landscape features</td>
<td>0.89 %</td>
</tr>
<tr>
<td>Share of utilised agricultural area (UAA) under supported commitments for managing landscape features, including hedgerows and trees</td>
<td></td>
</tr>
<tr>
<td>R.35 <strong>CU</strong> - Preserving beehives</td>
<td>66.50 %</td>
</tr>
<tr>
<td>Share of beehives supported by the CAP</td>
<td></td>
</tr>
</tbody>
</table>

Justification of the selection of the result indicator(s) for this specific objective

The result indicator/s chosen aim to reflect the main thrust of the interventions foreseen under this SO. Further information may be found under Chapter 5.
2.1.SO6.9 Justification of the financial allocation

Further justification on the financial allocation has been provided under Chapter 5 for Direct Payment Interventions, Sectoral Interventions and Rural Development Interventions under the Planned Unit Amounts.

2.1.SO7 Attract and sustain young farmers and other new farmers and facilitate sustainable business development in rural areas

2.1.SO7.1 Summary of the SWOT Analysis

2.1.SO7.1.1 Strengths

- Increasing awareness to innovate and learn about the latest techniques and farming methods among young farmers
- Business diversity in rural areas is already quite high with many non-farming market opportunities and low unemployment rates
- High IT literacy and use of digital skills among young farmers

[1] See SO 8 for more details on the rural economy

2.1.SO7.1.2 Weaknesses

- Small percentage of young farmers (below 40y), sector dominated by older farmers
- Very limited land availability to purchase or lease, and high cost
- Training provision not best suited to support the needs of a young generation
- Lack of access to new knowledge and training workshops / networks
- Lack of access to subsidies and credit
- Mismatch issues, agriculture graduates not working in the sector
- Farming perceived as low return, low value and little opportunity for growth and development

2.1.SO7.1.3 Opportunities

- Opportunities for more innovative and creative enterprise in rural areas, especially for young farmers
- Potential to stimulate new business activities in rural areas (e.g. farm diversification, food tourism, local food labelling, cultural heritage)
- Opportunities for developing niche markets and diversification of some sectors such as tourism into rural-oriented and environmental business
- Tailor-made training and upskilling for young farmers alongside improved access to education, research and markets
- Provide certification for training courses, consolidate farmer/livestock breeder classification systems through recognition of education and skills
- Malta’s strategy for land consolidation – potential for re-parceling land

2.1.SO7.1.4 Threats

- Farming not offering adequate income - lower quality of life for farming communities
- Cultural and practical knowledge gained through experience of longstanding generations of farmers may be lost if not transferred to an emerging generation of farmers
- Higher incomes and greater financial security from other forms of employment attract young people away from the land
- Poor perception of agriculture as a career option among young people
2.1.SO7.1.5 Other comments
Information and data supporting the SWOT may be found under Annex II.

2.1.SO7.2 Identification of needs

<table>
<thead>
<tr>
<th>Code</th>
<th>Title</th>
<th>Prioritisation at the level of the Strategic Plan</th>
<th>Need is addressed in Cap Strategic Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1</td>
<td>Provide start-up financial aid for young farmers for full and part time farmers and new entrants</td>
<td>1</td>
<td>Yes</td>
</tr>
<tr>
<td>7.2</td>
<td>Provide training, advice, mentoring and assistance for young farmers and rural entrepreneurs</td>
<td>7</td>
<td>Yes</td>
</tr>
<tr>
<td>7.3</td>
<td>Promote cooperation among young farmers to trade at a scale that is resilient and viable</td>
<td>3</td>
<td>Yes</td>
</tr>
<tr>
<td>7.4</td>
<td>Income boost to young farmers to incentivize earlier generational renewal within farming households</td>
<td>2</td>
<td>Yes</td>
</tr>
<tr>
<td>7.5</td>
<td>Explore enhanced opportunities for access to credit among young farmers</td>
<td>5</td>
<td>Yes</td>
</tr>
<tr>
<td>7.6</td>
<td>Support new rural business ventures that add value to rural income and promote rural quality of life</td>
<td>6</td>
<td>No</td>
</tr>
<tr>
<td>7.7</td>
<td>Facilitate land consolidation and farm transfers through legislative and fiscal incentives</td>
<td>4</td>
<td>No</td>
</tr>
</tbody>
</table>
### 2.1.SO7.4 Intervention logic

<table>
<thead>
<tr>
<th>Form of Intervention</th>
<th>Type of Intervention</th>
<th>Intervention Code (MS) - Name</th>
<th>Common Output Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>DP decoupled</td>
<td>CIS-YF(30) - Complementary income support for young farmers</td>
<td>DP CIS-YF - Direct Payments (Complementary income support for young farmers)</td>
<td>O.6. Number of hectares benefitting from complementary income support for young farmers</td>
</tr>
<tr>
<td>RD</td>
<td>INSTAL(75) - Setting up of young farmers and new farmers and rural business start-up</td>
<td>RD INSTAL YF - Setting up of young farmers</td>
<td>O.25. Number of young farmers receiving setting-up support</td>
</tr>
<tr>
<td>RD</td>
<td>KNOW(78) - Knowledge exchange and dissemination of information</td>
<td>RD KNOW - Knowledge exchange, training and dissemination of information</td>
<td>O.33. Number of supported training, advice and awareness actions or units</td>
</tr>
</tbody>
</table>

#### Overview

This SO will be most relevant to interventions under EAFRD that support Young Farmers as well as Complimentary Income Support for Young Farmers under EAGF. Measures that can promote collaboration between young farmers are also potentially helpful and relevant to this goal. Supporting training and advice can help beneficiaries to maximise the value of capital funding for installation by enhancing their management and technical skills.Whilst only some of these eventual instruments can be achieved through CAP funding alone, it is clear that CAP funding can be used to investigate their feasibility and detailed application in Maltese conditions, which would be a valuable first step in their development.

#### 2.1.SO7.5 Where relevant, a justification for the use of InvestEU, including the amount and its expected contribution to the Specific Objective/Cross-Cutting Objective

At initial programming stage, contributions towards InvestEU are not foreseen.

#### 2.1.SO7.6 Are you planning CAP contribution towards the Erasmus programme

: No

#### 2.1.SO7.8 Selection of the result indicator(s)

**Selection of the result indicator(s) for this specific objective**

<table>
<thead>
<tr>
<th>Result indicators (recommended Result indicators recommended for this specific objective are fully displayed in bold)</th>
<th>Target value [to be filled from section 2.3]</th>
</tr>
</thead>
<tbody>
<tr>
<td>R.36 CU PR - Generational Renewal Number of young farmers benefitting from setting up with support from the CAP, including a gender breakdown</td>
<td>51.00</td>
</tr>
</tbody>
</table>

**Justification of the selection of the result indicator(s) for this specific objective**

The result indicator/s chosen aim to reflect the main thrust of the interventions foreseen under this SO. Further information may be found under Chapter 5.

#### 2.1.SO7.9 Justification of the financial allocation

Further justification on the financial allocation has been provided under Chapter 5 for Direct Payment Interventions, Sectoral Interventions and Rural Development Interventions under the Planned Unit Amounts.

#### 2.1.SO8 Promote employment, growth, gender equality, including the participation of women in farming, social inclusion and local development in rural areas, including the circular bio-economy and sustainable forestry

**2.1.SO8.1 Summary of the SWOT Analysis**

**2.1.SO8.1.1 Strengths**
287. Favourable economic conditions and low unemployment rates pre-COVID-19
288. Decrease in the number of people that are at-risk-of-poverty or social exclusion
289. Enthusiasm to maintain local culture and traditional events
290. Local Action Groups - reference points within their respective territories

2.1.SO8.1.2 Weaknesses

| 291. | The scale of impact of CAP income support, even when boosted by support for Areas facing Natural or other specific Constraints (ANCs), remains insufficient to raise living standards for those for whom farming is a principal activity |
| 292. | Lack of diversification |
| 293. | Emigration of young, highly skilled people from Gozo |
| 294. | Lack of innovation and entrepreneurial confidence (shift in LEADER support) |
| 295. | Limited role of women in rural development activities |
| 296. | Low levels of digital skills among rural population |
| 297. | Under-utilisation of historical and natural heritage and failure to conserve and invest in natural and historical assets |

2.1.SO8.1.3 Opportunities

| 298. | Encourage more innovative and creative enterprises in rural areas - young entrepreneurs |
| 299. | Greater investment in learning from best practices from other Member States - knowledge exchange, mentoring and advice and support to farm households and socially disadvantaged groups |
| 300. | Digital reskilling and training |
| 301. | Stimulate new business activities in rural areas - farm diversification, gastro tourism, local food labelling, investment in cultural and natural heritage, etc. |
| 302. | Create an informal educational system to pass on the knowledge in respect of traditional trades, customs and culture |
| 303. | Create an accreditation system to recognise and promote Maltese produce |
| 304. | High level of visitors/tourism creates a large potential market for local products and activities |
| 305. | Support feasibility studies on renewable energy using waste and development of bio-economy sectors on the islands |

2.1.SO8.1.4 Threats

| 306. | Growing population with some areas experiencing a high percentage of older people and high dependency ratios resulting in higher pressure on resources such as water, air and land as well as on local infrastructure |
| 307. | Older people (aged 65 and over) more at-risk of social exclusion or poverty |
| 308. | Lack of skills and investment in the most rural parts of the islands |
| 309. | Agriculture not viewed as a viable option by young people; small scale production and lack of collaborative actions raise costs and minimise income |
| 310. | Lack of skills and awareness of potential for small scale entrepreneurial activity |
| 311. | High level of imports |

2.1.SO8.1.5 Other comments

Information and data supporting the SWOT may be found under Annex II.
### 2.1 SO8.2 Identification of needs

<table>
<thead>
<tr>
<th>Code</th>
<th>Title</th>
<th>Prioritisation at the level of the CAP Strategic Plan</th>
<th>Need is addressed in Cap Strategic Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.1</td>
<td>Provide new funding for small projects, through the LEADER programme</td>
<td>1</td>
<td>Yes</td>
</tr>
<tr>
<td>8.2</td>
<td>Improve and enhance the attractiveness of rural areas through the restoration of existing heritage</td>
<td>2</td>
<td>Yes</td>
</tr>
<tr>
<td>8.3</td>
<td>Maximise synergy between CAP resources, other policies and EU funds</td>
<td>4</td>
<td>Yes</td>
</tr>
<tr>
<td>8.4</td>
<td>Support for LAGs and local communities to explore their unique cultural history and knowledge.</td>
<td>3</td>
<td>Yes</td>
</tr>
</tbody>
</table>
2.1.SO8.4 Intervention logic

<table>
<thead>
<tr>
<th>Form of Intervention</th>
<th>Type of Intervention</th>
<th>Intervention Code (MS) - Name</th>
<th>Common Output Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>RD</td>
<td>COOP(77) - Cooperation</td>
<td>RD COOP LEADER - COOPERATION: LEADER</td>
<td>O.31. Number of supported local development strategies (LEADER) or preparatory actions</td>
</tr>
</tbody>
</table>

**Overview**

This SO will mainly fund important but targeted local investment in community infrastructure and activities relating to LEADER. The interventions that will be most relevant to this SO will include the development and update of the Local Development Strategy, together with the implementation of the LEADER programme that will be carried out by the Local Action Groups.

2.1.SO8.5 Where relevant, a justification for the use of InvestEU, including the amount and its expected contribution to the Specific Objective/Cross-Cutting Objective

At initial programming stage, contributions towards InvestEU are not foreseen.

2.1.SO8.8 Selection of the result indicator(s)

Selection of the result indicator(s) for this specific objective

<table>
<thead>
<tr>
<th>Result indicators [recommended Result indicators for this specific objective are fully displayed in bold]</th>
<th>Target value [to be filled from section 2.3]</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>R.38 CU - LEADER coverage</strong> Share of rural population covered by local development strategies</td>
<td>100.00 %</td>
</tr>
<tr>
<td><strong>R.41 CU PR - Connecting rural Europe</strong> Share of rural population benefiting from improved access to services and infrastructure through CAP support</td>
<td>100.00 %</td>
</tr>
</tbody>
</table>

Justification of the selection of the result indicator(s) for this specific objective

The result indicator/s chosen are intended to reflect the main thrust of the interventions foreseen under this SO. Further information may be found under Chapter 5.

2.1.SO8.9 Justification of the financial allocation

Further justification on the financial allocation has been provided under Chapter 5 for Direct Payment Interventions, Sectoral Interventions and Rural Development Interventions under the Planned Unit Amounts.

2.1.SO9 Improve the response of Union agriculture to societal demands on food and health, including high quality, safe, and nutritious food produced in a sustainable way, the reduction of food waste, as well as improving animal welfare and combatting antimicrobial resistances

2.1.SO9.1 Summary of the SWOT Analysis

2.1.SO9.1.1 Strengths

- Enhanced consumer awareness of Maltese products
- Campaigns raising awareness about the benefits of supporting the local agricultural sector through seasonal consumption of fresh Maltese produce
- National register of traditional Maltese Agro-Food products established
- Strong antibiotic stewardship programmes in hospital care

2.1.SO9.1.2 Weaknesses

- Low consumer awareness of source of food and how it is produced, particularly in Malta’s large hospitality sector
317. High level of food waste in the hospitality sector
318. Locally produced food waste from poor marketing and operation of supply chains (e.g. wholesale market)
319. High level of imported food and low quality of some local produce
320. Overuse of agricultural chemicals and water in the fresh produce sector
321. Lack of veterinary services and laboratories for testing
322. Major lacunae in veterinary practice, information on AMR prevalence and antibiotic use is sub-optimal

2.1.SO9.1.3 Opportunities

323. Food and Nutrition Policy and Action Plan for Malta beyond 2020 – a base for raising awareness and strengthen links between agriculture and dietary health
324. Increased awareness and demand for organic farming
325. Promote healthy eating and balanced diets through stronger links between food supply chain and public/private sectors, in specific schemes
326. Enhance existing schemes, focus on sustainability, short supply chain and low carbon footprint
327. Encourage branding of key Maltese products by producer organisations
328. Develop new welfare standards and certification in livestock sector
329. Promote social farming for health benefits
330. Development of a new holistic food policy
331. Promote low pesticide input, pest management (SO6)
332. Promote healthy, sustainable diets
333. Promote low pesticide input, pest management (SO6)

11. Enhance knowledge and awareness on AMR

2.1.SO9.1.4 Threats

333. Lack of transparency and trust in Maltese food supply chains
334. Poor transparency, inconsistent quality and supply and profiteering (fresh produce sectors)
335. Lack of consumer awareness
336. Lack of recognition of value of Maltese products
337. Reluctance of farmers to change practices and adopt new technologies
338. Poor confidence in the profitability of the farming sector
339. Absence of appropriate legislation in Animal Health providing tools for effective intervention and regulation, especially in food animal husbandry

2.1.SO9.1.5 Other comments

Information and data supporting the SWOT may be found under Annex II.

2.1.SO9.2 Identification of needs

<table>
<thead>
<tr>
<th>Code</th>
<th>Title</th>
<th>Prioritisation at the level of the CAP Strategic Plan</th>
<th>Need is addressed in Cap Strategic Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.1</td>
<td>Enhance quality transparent environmental and animal welfare standards to increase traceability.</td>
<td>1</td>
<td>Yes</td>
</tr>
<tr>
<td>9.2</td>
<td>Foster higher animal welfare standards to ensure well being among farmed animals</td>
<td>4</td>
<td>Yes</td>
</tr>
<tr>
<td>9.3</td>
<td>Recognise and reward farmers that go beyond the</td>
<td>3</td>
<td>No</td>
</tr>
<tr>
<td>9.4</td>
<td>Introduce new measures aimed at reducing, reusing and recycling food waste along the supply chain</td>
<td>7</td>
<td>Yes</td>
</tr>
<tr>
<td>9.5</td>
<td>Promote products produced to higher standards for dietary, environmental and animal welfare</td>
<td>5</td>
<td>Yes</td>
</tr>
<tr>
<td>9.6</td>
<td>Provide support for farmers to make investments that achieve the targets of this objective</td>
<td>6</td>
<td>No</td>
</tr>
<tr>
<td>9.7</td>
<td>Setting up of an electronic prescription system and upgrade of AMR laboratory</td>
<td>2</td>
<td>Yes</td>
</tr>
</tbody>
</table>
2.1.SO9.4 Intervention logic

<table>
<thead>
<tr>
<th>Form of Intervention</th>
<th>Type of Intervention</th>
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<tbody>
<tr>
<td>DPdecoupled</td>
<td>Eco-scheme(31) - Schemes for the climate, the environment and animal welfare</td>
<td>DP ECO-IPM - Direct Payments (Eco-scheme: IPM and SSP for temporary crops)</td>
<td>O.8. Number of hectares or of livestock units benefitting from eco-schemes</td>
</tr>
<tr>
<td>RD</td>
<td>INVEST(73-74) - Investments, including investments in irrigation</td>
<td>RD Off Farm NP INVST - Off-farm Non-Productive Investments and Afforestation</td>
<td>O.23. Number of supported off-farm non-productive investment operations or units</td>
</tr>
<tr>
<td>RD</td>
<td>INVEST(73-74) - Investments, including investments in irrigation</td>
<td>RD On-farm Invest P. - On-farm Productive Investments</td>
<td>O.20. Number of supported on-farm productive investment operations or units</td>
</tr>
<tr>
<td>RD</td>
<td>COOP(77) - Cooperation</td>
<td>RD COOP - Cooperation- Quality Schemes</td>
<td>O.29. Number of beneficiaries receiving support to participate in official quality schemes</td>
</tr>
<tr>
<td>RD</td>
<td>KNOW(78) - Knowledge exchange and dissemination of information</td>
<td>RD KNOW - Knowledge exchange, training and dissemination of information</td>
<td>O.33. Number of supported training, advice and awareness actions or units</td>
</tr>
</tbody>
</table>

Overview

Relevant interventions to pursue this SO effectively centre around investments targeting the enhancement and mainstreaming of higher standards of production in environmental, nutritional and welfare terms, across Maltese farm sectors, coupled with aids to promote greater public awareness of local products meeting these standards, and interventions that help farmers to better understand consumers’ choices and preferences for food and drink products and their attitudes towards Maltese products. Under EAFRD this SO will be most relevant for interventions under productive and non productive investments, as well as quality schemes and knowledge exchange, training and dissemination of information.

Training and advice will also be a frequent component of a successful strategy to raise production standards and producer awareness of consumer demand. Direct consumer education can be promoted via funding for farmers organisations to pursue awareness campaigns or it can involve direct action by the public administration, or new partnerships that are CAP-supported and created especially for these purposes under the co-operation measure.

2.1.SO9.5 Where relevant, a justification for the use of InvestEU, including the amount and its expected contribution to the Specific Objective/Cross-Cutting Objective

At initial programming stage, contributions towards InvestEU are not foreseen.

2.1.SO9.8 Selection of the result indicator(s)

Selection of the result indicator(s) for this specific objective

<table>
<thead>
<tr>
<th>Result indicators [recommended Result indicators for this specific objective are fully displayed in bold]</th>
<th>Target value [to be filled from section 2.3]</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>R.29 PR</strong> - Development of organic agriculture Share of utilised agricultural area (UAA) supported by the CAP for organic farming with a split between maintenance and conversion</td>
<td>0.77 %</td>
</tr>
</tbody>
</table>

Justification of the selection of the result indicator(s) for this specific objective

The result indicator/s chosen aim to reflect the main thrust of the interventions foreseen under this SO.
Further information may be found under Chapter 5.

2.1.SO9.9 Justification of the financial allocation

Further justification on the financial allocation has been provided under Chapter 5 for Direct Payment Interventions, Sectoral Interventions and Rural Development Interventions under the Planned Unit Amounts.

2.1.XCO Cross-cutting objective of modernising the sector by fostering and sharing knowledge, innovation and digitalisation in agriculture and rural areas, and encouraging their uptake

2.1.XCO.1 Summary of the SWOT Analysis

2.1.XCO.1.1 Strengths

- Logistical small size of the Maltese islands and the proximity of urban and rural areas allows for farmers to attend training sessions
- The small size of the agricultural community is advantageous to disseminate information among farmers
- Some standards of knowledge are already in place, such as distributors and professional users of pesticides are required to undertake training and on the use of organic and inorganic fertilizer
- The share of farm managers below 35 years of age with at least a basic level of agricultural training in Malta (at 54% in 2016) is above the EU average for this age bracket, which shows how the younger generation of Maltese farmers have a higher level of knowledge than their older compatriots
- Encourage collaborative working and social learning among farmers
- Establishment of AgriConnect as one-stop shop for farmers in respect of advice
- AgriHub-innovative agriculture applicative research, establishment of demonstration sites and provision of guidance documents.

2.1.XCO.1.2 Weaknesses

- Limited time devoted to knowledge exchange and research and development, as well as lack of training and financial incentive
- Lack of collective or strategic institutions or organisations that could take such initiatives forward
- Insufficient knowledge of the potential benefits of cooperation, with farmers perceiving other farmers and farmer groups as competitors
- Lack of accessible research and knowledge exchange on climate-friendly production methods, including reduced reliance on chemical fertilisers and pesticides, water-saving practices, and alternatives to the use of fossil fuels
- Lack of widespread use of tools to analyse soil data
- Elderly or less educated farmers lack sufficient digital knowledge and access to data to develop best solutions for small farms
- Limited opportunities for young farmers continuous professional development related to both technical matters and business development skills and knowledge
- Training, advice and outreach to members of farm family households is limited

2.1.XCO.1.3 Opportunities

- Strengthen the AKIS in Malta, to ensure that all farmers can access appropriate training and advice
- Investing in young farmers with the potential to grow market share in the longer-term
- Increase the knowledge base of local food producers in nutrition through collaboration
between the agriculture and health sectors

358. Improve the design of relevant measures and capacity-building processes to increase the accessibility and attraction of CAP rural development funding

359. Potential for research and innovation, in rural tourism and the rural environment; identification of new plant varieties and livestock; and novel or niche sectors for exports and/or processing including snail farming, insect farming, aquaponics; and the production of bio-control agents for use in Integrated Pest Management

360. Increased awareness of the operation of supply chains increasing farmers’ bargaining power in value chains

361. Appropriate investment and market development to improve farm tenancy, and avoid farms being too climate costly.

362. Raising awareness about climate change through developing climate-proof strategies among existing co-operatives

363. Raise farmers’ awareness and capacity to act effectively to reduce waste, and minimise water pollution by nutrients, wastes and pesticides

364. Development of a pool of experts better trained to transfer knowledge to the farming population

365. Encourage collaborative working and social learning among farmers

366. Creating an informal educational system based on the knowledge in respect of traditional trades, customs and culture

2.1.XCO.1.4 Threats

368. Poor knowledge and understanding of the scope and significance of climate-mitigating measures and strategies

369. Limited knowledge among farmers concerning the scope and importance of terrestrial Natura 2000 sites

370. Risk of knowledge transfer loss between generations of farmers

2.1.XCO.1.5 Other comments

2.1.XCO.2 Identification of Needs

<table>
<thead>
<tr>
<th>Code</th>
<th>Title</th>
<th>Prioritisation at the level of the CAP Strategic Plan</th>
<th>Need is addressed in Cap Strategic Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>XCO.1</td>
<td>Developing a holistic and strategic approach to grow and enhance the AKIS in Malta</td>
<td>1</td>
<td>Yes</td>
</tr>
<tr>
<td>XCO.2</td>
<td>Ensuring that other SO's integrate knowledge provision</td>
<td>2</td>
<td>Yes</td>
</tr>
</tbody>
</table>
2.1.XCO.4 Intervention logic

<table>
<thead>
<tr>
<th>Form of Intervention</th>
<th>Type of Intervention</th>
<th>Intervention Code (MS) - Name</th>
<th>Common Output Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sectoral - Apiculture products</td>
<td>ADVIBEES(55(1)(a)) - advisory services, technical assistance, training, information and exchange of best practices, including through networking, for beekeepers and beekeepers' organisations</td>
<td>Sectoral API T&amp;I - Apiculture- Training, Information and Networks</td>
<td>O.37. Number of actions or units for beekeeping preservation or improvement</td>
</tr>
<tr>
<td>Sectoral - Apiculture products</td>
<td>ACTLAB(55(1)(c)) - actions to support laboratories for the analysis of apiculture products, bee losses or productivity drops, and substances potentially toxic to bees</td>
<td>Sectoral API Labs - Apiculture Products: Support for labs</td>
<td>O.37. Number of actions or units for beekeeping preservation or improvement</td>
</tr>
<tr>
<td>Sectoral - Apiculture products</td>
<td>COOPAPI(55(1)(e)) - cooperation with specialised bodies for the implementation of research programs in the field of beekeeping and apiculture products</td>
<td>Sectoral API RESRCH - Apiculture - Research Programmes</td>
<td>O.37. Number of actions or units for beekeeping preservation or improvement</td>
</tr>
<tr>
<td>RD</td>
<td>INVEST(73-74) - Investments, including investments in irrigation</td>
<td>RD On-farm Invest P. - On-farm Productive Investments</td>
<td>O.20. Number of supported on-farm productive investment operations or units</td>
</tr>
<tr>
<td>RD</td>
<td>KNOW(78) - Knowledge exchange and dissemination of information</td>
<td>RD KNOW - Knowledge exchange, training and dissemination of information</td>
<td>O.33. Number of supported training, advice and awareness actions or units</td>
</tr>
</tbody>
</table>

Overview

The investments under EAGF that will support this SO will include support for laboratories for the analysis of apiculture products, training and information networks as well as research programmes under the Apiculture sector, whilst under EAFRD this will include knowledge exchange, training and dissemination of information as well as on productive investments.

2.1.XCO.5 Where relevant, a justification for the use of InvestEU, including the amount and its expected contribution to the Specific Objective/Cross-Cutting Objective

At initial programming stage, contributions towards InvestEU are not foreseen.

2.1.XCO.8 Selection of the Result indicator(s)

Selection of the result indicator(s) for this specific objective

<table>
<thead>
<tr>
<th>Result indicators [recommended Result indicators for this specific objective are fully displayed in bold]</th>
<th>Target value (to be filled from section 2.3)</th>
</tr>
</thead>
<tbody>
<tr>
<td>R.1 CU - Enhancing performance through knowledge and innovation</td>
<td>Number of persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP in order to enhance sustainable economic, social, environmental, climate and resource efficiency performance</td>
</tr>
<tr>
<td>R.2 CU - Linking advice and knowledge systems</td>
<td>Number of advisors receiving support to be integrated within Agricultural Knowledge and Innovation Systems (AKIS)</td>
</tr>
<tr>
<td>R.3 CU - Digitalising agriculture</td>
<td>Share of farms benefitting from support for digital farming technology through CAP</td>
</tr>
<tr>
<td>R.28 CU - Environmental or climate-related performance through knowledge</td>
<td>Number of persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP related to</td>
</tr>
</tbody>
</table>
environmental or climate-related performance

Justification of the selection of the result indicator(s) for this specific objective

The result indicator/s chosen aim to reflect the main thrust of the interventions foreseen under this SO. Further information may be found under Chapter 5.

2.1.XCO.9 Justification of the financial allocation

Further justification on the financial allocation has been provided under Chapter 5 for Direct Payment Interventions, Sectoral Interventions and Rural Development Interventions under the Planned Unit Amounts.
## 2.2 Context Indicators and other values used for the calculation of the targets

<table>
<thead>
<tr>
<th>Context indicators (PMEF Code)</th>
<th>Baseline value</th>
<th>Baseline year</th>
<th>Updated value</th>
<th>Updated year</th>
<th>Justification/Comments</th>
<th>Source of data</th>
</tr>
</thead>
<tbody>
<tr>
<td>C.01 Total rural population (Number of)</td>
<td></td>
<td></td>
<td>308,508.00</td>
<td>2018</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C.05 Total forest area (Hectare)</td>
<td>5,788.00</td>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C.12 Total number of farms (Number of)</td>
<td>9,210.00</td>
<td>2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C.17 Total utilised agricultural area (UAA) (Hectare)</td>
<td>11,580.00</td>
<td>2019</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C.19 Total agricultural area and forest area in Natura 2000 sites (Hectare)</td>
<td>1,317.00</td>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C.23 Total number of livestock units (Number of)</td>
<td>32,470.00</td>
<td>2016</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>D.35 Total number of beehives notified to the EU Commission: average of the latest three years available at the time of establishing the plan. (Number of)</td>
<td>4,418.00</td>
<td>2020</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 2.3 Targets Plan

#### 2.3.1 Recapitulative table

<table>
<thead>
<tr>
<th>Result Indicator</th>
<th>Specific Objective</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
<th>Overall Target Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>R.1 CU PR</strong> Enhancing performance through knowledge and innovation</td>
<td>SO2, XCO</td>
<td>218</td>
<td>437</td>
<td>700</td>
<td>743</td>
<td>787</td>
<td>743</td>
<td>743</td>
<td>4,371</td>
</tr>
<tr>
<td>Number of persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP in order to enhance sustainable economic, social, environmental, climate and resource efficiency performance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>R.2 CU</strong> Linking advice and knowledge systems</td>
<td>SO1, XCO</td>
<td>2</td>
<td>4</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>Número de conselheiros que recebem apoio que devem ser integrados no âmbito dos sistemas de conhecimento e inovação agrícolas (AKIS)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>R.3 CU</strong> Digitalising agriculture</td>
<td>XCO</td>
<td>0.011</td>
<td>0.011 %</td>
<td>0.022 %</td>
<td>0.022 %</td>
<td>0.022 %</td>
<td>0.022 %</td>
<td>0.022 %</td>
<td>0.130 %</td>
</tr>
<tr>
<td>Share of farms benefitting from support for digital farming technology through CAP</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>R.4 Linking income support to standards and good practices</strong></td>
<td>SO1</td>
<td>66.425 %</td>
<td>66.425 %</td>
<td>66.425 %</td>
<td>66.425 %</td>
<td>66.425 %</td>
<td>66.425 %</td>
<td>66.425 %</td>
<td>66.425 %</td>
</tr>
<tr>
<td>Percentagem da superfície agrícola utilizada (SAU) que recebe apoio ao rendimento e sujeita à condicionalidade</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>R.5</strong> Numerator: Number of hectares paid</td>
<td>SO1</td>
<td>7,692 ha</td>
<td>7,692 ha</td>
<td>7,692 ha</td>
<td>7,692 ha</td>
<td>7,692 ha</td>
<td>7,692 ha</td>
<td>7,692 ha</td>
<td>7,692 ha</td>
</tr>
<tr>
<td><strong>R.5 Denominator: Total utilised agricultural area (UAA)</strong></td>
<td></td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
</tr>
<tr>
<td><strong>R.6</strong> Numerator: Average income support/ha for beneficiaries in areas with specific needs</td>
<td>SO6, SO1</td>
<td>33.588 %</td>
<td>33.588 %</td>
<td>33.588 %</td>
<td>33.588 %</td>
<td>33.588 %</td>
<td>33.588 %</td>
<td>33.588 %</td>
<td>33.588 %</td>
</tr>
<tr>
<td>Percentagem de apoio adicional por hectare em áreas com necessidades especiais (em comparação com a média)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>R.7</strong> Numerator: Average income support/ha for beneficiaries in areas with specific needs</td>
<td>SO6, SO1</td>
<td>264 EUR/ha</td>
<td>264 EUR/ha</td>
<td>264 EUR/ha</td>
<td>264 EUR/ha</td>
<td>264 EUR/ha</td>
<td>264 EUR/ha</td>
<td>264 EUR/ha</td>
<td>264 EUR/ha</td>
</tr>
<tr>
<td><strong>R.7 Denominator: Average income support/ha paid to all beneficiaries</strong></td>
<td></td>
<td>786 EUR/ha</td>
<td>786 EUR/ha</td>
<td>786 EUR/ha</td>
<td>786 EUR/ha</td>
<td>786 EUR/ha</td>
<td>786 EUR/ha</td>
<td>786 EUR/ha</td>
<td>786 EUR/ha</td>
</tr>
<tr>
<td><strong>R.8</strong> Numerator: Average income support/ha for beneficiaries in specific sectors</td>
<td>SO1</td>
<td>4.484 %</td>
<td>4.484 %</td>
<td>4.484 %</td>
<td>4.484 %</td>
<td>4.484 %</td>
<td>4.484 %</td>
<td>4.484 %</td>
<td>4.484 %</td>
</tr>
<tr>
<td>Percentagem de explorações agrícolas que beneficiam de apoio associado ao</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R.8 Numerator: Number of beneficiaries of coupled income support</td>
<td>413</td>
<td>413</td>
<td>413</td>
<td>413</td>
<td>413</td>
<td>413</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>R.8 Denominator: Total number of farms</td>
<td>9,210</td>
<td>9,210</td>
<td>9,210</td>
<td>9,210</td>
<td>9,210</td>
<td>9,210</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**R.9 EU PR Farm modernisation**

| Percentagem de agricultores que recebem um apoio ao investimento para reestruturar e modernizar, incluindo melhorar a eficiência dos recursos | 0.109 % | 0.217 % | 0.369 % | 0.391 % | 0.369 % | 2.150 % |

| R.9 Numerator: Number of beneficiaries receiving relevant support | 10 | 20 | 32 | 34 | 34 | 198 |
| R.9 Denominator: Total number of farms | 9,210 | 9,210 | 9,210 | 9,210 | 9,210 | 9,210 |

**R.10 EU PR Better supply chain organisation**

| Share of farms participating in producer groups, producer organisations, local markets, short supply chain circuits and quality schemes supported by the CAP | 0.087 % | 0.174 % | 0.282 % | 0.304 % | 0.326 % | 0.304 % | 1.781 % |

| R.10 Numerator: Number of beneficiaries from relevant support | 8 | 16 | 26 | 28 | 30 | 28 | 164 |
| R.10 Denominator: Total number of farms | 9,210 | 9,210 | 9,210 | 9,210 | 9,210 | 9,210 | 9,210 |

**R.12 Adaptation to climate change**

| Percentagem da superfície agrícola utilizada (SAU) abrangida por compromissos apoiados para melhorar a adaptação às alterações climáticas | 65.570 % | 65.570 % | 65.570 % | 65.570 % | 65.570 % | 65.570 % | 65.570 % |

| R.12 Numerator: Number of hectares paid | 7,593 ha | 7,593 ha | 7,593 ha | 7,593 ha | 7,593 ha | 7,593 ha | 7,593 ha |
| R.12 Denominator: Total utilised agricultural area (UAA) | 11,580 ha | 11,580 ha | 11,580 ha | 11,580 ha | 11,580 ha | 11,580 ha | 11,580 ha |

**R.15 EU Green energy from agriculture and forestry and from other renewable sources**

| Supported investments in renewable energy production capacity, including bio-based (in MW) | 0 MW | 0 MW | 0 MW | 0 MW | 0 MW | 0 MW | 2 MW |

| R.16 EU Investments related to climate change | 0.011 % | 0.022 % | 0.033 % | 0.033 % | 0.033 % | 0.033 % | 0.185 % |

| R.16 Numerator: Number of farms benefitting from CAP investment support contributing to climate change mitigation and adaptation, and to the production of renewable energy or biomaterials | 1 | 2 | 3 | 3 | 3 | 3 | 17 |
| R.16 Denominator: Total number of farms | 9,210 | 9,210 | 9,210 | 9,210 | 9,210 | 9,210 | 9,210 |

**R.17 EU PR Afforested land**

| Zonas apoiadas para fins de florestação, agrossilvicultura e restauração, com | 13 ha | 25 ha | 40 ha | 43 ha | 45 ha | 43 ha | 250 ha |

<p>| R.17 Numerator: Number of hectares paid | 13 | 25 | 40 | 43 | 45 | 43 | 250 |
| R.17 Denominator: Total utilised agricultural area (UAA) | 11,580 ha | 11,580 ha | 11,580 ha | 11,580 ha | 11,580 ha | 11,580 ha | 11,580 ha |</p>
<table>
<thead>
<tr>
<th><strong>R.19 PR Improving and protecting soils</strong></th>
<th>SO6, SO5</th>
<th>12.573 %</th>
<th>12.573 %</th>
<th>12.573 %</th>
<th>12.573 %</th>
<th>0.000 %</th>
<th>0.000 %</th>
<th>12.573 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of Utilised Agricultural Area (UAA) under supported commitments beneficial for soil management to improve soil quality and biota (such as reducing tillage, soil cover with crops, crop rotation included with leguminous crops)</td>
<td>1,456 ha</td>
<td>1,456 ha</td>
<td>1,456 ha</td>
<td>1,456 ha</td>
<td>0 ha</td>
<td>0 ha</td>
<td>1,456 ha</td>
<td></td>
</tr>
<tr>
<td>R.19 Numerator: Number of hectares paid</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td></td>
</tr>
<tr>
<td>R.19 Denominator: Total utilised agricultural area (UAA)</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
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<td>---</td>
<td>---</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>R.24 PR Sustainable and reduced use of pesticides</strong></th>
<th>SO6, SO5</th>
<th>2.979 %</th>
<th>2.979 %</th>
<th>2.979 %</th>
<th>2.979 %</th>
<th>0.000 %</th>
<th>0.000 %</th>
<th>2.979 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share of Utilised Agricultural Area (UAA) under supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides, such as pesticides leakage</td>
<td>345 ha</td>
<td>345 ha</td>
<td>345 ha</td>
<td>345 ha</td>
<td>0 ha</td>
<td>0 ha</td>
<td>345 ha</td>
<td></td>
</tr>
<tr>
<td>R.24 Numerator: Number of hectares paid</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td></td>
</tr>
<tr>
<td>R.24 Denominator: Total utilised agricultural area (UAA)</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>R.25 Environmental performance in the livestock sector</strong></th>
<th>SO5</th>
<th>0.573 %</th>
<th>0.573 %</th>
<th>0.573 %</th>
<th>0.573 %</th>
<th>0.000 %</th>
<th>0.000 %</th>
<th>0.573 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentagem de cabeças normais (CN) abrangidas por compromissos apoiados para melhorar a sustentabilidade ambiental</td>
<td>186</td>
<td>186</td>
<td>186</td>
<td>186</td>
<td>0</td>
<td>0</td>
<td>186</td>
<td></td>
</tr>
<tr>
<td>R.25 Numerator: Number of Livestock Units for which a related payment was made</td>
<td>32,470</td>
<td>32,470</td>
<td>32,470</td>
<td>32,470</td>
<td>32,470</td>
<td>32,470</td>
<td>32,470</td>
<td></td>
</tr>
<tr>
<td>R.25 Denominator: Total number of livestock units</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
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<td>---</td>
<td>---</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>R.27 CU Environmental or climate-related performance through investment in rural areas</strong></th>
<th>SO5</th>
<th>2</th>
<th>4</th>
<th>6</th>
<th>6</th>
<th>7</th>
<th>6</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of operations contributing to environmental sustainability and the achievement of climate mitigation and adaptation goals in rural areas</td>
<td>2</td>
<td>4</td>
<td>6</td>
<td>6</td>
<td>7</td>
<td>6</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>R.27 Numerator: Number of operations</td>
<td>36</td>
<td>36</td>
<td>36</td>
<td>36</td>
<td>36</td>
<td>36</td>
<td>36</td>
<td></td>
</tr>
<tr>
<td>R.27 Denominator: Total number of operations</td>
<td>---</td>
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<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>R.28 CU Environmental or climate-related performance through knowledge</strong></th>
<th>XCO, SO5</th>
<th>218</th>
<th>437</th>
<th>700</th>
<th>743</th>
<th>787</th>
<th>743</th>
<th>4,371</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP related to environmental or climate-related performance</td>
<td>218</td>
<td>437</td>
<td>700</td>
<td>743</td>
<td>787</td>
<td>743</td>
<td>4,371</td>
<td></td>
</tr>
<tr>
<td>R.28 Numerator: Number of persons benefitting from advice, training, knowledge exchange, or participating in EIP operational groups</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>R.28 Denominator: Total number of persons benefitting from advice, training, knowledge exchange, or participating in EIP operational groups</td>
<td>XCO, SO5</td>
<td>XCO, SO5</td>
<td>XCO, SO5</td>
<td>XCO, SO5</td>
<td>XCO, SO5</td>
<td>XCO, SO5</td>
<td>XCO, SO5</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>R.29 PR Development of organic agriculture</strong></th>
<th>SO5, SO6, SO9</th>
<th>0.173 %</th>
<th>0.345 %</th>
<th>0.466 %</th>
<th>0.587 %</th>
<th>0.674 %</th>
<th>0.769 %</th>
<th>0.769 %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentagem da superfície agrícola utilizada (SAU) que beneficia de apoio da PAC para a agricultura biológica, discriminada entre manutenção e conversão</td>
<td>20 ha</td>
<td>40 ha</td>
<td>54 ha</td>
<td>68 ha</td>
<td>78 ha</td>
<td>89 ha</td>
<td>89 ha</td>
<td></td>
</tr>
<tr>
<td>R.29 Numerator: Number of hectares paid</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>R.29 Denominator: Total number of hectares</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>R.29 Denominator: Total utilised agricultural area (UAA)</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
</tr>
<tr>
<td>---------------------------------------------------------</td>
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<td>----------</td>
<td>----------</td>
<td>----------</td>
<td>----------</td>
</tr>
<tr>
<td><strong>R.31 PR Preserving habitats and species</strong></td>
<td>4.105 %</td>
<td>4.105 %</td>
<td>4.105 %</td>
<td>4.105 %</td>
<td>0.000 %</td>
<td>0.000 %</td>
<td>4.105 %</td>
<td></td>
</tr>
<tr>
<td>Share of utilised agricultural area (UAA) under supported commitments for supporting biodiversity conservation or restoration including high-nature-value farming practices</td>
<td>4.105 %</td>
<td>4.105 %</td>
<td>4.105 %</td>
<td>4.105 %</td>
<td>0.000 %</td>
<td>0.000 %</td>
<td>4.105 %</td>
<td></td>
</tr>
<tr>
<td>R.31 Numerator: Number of hectares paid</td>
<td>475 ha</td>
<td>475 ha</td>
<td>475 ha</td>
<td>475 ha</td>
<td>0 ha</td>
<td>0 ha</td>
<td>475 ha</td>
<td></td>
</tr>
<tr>
<td>R.31 Denominator: Total utilised agricultural area (UAA)</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td></td>
</tr>
<tr>
<td><strong>R.32 CU Investments related to biodiversity</strong></td>
<td>0.000 %</td>
<td>0.033 %</td>
<td>0.043 %</td>
<td>0.043 %</td>
<td>0.043 %</td>
<td>0.043 %</td>
<td>0.271 %</td>
<td></td>
</tr>
<tr>
<td>Percentage of explored agricultural land that得益 from support to invest in the scope of the CAP that contribute to biodiversity</td>
<td>0.000 %</td>
<td>0.033 %</td>
<td>0.043 %</td>
<td>0.043 %</td>
<td>0.043 %</td>
<td>0.043 %</td>
<td>0.271 %</td>
<td></td>
</tr>
<tr>
<td>R.32 Numerator: Number of farms receiving relevant support</td>
<td>1</td>
<td>3</td>
<td>4</td>
<td>4</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>R.32 Denominator: Total number of farms</td>
<td>9,210</td>
<td>9,210</td>
<td>9,210</td>
<td>9,210</td>
<td>9,210</td>
<td>9,210</td>
<td>9,210</td>
<td></td>
</tr>
<tr>
<td><strong>R.34 PR Preserving landscape features</strong></td>
<td>0.889 %</td>
<td>0.889 %</td>
<td>0.889 %</td>
<td>0.889 %</td>
<td>0.889 %</td>
<td>0.889 %</td>
<td>0.889 %</td>
<td></td>
</tr>
<tr>
<td>Percentage of agricultural area used (SAU) covered by commitments supported for the management of landscape features, including hedgerows and trees</td>
<td>0.889 %</td>
<td>0.889 %</td>
<td>0.889 %</td>
<td>0.889 %</td>
<td>0.889 %</td>
<td>0.889 %</td>
<td>0.889 %</td>
<td></td>
</tr>
<tr>
<td>R.34 Numerator: Utilised Agricultural Area (UAA) under supported commitments for managing landscape features, including hedgerows and trees</td>
<td>103 ha</td>
<td>103 ha</td>
<td>103 ha</td>
<td>103 ha</td>
<td>103 ha</td>
<td>103 ha</td>
<td>103 ha</td>
<td></td>
</tr>
<tr>
<td>R.34 Denominator: Total utilised agricultural area (UAA)</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td>11,580 ha</td>
<td></td>
</tr>
<tr>
<td>Share of beehives supported by the CAP</td>
<td>66.501 %</td>
<td>66.501 %</td>
<td>66.501 %</td>
<td>66.501 %</td>
<td>66.501 %</td>
<td>66.501 %</td>
<td>66.501 %</td>
<td></td>
</tr>
<tr>
<td>R.35 Numerator: Number of beehives for which a related payment was made</td>
<td>2,938</td>
<td>2,938</td>
<td>2,938</td>
<td>2,938</td>
<td>2,938</td>
<td>2,938</td>
<td>2,938</td>
<td></td>
</tr>
<tr>
<td>R.35 Denominator: Total number of beehives notified to the EU Commission: average of the latest three years available at the time of establishing the plan.</td>
<td>4,418</td>
<td>4,418</td>
<td>4,418</td>
<td>4,418</td>
<td>4,418</td>
<td>4,418</td>
<td>4,418</td>
<td></td>
</tr>
<tr>
<td><strong>R.36 CU PR Generational renewal</strong></td>
<td>2</td>
<td>5</td>
<td>8</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Número de jovens agricultores que se instalaram com o apoio da PAC, com repartição por género</td>
<td>2</td>
<td>5</td>
<td>8</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td><strong>R.38 CU LEADER coverage</strong></td>
<td>0.000 %</td>
<td>100.000 %</td>
<td>100.000 %</td>
<td>100.000 %</td>
<td>100.000 %</td>
<td>100.000 %</td>
<td>100.000 %</td>
<td>100.000 %</td>
</tr>
<tr>
<td>Percentagem da população rural abrangida por estratégias de desenvolvimento local</td>
<td>0.000 %</td>
<td>100.000 %</td>
<td>100.000 %</td>
<td>100.000 %</td>
<td>100.000 %</td>
<td>100.000 %</td>
<td>100.000 %</td>
<td>100.000 %</td>
</tr>
<tr>
<td>R.38 Numerator: Rural population covered by LAG funded through LEADER over the programming period</td>
<td>0</td>
<td>308,508</td>
<td>308,508</td>
<td>308,508</td>
<td>308,508</td>
<td>308,508</td>
<td>308,508</td>
<td>308,508</td>
</tr>
<tr>
<td>R.38 Denominator: Total rural population</td>
<td>308,508</td>
<td>308,508</td>
<td>308,508</td>
<td>308,508</td>
<td>308,508</td>
<td>308,508</td>
<td>308,508</td>
<td>308,508</td>
</tr>
</tbody>
</table>

**R.41 CU PR Connecting rural Europe**

Percentagem da população rural que beneficia de um melhor acesso a serviços e infraestruturas graças ao apoio da PAC

| R.41 Numerator: Rural population benefiting from relevant improvements | 0 | 308,508 | 308,508 | 308,508 | 308,508 | 308,508 | 308,508 | 308,508 |
| R.41 Denominator: Total rural population | 308,508 | 308,508 | 308,508 | 308,508 | 308,508 | 308,508 | 308,508 | 308,508 |
2.3.2 Planned interventions and outputs with a direct and significant link to result indicators
Please look in section 2.3.2 at SFC2021

2.3.3 Consistency with and contribution to the Union targets for 2030 set out in the Farm to Fork Strategy and the EU Biodiversity for 2030

Malta's CAP SP aims to contribute towards the ambitions of the Farm to Fork strategy and the EU Biodiversity strategy for 2030 in as far as possible and taking into account the realities of the agricultural sector in Malta. The plan aims to foster a new impetus towards the provision of safe, nutritious, affordable and sustainable food whilst promoting an environment conducive to organic production and biodiversity preservation. Such contribution will be achieved through measures under EAGF and EAFRD in a manner which self-reinforces the efforts under both Pillars. Further information on the measures and Malta's indicative 2030 targets may be found under Chapter 5 and the Other annexes to this document respectively.
3 Consistency of the Strategy and complementarities
3.1 Overview of the environmental and climate architecture
3.1.1 A description of the overall contribution of conditionality to the specific environmental- and climate-related objectives set out in points (d), (e) and (f) of Article 6(1)

The environmental and climate architecture embedded in this Plan aims at contributing to the specific environmental- and climate-related objectives as set out in points (d), (e), and (f) of Article 6(1). When designing the system of conditionality, priority was given to foster the sustainable development and efficient management of natural resources such as water, soil, and air.

In the case of Malta, the contribution of agriculture to the total GHG emissions is insignificant and has throughout the last 30 years declined from 3.6% to 3%.[1] However, agriculture plays an important role to play when it comes to climate change mitigation by absorbing greenhouse gases from the atmosphere. In order to do so, there is the need to shift towards more sustainable agricultural practices and prioritise the efficient management of natural resources.

Soil is one such valuable resource that through correct and efficient management can lead to positive impacts. GAEC 3 banning the burning of stubble and vegetation residues on soil protects and helps maintain soil organic matter. Similarly, GAEC 5 on tillage management, ploughing and the use of heavy machinery protects the soil from erosion and compaction. GAEC 6 also seeks to protect the soil from erosion requiring a soil cover in periods and areas that are most sensitive. Having a soil cover promotes and maintains optimal soil conditions as it improves soil nutrients, fertility and organic matter while allowing more water penetration leading to more soil moisture. This is even more relevant since GAEC 6 imposes a soil cover in those months with the highest rainfall. On the other hand, GAEC 7 obliges farmers to practise crop rotation to ensure soil protection and fertility.

Water is another important resource, especially when it is scarce and highly seasonal such as in the case of Malta. Council Directives on water framework policy and the protection of waters against pollution caused by nitrates were transposed into national legislation through Legal Notice 345 of 2015[2] and Subsidiary Legislation 549.66 of 2011[3]. Their provisions form part of the baseline conditions, SMR 1 and 2 respectively. Furthermore, GAEC 4 will help maintain water quality by protecting watercourses and underground water against pollution.

Pesticides have a major effect on biodiversity and habitat loss. Through Subsidiary Legislation 430.08[4] and 430.07[5] transposing Directives on sustainable use of pesticides and placing of plant protection products on the market, form part of the baseline conditions for SMR 7 and 8 respectively. Furthermore, the National Action Plan for the Sustainable Use of Pesticides for 2019-2023, a requirement stemming from Directive 2019/782, regulates the handling, storage and disposal of plant production products and provides for measures to ensure the use of pesticides is minimised or prohibited in certain specific areas, including protected areas. This is further reinforced by GAEC 4 which ensures the establishment of buffer zones along watercourses to protect groundwater against pollution. All this is further complemented by GAEC 8 that aims to preserve habitats and landscapes through non-productive features. It provides for the protection of rubble walls that serve as habitats for local flora and fauna, and trees that provide food and habitat for wildlife, including birds. Further contributing to the protection of biodiversity are SMR 3 and 4 that aim at improving the status of biodiversity through the conservation of wild birds and of natural habitats and wild flora and fauna. In addition, the conservation of plant and animal genetic resources in agriculture will help preserve species that are vulnerable to genetic erosion, thereby to GAEC 5, 6 and 7 as
well as SMR 1, 3 and 4.


3.1.2 Overview of the complementarity between the relevant baseline conditions, as referred to in Article 31(5) and Article 70(3), conditionality and the different interventions addressing environment and climate-related objectives

A total of four (4) eco-schemes have been included under this Plan aimed at incentivising farmers to be more ambitious in their environment and climate-related commitments. These shall aim to promote soil conservation, reduce pesticide use, enhance biodiversity and polliination and improve stubble management.

**Encouraging the cultivation of catch crops and/or nitrogen-fixing crops as soil cover**

This eco-scheme rewards farmers for dedicating a share of their holding to the planting of nitrogen-fixing crops or catch crops for at least one harvesting season in order to improve the soil structure. This builds on GAEC 6 ensuring a soil cover, and thus less soil erosion, increase the availability of nitrogen and other soil nutrients; and goes beyond the requirements of GAEC 7, in view of its environmental benefits through the maintenance of soil organic matter. This in turn would reduce the need for plant protection products and synthetic fertilisers making it complementary to SMR 1 (Water Policy Directive), and SMR 2 (Nitrates Directive) and reducing the potential of groundwater pollution.

**Integrated Pest Management (IPM)**

Farmers under this scheme will be required to reconsider their approach towards pest control towards a much more sustainable approach. This intervention is complementary to SMR 7 as this intervention will also help reduce contamination from plant protection products, and also SMR 8 as this scheme shall oblige farmers to enhance the monitoring of pest and diseases, develop a better understanding on the different agronomic technicalities surrounding the sustainable use of Plant Protection Products (PPP's)
whilst following a pre-established plan based on experts' advice.

By reducing pesticides use, this intervention will significantly scale down surface and ground water contamination from PPPs. Thus, it also contributes to SMR 1 (Water Policy Directive) and SMR 2 (Nitrates Directive). Furthermore, it will improve soil nutrients and structure reversing the decline of beneficial soil organisms and soil organic matter as a result of extensive pesticides use. This will in turn lead to better water retention in soils. Ultimately, lowering the use of pesticides will enhance biodiversity and restore habitats. Thus, complementing SMR 3 (Wild Birds Directive) and SMR 4 (Natural Habitats Directive).

**Dedicating parcels to enhance biodiversity and pollination**

This eco-scheme was designed with the fragmented and small-scale nature of land holdings in mind. The scheme shall compensate farmers who decide to forego their income on whole parcels whilst cultivating plants of high ecological value on that parcel. Instead of cultivating high value crops that form an essential part of their revenue, farmers shall cultivate a selection of plants from a pre-defined list that serve as foraging plants for pollinators. Dedicating whole parcels of land for this purpose will protect the environment from halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes through the efficient management of natural resources such as water, soil and air. Flowering plants and spontaneous vegetative covers will provide a habitat for local flora and fauna. It thus complements SMR 3 (Wild Birds Directive) and SMR 4 (Natural Habitats Directive) and goes beyond GAEC 8 as instead of a minimum share of arable land, the whole land parcel will be designated as a non-productive area. This will also improve both water and soil quality since the amount of water that these plants need is significantly less when compared to other high value crops whilst the use of PPPs or fertilisers shall not be allowed. It will thus go beyond SMR 1 (Water Policy Directive) and SMR 2 (Nitrates Directive) as the land will not only have a higher water holding capacity thus reducing water demand but will also lead to less pollution to ground water resources as less plant protection products will be used. Thus, also going beyond SMR 7 (PPPs) and SMR 8 (Sustainable Use of Pesticides) given that no pesticides will be used. This also goes beyond GAEC 6 (soil cover) as the holding will not be used for crop production for the whole claim year. There will also be no tilling of land and thus better soil structure and less soil erosion.

**Stubble management practices**

Under this eco-scheme, farmers will be rewarded for either retaining or incorporating stubble and crop residues on their parcels. This eco-scheme builds on GAEC 3 banning the burning of stubble and vegetable residues on soil. This will result in better soil structure, an increase in soil organic matter, and less soil erosion. This practice would also help suppress weeds that would ultimately reduce the use of plant protection products. This in turn could also have positive effects on the water resources as it lowers the presence of such agri-chemicals in groundwater. Thus, complementing SMR 1 (Water Framework Directive), SMR 3 (Wild Birds Directive) and SMR 4 (Natural Habitats Directive).

These measures will also be complemented by apiculture sectoral aid which will aim to conserve biodiversity and natural habitats.

**Afforestation and non-productive environment related investments**

These interventions aim to fund afforestation and non-productive environment related investments through the restoration of different types of terrestrial habitats and landscapes, soil conservation, and water management investments that may or may not be located within a Natura 2000 site, where there is
no significant economic return to a farm or other rural business from such action. Such measures will go beyond SMR 1 on the water framework directive, SMR 3 and 4 on the Wild Birds and Natural Habitats directives following the improvement of water retention by soils and the protection of local flora and fauna. Furthermore, investments involving soil conservation will complement GAEC 6.

Environmental, climate and other management commitments

Agri-environment-climate commitments aim to encourage farmers to protect and enhance the environment on the land that they manage, providing payments in return for a service. Land management commitments involving the production and implementation of soil management plans on farms will contribute towards climate change mitigation and adaptation and will go beyond GAEC 3 by encouraging sound soil management. This also means lower usage of chemical fertilisers, contributing to SMR 8 and the adoption of techniques to raise the level of Soil Organic Matter. Interventions going beyond GAEC 8, SMR 3 and 4 are also envisaged that will aim to increase carbon sequestration and encourage the removal of alien tree species through the replanting and management of native and indigenous varieties of trees in farm fields, thereby contributing to biodiversity protection and enhancement in Malta. Further actions aimed at reducing pesticide usage in Malta are also envisaged through mechanical weeding of orchards and vineyards instead of chemical controls. Support towards promoting the maintenance and conversion to organic farming will also help in reducing the overall use and risk of chemical pesticides by 5% by 2030, thereby going beyond the conditionality requirements of GAEC 4, 5, 6, 7 and 8.

In addition, water conservation and quality improvement will contribute towards SMR 1 on the Water Framework Directive, GAEC 4 on buffer strips, 5 and 6 on reducing soil erosion and increasing soil protection and SMR 3 and 4 on the protection of wild birds and natural habitats, following the conservation of biodiversity.

[1] RDP 2014 â€“ 2020 definition: A non-productive investment must not lead to a significant increase in the value or profitability of the agricultural/forestry holding.

3.1.3 Explanation on how to achieve the greater overall contribution set out in Article 105

The needs assessment highlights the vulnerable nature of much of Malta's agriculture, due to its predominance in very small-scale and often part-time farms, producing a wide range of produce mainly for domestic consumption, in competition with significant quantities of imports, and reliant upon the importation of inputs including feed, fertilisers and veterinary and plant protection products. The higher costs of production and the lack of marketing of agricultural products put large numbers of farmers at a disadvantage. Similarly, the aging farm population and the lack of knowledge exchange and skills development contributes to limited modernisation, low resilience to the potential effects of climate change, and inefficient resource utilisation.

Furthermore, land fragmentation limits economies of scale and adds to both production costs and resource inefficiencies, creating barriers to implementation of effective mechanisms for addressing environmental problems.

The intervention strategy therefore focuses on three major areas of activity designed to address the threats to the sector, reducing weaknesses and harnessing strengths to seize opportunities for improved performance and resilience. These are:
Enhancing farm viability

As detailed in the SWOT analysis, Maltese farm incomes and paid wages are significantly lower than the EU average. This, combined with significant pressures to release farmland for development, continue to threaten the viability of the local agricultural sector.

Several interventions were designed with the sole aim of making farming a more viable and resilient sector by enhancing farm income, increasing competitiveness and developing farmers' influence on the food value chain.

The Basic Income Support for Sustainability (BISS) was designed to provide farmers with continued viability and resilience. A more targeted income support is also being provided to young farmers, and to those sectors that are important for economic, social or environmental reasons, namely dairy, beef, sheep and tomatoes for processing.

Direct-payment types of intervention are being complemented with rural-development types of intervention to provide support for natural or area specific constraints covering all agricultural land on the Maltese islands in order to help alleviate some of the pressure facing farmers to give up their land for development.

Furthermore, the complementary income support provided to young farmers is being complemented with an intervention under rural development granting business start-up aid to young farmers. This will help young farmers overcome the barriers to entry as well as make the sector more attractive.

Investment measures were also designed to supplement and build on the support given under direct-payment types of intervention by encouraging investment in the latest technologies. This would have the potential to increase farmers' competitiveness by reducing input costs, improving their production yields and raising the overall quality. Thus, the intervention to fund investment in agricultural holdings, processing, marketing and/or development of new products will enable farmers to carry out investments aimed at modernising their holdings, rendering them more efficient, innovative and environmentally sustainable.

Off-farm infrastructural investments present another opportunity to increase the sector's competitiveness. By improving road access, modern water capture/storage and distribution systems, this would ultimately lead to a reduction of input costs in the long run, as well as better environmental performance.

A major focus will be on building capacity among farmers and processors to add value to local products, improve the food supply chain through developing quality assurance procedures and alternative forms of marketing, and on raising consumer awareness and demand for local produce. For this reason, an intervention to encourage farmers to participate in EU or National Quality Schemes was designed as a rural development intervention. This will support growing and securing more resilient markets for Malta's farm production, increasing farmers' bargaining power in supply chains and ensuring transparency and authenticity in food processing and marketing.

Finally, investing in cooperation, training, knowledge exchange and information equips farmers with the
potential to grow their market share through more professional operations, and offers a clear opportunity to benefit incomes and sector viability in the longer-term. Thus, targeted measures promoting knowledge exchange and information; and cooperation activities have also been included.

Another complementary tool that would enhance farm viability is the development and implementation of specific risk management tools, such as crop insurance schemes, that would support local farmers to manage significant risks such as those arising from severe weather events, linked to climate change. However, it was not possible to programme any such measures in this Plan given that no local financial provider is willing to offer this service to local farmers. Further work is envisaged to assess whether suppliers, possibly with international experience, would be willing to provide this service to Maltese farmers and if so, what form such a scheme should best take, bearing in mind the wider challenges for the sector as described here.

Managing climate, biodiversity, and environmental sustainability

In view of the targets stemming from the EU Green Deal, the purpose of this theme is to contribute towards achieving Malta’s national targets through this Plan. At the same time, by achieving these targets, the agricultural sector would become more resilient to the effects of climate change as it would minimise the sector’s vulnerability.

One of Malta’s targets is to reduce the use of fertilisers by 2.5% by 2030. In order to achieve this target, there is the need to focus on improving the soil structure by promoting optimal soil conditions that would in the end increase soil nutrients.

The eco-scheme covering the cultivation of catch crops and/or nitrogen-fixing crops aims at protecting the soil, enhancing biodiversity through the cultivation of species that attract pollinators and ultimately, resulting in less use of chemical fertilisers and other inputs. Similarly, by encouraging farmers to adopt appropriate management practices such as better stubble management through eco-schemes, this will lead to better soil structure and less soil erosion. Biodiversity is also being addressed through another eco-scheme designed to encourage farmers to cultivate parcels with plants of high ecological value for the benefit of biodiversity.

In order to contribute towards Malta’s 9.5% target of agricultural areas under high-diversity landscape features, an eco-scheme that dedicates whole land parcels to biodiversity has been designed. Rather than adopting the minimum share of agricultural area, whole land parcels need to be committed under this intervention. Thus, resulting in more benefits to the environment. Given that farmers will not be allowed to use any plant protection products, including fertilisers, on these parcels, this intervention will enhance ecological biodiversity by providing habitats that increase species diversity. In addition to this, other investment measures under rural development such as afforestation and non-productive environment related investments aim to promote the planting of trees with the myriad of benefits related to soil conservation, biodiversity, carbon sequestration and water management, as well as restoration of terrestrial habitats and landscapes.

An eco-scheme that aims to instill sustainable land management practices by encouraging farmers to move away from using plant protection products, and instead adopt an Integrated Pest Management Plan (IPMP) has been included in this Plan. Besides introducing better management and controlled use of
pesticides, this intervention will also lead to less pesticides use by encouraging alternative pest control measures. This will have a positive impact on biodiversity, as well as soil maintenance and structure. This eco-scheme will also aid Malta in reaching its target to reduce the overall use and risk of chemical pesticides by 5% by 2030.

All farms face increasing risks from unpredictable climate conditions and yet awareness of risks are low and the majority of farmers need to be better equipped with risk prevention measures. Thus, training and awareness raising is an essential element of activities in order to build capacity of farmers to adopt new technologies and production systems that reduce resource consumption and make farms more resilient in the face of climate change. This will be achieved through knowledge and information exchange. An additional element of activity will support collaborative actions to support biodiversity, enhance ecosystem services, and preserve habitats and landscapes.

In the CAP Strategic Plan, additional resources will be focused upon sustaining ecosystem services including through the promotion of organic farming and pollination services, by providing support to beekeeping, and also upon more cost-effective and long-term regeneration of Malta's groundwater reserves through continued emphasis upon surface water collection and the use of treated sewage effluent for irrigation. Better soil health and soil conservation will also be supported for achieving improved environmental management knowledge and behaviours, including. The CAP Strategic Plan shall aim to foster collaboration between the main providers of advice, training and innovation support in order to improve the sector’s environmental sustainability.

Improved public health and animal welfare based on quality food production

The interventions under this theme will focus on a wide range of interlinked issues relating to food quality, human health, animal welfare and hygiene, antimicrobial resistance, sustainable production and food waste reduction. The viability of initiatives focuses upon increasing the quality of local products rests on improved transparency throughout the food supply chain. This is a major objective of Malta’s new Food Agency which will also promote higher quality standards in all sectors with a view to ensuring consumer confidence in the safety and authenticity of produce from Maltese farms.

Improved public health and animal welfare based on quality food production

In turn, limited profitability of the farming sector makes farmers less willing to adopt new practices while risk adverse farmers will not take up unproven and new techniques easily. Knowledge exchange, training, advice and innovation actions funded under the CAP SP will complement the recent establishment in Malta of the AGRICONNECT and AGRIHUB services which will increase the quality and availability of effective knowledge exchange processes to farmers all across Malta and Gozo. Interventions targeting investment and awareness in the food processing and marketing sectors and actors, including Cooperatives and other major food sector players in Malta, will address the low consumer awareness and recognition of the health value of Maltese products, associated animal welfare issues, and higher standards, and the impacts of food production on biodiversity and the environment.

3.1.4 Explanation of how the environmental and climate architecture of the CAP Strategic Plan is meant to contribute to already established long-term national targets set out in or deriving from the legislative instruments referred to in Annex XI

Malta’s environment is characterised by a combination of high value assets and significant cultural landscapes of great historic and amenity value, along with high population density, urbanisation, and high
numbers of tourists. Considerable pressure has thus been exerted upon the natural environment, creating conditions of relative scarcity in basic resources, such as fresh water and fertile soils. The incorrect use of agricultural chemicals has contributed to groundwater contamination, and the increasing demand for fresh water has resulted in heavy reliance on desalination since the 1970s.

Malta has one of the highest proportions of developed land of all EU Member States, reaching almost one-third of the total territory. In addition, its freshwater resources are significantly depleted, as a result of over-abstraction of water from the main aquifers, coupled with decreasing recharge rates in view of changing rainfall patterns and insufficient harnessing and conservation of rainfall during the winter months. Climate change is exacerbating water scarcity by reducing the months when rain falls and also increasing the occurrence and severity of extreme weather events – notably storms, floods and hailstorms in the winter months – which make it harder to capture water efficiently, than would be the case if rainfall were moderate and evenly spread over the growing season. These changing climatic patterns also have a negative impact on soil as they increase soil erosion.

Malta’s biodiversity and historic cultural landscapes include the semi-natural garigue and maquis habitats. These habitats exhibit high floristic diversity and unique fauna; and the very small, terraced fields bound by rubble walls, between which channels carry rainwater from the highest points of the islands down towards the main valleys and out to the sea. Both landscapes and wildlife are threatened by population pressures and demand for new development which must be kept in check through strict spatial planning policies. In addition, biodiversity suffers from pollution from farm and non-farm sources, with both livestock manures and imported fertilisers and pesticides affecting both land and water quality.

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 transposed into national legislation through Legal Notice 345 of 2015 (Water Policy Framework Regulations, 2015) and Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources transposed into Maltese legislation as Subsidiary Legislation 549.66 of 2011, both provide for long-term sustainable management of water resources on the basis of a high level of protection of the aquatic environment. These two Directives also form part of the baseline conditions (SMR 1 and 2 respectively) for farmers to be eligible for support.

Through the National Nitrates Database, local authorities will be able to obtain a clear picture of the environmental practices and waste management practices at farm level that may impact the water quality. The need for having this database was also highlighted in Malta’s second water catchment management plan for 2015 – 2021. This database will also serve as a basis for the compilation of a crop plan and fertiliser plan that will reflect practices from the excessive fertilisers that would in turn reduce nitrates levels into surface waters. It is for this reason that as part of the eligibility requirements of the interventions under the EAFRD, farmers must be registered in this database. The Water Services Corporation is currently also implementing the ‘New Water’ programme involving the development of three water polishing plants that will upgrade the quality of treated water from the islands’ three Urban Wastewater Treatment Plants (UWWTP) to irrigation standards. This will provide high-quality water suitable for safe crop irrigation and will have the capacity to potentially address up to 35% of the current total water demand coming from the agricultural sector. This will thus contribute to the achievement of good groundwater status. This project consists of three networks - one in Gozo, another one in the north of Malta and the third one in the south of Malta and will see the development of an annual production capacity of 7 million m³ of high-quality water. Improved water quality will also be ensured through the establishment of buffer zones along watercourses as required under GAEC 4. Building upon these measures, an eco-scheme discouraging crop cultivation within at least two (2) metres from the watercourse to instead maintain a buffer strip by either spontaneous vegetative cover or by sowing species with the aim of increasing biodiversity has also been included in this Plan. Finally, investment aids under the EAFRD will promote farm-level investment in infrastructure including surface water storage and water efficiency equipment and facilities in order to reduce demand for water from groundwater sources, in the agricultural sector.
Regulation (EU) 2018/841 of the European Parliament and of the Council of 30 May 2018 on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry in the 2030 climate and energy framework, and amending Regulation (EU) No 525/2013 and Decision No 529/2013/EU requires EU Member States to ensure that any greenhouse gas emissions from land use, land use change or forestry are offset by at least an equivalent removal of CO\textsuperscript{2} from the atmosphere, the so-called ‘no debit’ rule, in the period 2021 to 2030.

Action in this area is primarily targeted towards enhancing tree cover and soil quality on the Maltese Islands and safeguarding the integrity of the existing, albeit limited, wooded and semi-natural areas by good management, given that the potential for further reduction of carbon dioxide emissions through carbon sequestration in new vegetation is envisaged to be of a small contribution. Through the programme intervention funding afforestation and non-productive environmental-related investments, a modest increase in above-ground biomass is expected. In addition, via investment, the enhanced soil quality and related management know-how (measures for training, advice and agri-environmental management), the carbon content of Malta’s agricultural land should be enhanced. This intervention will thus be contributing to climate mitigation via enhanced carbon storage and sequestration. Malta is also in the process of compiling Malta’s Low Carbon Development Strategy which was published for public consultation in July 2021. Furthermore, in the 2022 Malta Budget, a new measure has been included granting up to €8,000 to farmers who own agricultural land that is idle or out of production or used for low value production, to be converted to agroforestry systems based on fruit trees with the aim of increasing carbon sequestration.

Furthermore, two separate eco-schemes have also been designed with the aim of improving the soil structure and reducing soil erosion. The first scheme is meant to encourage farmers to cultivate specific nitrogen fixing crops as a multannual commitment, while the second scheme is meant to go beyond GAEC 3 banning the burning of stubble and vegetable residues on the soil, and encourage farmers to incorporate these residues in the soil instead. Other baseline requirements include GAEC 5 on tillage management, ploughing and the use of heavy machinery, GAEC 6 requiring a soil cover in periods and areas that are most sensitive and GAEC 7 obliging farmers to follow crop rotation have also been included to ensure soil protection and quality. In addition, a number of eco-environment climate measures have also been programmed including initiatives to encourage farmers to convert land from seasonal to permanent crops for increased carbon sequestration as well as measures for the implementation of a soil management and conservation plan on holdings to enhance soil conservation and soil quality.

Through investments in agricultural holdings, farmers will be encouraged to invest in the latest technologies and can help reduce their inputs and become more efficient in the management of natural resources. These measures will support investments that improve soil management, water capture and use, and the generation of renewable energy.

Regulation (EU) 2018/842 on the binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement, lays down obligations to be fulfilled by the Member States of the European Union (EU) as regards their contributions to the binding annual greenhouse gas emission reductions from 2021 to 2030. On the other hand, Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action, requires Member States to prepare a National Energy and Climate Plan.

Despite the fact that it accounts for only 3% of the national greenhouse gas (GHG) emissions, agriculture is one of the sectors identified in Malta’s 2030 National Energy and Climate Plan with potential for carbon emissions reduction. In 2017, the agriculture sector accounted for 66.7% of total national nitrous oxide (N2O) emissions and to 19% of total national methane (CH4) emissions. Malta’s 2030 National Energy and Climate Plan identified three categories that are responsible for the highest share of estimated emissions which are enteric fermentation, followed by agricultural soils and manure management. Notwithstanding, total national emissions have not fluctuated much throughout the years starting at 3.6% in 1990 and decreasing to 3% in 2017. Moreover, projections show that emissions are expected to remain stable over the coming years. It is for this reason that emissions from the agricultural sector are
considered to be of minor significance.

Directive (EU) 2016/2284 on the reduction of national emissions of certain atmospheric pollutants, is transposed into national legislation through Subsidiary Legislation 549.124, and required the drawing up of a National Air Pollution Control Programme (NAPCP). This programme identified agriculture as the main source of ammonia (NH3) emissions. Animal manure, both when applied to soil and its management on livestock farms, is the main contributor to these emissions. Between 2005 and 2017, ammonia emissions decreased by 22.5% which can be mainly attributed to a decrease in the number of animal heads [8]. Measures already introduced through the Nitrates Action Programme Regulations (Subsidiary Legislation 549.66) such as the requirement to have a fertiliser plan, also aid in the reduction of ammonia emissions. In addition, policy decisions on waste management requirements banning the application of slurry or liquids directly to land, and preventing the discharge of pig slurry to the sewage system will decrease further such emissions. SMR 14, 15 and 16 concerning animal welfare will also lead directly to a decrease in emissions in view of the stringent requirements. In order to control emissions arising from animal manure, the Maltese Agency for the Governance of Agricultural Bio-Resources is currently updating and further developing its Agricultural Waste Management Strategy, that will focus on better management of pig slurry. It should be noted, however, Malta is in compliance with the 2020 and 2030 emission reduction commitments as set out in Directive (EU) 2016/2284.

In the case of Directive 2008/50/EC on ambient air quality and cleaner air for Europe, transposed into Maltese legislation as Subsidiary Legislation 549.59 and which as part of its requirements provided that an Air Quality Plan had to be drafted, is not directly relevant to the agricultural sector given that it focuses on the major pollutants, that is, emissions from power generation and road traffic, as well as, dust emissions from construction [9]. Because the local agriculture sector does not have a significant impact upon air quality, no measures directly targeting air quality were included in this Plan.

Directive 2009/147/EC on the conservation of wild birds transposed into national legislation through Subsidiary Legislation 549.42 and as well as Council Directive 92/43/EEC on the conservation of natural habitats and of wild fauna and flora transposed into national legislation through Subsidiary Legislation 549.44 [10], establish the necessary conservation measures to enhance biodiversity as well as place restrictions on the use of pesticides through the designation of protected areas and the establishment of Natura 2000 site management plans. These plans form part of the baseline conditions required (SMR 3 and 4 respectively) for providing support under both pillars in the Plan. The eco-scheme foreseen to be implemented under the Plan, which will reward farmers for designating one of the land parcels for biodiversity purposes, promoting spontaneous vegetative cover or by sowing flowering plants will aim to address conservation measures to enhance biodiversity. Biodiversity will also be enhanced through afforestation and non-productive environment related investments programmed under this Plan.

Pesticides have a major effect on biodiversity and habitat loss. Directive 2019/782 on the sustainable use of pesticides transposed into national legislation by Subsidiary Legislation 430.08 [12], and Regulation (EC) No 1107/2009 concerning the placing of plant protection products on the market, both form part of the baseline conditions, SMR 12 and 13 respectively [13]. Furthermore, the National Action Plan for the Sustainable Use of Pesticides for 2019-2023, a requirement stemming from Directive 2019/782 regulates the handling, storage and disposal of plant production products and provides for measures to ensure the use of pesticides is minimised or prohibited in certain specific areas including protected areas.

Finally, the role of the Maltese honeybee as an important pollinator of wild flora covering the local garigue and maquis habitats was recognized. Interventions designed to help farmers restock their honeybee colonies and protect them against serious threats such as varroasis were also programmed under the apiculture programme.

Enhanced soil and water management, and the protection of biodiversity will eventually contribute to
climate change mitigation and adaptation, as well as sustainable energy.

Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources requires Member States to achieve a share of energy of the gross final consumption from renewable resources[14]. This Directive requires Member States to adopt a National Renewable Action Plan (NREAP)[15]. In the case of Malta, the NREAP 2015-2020 consultation identifies the promotion of plants producing biogas to heat or electricity as a way of turning animal waste into energy. To contribute to this objective objective, an intervention aiming at supporting off-farm investments, particularly in the establishment of biomass production or other plants aimed at treating farm waste has been included under this Plan.


[8] Environment and Resources Authority, 2019,Malta’s National Air Pollution Control Programme 2019
3.1.5 Where relevant, CAP contribution towards LIFE projects

3.2 Overview of the generational renewal strategy

Central to the need of creating a competitive and viable agricultural sector is generational renewal. Young farmers have the potential to introduce change and contribute to new ideas that are necessary for the diversification and restructuring of the sector. Thus, there is the need to provide the necessary support for the sector to continue attracting young people.

In the case of Malta, the main barriers for young farmers include limited incomes, poor market returns, land access, and lack of access to capital for investment in technology, infrastructure and equipment that would help improve business performance. In addition, the small size and fragmented nature of agricultural holdings and the geophysical characteristics of the Maltese Islands pose natural limitations on farmers that increase the production and input costs and limit economies of scale.

In view of this, specific measures have been included to support generational renewal. Foremost among them is the Basic Income Support for Sustainability (BISS) which although not specifically designed for young farmers, provides farmers with a stable income which is an important first step to encourage the
installation and successful development of young farmers. In order to make it more attractive, an annual top-up payment per eligible hectare amounting to [25%] of the Basic Income Support for Sustainability (BISS) has also been included.

Under EAFRD, support is being provided through the specific installation aid linked to a business plan, in line with the minimum threshold stipulated in the CAP SP Regulation. Malta will continue its positive implementation of the young farmers installation start-up support scheme with flanking aids for training and advice, to help give young farmers a real opportunity for successful establishment in business.

Another way of promoting employment is by enhancing the role of the LEADER Local Action Groups (LAGs). These support employment through local investment in rural businesses while also promoting equality, and social inclusion.

Cooperation activities can be key in diversifying the sector, linking together young farmers, and research and educational institutes in order to undertake improvements in environmental quality, supply chain efficiency, sustainable energy, waste and waste management, that will positively affect the viability of the sector in the long run. This is also being complemented by knowledge exchange and information aimed at funding knowledge transfer actions such as training and farm advice services. Thus, the interventions supporting young farmers will build-on and integrate with actions under the first general objective which focus on improving competitiveness and efficiency in rural businesses.

Another obstacle for young farmers is the rigid inheritance and land tenure laws that further limit profit margins. In order to address this problem, after reviewing the land transfer regulations in 2017, the Lands Authority published Legal Notice 159 of 2017, referred to as the Agricultural Land Regulations. The latter permits land transfers to agricultural land to bona fide farmers subject to the approval of the Board of Governors of the Lands Authority. This legal notice also caters for agricultural students by providing land on lease at a favourable rate for the first five years [2]. This national action facilitates entry of young farmers and complements the interventions included in this plan.


[2] Ibid.

3.2.1 Where relevant, CAP contribution towards Erasmus projects

At initial programme stage, a contribution towards Erasmus projects is not foreseen.

3.3 Explanation on how the interventions under coupled income support as referred to in Subsection 1 of Section 3 of Chapter II of Title III are consistent with the Water Framework Directive - 2000/60/EC

The 2nd Water Catchment Management Plan for the Malta Water Catchment District 2015 - 2021 transposed into national legislation through Legal Notice 345 of 2015 (Water Policy Framework Regulations, 2015) identifies agricultural practices as one of the drivers of land-based pressures on Maltese water resources. Concisely, it identifies two main issues that relate to:
The use of fertiliser and plant protection products, including pesticides, in agricultural activities and their undesired movement through leaching, erosion, surface runoff, spray drift, and drainage discharges. This has affected groundwater bodies due to the presence of nitrates. Investigations carried out identify arable agriculture and animal manure as the main sources of nitrate pollution in groundwater.

The high-water demand of the agricultural sector. In fact, agriculture accounts for almost half (49%) of the total groundwater abstraction in the Maltese islands.

On the other hand, this plan also takes into account the non-monetary value of the agricultural sector, mainly its contribution to the national food security and those related to the environmental, amenity and heritage values of agricultural land and on the cultural importance of the local artisan food and beverage industries. It concludes that these non-monetary values are difficult to estimate and that an increase in the cost of abstracting groundwater would have repercussions on food affordability and security.

Through the coupled income support scheme, Malta will be supporting those sectors that are highly disadvantaged and that are important for economic, social or environmental purposes, namely, the dairy, beef, sheep, and tomatoes (for processing) sectors. The small size of Malta combined with the island’s insularity creates a number of natural and structural disadvantages for these sectors.

The local dairy sector supplies 85% of domestic fresh milk consumption in Malta, making it one of the most important sectors as it ensures a continuous supply of fresh dairy milk for the local market. On the other hand, the beef sector is an offshoot of the dairy sector, making it a marginal activity with minimal profit. Reliance on imported feed leads to higher production costs in these two sectors. Any fluctuations in the price of feed due to external factors, such as increasing transport costs or drought, affect the productivity and profitability of these sectors.

The sheep sector faces similar challenges as that of the dairy and beef sectors since Malta has no pastureland that can be used for grazing. Consequently, this sector must rely on imported feed. This sector is also characterized by very small flock sizes of between 10 and 49 sheep, making it difficult to achieve economies of scale. Sheep's milk is used for the production of traditional cheeselets, known as ġbejna or ġbejniet. The dairy, beef, and sheep sectors cannot be targeted through decoupled income support given that they are all landless farms.

Coupled support for these sectors is granted on the condition of compliance with the rules under SMR 1 (Water Policy Directive) and SMR 2 (Nitrates Directive). This means that these farmers must store manure in leak-proof covered storage clamp connected to a cesspit and the cesspit must also be leak-proof and covered. The minimum storage capacity for solid manure must be sufficient to cover the closed period. Cesspits must have sufficient capacity to collect all urine and washings for at least 15 days. Solid manure must be stored in covered clamps from October 15th to March 15th. Field storage of solid manure is allowed only during the dry season, if the dry matter content is at least 30%. Farmers are also obliged to keep records of slurry and manure transports and disposal, including dates, quantities and final destination.

The tomatoes for processing is another important sector in Malta that is eligible for coupled support given that it contributes to the value added of the domestic economy, particularly on the island of Gozo. The...
sector generates a considerable amount of economic activity by providing employment both directly and indirectly throughout the production and supply chain. Cultivated tomatoes are used to produce Kunserva, a tomato paste that is considered a local delicacy.

In this case, farmers are required to comply with SMR 1 (Water Policy Directive); SMR 2 (Nitrates Directive); GAEC 4, protecting watercourses against pollution and run-off from agricultural sources; GAEC 5 on tillage management and GAEC 6 on minimum soil cover that both aim to reduce soil erosion. This would in turn reduce fertiliser and plant protection products surface run-off. This in addition to SMR 8 (Sustainable Use of Pesticides) that controls the use, handling, storage, and disposal of plant protection products. In order to address this issue, the Water Services Corporation is currently implementing “The New Water™ programme that will provide high-quality water suitable for crop irrigation. The project involves the development of three water polishing plants that will upgrade the quality of treated water from the islands™ three Urban Wastewater Treatment Plants (UWWTPs) to irrigation standards. This project consisting of three networks - one in Gozo, another one in the north of Malta and the third one in the south of Malta - will have the capacity to potentially address up to 35% of the current total water demand of the agricultural sector, and thus contribute to the achievement of good groundwater status.


3.4 Overview as regards the fairer distribution and more effective and efficient targeting of income support

At initial programme stage, Malta will avail itself of the derogation outlined in Article 29 (1) of the CAP SP regulation.

Justifications on the derogation related to second subparagraph of Article 29(1) and Article 98

The redistribution of income support is not suitable for a small Member State like Malta. It should be noted that the farming population in the local agricultural sector consists entirely of micro farmers, noting that while the largest holding in Malta is of around 31 hectares in size, while the average holding size is of around 0.9 hectares. It should also be noted that the same payment rate applies for all farmers in the Maltese Islands. Given that the eligible area only involves land under cultivation, the payment rate is thus directly related to the farmer’s efforts in cultivating the land, provided that there are no permanent grasslands, pastures or permanent pastures in Malta.

3.5 Overview of the sector-related interventions

3.5.1 Fruit and Vegetables

This section is not applicable for Malta’s CAP SP.

3.5.2 Apiculture products

The Maltese Islands have long been renowned for the production of high-quality honey in particular, the wild thyme honey (Thymus capitatus). Honeybees are also important pollinators of many horticultural
crops and of the wild flora covering the local garigue and maquis habitats.

There are three seasons for honey: one from mid-February till mid-May for wild and cultivated flower plants in general, particularly for red clover (*Hedysarum coronarium*), boar thistle (*Galactites tomentosa*) and citrus trees; the second season occurs from the end of May to the end of June for wild thyme; and the last honey flow occurs between September and October mainly from carob (*Ceratonia siliqua*) and eucalyptus flowers.

Between 2017 and 2018, the apiculture sector received a total of €33,259 in financial assistance of which €16,629 was Union financial assistance\[1\]. Four (4) interventions are programmed under this Plan that complemented the National Apiculture Programme 2019-22.

In Malta, beekeeping is mainly practised by recreational farmers that have a small number of colonies. Thus, providing support to such sector is crucial given its small size and lack of economies of scale on the one hand and the invaluable role of bees as pollinators on the other.

Experience with the national apiculture programme has shown the importance of supporting investments in tangible and intangible assets which include measures that control varroasis; restocking of beehives; and rationalising transhumance. These have by far been the most popular measures with local beekeepers. These measures contribute to a fair standard of living for beekeepers by reducing certain production costs.

Actions that facilitate the dissemination of information and knowledge to beekeepers were also included. These include advisory services, technical assistance, training, information and exchange of best practices; as well as action that facilitate networking for beekeepers and beekeepers’ organisations. The objective of these measures is to promote quality honey production and increase the added value generated by apiculture products.

Supporting this sector through these measures is also beneficial to the local biodiversity as beekeepers provide pollination services to wild flora and to crop farmers in the surrounding areas, thereby enabling crop production.


### 3.5.3 Wine

This section is not applicable for Malta’s CAP SP as per Annex VII of Regulation (EU) 2021/2115 for which Malta does not have an allocation.

### 3.5.4 Hops

This section is not applicable for Malta’s CAP SP.
3.5.5 Olive oil and tables olive
This section is not applicable for Malta’s CAP SP as per article 88 (4) of Regulation (EU) 2021/2115 for which Malta does not have an allocation.

3.5.6 Beef and veal
Not Applicable.

3.5.7 Milk and milk products
Not Applicable.

3.5.8 Sheep and goat
Not Applicable.

3.5.9 Protein crops
Not Applicable.

3.5.10 Sugar beet
Not Applicable.

3.5.11 Other sectors
Not Applicable.

3.6 Overview of the interventions that contribute to ensure a coherent and integrated approach to risk management, where relevant
Not Applicable.

3.7 Interplay between national and regional interventions
3.7.1 Where relevant, a description of the interplay between national and regional interventions, including the distribution of financial allocations per intervention and per fund
This is not applicable for Malta's CAP SP.

3.7.2 Where relevant, where elements of the CAP Strategic Plan are established at regional level, how does the interventions strategy ensure the coherence and the consistency of these elements with the elements of the CAP Strategic Plan established at national level
This is not applicable for Malta's CAP SP.

3.8 Overview of how the CAP Strategic Plan contributes to the objective of improving animal welfare and reducing antimicrobial resistance set out in point (i) of Article 6(1), including the baseline conditions and the complementarity
Support contributing towards Article 6(1) (i) in the CAP SP may include amongst others investments
contributing to the setting up of an electronic prescription system to enable the monitoring and collection of quality data on the prescription, use, consumption and trends of antibiotics in Malta. The data would be used to carry out risk assessments and to complete the picture and assist in implementing the Anti-Microbial Resistance Strategy in Malta. Support may also include upgrades to the AMR laboratory, in line with the *Strategy and Action Plan for the Prevention and Containment of Antimicrobial Resistance in Malta (2020 â€“ 2028).*

Other complementary interventions may include on-farm productive investments related to precision livestock farming aimed at supporting on-site treatment of livestock waste. Training and advisory services supporting issues on enhancing the protection of biodiversity, animal welfare and antimicrobial resistance are also envisaged as part of knowledge exchange and dissemination of information.

These interventions will also contribute to achieving the Green Deal targets on reducing sales of antimicrobials for farmed animals by 2030.

### 3.9 Simplification and reducing the administrative burden

The need to continue streamlining the processes involved in the management and control systems of EU funds and the further reduction in administrative burden for beneficiaries remains essential, taking into account lessons learnt from the 2014 â€“ 2020 period. Malta is committed to implement further simplification measures that will reduce administrative burden on beneficiaries as well as simplify procedures for farmers and other stakeholders to apply and participate in the grants and schemes on offer.

Measures planned include:

1. A range of simplified options will be used in order to streamline application and procurement processes, and for beneficiaries who have been awarded grants, to reduce the time between payment claim submission and actual payment;
2. A simpler application process planned with applications submitted available also online aiming to attract more beneficiaries;
3. A special fast-track process will be introduced for small investments under €15,000, requiring a simpler justification and speeding up funding decisions;
4. The MALTA AGRICONNECT service will provide promotion and facilitation to assist applicants to process CAP interventions under both funds where the farmer is the primary intended recipient;
5. Use of digital tools for monitoring and control purposes, such as mobile apps;
6. Under EAFRD, it is acknowledged that from project design to project implementations, needs for project changes, which do not alter the original scope of the project and award, will invariably materialise. In view of this, the MA will ensure that a dedicated process will be in place to see to an assessment of such changes that are of certain significance. The MA may also allow, for changes that impact a capping contained in the original grant agreement, flexibility under which the beneficiaries are not obliged to seek a formal approval for such change, subject that the change in project items and budgets remain within the eligible costs of the measure and project; and
7. The MA shall also see that requests and submissions of project progress reports, project closure reports and also project change requests will be made possible over a dedicated IT platform, rather than through WORD doc. submissions.

### 3.10 Conditionality
3.10.1 Main issue: Climate change (mitigation of and adaptation to)
3.10.1.1 GAEC 1: Maintenance of permanent grassland based on a ratio of permanent grassland in relation to agricultural area
3.10.1.1.1 Summary of the farm obligation (e.g. prior authorisation system and reconversion obligation)

<table>
<thead>
<tr>
<th>Explanation</th>
<th>Not Applicable.</th>
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</thead>
</table>

<table>
<thead>
<tr>
<th>Description</th>
<th>This standard is considered not to be relevant to the national context.</th>
</tr>
</thead>
</table>

There are no permanent grasslands within the utilised agricultural area in Malta. In 2010, Malta had 89% of its UAA as arable land and 11% with permanent crops (NSO Agricultural census).

3.10.1.1.2 Territorial scope (national, regional, farm-level, group-of-holdings)

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
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</thead>
</table>

3.10.1.1.3 Value of the reference ratio (including calculation method)

<table>
<thead>
<tr>
<th>Explanation</th>
<th>Not Applicable.</th>
</tr>
</thead>
</table>

3.10.1.1.4 Type of farmers concerned (all farmers that have permanent grasslands)

<table>
<thead>
<tr>
<th>Description</th>
<th>Not Applicable.</th>
</tr>
</thead>
</table>

3.10.1.1.5 Explanation of the contribution to achieve the main objective of the GAEC standard

<table>
<thead>
<tr>
<th>Description</th>
<th>Not Applicable.</th>
</tr>
</thead>
</table>

3.10.1.2 GAEC 2: Protection of wetland and peatland
3.10.1.2.1 Summary of the on-farm practice

<table>
<thead>
<tr>
<th>Description</th>
<th>This standard is considered as already met, in the national context.</th>
</tr>
</thead>
</table>

There is no peatland in Malta. There are wetlands which have been designated as Ramsar Sites and 3 which form part of the Natura 2000 Network, which provides for their protection.[1]


3.10.1.2.2 Year of application of the GAEC

<table>
<thead>
<tr>
<th>Description</th>
<th></th>
</tr>
</thead>
</table>

3.10.1.2.3 Territorial scope and area designated

<table>
<thead>
<tr>
<th>Description</th>
<th>Not Applicable.</th>
</tr>
</thead>
</table>

3.10.1.2.4 Type of farmers concerned

<table>
<thead>
<tr>
<th>Description</th>
<th>Not Applicable.</th>
</tr>
</thead>
</table>

3.10.1.2.5 Explanation of the contribution to achieve the main objective of the GAEC standard

<table>
<thead>
<tr>
<th>Description</th>
<th>Not Applicable.</th>
</tr>
</thead>
</table>
### 3.10.1.3 GAEC 3: Ban on burning arable stubble, except for plant health reasons

#### 3.10.1.3.1 Summary of the on-farm practice

**Stubble and vegetable residues should not be burnt on the soil, except by order of the national plant health authority.**

It is forbidden to burn stubble or vegetation residues or any waste directly on the soil, except by order of the national Plant Protection Directorate. Following which cases, farmers shall adopt corrective actions, including green manuring or the application of organic material prior to the establishment of the following crop.

In those cases where harvested vegetable residues are collected in a heap and need to be destroyed for the prevention of transmissible plant diseases, this should be done in a limited area of the field, not exceeding 10m².

Flame weeding using appropriate equipment and techniques shall be allowed only to control weeds in between sown crops.

A breach to this standard may include one of the following:

- Burning within or in the vicinity of natural habitats; burning of vegetation (excluding flame weeding); burning in the vicinity of landscape features.

- Evidence of burnt patches bigger than 10m² on any part of the farm holding indicating fire.

#### 3.10.1.3.2 Territorial scope

This measure will apply to the entire territory of Malta.

#### 3.10.1.3.3 Type of farmers concerned

All active farmers having arable land.

#### 3.10.1.3.4 Explanation and contribution to achieve the main objective of the GAEC standard

The aim of this GAEC standard is to protect the soil organic matter.

---

### 3.10.2 Main issue: Water

#### 3.10.2.1 GAEC 4: Establishment of buffer strips along water courses

#### 3.10.2.1.1 Summary of the on-farm practice

Farmers must comply with the storage and distance requirements listed in Regulation 6.2 and 8 of Subsidiary Legislation 549.66 Nitrates Action Programme Regulations.


**Organic and Synthetic fertilizer must not be applied:**

- Directly or indirectly incorporated to water streams, valleys, ponds or any natural water courses

- Within a minimum distance of 5m from natural water courses

- Within 5m from springs, galleries, gallery shafts, boreholes and karst features

---

**EN 95**
Within 30m of any borehole used for public water supply

Within 100m from the coast

Plant Protection Products applications should respect the following:

- Should not be applied on any type of water streams, ponds, or any natural water courses
- Should not be applied to a minimum distance of 5 meters from passages of natural water, streams, boreholes, and cracks in rocks
- Should not be applied to a minimum distance of 30 meters from boreholes used for the provisions of water to the public
- Should not be applied to a minimum of 30 meters from the coast

A breach to this standard may include one of the following:

- Evidence of the application or storage of fertiliser or pesticides within the indicated buffer zones.

3.10.2.1.2 Minimal width of buffer strips (in m)
3.10.2.1.3 Territorial scope, including water courses definition

This measure will apply to the entire territory of Malta.

Watercourses are all surface waters, including coastal and bathing waters, freshwaters, springs, pools and transitional waters made up of streams or standing waters that flow or have fluctuating water levels throughout the year.

3.10.2.1.4 Type of farmers concerned

All active farmers having arable along watercourses.

3.10.2.1.5 Explanation of the contribution to achieve the main objective of the GAEC standard

The aim of this GAEC standard is to protect watercourses against pollution and run-off from agricultural sources by maintaining the necessary distance requirements. This standard restricts the application and storage of fertilisers and pesticides along watercourses.

3.10.3 Main issue: soil (protection and quality)
3.10.3.1 GAEC 5: tillage management, reducing the risk of soil degradation and erosion, including consideration of the slope gradient
3.10.3.1.1 Summary of the on-farm practice

On sloping land, ploughing should always be practiced in parallel with the contours of the field.

On parcels having a slope greater than 10%, ploughing, cultivation and planting should be carried out across the direction of the slope. There should be no evidence of sheet, rill or erosion gullies on site. This measure is important in order to control soil erosion. In steep sloping fields, cultivation across the slope...
often leads to channelling of run-off water, particularly in tramlines or wheels, which can cause severe erosion.

Machinery should not be used for normal agronomic purposes on flooded or water-saturated soil. Furthermore, unnecessary trampling on soil with heavy machinery should be avoided at all times. It is forbidden to enter into the field unnecessarily with a vehicle, and to use any part of the field as a parking space for vehicles and machinery. The use of heavy machinery and transport vehicles increases soil erosion as it compacts the soil which in turn reduces its fertility.

3.10.3.1.2 Territorial scope (including erosion risks areas and the slope gradient)
This measure will apply to the entire territory of Malta.

3.10.3.1.3 Type of farmers concerned
All active farmers having arable land.

3.10.3.1.4 Explanation of the contribution to achieve the main objective of the GAEC standard
The aim of this GAEC standard is to avoid soil degradation and erosion.

3.10.3.2 GAEC 6: Minimum soil cover to avoid bare soils in period(s) that are most sensitive
3.10.3.2.1 Summary of the on-farm practice (including the period concerned)
Between the 15th October and 15th of March on un-terraced clay arable land having a slope of 11% or more shall be protected with a soil cover. Arable land being un-terraced, with a slope greater than 11% on blue clay landscapes, is to be kept with a soil cover during the winter season. The farmer should maintain a soil cover with an agricultural crop cover, mulch cover, grass cover or stubble cover.

3.10.3.2.2 Territorial scope
This measure will apply to the entire territory of Malta with un-terraced clay arable land having a slope of 11% or more.

3.10.3.2.3 Type of farmers concerned
All active farmers having un-terraced clay arable land having a slope of 11% or more.

3.10.3.2.4 Explanation of the contribution to achieve the main objective of the GAEC standard
The aim of this GAEC standard is to maintain surface coverage to serve as protection against soil erosion by water and wind and puddled soil surface.

3.10.3.3 GAEC 7: Crop rotation in arable land except for crops grown under water
3.10.3.3.1 Summary of the on-farm practice for crop rotation
Farmers with holdings consisting of less than 10ha of arable land are exempted from the obligations for this GAEC.
Farmers managing holdings of 10ha of arable land or more, must each year in their geo-spatial application declare their primary crop and secondary crop for that claim year, which crops must belong to a different botanical family than the primary and/or secondary crop of the previous year. This is applicable for each parcel with arable land unless that parcel is being cultivated with multiannual crops, grasses, and other herbaceous forage, or is left fallow.

Should however either the primary or secondary crop (not both) be a leguminous crop then that farmer would also be considered to be in line with the objectives of this GAEC.

Farmers certified in accordance with Regulation (EU) 2018/848 shall be deemed to comply with this GAEC standard.

3.10.3.3.2 Summary of the farm practice for crop diversification

Not Applicable.

3.10.3.3.3 Territorial scope

This measure will apply to the entire territory of Malta.

3.10.3.3.4 Type of farmers concerned

☑ All farmers who have at their disposal arable land (no exemption)
☒ Exemptions that apply

Where more than 75% of arable land is used for the production of grasses or other herbaceous forage, is used for land laying fallow, cultivation of leguminous crops, or is subject to a combination of those uses (footnote of Annex III, point(1)(a))

3.10.3.3.5 Explanation of the contribution to achieve the main objective of the GAEC standard (notably if MS has chosen crop diversification)

The aim of the GAEC standard is to conserve the soil and limit the spread of diseases.

3.10.4 Main issues: Biodiversity and landscape (protection and quality)

3.10.4.1 GAEC 18: Minimum share of arable land devoted to non-productive areas and features, and on all agricultural area, retention of landscape features and ban on cutting hedges and trees during the bird breeding and rearing season

3.10.4.1.1 Summary of the in-farm practice

Standard of minimum share:

☒ At least 3% of arable land at farm level devoted to non-productive areas and features, including land lying fallow.

Share (%) of arable land devoted to non-productive areas and features:

☐ At least 7% of arable land at farm level devoted to non-productive areas and features, including land lying fallow when the farmer commits to at least 7% of arable land devoted to non-productive areas and features, including land lying fallow, under an enhanced eco-scheme in accordance with Article 31(5a).

☐ At least 3% of arable land at farm level devoted to non-productive areas and features, including land lying fallow, and catch crops and nitrogen fixing crops, cultivated without the use of plant protection products, of which 3% shall be non-productive areas and features, including land lying fallow. Member States should use the weighting factor of 0.3 for catch crops.
List of features (Indicative list of features and non-productive areas eligible for calculating the minimum share)

- Cairns
- Cultural features
- Ditches
- Field margins, patches or parcels buffer strips
- Hedgerows individual or group of trees rows
- Land Lying fallow
  At least 4% of arable land shall be land lying fallow for at least one (1) claim year.

- Others
  Rubble walls, vegetated slopes, trees (in line, in group or isolated), natural field margins and habitats incl. Garrigue, must not be damaged. Protected trees listed in the Schedule I, III of LN 200 of 2011 should not be uprooted except when authorised by a permit from the national Competent Authority. There should be no destruction or deposition of soil or dumping of sub layer material on garrigue, ditches, ponds or any other type of habitat lying within the perimeter of the holdings.
  
  Existing rubble walls should be retained and preserved.

- Small ponds
- Small wetlands
- Stonewalls
- Streams
- Terraces

List of features (for retention)
Ban on cutting, hedge and trees during the bird breeding and rearing season (mandatory)

Farmers must not cut or trim trees or shrubs present on their agricultural parcel between 01 February to 31 May each year, except where: (a) the tree overhangs a road or footpath, endangering or obstructing vehicles or pedestrians; (b) by order of the national plant health authority; (c) the tree is a fruit tree in an orchard or it forms part of a shelter belt (from wind and/or salt) in an orchard or vineyard.

Measures for avoiding invasive plant species

3.10.4.1.2 Territorial scope (applicable for the “minimum share” standard)
This measure will apply to the entire territory of Malta.

3.10.4.1.3 Type of farmers concerned (applicable for the “minimum share” standard)
☐ All farmers who have at their disposal arable land (no exemption)
☒ Exemptions that apply
With a size of arable land up to 10 hectares (footnote 5 of annex III, point (1)(c))
Where more than 75% of arable land is used for the production of grasses or other herbaceous forage, is used for land laying fallow, cultivation of leguminous crops, or is subject to a combination of those uses (footnote of Annex III, point(1)(a))

3.10.4.1.4 Explanation of the contribution to the main objective of the practice/standard

The aim of this GAEC standard is to encourage biodiversity. Furthermore, the Maltese landscape is dominated by terraced fields surrounded by rubble walls. Besides maximising soil and water resources and reducing soil erosion from fields, rubble walls are home to a variety of wild flora and fauna.

3.10.4.2 GAEC 9: Ban on converting or ploughing permanent grassland designated as environmentally-sensitive permanent grasslands in Natura 2000 sites

3.10.4.2.1 Summary of the on-farm practice
This standard is considered not to be relevant to the national context.

There are no permanent grasslands within the utilised agricultural area in Malta. In 2010, Malta had 89% of its UAA as arable land and 11% with permanent crops (NSO, 2010).

3.10.4.2.2 Territorial scope
Total indicative area of environmentally-sensitive permanent grasslands in Natura 2000 sites covered by the GAEC in ha:

3.10.4.2.3 Type of farmers concerned
Not Applicable.

3.10.4.2.4 Explanation of the contribution to achieve the main objective of the GAEC standard
Not Applicable.

3.10.5 Additional GAEC (if applicable)
Not Applicable.
4 Elements common to several interventions

4.1 Definition and minimum requirements

4.1.1 Agricultural activity

4.1.1.1 Definition of production

‘agricultural activity’ means the:

(i) production, rearing or growing of agricultural products, including harvesting, milking, breeding animals, and keeping animals for farming purposes, where agricultural products refer to those listed in Annex I to the TFEU with the exception of fishery products, as well as cotton and short rotation coppice,

(ii) maintaining of an agricultural area in a state which makes it suitable for grazing or cultivation without preparatory action going beyond usual agricultural methods and machineries, or;

(iii) carrying out a minimum activity; this refers to the general maintenance of the land that keeps it suitable for cultivation. Such activity must at least consist of tilling the land at least once a year and if trees are present on the holding these must be maintained in a good agricultural condition.

‘agricultural area’ means any area used for agricultural activities. It may be composed of arable land, land lying fallow or permanent crops or permanent grassland and permanent pasture.

4.1.1.2 Definition of maintenance of agricultural area

4.1.1.2.1 Arable Land

‘arable land’ means areas cultivated for crop production or areas available for crop production but lying fallow, and includes greenhouses. In addition, during the duration of the commitment, be land cultivated for crop production or areas available for crop production but lying fallow that have been set-aside in accordance with Articles 31 or 70 or GAEC standard 8, or with Articles 22, 23 or 24 of Council Regulation (EC) No 1257/1999, or with Article 39 of Council Regulation (EC) No 1698/2005, or with Article 28 of Regulation (EU) No 1305/2013.

‘land laying fallow’ means arable land that is suitable for agricultural purposes and is not being cultivated but is maintained in good condition.

4.1.1.2.2 Permanent crops

‘permanent crops’ means the non-rotational crops other than permanent grassland and permanent pasture that occupy the land for five years or more, which yield repeated harvests, including nurseries and short rotation coppice.

4.1.1.2.3 Permanent grassland

N/A

4.1.2 Agricultural area

4.1.2.1 Elements of agroforestry systems when it is established and/or maintained on the agricultural area

4.1.2.1.1 Arable Land

‘arable land’ means areas cultivated for crop production or areas available for crop production but lying fallow and includes greenhouses. In addition, it shall, for the duration of the commitment, be land cultivated for crop production or areas available for crop production but lying fallow that have been set-aside in accordance with Articles 31 or 70 or GAEC standard 8, or with Articles 22, 23 or 24 of Council Regulation (EC) No 1257/1999, or with Article 39 of Council Regulation (EC) No 1698/2005, or with Article 28 of Regulation (EU) No 1305/2013.
4.1.2.1.2 Permanent crops

‘permanent crops’ means the non-rotational crops other than permanent grassland and permanent pasture that occupy the land for five years or more, which yield repeated harvests, including nurseries and short rotation coppice.

4.1.2.1.3 Permanent grassland

‘permanent grassland’ means land used to grow grasses or other herbaceous forage naturally (self-seeded) or through cultivation (sown) and that has not been included in the crop rotation of the holding for five years or more and that has not been ploughed up, or not tilled, or not reseeded with different types of grasses, for five years or more.

4.1.2.2 Arable land

4.1.2.2.1 Other comments relating to the definition of arable land

N/A

4.1.2.3 Permanent crops

4.1.2.3.1 Definition of nurseries

Includes the following areas of young ligneous (woody) plants grown in the open air for subsequent transplantation:

(a) vine and root-stock nurseries;
(b) fruit tree and berries nurseries;
(c) ornamental nurseries;
(d) commercial nurseries of forest trees excluding those for the holding's own requirements grown within woodland; and
(e) nurseries of trees and shrubs for planting in gardens, parks, at the roadside and on embankments (such as hedgerow plants, rose trees and other ornamental bushes, ornamental conifers), including in all cases their stocks and young seedlings.

4.1.2.3.2 Definition of Short Rotation Coppice

‘short rotation coppice’ means areas planted with forest trees that consist of woody, perennial crops, the rootstock or stools of which remain in the ground after harvesting, with new shoots emerging in the following season, with a maximum harvest cycle of four (4) years.

4.1.2.3.3 Other comments relating to the definition of permanent crops

Short rotation coppice is not grown in Malta.

4.1.2.4 Permanent grassland

4.1.2.4.1 Definition of grasses and other herbaceous forage

N/A in the case of Malta given that there is no permanent grassland.
4.1.2.4.2 Decision to use ‘ploughing’ criterion in relation to permanent grassland classification: No

4.1.2.4.3 Decision to use ‘tilling’ criterion in relation to permanent grassland classification: No

4.1.2.4.4 Decision to use ‘reseeding with different types of grasses’ criterion in relation to permanent grassland classification and its description in case of affirmative reply: No

4.1.2.4.5 Decision regarding the inclusion of other species such as trees and/or shrubs which produce animal feed, provided that grasses and other herbaceous forage remain predominant: No

4.1.2.4.6 Decision regarding the inclusion of other species, such as shrubs and/or trees, which could be grazed and/or which produce animal feed, where grasses and other herbaceous forage are traditionally not predominant or are absent in grazing areas

Decision(s) regarding the inclusion of grazable trees and/or shrubs: No
a) In case of affirmative, applicable to all MS region? : No
b) in case of negative reply to question a), applicable only to land which forms part of established local practices? : No

4.1.2.4.7 Other comments relating to the definition of permanent grassland

N/A

4.1.2.5 Other comments relating to the definition of agricultural area in general

N/A

4.1.3.1 Criteria how to establish the predominance of agricultural activity in case the land is also used for non-agricultural activities

Any agricultural area of the holding that, during the year for which support is requested, is used for an agricultural activity or where the area is also used for non-agricultural activities, is predominantly used for agricultural activities. Only non-agricultural activities that do not disrupt on-going agriculture activity as defined in the CAP strategic plan shall not be considered as not precluding such parcels from eligibility.

4.1.3.2 Criteria to ensure that the land is at the disposal of the farmer

Agricultural land will continue to be registered under the farmer’s name in the IACS / LPIS Farmer Registry on the basis of existing procedures, which will continue to be supplemented for the CAP SP period through further systematic administrative checks, in addition to existing procedures for parcels subject to contestation procedures, to ensure actual and lawful use of the hectares at the disposal of farmers. Line with the European Commission’s guidance note DS/CDP/2021/08.

4.1.3.3 Period during which an area has to comply with the definition of ‘eligible hectare’

For arable land, the agricultural land must be either in production, harvested, tilled, ploughed or maintained in good agricultural condition at least once a year; or in the case of permanent crops maintained in good agricultural condition all year round.

4.1.3.4 Decision to include areas used for agricultural activity only every second year: No
4.1.3.5 Decision regarding the inclusion of other landscape features (those not protected under GAEC), provided that they are not predominant and do not significantly hamper the performance of an agricultural activity due to the area they occupy: No

4.1.3.6 Decision as regards permanent grassland with scattered ineligible features, to apply fixed reduction coefficients to determine the area considered eligible: No

4.1.3.7 Decision to maintain the eligibility of previously eligible areas when they no longer meet the definition of ‘eligible hectare’ pursuant to paragraphs a) and b) of Article 4(4) of the SPR regulation as a result of using national schemes the conditions of which comply with the interventions covered by integrated system referred to in Art 63(2) of Regulation (EU) HzR allowing for the production of non-annex 1 products by way of paludiculture and which contribute to envi-clima related objectives of the SPR regulation: No

4.1.4 Active farmer

4.1.4.1 Criteria to identify those who have minimum level of agricultural activity

Means a natural or legal person, or groups of natural or legal persons, engaged in at least a minimum level of agricultural activity. Land Farmers must have their land registered with the Agriculture Directorate. Livestock farmers must have their farming activity registered with the Veterinary Regulation Directorate.

4.1.4.2 Decision to use a negative list of non-agricultural activities as a complementary tool: Yes

Applicants who, as their principal activity, are involved in one or more of the following activities shall not be considered as active farmers: airports, rail services, waterworks, real estate services, research facilities, permanent sport and recreational grounds, gardens (including roof and vertical gardens) or other embellishment areas and features, maintenance of roundabouts or central strips. Such applicants may contest ARPA’s decision and present proof that their main income comes from agricultural activity as defined in the CAP SP.

4.1.4.3 Decision to set an amount of EUR 5 000 under which farmers shall in any event be considered as ‘active farmers’: No

4.1.5 Young farmer

4.1.5.1 Maximum age limit

Maximum age limit: 40

4.1.5.2 Conditions for being ‘head of the holding’

a. Be the sole head of holding and its manager; or

b. The young farmer must demonstrate that he/she is in control of the management of the company. The farmer must demonstrate that he/she has more than 50% of company shareholding and is also one of the directors. The young farmer must present the memorandum of association (updated where relevant) as evidence that he/she is heading the company.

Provided that for measures under EAFRD, additional criteria may also apply in line with Chapter 5.3.

4.1.5.3 Appropriate training and/or skills required

a. Possess certification of participation to a relevant training in the field of agriculture or in other fields
which is relevant to agricultural enterprises; or

b. Potentially eligible young farmers must have attended training concerning the rules and requirements pertaining to conditionality and for the social conditionality as from 1 January 2025 unless introduced earlier.

4.1.6.1 Conditions for being ‘head of the holding’ for the first time

Active farmers, other than young farmers, who have not benefitted from interventions or measures under EAGF and/or EAFRD directed to primary producers for more than 5 years and are the heads of their holding. In instances where the new farmer works within a company, the new farmer must demonstrate that he/she is in control of the management of the company.

The farmer must demonstrate that he/she has more than 50% of company shareholding and is also one of the directors. The farmer must present the memorandum of association (updated where relevant) as evidence that he/she is heading the company.

Provided that for measures under EAFRD, additional criteria may also apply in line with Chapter 5.3.

4.1.6.2 Appropriate training and skills required

a. Possess certification of participation to a relevant training in the field of agriculture or in other fields which is relevant to agricultural enterprises, or;

b. Potentially eligible new farmers must have attended training concerning the rules and requirements pertaining to conditionality and social conditionality.

4.1.7 Minimum requirements for receiving direct payments

4.1.7.1 Threshold

<table>
<thead>
<tr>
<th>Threshold in ha:</th>
<th>0.3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Threshold in EUR:</td>
<td>250.0</td>
</tr>
</tbody>
</table>

4.1.7.2 Explanation

New entrants must have registered under their name a minimum of 0.3 of eligible hectares in line with the minimum requirements of Basic Income Support for Sustainability.
4.1.8 Other definitions used in the CAP Plan

<table>
<thead>
<tr>
<th>Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large-scale infrastructure</td>
<td>Large-scale infrastructure[^1] – constitutes infrastructure whereby the total eligible cost exceeds €50,000,000. In line with Article 68, such infrastructure shall be ineligible for funding unless it is part of community led local development strategies. Investments for broadband, renewable energy and flood and coastal protection shall be exempt from this provision.</td>
</tr>
</tbody>
</table>

[^1] Required in view of Article 68, para 3 (g).
4.2 Element related to Direct Payments

4.2.1 Description of the establishment of the payment entitlements, if applicable, and functioning of the reserve

4.2.1.1 Entitlements

Do you keep using entitlements at least for the first year of application of the [CAP Plan regulation]? : No
If yes, do you plan to stop using entitlements during the period? : No

4.2.1.2 Territorialisation

Do you apply the territorialisation of the BIS?(art 22(2)) : No
Do you differentiate the system of entitlements according to the group of territories? : No

<table>
<thead>
<tr>
<th>Definition of the group of territories</th>
<th>Do you use entitlements in that group of territories?</th>
<th>Do you plan to stop using entitlements during the new programming period post-2020 (Art. 19(2))?</th>
<th>If yes, what is the first year without entitlements (Art. 23(2))?</th>
<th>Explanation</th>
</tr>
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<tbody>
<tr>
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</table>

4.2.1.3 System of internal convergence

Do you differentiate the method of internal convergence according to the group of territories? : No

4.2.1.4 Functioning of the reserve

Do you apply a reserve in each group of territories (Art. 26 (2))? : No
Do you differentiate the method for the establishment of the reserve according to the group of territories? : No

Financing of convergence (Art. 24 (6))

Categories of eligible farmers and other rules on allocations from the reserve. (Art. 26)

<table>
<thead>
<tr>
<th>Title of the category</th>
<th>Description</th>
<th>Rules</th>
<th>Priority</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rules on financial replenishment of the reserve</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rules on Payment Entitlements expiration and reversion to reserve</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other elements related to reserve</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.2.1.5 Rules related to transfers of payment entitlements (if any)


4.2.2 Reduction of direct payments

4.2.2.1 Description of the reduction and/or capping of direct payments

Do you apply the reduction of payments? : No
Do you apply capping (i.e. 100% reduction)? : No

4.2.2.2 Subtraction of labour costs

Do you apply the subtraction of labour costs? : No
4.2.2.3 Estimated product of the reduction of direct payments and capping for each year

<table>
<thead>
<tr>
<th>Claim year</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>Explanations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Financial year</td>
<td>2023</td>
<td>2024</td>
<td>2025</td>
<td>2026</td>
<td>2027</td>
<td>2028</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total annual estimated product (EUR)</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- use for redistributive payment (EUR)</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- use for other Direct Payments interventions (EUR)</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- transfer to EAFRD (EUR)</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

4.2.3 Application at the level of members of legal persons or groups/ at the level of group of affiliated legal entities (Article 110)

☐ Application of thresholds/limits set-up in the [SPR] or [HZR] at the level of members of legal persons or groups:

Article 17(4) of [SPR] Reduction of payments
Apply threshold : No

Article 29(6) first subparagraph of [SPR] CRIS
Apply threshold : No

Article 30(4) of [SPR] CISYF
Apply threshold : No

Article 17(1) of [SPR] Financial discipline
Apply threshold : No

☐ Where thresholds/limits set-up by the MS, application of these thresholds/limits at the level of members of legal persons/groups:

Article 28 of [SPR] Payment for small farmers
Apply threshold : No

Article 31 of [SPR] Eco-Schemes
Apply threshold : No

Article 32-34 of [SPR] CIS
Apply threshold : No

Article 70 of [SPR] Environmental, climate and other management commitments
Apply threshold : No

Article 71 of [SPR] Natural and other area-specific constraints
Apply threshold : No

Article 72 of [SPR] Area-specific disadvantages resulting from certain mandatory requirements
Apply threshold : No

Article 73 of [SPR] Investments
Apply threshold : No

Article 75 of [SPR] Installation of young farmers and rural business start-up
Apply threshold : No

☐ Application of thresholds/limits set-up in the [SPR] at the level of group of affiliated legal entities:

Article 29(6) second subparagraph of [SPR] CRIS
Apply threshold: No

4.2.4 Contribution to risk management tools
Do you apply the option to condition up to 3% of direct payments to the fact that this amount is used for contribution to a risk management tool? : No
What is the percentage?

Main elements

4.3 Technical Assistance

4.3.1 Objectives

Technical assistance will aim to support the effective administration and implementation of this Strategic Plan through preparatory, management, monitoring, reporting, evaluation, and information and control actions of the financed interventions. It will also finance actions aimed at strengthening the administrative capacity of the stakeholders involved. Technical Assistance resources will contribute towards the overall implementation of the CAP Strategic Plan in order to ensure an efficient and effective delivery.

Technical assistance may take the form of procurement contracts, expert fees, costs related to salaries, training, travel and subsistence, operational and publicity costs, and/or administrative expenditure and any other exigencies that may arise and are necessary for the implementation of the CAP Strategic Plan. In addition, it will cover costs related to the implementation of the CAP Strategic Plan incurred by the Managing Authority, Paying Agency and other public entities involved in the implementation of the CAP Strategic Plan.

The allocation of funds for Technical Assistance will be managed by the Managing Authority for EAFRD within the Office of the Prime Minister (OPM), Funds and Programmes Division on a demand-driven basis. The Managing Authority for EAFRD shall be responsible for establishing a procedure for the submission of requests for approval and subsequent monitoring and control. Once approved payment requests will be submitted to the Agriculture and Rural Payments Agency within the Ministry for Agriculture, Fisheries, Food and Animal Rights (MAFA) for payment.

The Managing Authority for EAFRD may decide to lay out additional eligibility rules for Technical Assistance.

Among others, the primary objectives of the Technical Assistance are the following:

a. Planning and management of human resources, including any external expertise required in relation to evaluation of the CAP Strategic Plan; Provision of training and knowledge transfer for relevant personnel;

b. Simplification of administrative work;

c. Improving selection procedures;

d. Enhancement of the IT systems;

e. Running of the National CAP Network/AgriConnect;
f. Ensuring quality reporting, monitoring and evaluation;
g. Management and implementation of information, promotion and publicity;
h. Supporting the operation of the Monitoring Committee;
i. Reimbursement of costs related to conference and other events;
j. Reimbursement of travel-related costs;
k. Development of plans, studies (including related to simplification and financial mechanisms) and roll-out of awareness actions; and
l. Re-programming of the CAP Strategic Plan and programming of CAP SP or equivalent, post-2027.

Technical Assistance may also finance any other exigencies that may arise and that are necessary for the implementation of the CAP Strategic Plan.

4.3.2 Scope and indicative planning of activities

4.3.3 Beneficiaries

4.3.4 Rate

Indicate the percentage of total EAFRD contribution to the CAP Strategic Plan to be used to finance the actions of Technical Assistance. A single percentage over the period (up to 4%/up to 6% for BE, DK, EE, CY, LV, LT, LU, MT, NL, SI, SE).

4.4 CAP Network

4.4.1 Summary overview and objectives of the National CAP Network, including activities to support EIP and knowledge exchange within the KIS

Pursuant to Article 113(1) No. [CAP SP], a National Common Agricultural Policy Network (hereinafter referred to as ‘Malta’s CAP Network’) shall be set up within twelve (12) months after the approval of this Strategic Plan by the Managing Authority.

The newly formed Malta’s CAP Network will replace the current National Rural Network for Malta (NRNM) that was active throughout the 2014-2020 programming period.

In line with Article 113(3), the main objective of Malta’s CAP Network will be to ensure an efficient exchange of information, good practices, experiences and ideas as well as enhancing communication flows between the various stakeholders.

4.4.2 Structure, governance and operation of the National CAP Network

The National CAP Network shall be composed of two separate entities that are distinct in nature but complement each other:
a. Network Support Unit (NSU): the NSU shall be composed of members of the Managing Authority and shall act as the Secretariat to the National CAP Network. The NSU shall oversee the technical, administrative and organisational aspects of the Network;

b. National CAP Network: this stakeholder network shall be composed of various representatives from different agricultural sectors, representatives of other actors active in rural areas, Local action Groups, advisors, researchers and public entities.

### 4.5 Overview of the coordination, demarcation and complementarities between the EAFRD and other Union funds active in rural areas

In order to ensure coordination, demarcation and complementarities between funds, the Strategy and Implementation Division within the Ministry responsible for EU Funds, is responsible for the programming and re-programming of funds under Agricultural funds, Cohesion funds and funds under NextGen EU, amongst others. This centralized programming approach aims to ensure delineation in the types of activities supported under different funds already at programming stage.

Synergies between EAFRD and Cohesion funds are primarily foreseen for interventions aiming at fostering biodiversity, promoting the shift towards a green transition, improving water management and skills and knowledge, amongst others. ERDF interventions will promote sustainable urban development whilst EAFRD will continue fostering development in rural areas primarily under LEADER. Under ESF+ support for lifelong learning will continue to be provided in a complementary manner, whereas training and skills development related to the agricultural sector will be supported under the CAP SP.

At implementation state, coordination between funds falling within the remit of the CPR, the CAP Strategic Plan and relevant National funding instruments will continue to be assured through the coordination mechanisms which have been set up during the previous programming periods. These coordination mechanisms will be maintained and where necessary, optimized throughout the implementation of the plan in order to facilitate synergies between the different programmes, while at the same time avoiding unnecessary duplication of efforts.

### 4.6 Financial instruments

#### 4.6.1 Description of the financial instrument

N/A

### 4.7 Common elements for Rural Development types of interventions

#### 4.7.1 List of non eligible investments

- Purchase of bee boxes/colonies or related apiculture supplies/equipment

#### 4.7.2 Definition of rural area and applicability

**'rural areas'** shall be defined as having:

- a population density that is lower than 5,000 persons per square kilometre;

- a minimum of 10% of the locality agricultural land; and

- a minimum 35% of the locality outside development zone (ODZ).

These criteria are in line with those adopted in previous programming periods.
4.7.3 Additional elements common for Sectoral interventions, for rural development interventions, or common for both Sectoral and Rural Development interventions

In the case of farmers, they must be registered in the IACS Farmer Registry and the Nitrates Registry in order to be eligible.
4.7.4 Contribution rate(s) applicable to Rural Development interventions

National contribution rate(s)

<table>
<thead>
<tr>
<th>Article</th>
<th>Applicable rate</th>
<th>Min Rate</th>
<th>Max Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>91(2)(a)-Less developed regions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>91(2)(b)-Outermost regions and in the smaller Aegean islands</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>91(2)(c)-Transition regions within the meaning of Article 108(2), first subparagraph, point (b), of Regulation (EU) 2021/1060</td>
<td>60.00%</td>
<td>20.00%</td>
<td>80.00%</td>
</tr>
<tr>
<td>91(2)(d)-Other regions</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>91(3)(a)-Payments for natural or others area-specific constraints under Article 71</td>
<td>65.00%</td>
<td>20.00%</td>
<td>80.00%</td>
</tr>
<tr>
<td>91(3)(b)-Payments under Article 70, for payments under Article 72, for support for non-productive investments referred to in Article 73, for support for the European Innovation Partnership under Article 77(1), point(a), and for LEADER under Article 71(1), point(b)</td>
<td>80.00%</td>
<td>20.00%</td>
<td>80.00%</td>
</tr>
<tr>
<td>91(3)(c)-Operations receiving funding from funds transferred to the EAFRD in accordance with Articles 17 and 103</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>91(3)(b) - 70null-Payment under Article 70</td>
<td>80.00%</td>
<td>20.00%</td>
<td>80.00%</td>
</tr>
<tr>
<td>91(3)(b) - 72null-Payment under Article 72</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>91(3)(b) - 73null-Support for non-productive investments referred to in Article 73</td>
<td>80.00%</td>
<td>20.00%</td>
<td>80.00%</td>
</tr>
<tr>
<td>91(3)(b) - 77(1)(a)-Support for the European Innovation Partnership under Article 77(1), point(a)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>91(3)(b) - 77(1)(b)-LEADER under Article 71(1), point(b)</td>
<td>80.00%</td>
<td>20.00%</td>
<td>80.00%</td>
</tr>
</tbody>
</table>

Regional contribution rate(s)

<table>
<thead>
<tr>
<th>Region</th>
<th>Article</th>
<th>Applicable rate</th>
<th>Min Rate</th>
<th>Max Rate</th>
</tr>
</thead>
</table>

## 5 Direct payments, sectoral and rural development interventions specified in the strategy

<p>| Fund  | Form of Intervention | Type of Intervention | Intervention Code (MS) - Name | Corrected Code | Corrected Name | Corrected Description | Corrected Output Indicator | Corrected Renewal Indicator | Corrected Environment Indicator | Corrected ES rebate system Indicator | LEADER Indicator |
|-------|----------------------|----------------------|-------------------------------|----------------|----------------|-----------------------|--------------------------|-----------------------------|---------------------------------|-----------------|
| EAGF  | DP decoupled         | BISS(21)             | DP BISS - Direct Payments (Basic Income Support for Sustainability) | O.4           |                |                       |                         |                             |                                 |                 |
| EAGF  | DP decoupled         | BISS(21)             | DP BISS SF - Direct Payments (Basic Income Support for Sustainability for Small Farmers) | O.5           |                |                       |                         |                             |                                 |                 |
| EAGF  | DP decoupled         | CIS-YF(30)           | DP CIS-YF - Direct Payments (Complementary Income Support for Young Farmers) | O.6           |                |                       |                         |                             |                                 |                 |
| EAGF  | DP decoupled         | Eco-scheme(31)       | DP ECO (Stubble) - Direct Payments (Eco-scheme: Stubble management practices) | O.8           |                |                       |                         |                             |                                 |                 |
| EAGF  | DP decoupled         | Eco-scheme(31)       | DP ECO (Biodiversity) - Direct Payments (Eco-scheme: Land parcels dedicated for biodiversity purposes) | O.8           |                |                       |                         |                             |                                 |                 |
| EAGF  | DP decoupled         | Eco-scheme(31)       | DP ECO (Cultivation) - Direct Payments (Eco-scheme Soil Cover) | O.8           |                |                       |                         |                             |                                 |                 |
| EAGF  | DP decoupled         | Eco-scheme(31)       | DP ECO (IPM) - Direct Payments (Eco-scheme: IPM and SSP for temporary crops) | O.8           |                |                       |                         |                             |                                 |                 |
| EAGF  | DP coupled           | CIS(32)              | DP CIS-Beef - Direct Payments: Coupled Income Support for the Beef Sector | O.11          |                |                       |                         |                             |                                 |                 |
| EAGF  | DP coupled           | CIS(32)              | DP CIS-Dairy - Direct Payments: Coupled Income Support for the Dairy Sector | O.11          |                |                       |                         |                             |                                 |                 |
| EAGF  | DP coupled           | CIS(32)              | DP CIS-Sheep - Direct Payments: Coupled Income Support for the Sheep Sector | O.11          |                |                       |                         |                             |                                 |                 |</p>
<table>
<thead>
<tr>
<th>EAGF</th>
<th>DPcoupled</th>
<th>CIS(32)</th>
<th>DP CIS-Tomatoes - Direct Payments:Coupled Income Support for the Tomatoes Sector</th>
<th>O.10</th>
</tr>
</thead>
<tbody>
<tr>
<td>EAGF</td>
<td>Sectoral - Apiculture products</td>
<td>ADVIBES(55(1)(a))</td>
<td>Sectoral API T&amp;I - Apiculture-Training, Information and Networks</td>
<td>O.0</td>
</tr>
<tr>
<td>EAGF</td>
<td>Sectoral - Apiculture products</td>
<td>INVAPI(55(1)(b))</td>
<td>Sectoral API Product - Apiculture Products- Varroasis, restocking and transhumance</td>
<td>O.37</td>
</tr>
<tr>
<td>EAGF</td>
<td>Sectoral - Apiculture products</td>
<td>ACTLAB(55(1)(c))</td>
<td>Sectoral API Labs - Apiculture Products: Support for Labs</td>
<td>O.37</td>
</tr>
<tr>
<td>EAGF</td>
<td>Sectoral - Apiculture products</td>
<td>COOPAPI(55(1)(e))</td>
<td>Sectoral API RESCH - Apiculture - Research Program</td>
<td>O.37</td>
</tr>
<tr>
<td>EAFRD</td>
<td>RD</td>
<td>ENVCLIM(70)</td>
<td>RD Gen Res - Conservation and sustainable use of genetic resources</td>
<td>O.19</td>
</tr>
<tr>
<td>EAFRD</td>
<td>RD</td>
<td>ENVCLIM(70)</td>
<td>RD MANG COMT - Land Based management commitments</td>
<td>O.14</td>
</tr>
<tr>
<td>EAFRD</td>
<td>RD</td>
<td>ANC(71)</td>
<td>RD AN CONSTRAINTS - Areas under natural or other area-specific constraints</td>
<td>O.12</td>
</tr>
<tr>
<td>EAFRD</td>
<td>RD</td>
<td>INVEST(73-74)</td>
<td>RD OnFarm NP Invest - On-Farm Non-Productive Investments</td>
<td>O.21</td>
</tr>
<tr>
<td>EAFRD</td>
<td>RD</td>
<td>INVEST(73-74)</td>
<td>RD Off Farm NP INVEST - Off-farm Non-Productive Investments and Afforestation</td>
<td>O.23</td>
</tr>
<tr>
<td>EAFRD</td>
<td>RD</td>
<td>INVEST(73-74)</td>
<td>RD Off-Farm INFRA - Off Farm Investments – Infrastructure</td>
<td>O.22</td>
</tr>
<tr>
<td>EAFRD</td>
<td>RD</td>
<td>INVEST(73-74)</td>
<td>RD Off-Farm P.INVEST - Off-farm Productive Investment</td>
<td>O.24</td>
</tr>
<tr>
<td>EAFRD</td>
<td>RD</td>
<td>INSTAL(75)</td>
<td>RD INSTAL YF - Setting up of young farmers</td>
<td>O.25</td>
</tr>
<tr>
<td>EAFRD</td>
<td>RD</td>
<td>COOP(77)</td>
<td>RD COOP - Cooperation- Quality Schemes</td>
<td>O.29</td>
</tr>
<tr>
<td>EAFRD</td>
<td>RD</td>
<td>COOP(77)</td>
<td>RD COOP LEADER - COOPERATION: LEADER</td>
<td>O.31</td>
</tr>
<tr>
<td>EAFRD</td>
<td>RD</td>
<td>COOP(77)</td>
<td>RD OTHER COOP ACT - Other Cooperation Activities</td>
<td>O.32</td>
</tr>
<tr>
<td>-------</td>
<td>----</td>
<td>----------</td>
<td>-------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>EAFRD</td>
<td>RD</td>
<td>KNOW(78)</td>
<td>RD KNOW - Knowledge exchange, training and dissemination of information</td>
<td>O.33</td>
</tr>
</tbody>
</table>
### 5.1 Direct Payments Interventions

**BISS(21) - Basic income support**

**DP BISS - Direct Payments (Basic Income Support for Sustainability)**

<table>
<thead>
<tr>
<th>Intervention Code (MS)</th>
<th>DP BISS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intervention Name</td>
<td>Direct Payments (Basic Income Support for Sustainability)</td>
</tr>
<tr>
<td>Type of Intervention</td>
<td>BISS(21) - Basic income support</td>
</tr>
<tr>
<td>Common Output Indicator</td>
<td>O.4. Number of hectares benefitting from for basic income support</td>
</tr>
</tbody>
</table>

#### 1 Territorial scope and, if relevant, regional dimension

**Territorial scope: National**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>MT</td>
<td>Malta</td>
</tr>
</tbody>
</table>

**Description of the Territorial Scope**

Given the small size of Malta where 90% of agricultural holdings are less than two hectares in size, and face similar socio-economic and environmental conditions, this intervention will apply to the entire Maltese territory.

#### 2 Related Specific Objectives, Cross-Cutting Objective and relevant Sectoral Objectives

<table>
<thead>
<tr>
<th>CAP SPECIFIC OBJECTIVE Code + Description</th>
<th>Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold</th>
</tr>
</thead>
</table>

#### 3 Need(s) addressed by the intervention

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Prioritisation at the level of the Strategic Plan</th>
<th>Addressed in CSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Sustain a viable farm income for farmers in Malta, across all sectors</td>
<td>2</td>
<td>Yes</td>
</tr>
</tbody>
</table>

#### 4 Result indicator(s)

<table>
<thead>
<tr>
<th>RESULT INDICATORS Code + Description</th>
<th>Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold</th>
</tr>
</thead>
<tbody>
<tr>
<td>R.4 Percentagem da superfície agrícola utilizada abrangida pelo apoio ao rendimento e sujeita à condicionalidade</td>
<td></td>
</tr>
</tbody>
</table>

#### 5 Specific design, requirements and eligibility conditions of the intervention

Description

As identified in the SWOT analysis, Maltese farm incomes are significantly lower than the EU-27 average in 2010-2012. Thus, the objective of this intervention is to support viable farm income in view of the unique challenges faced by Malta’s farmers.

The small size and fragmented nature of local agricultural holdings combined with challenging geophysical characteristics pose numerous challenges to farmers, most critical of which are increasing costs of production and limiting economies of scale. As at 2016, 75.6% of local agricultural holdings had a utilised agricultural area (UAA) of less than one (1) hectare each whilst 22% had between 1-5ha and only 2.4% had an area exceeding 5ha (NSO, 2016). In comparison, the average mean size of an agricultural holding in the EU was 16.6ha in 2016 (Eurostat, Agriculture, forestry and fishery statistics, 2018).[1]

This intervention was designed on the current direct payments scheme. It will take the form of an annual decoupled payment per eligible hectare, as declared by the farmer, and a uniform amount per hectare will be paid. It was also designed to target farmers with a minimum of 0.3 hectares of eligible hectares of...
eligible agricultural area, thus excluding those whose involvement in agricultural is marginal.

Thus, the need to provide active farmers with a minimum level of agricultural income support and ensure a fair standard of living. This, in turn, would ensure long-term food security. A farmer will be able to supplement this payment by opting to participate in one or more eco-schemes.


Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary, the area and, when applicable, other relevant obligations

Eligible beneficiaries must comply with the following eligibility criteria:

a. comply with the definition of an active farmer as defined in this plan;

b. must have a minimum of 0.3 hectares of eligible agricultural area;

c. Applications are to be submitted within the deadlines as established by ARPA;

d. Must be registered in the IACS Farmer Registry as maintained by ARPA and the Nitrates Registry as maintained by the Directorate of Agriculture at the time of application;

e. All eligible hectares claimed should be unambiguously located on site and through satellite images and registered with ARPA at time of application.


6 Identification of relevant baseline elements
(relevant GAEC, statutory management requirements (SMR) and other mandatory requirements established by national and Union law), where applicable, description of the specific relevant obligations under the SMR, and explanation as to how the commitment goes beyond the mandatory requirements (as referred to in Art. 28 (5) and in Art. 70 (5) and in Art. 72 (5))

N/A

7 Range and amounts of support

Description

Given the small size of the agriculture holdings, this support shall be paid as a uniform amount per hectare, as provided for under Article 22 of Regulation (EU) No. 2021/2115.

This intervention shall take the form of an annual decoupled payment per eligible hectare, as declared by the farmer.

The Basic Income Support for Sustainability shall be paid at a flat rate per hectare and is payable to all farmers that comply with the Eligibility Conditions outlined in this section. The total funding allocated towards this intervention shall be of circa Euro 3,785,889.22 per annum. It is expected that this
intervention will support circa 5,950.13 eligible hectares, therefore, the planned amount shall be of circa Euro 636.27 per ha.

8 Additional questions/information specific to the Type of Intervention
Is this BIS intervention a Payments for small farmers? (Art. 28)
☐ Yes  ☒ No
Which form of support do you use Payments for small farmers? (Art. 28)
☐ Lump sum(s)  ☐ Payment(s) per hectare
What is the maximum amount for the Payments for small farmers? (Art. 28)

Do you have any other comments or explanations for the Payments for small farmers?

9 WTO compliance
Green Box
Paragraph 5 of Annex 2 WTO
Explanation of how the intervention respects the relevant provisions of Annex 2 to the WTO Agreement on Agriculture as specified in Article 10 of this Regulation and in Annex II to this Regulation (Green Box)

Design of Decoupled Direct Payments in accordance with the requirements of the CAP SPR Regulation ensures compliance with the relevant criteria of Annex 2 to the WTO Agreement on Agriculture (Green Box).
### 11 Planned Unit Amounts - Definition

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Type of Planned Unit Amount</th>
<th>Region(s)</th>
<th>Result Indicator(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DP BISS Unit - Unit Amount for Basic Income Support for Sustainability</td>
<td>Uniform</td>
<td>R.4;</td>
<td></td>
</tr>
</tbody>
</table>

**Explanation and Justification (including the flexibility)**

**DP BISS Unit - Unit Amount for Basic Income Support for Sustainability**

The planned unit amount for this Direct Payment is a uniform amount and is based on the allocated budget divided by the estimated agricultural area to be supported (based on the amount of area applied for in 2020).

---

### 12 Planned Unit Amounts - Financial table with outputs

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Financial Year</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>Total 2024 - 2028</th>
<th>Total 2023 - 2027</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DP BISS Unit - Unit Amount for Basic Income Support for Sustainability</td>
<td>Planned unit amount</td>
<td>636.27</td>
<td>636.27</td>
<td>636.27</td>
<td>636.27</td>
<td>636.27</td>
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</tr>
<tr>
<td></td>
<td>Minimum Amount for the Planned unit amount</td>
<td></td>
<td>561.47</td>
<td>561.47</td>
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<tr>
<td></td>
<td>Maximum Amount for the Planned unit amount</td>
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<td>636.27</td>
<td>636.27</td>
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<tr>
<td></td>
<td>O.4 (unit: Hectare)</td>
<td></td>
<td>5,950.13</td>
<td>5,950.13</td>
<td>5,950.13</td>
<td>5,950.13</td>
<td>5,950.13</td>
<td>5,950.13</td>
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<tr>
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<td>Planned output * Planned unit amount</td>
<td></td>
<td>3,785,889.22</td>
<td>3,785,889.22</td>
<td>3,785,889.22</td>
<td>3,785,889.22</td>
<td>3,785,889.22</td>
<td>18,929,446.10</td>
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</tr>
<tr>
<td></td>
<td>O.4 (unit: Hectare)</td>
<td></td>
<td>5,950.13</td>
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<td>5,950.13</td>
<td>5,950.13</td>
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<tr>
<td></td>
<td>Annual indicative financial allocation (Union Contribution in EUR)</td>
<td></td>
<td>3,785,889.22</td>
<td>3,785,889.22</td>
<td>3,785,889.22</td>
<td>3,785,889.22</td>
<td>3,785,889.22</td>
<td>18,929,446.10</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Out of which needed to reach the minimum ringfencing requirement (Annex X) (only under article 27) (Union contribution)</td>
<td></td>
<td>0.00</td>
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</tr>
<tr>
<td></td>
<td>Out of which needed carried over expenditure (applicable only to eco-scheme and only with type of payment &quot;compensatory&quot; (article 28(6)(b)) if the intervention</td>
<td></td>
<td>0.00</td>
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</table>
DP BISS SF - Direct Payments (Basic Income Support for Sustainability for Small Farmers)

<table>
<thead>
<tr>
<th>Intervention Code (MS)</th>
<th>DP BISS SF</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intervention Name</td>
<td>Direct Payments (Basic Income Support for Sustainability for Small Farmers)</td>
</tr>
<tr>
<td>Type of Intervention</td>
<td>BISS(21) - Basic income support</td>
</tr>
<tr>
<td>Common Output Indicator</td>
<td>O.5. Number of beneficiaries or hectares benefitting from payments for small farmers</td>
</tr>
</tbody>
</table>

1 Territorial scope and, if relevant, regional dimension
Territorial scope: National

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>MT - Malta</td>
</tr>
</tbody>
</table>

Description of the Territorial Scope

Given the small size of Malta where 90% of agricultural holdings are less than two hectares in size, and face similar socio-economic and environmental conditions, this intervention will apply to the entire Maltese territory.

2 Related Specific Objectives, Cross-Cutting Objective and relevant Sectoral Objectives

<table>
<thead>
<tr>
<th>CAP SPECIFIC OBJECTIVE Code + Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold</td>
</tr>
</tbody>
</table>

3 Need(s) addressed by the intervention

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Prioritisation at the level of the CAP Strategic Plan</th>
<th>Addressed in CSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Sustain a viable farm income for farmers in Malta, across all sectors</td>
<td></td>
<td>Yes</td>
</tr>
</tbody>
</table>

4 Result indicator(s)

<table>
<thead>
<tr>
<th>RESULT INDICATORS Code + Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold</td>
</tr>
<tr>
<td>R.4 Percentagem da superfície agrícola utilizada (SAU) abrangida pelo apoio ao rendimento e sujeita à condicionalidade</td>
</tr>
</tbody>
</table>

5 Specific design, requirements and eligibility conditions of the intervention

Description

The aim for Malta’s full-time farmers is to ensure a viable farm income, generating an income that can support its workforce and make a significant contribution to household income. For part-time farmers, viable farm income would mean a financial return that is comparable to what one might get if working in other primary or secondary sector occupations, for the same amount of time.

However, the small size and fragmented nature of local agricultural holdings combined with challenging geophysical characteristics pose numerous challenges to farmers, most critical of which are increasing costs of production and limiting economies of scale.

As at 2016, 75.6% of local agricultural holdings had a utilised agricultural area (UAA) of less than one (1) hectare each whilst 22% had between 1-5ha and only 2.4% had an area exceeding 5ha (NSO, 2016). In comparison, the average mean size of an agricultural holding in the EU was 16.6ha in 2016 (Eurostat, Agriculture, forestry and fishery statistics, 2018). [1]

This intervention is designed to offer a simplified form of income support to active farmers with a...
minimum of 0.3 hectares and not more than 1 hectares of eligible land, thus, excluding those whose involvement in agricultural is marginal.

In order to receive the lump-sum payment, farmers must, for the duration of their participation in the scheme, keep at least a number of eligible hectares corresponding to the number of payment entitlements held in 2020. The payment entitlements of a small farmer are considered activated for the duration of his/her participation in the scheme and cannot be transferred to another farmer (except in case of inheritance). The small farmers applying for the SFS must submit their applications for this aid in 2023.

Under the lump-sum method, every farmer is entitled to receive the same amount and the size of the holding has no impact on the payment to the farmer (as long as special conditions are respected). This amount shall be EUR 150.

Any farmer eligible for the SFS will still be able to choose, if they prefer, to remain in the BISS system rather than to claim the SFS. In this case they will be obliged to follow the conditions of BISS receipt, and they will also be eligible to apply for other, additional funds from the FADFD and EAGF under the terms of the CAP SP.


Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary, the area and, when applicable, other relevant obligations. 

Active farmers must meet the following conditions/requirements:

a. must have a minimum of 0.3 hectares of eligible agricultural area; and in the case of the payment for small farmers, active farmers must not have more than [1] eligible hectare declared under their name.

b. Active farmers are those who personally exercise an agricultural activity on the eligible hectares declared under their name.

c. Applications are to be submitted within the deadlines as established by ARPA;

d. Active farmers must be registered in the IACS Farmer Registry as maintained by ARPA and the Nitrates Registry as maintained by the Agriculture Directorate at the time of application;

e. All eligible hectares claimed should be unambiguously located on site and through satellite images and registered with ARPA at time of application.
f. Active farmers may opt out of this scheme by submitting an official declaration to ARPA.


6 Identification of relevant baseline elements
(relevant GAEC, statutory management requirements (SMR) and other mandatory requirements established by national and Union law), where applicable, description of the specific relevant obligations under the SMR, and explanation as to how the commitment goes beyond the mandatory requirements (as referred to in Art. 28 (5) and Art. 70 (3) and in Art. 72 (5))

N/A

7 Range and amounts of support
Description

Given the small size of the agriculture holdings, this support shall be paid as a uniform amount per hectare, as provided for under Article 22 of Regulation (EU) No. 2021/2115.

This intervention shall take the form of an annual decoupled payment per eligible hectare, as declared by the farmer.

The Basic Income Support for pastureability shall be paid at a flat rate per hectare and is payable to all farmers that comply with the Eligibility Conditions outlined in Section 5.1.5 of this intervention. The total funding allocated towards this intervention shall be of circa Euro 356,700 per annum. In 2018, this intervention supported circa 1,428.06ha, therefore, the support rate shall be of circa Euro 150 per small farmer.

The same mechanism will apply to those farmers opting to receive the payment for small farmers in accordance with Article 28 of Regulation (EU) No. 2021/2115.

8 Additional questions/information specific to the Type of Intervention
Is this BIS intervention for Payments for small farmers? (Art. 28)
  Yes ☒ No ☐
Which form of support do you use Payments for small farmers? (Art. 28)
  Lump sum(s) ☒ Payment(s) per hectare ☐
What is the maximum amount for the Payments for small farmers? (Art. 28)
  150.00
Do you have any other comments or explanations for the Payments for small farmers?
Not Applicable.
9 WTO compliance
Green Box
Paragraph 5 of Annex 2 WTO
Explanation of how the intervention respects the relevant provisions of Annex 2 to the WTO Agreement on Agriculture as specified in Article 10 of this Regulation and in Annex II to this Regulation (Green Box)

Design of Decoupled Direct Payments in accordance with the requirements of the CAP SPR Regulation ensures compliance with the relevant criteria of Annex 2 to the WTO Agreement on Agriculture (Green Box).
11 Planned Unit Amounts - Definition

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Type of Planned Unit Amount</th>
<th>Region(s)</th>
<th>Result Indicator(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DP BISS SF Unit - Unit Amount for Basic Income Support for Sustainability for Small Farmers</td>
<td>Uniform</td>
<td></td>
<td>R.4;</td>
</tr>
</tbody>
</table>

Explanation and Justification (including the flexibility)

The planned unit amount is based on past experience in terms of rates and number of small farmers supported whilst taking into consideration the rates applied for BISS beneficiaries of agricultural holdings with more than 1 hectare.

12 Planned Unit Amounts - Financial table with outputs

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Financial Year</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>Total 2024 - 2028</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Planned unit amount</td>
<td>Calendar year</td>
<td>2024</td>
<td>2025</td>
<td>2026</td>
<td>2027</td>
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<td></td>
</tr>
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<td>Minimum Amount for the Planned unit amount</td>
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</tr>
<tr>
<td></td>
<td>Maximum Amount for the Planned unit amount</td>
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<td>150.00</td>
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<tr>
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<td>2,378.00</td>
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<td>2,378.00</td>
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<td>Planned output * Planned unit amount</td>
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<td>356,700.00</td>
<td>1,783,500.00</td>
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<td>O.5 (unit: Hectare)</td>
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<td>2,378.00</td>
<td>2,378.00</td>
<td>2,378.00</td>
<td>2,378.00</td>
</tr>
<tr>
<td></td>
<td>Annual indicative financial allocation (Union Contribution in EUR)</td>
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<td>356,700.00</td>
<td>356,700.00</td>
<td>356,700.00</td>
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<td>356,700.00</td>
<td>356,700.00</td>
</tr>
<tr>
<td></td>
<td>Out of which needed to reach the minimum ringfencing requirement (Annex X) (only under article 27) (Union contribution)</td>
<td></td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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</tr>
<tr>
<td></td>
<td>Out of which needed carried over - expenditure (applicable only to eco-scheme and only with type of payment &quot;compensatory&quot; (article 28(6)(b)) if</td>
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<td>0.00</td>
<td>0.00</td>
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TOTAL

Out of which needed carried over - expenditure (applicable only to eco-scheme and only with type of payment "compensatory" (article 28(6)(b)) if...
(the intervention contains carry over)
CIS-YF(30) - Complementary income support for young farmers

DP CIS-YF - Direct Payments (Complementary income support for young farmers)

<table>
<thead>
<tr>
<th>Intervention Code (MS)</th>
<th>Direct Payments (Complementary income support for young farmers)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type of Intervention</td>
<td>CIS-YF(30) - Complementary income support for young farmers</td>
</tr>
<tr>
<td>Common Output Indicator</td>
<td>O.6. Number of hectares benefitting from complementary income support for young farmers</td>
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</table>

1 Territorial scope and, if relevant, regional dimension

Territorial scope: National

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>MT</td>
<td>Malta</td>
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</table>

Description of the Territorial Scope

Given the small size of Malta where 90% of agricultural holdings are less than two hectares in size, and face similar socio-economic and environmental conditions, this intervention will apply to the entire Maltese territory.

2 Related Specific Objectives, Cross-Cutting Objective and relevant Sectoral Objectives

<table>
<thead>
<tr>
<th>CAP SPECIFIC OBJECTIVE Code + Description</th>
<th>Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold</th>
</tr>
</thead>
</table>

3 Need(s) addressed by the intervention

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Prioritisation at the level of the Strategic Plan</th>
<th>Addressed in CSP</th>
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<tbody>
<tr>
<td>1.1</td>
<td>Sustain a viable farm income for farmers in Malta, across all sectors</td>
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4 Result indicator(s)

<table>
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<th>RESULT INDICATORS Code + Description</th>
<th>Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold</th>
</tr>
</thead>
<tbody>
<tr>
<td>R.4 Percentagem da superfície agrícola utilizada (SAU) abrangida pelo apoio ao rendimento e sujeita à condicionalidade</td>
<td></td>
</tr>
</tbody>
</table>

5 Specific design, requirements and eligibility conditions of the intervention

From the SWOT analysis, it emerges that the most significant push factors for young farmers to leave farming are the irregularity of income and the lack of capital to invest in modern machinery and equipment. This intervention aims to alleviate income irregularity and provide support that can contribute towards the continued economic performance of the holding.

This intervention was designed as an additional payment per eligible hectare on top of the Basic Income Support for Sustainability. It will take the form of an annual decoupled payment per eligible hectare, as declared by the farmer, and a uniform amount per hectare will be paid. It was also designed to target farmers with a minimum of 0.3 hectares of eligible agricultural area, thus, excluding those whose involvement in agriculture is marginal.

Having more young farmers joining the sector would also address the problem of Malta’s ageing farm population. This is also important in view of the perception of farming as a financially insecure and less rewarding career, especially when compared to higher income jobs available.
In order to ensure continued support to young farmers, those already receiving support under Article 50 of Regulation (EU) No 1307/2013 will be eligible for support for the remainder of the five (5) year period from the first year of submission of the application under this intervention.

The income support provided under this measure will be complemented with investment measures under Rural Development. There is also the option to supplement this payment by opting to participate in one or more eco-schemes.

Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary, the area and, when applicable, other relevant obligations

Eligible beneficiaries must comply with the following eligibility criteria:

a. Comply with the definition of an active farmer as defined in this Plan;

b. Comply with the definition of a young farmer as defined in this Plan;

c. Must have a minimum of 0.3 hectares of eligible agricultural area;

d. Applications are to be submitted within the deadlines as established by ARPA;

e. All eligible hectares claimed should be unambiguously located on site and through satellite images and registered with ARPA at time of application.

f. Those already receiving support under Article 50 of Regulation (EU) No 1307/2013 are eligible for support for the remainder of the five (5) year period from the first year of submission of the application.

6 Identification of relevant baseline elements (relevant GAEC, statutory management requirements (SMR) and other mandatory requirements established by national and Union law), where applicable, description of the specific relevant obligations under the SMR, and explanation as to how the commitment goes beyond the mandatory requirements (as referred to in Art. 28 (5) and Art. 70 (3) and in Art. 72 (5))

N/A

7 Range and amounts of support

The intervention shall take the form of an additional annual top-up payment per eligible hectare amounting to 25% of the Basic Income Support for Sustainability (BISS) rate.

The Complimentary Income Support for Young Farmers shall be paid at a flat rate per hectare, as a top up on the Basic Income Support for Sustainability payment and is payable to young farmers that comply with the Eligibility Conditions outlined under this intervention. The total funding allocated towards this intervention shall be of circa Euro 50,000 per annum. It is expected that this intervention will support circa 314.33 ha, therefore, the support rate shall be of circa Euro 159.07 per ha.

Support will be provided for five (5) years from the first year of submission of the application for this intervention or in the case of those already receiving support under Article 50 of Regulation (EU) No 1307/2013 for the remainder of the five (5) year period from the first year of submission of the
8 Additional questions/information specific to the Type of Intervention

The intervention gives support to young farmers for how many years? 5

What are the conditions applied for the definition of newly setting-up?

| Active farmers who have not benefitted from interventions or measures under EAGF and/or EAFRD directed to primary producers for more than 5 years and are the heads of their holding. In instances where the new farmer works within a company, the young farmer must demonstrate that he/she is in control of the management of the company. The farmer must demonstrate that he/she has more than 50% of company shareholding and is also one of the directors. The farmer must present the memorandum of association to the ARPA as evidence that he/she is heading the company. |

What form the support does take: **an annual decoupled payment per eligible hectare**

| What is the amount of aid per hectare/lump-sum? 159 |
| ☐ Yes  ☒ No |

Other comments on thresholds?

| The largest holding in Malta is 31 Ha. |

Do you set a maximum in terms of number of ha? Y/N

| ☐ Yes  ☒ No |

Other comments

| Do you apply a continuity with the previous scheme (Young Farmer Payment)? |
| ☐ Yes |

Other comments

| This intervention is in line with Paragraph 5 of Annex II to the WTO Agreement on Agriculture. It will be funded in line with Article 87 of Regulation (EU) No. 2021/2115 and respecting the yearly financial allocations as set out in Annex V of the same Regulation, as applicable. The aim of this measure is to attract and sustain young farmers, and to address the problem income irregularity that make agriculture unattractive to the young generation. |

Support shall be paid as a top up on the Basic Income Support for Sustainability payment, however, a flat rate per eligible hectare will be applied, irrespective of production type or volumes or market prices. This support is payable to young farmers that comply with the definition of young farmers as defined in this document and with the eligibility conditions as outlined in this section.

9 WTO compliance

| Green Box Paragraph 5 of Annex 2 WTO |

Explanation of how the intervention respects the relevant provisions of Annex 2 to the WTO Agreement on Agriculture as specified in Article 10 of this Regulation and in Annex II to this Regulation (Green Box)

Design of Decoupled Direct Payments in accordance with the requirements of the CAP SPR Regulation ensures compliance with the relevant criteria of Annex 2 to the WTO Agreement on Agriculture (Green Box).
11 Planned Unit Amounts - Definition

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Type of Planned Unit Amount</th>
<th>Region(s)</th>
<th>Result Indicator(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DP CIS-YF Unit - Complementary income support for young farmers Unit Amount</td>
<td>Uniform</td>
<td></td>
<td>R.4;</td>
</tr>
</tbody>
</table>

Explanation and Justification (including the flexibility)
DP CIS-YF Unit - Complementary income support for young farmers Unit Amount

The planned unit amount for this Direct Payment is a uniform amount established on the allocated budget divided by the potential area that can be supported (314.33 hectares).

12 Planned Unit Amounts - Financial table with outputs

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Calendar Year</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>Total 2024 - 2028 Total 2023 - 2027</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DP CIS-YF Unit - Complementary income support for young farmers Unit Amount</td>
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<tr>
<td></td>
<td>Maximum amount for the Planned unit amount</td>
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<td>159.07</td>
<td>159.07</td>
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</tr>
<tr>
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<td>O.6 (unit: Hectare)</td>
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<td>314.33</td>
<td>314.33</td>
<td>314.33</td>
<td>314.33</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Planned output * Planned unit amount</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
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<td>O.6 (unit: Hectare)</td>
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<td>314.33</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Annual indicative financial allocation (Union Contribution in EUR)</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Out of which needed to reach the minimum ringfencing requirement (Annex X) (only under article 27) (Union contribution)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Out of which needed carried over - expenditure (applicable only to eco-scheme and only with type of payment &quot;compensatory&quot; (article 28(6)(b)) if the intervention contains carry over)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
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<tr>
<td></td>
<td>TOTAL</td>
<td></td>
<td>314.33</td>
<td>314.33</td>
<td>314.33</td>
<td>314.33</td>
<td>314.33</td>
<td></td>
</tr>
</tbody>
</table>
Eco-scheme(31) - Schemes for the climate, the environment and animal welfare
DP ECO (Stubble) - Direct Payments (Eco-scheme – Soil Cover): Stubble management practices

<table>
<thead>
<tr>
<th>Intervention Code (MS)</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>DP ECO (Stubble)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Intervention Name</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Payments (Eco-scheme – Soil Cover): Stubble management practices</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of Intervention</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eco-scheme(31) - Schemes for the climate, the environment and animal welfare</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Common Output Indicator</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>O.8. Number of hectares or of livestock units benefitting from eco-schemes</td>
<td></td>
</tr>
</tbody>
</table>

1 Territorial scope and, if relevant, regional dimension
Territorial scope: National

**Code** | **Description**
--- | ---
MT | Malta

**Description of the Territorial Scope**
Given the small size of Malta where 90% of agricultural holdings are less than two hectares in size, and face similar socio-economic and environmental conditions, this intervention will apply to the entire Maltese territory.

2 Related Specific Objectives, Cross-Cutting Objective and relevant Sectoral Objectives

**CAP SPECIFIC OBJECTIVE Code + Description**
Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold

- **SO4** Contribute to climate change mitigation and adaptation, including by reducing greenhouse gas emission and enhancing carbon sequestration, as well as promote sustainable energy
- **SO5** A fenntartható fejlődés és a természeti erőforrásokkal – például a vízzel, a talajjal és a levegővel – való hatékony gazdálkodás támogatása többek között a vegyi anyagoktól való függés csökkentésével

**CAP AREAS OF ACTION Code + Description**

- **AOA-A** climate change mitigation, including reduction of GHG emissions from agricultural practices, as well as maintenance of existing carbon stores and enhancement of carbon sequestration
- **AOA-C** protection or improvement of water quality and reduction of pressure on water resources
- **AOA-D** prevention of soil degradation, soil restoration, improvement of soil fertility and of nutrient management [and soil biota]

3 Need(s) addressed by the intervention

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Prioritisation at the level of the CAP Strategic Plan</th>
<th>Addressed in CSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.4</td>
<td>Increase efficient use of water and soil by restoring geographical and landscape features</td>
<td>1</td>
<td>Yes</td>
</tr>
<tr>
<td>5.5</td>
<td>Encourage farmers to invest in efficient farming systems that make efficient use of resources</td>
<td>3</td>
<td>Yes</td>
</tr>
</tbody>
</table>

4 Result indicator(s)

**RESULT INDICATOR Code + Description**
Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold

- **R.19** Share of Utilised Agricultural Area (UAA) under supported commitments beneficial for soil management to improve soil quality and biota (such as reducing tillage, soil cover with crops, crop rotation included with leguminous crops)

5 Specific design, requirements and eligibility conditions of the intervention

**Description of commitments for eco-scheme**

This intervention will reward those farmers that adopt appropriate management practices to improve the soil structure and reduce soil erosion. By retaining stubble and crop residues, this intervention aims at increasing soil organic matter, and thus reduce the need of fertilisers. This will also provide a habitat for soil biota.
This intervention will take the form of an annual payment per eligible hectare covered by the commitment. A uniform flat rate amount per hectare will be paid.

Beneficiaries must leave the land parcel covered with arable stubble and/or integrate crop residues in the soil

6 Identification of relevant baseline elements
(relevant GAEC, statutory management requirements (SMR) and other mandatory requirements established by national and Union law), where applicable, description of the specific relevant obligations under the SMR, and explanation as to how the commitment goes beyond the mandatory requirements (as referred to in Art. 28 (5) and Art. 70 (3) and in Art. 72 (5))

List of relevant GAEC and SMR

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAEC03</td>
<td>Ban on burning arable stubble, except for plant health reasons</td>
</tr>
<tr>
<td>GAEC04</td>
<td>Establishment of buffer strips along water courses</td>
</tr>
<tr>
<td>GAEC05</td>
<td>Tillage management, reducing the risk of soil degradation and erosion, including consideration of the slope gradient</td>
</tr>
<tr>
<td>GAEC06</td>
<td>Minimum soil cover to avoid bare soil in periods that are most sensitive</td>
</tr>
<tr>
<td>GAEC07</td>
<td>Crop rotation in arable land, except for crops growing under water</td>
</tr>
<tr>
<td>GAEC08</td>
<td>Minimum share of agricultural area devoted to non-productive areas and features, minimum share of at least 4% of arable land at farm level devoted to non-productive areas and features, including land lying fallow. Where a farmer commits to devote at least 7% of his/her arable land to non-productive areas and features, including land lying fallow, under an enhanced eco-scheme in accordance with Article 28(5a), the share to be attributed to compliance with this GAEC shall be limited to 5%. Minimum share of at least 7% of arable land at farm level if this includes also catch crops or nitrogen fixing crops, cultivated without the use of plant protection products, of which 3% shall be land lying fallow or non-productive features. Member States should use the weighting factor of 0.3 for catch crops. Retention of landscape features. Ban on cutting hedges and trees during the bird breeding and rearing season. As an option, measures for avoiding invasive plant species</td>
</tr>
<tr>
<td>SMR01</td>
<td>Directive 2000/60/EC of 23 October 2000 of the European Parliament and of the Council establishing a framework for Community action in the field of water policy: Article 11(3), point (e), and point (h), as regards mandatory requirements to control diffuse sources of pollution by phosphates</td>
</tr>
<tr>
<td>SMR03</td>
<td>Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds: Article 3(1), Article 3(2), point (b), Article 4(1), (2) and (4)</td>
</tr>
<tr>
<td>SMR05</td>
<td>Regulation (EC) No 178/2002 of the European Parliament and</td>
</tr>
</tbody>
</table>
of the Council of 28 January 2002 laying down the general principles and requirements of food law, laying down procedures in matters of food safety: Articles 14 and 15, Article 17(1) and Articles 18, 19 and 20

SMR07


SMR08

Directive 2009/128/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for Community action to achieve the sustainable use of pesticides: Article 5(2) and Article 8(1) to (5); Article 12 with regard to restrictions on the use of pesticides in protected areas defined on the basis of Directive 2000/60/EC and Natura 2000 legislation; Article 13(1) and (3) on handling and storage of pesticides and disposal of remnants

List of relevant mandatory national standards

L.N. 345 of 2015 (Water Policy Framework Regulations).

S.L. 549.66 (Nitrates Action Programme Regulations)

S.L. 504.43 Protection of Waters against pollution caused by Nitrates from agricultural sources Regulation


S.L. 549.44 L.N. 311 of 2006 Flora, Fauna and Habitats Protection Regulations 2006

Food Safety Act, 2002 (Act No. XIV of 2002)


S.L 430.08 & L.N.489 of 2011 (Sustainable Use of Pesticides Regulation)

Link between GAEC, SMR and national standards with the eco-scheme (explain how the eco-scheme goes beyond the baseline, notably for SMR and national standards)

GAEC 3 prohibits arable stubble burning, except for plant health reasons. This intervention is meant to go beyond the requirements of conditionality by encouraging appropriate stubble management practices for the benefit of the environment. The objective is to help to improve the soil structure to increase retention of water and nutrients, increase organic matter and reduce the risk of soil erosion. It will also contribute to the sequestration of carbon in the soil that would potentially be lost if the arable stubble had to be removed.

7 Range and amounts of support

Description

It will take the form of an annual payment per eligible hectare covered by the commitment. A uniform flat rate amount per hectare will be paid. The total funding allocated towards this intervention shall be of circa Euro 39,007.96 per annum.

8 Additional questions/information specific to the Type of Intervention

N/A

9 WTO compliance
Green Box

Paragraph 12 of Annex 2 WTO

Explanation of how the intervention respects the relevant provisions of Annex 2 to the WTO Agreement on Agriculture as specified in Article 10 of this Regulation and in Annex II to this Regulation (Green Box)

This intervention is in line with paragraph 5 of Annex 2 to the WTO Agreement on Agriculture. It is aimed at encouraging better soil management and addresses the depletion of soil nutrients.

This support is payable to those beneficiaries that comply with the definition of active farmers as defined in this document and that commit to comply to a set of clearly defined practices beneficial for the environment that are also part of the eligibility conditions that go beyond the basic system of conditionality.

A flat rate per eligible hectare will be applied.
## 11 Planned Unit Amounts - Definition

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Type of Planned Unit Amount</th>
<th>Region(s)</th>
<th>Result Indicator(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DP ECO: Stubble Unit - Eco-scheme – Soil Cover: Unit Amount for Stubble management practices</td>
<td>Uniform</td>
<td>R.19;</td>
<td></td>
</tr>
</tbody>
</table>

**Explanation and Justification (including the flexibility)**

DP ECO: Stubble Unit - Eco-scheme – Soil Cover: Unit Amount for Stubble management practices

Farmers under this scheme must retain a stubble during the most sensitive periods of the year in addition to incorporating crop residues. Through this scheme, farmers shall be enhancing the organic matter of the soil, protection of the soil against erosion and run off whilst renouncing the opportunity to plant another high value crop during those periods. Farmers are to be compensated in this regard.

## 12 Planned Unit Amounts - Financial table with outputs

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Financial Year 2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>Total 2024 - 2028</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Calendar Year 2023</td>
<td>2024</td>
<td>2025</td>
<td>2026</td>
<td>2027</td>
<td>Total 2023 - 2027</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Planned amount</td>
<td>820.00</td>
<td>820.00</td>
<td>820.00</td>
<td>820.00</td>
<td>820.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Minimum amount for the Planned unit amount</td>
<td>800.00</td>
<td>800.00</td>
<td>800.00</td>
<td>800.00</td>
<td>800.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Minimum amount for the Planned unit amount</td>
<td>1,200.00</td>
<td>1,200.00</td>
<td>1,200.00</td>
<td>1,200.00</td>
<td>1,200.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>O.8 (unit: Hectare)</td>
<td>47.57</td>
<td>47.57</td>
<td>47.57</td>
<td>47.57</td>
<td>47.57</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Planned output * Planned unit amount</td>
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<td>39,007.40</td>
<td>39,007.40</td>
<td>39,007.40</td>
<td>39,007.40</td>
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<tr>
<td></td>
<td></td>
<td>O.8 (unit: Hectare)</td>
<td>47.57</td>
<td>47.57</td>
<td>47.57</td>
<td>47.57</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Annual indicative financial allocation (Union Contribution in EUR)</td>
<td>39,007.96 39,007.96 39,007.96 39,007.96 39,007.96</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Out of which needed to reach the minimum ringfencing requirement (Annex X) (only under article 27) (Union contribution)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Out of which needed carried over - expenditure (applicable only to eco-scheme and only with type of payment)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td><strong>TOTAL</strong></td>
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<td></td>
<td><strong>195,037.00</strong></td>
</tr>
</tbody>
</table>
“compensatory” (article 28(6)(b)) if the intervention contains carry over)
DP ECO-Biodiversity - Direct Payments (Eco-scheme) Land parcels dedicated for biodiversity purposes

<table>
<thead>
<tr>
<th>Intervention Code (MS)</th>
<th>Direct Payments (Eco-scheme) Land parcels dedicated for biodiversity purposes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intervention Name</td>
<td>Direct Payments (Eco-scheme) Land parcels dedicated for biodiversity purposes</td>
</tr>
<tr>
<td>Type of Intervention</td>
<td>Eco-scheme(31) - Schemes for the climate, the environment and animal welfare</td>
</tr>
<tr>
<td>Common Output Indicator</td>
<td>O.8. Number of hectares or of livestock units benefitting from eco-schemes</td>
</tr>
</tbody>
</table>

1 Territorial scope and, if relevant, regional dimension

**Territorial scope: National**

**Description of the Territorial Scope**

Given the small size of Malta where 90% of agricultural holdings are less than two hectares in size, and face similar socio-economic and environmental conditions, this intervention will apply to the entire Maltese territory.

2 Related Specific Objectives, Cross-Cutting Objective and relevant Sectoral Objectives

**CAP SPECIFIC OBJECTIVE Code + Description** Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold

- **SO4** Contribute to climate change mitigation and adaptation, including by reducing greenhouse gas emission and enhancing carbon sequestration, as well as promote sustainable energy

- **SO6** Hozzájárulás a biológiai sokféleség csökkenésének megállításához és visszafordításához, az ökoszisztéma-szolgáltatások gyarapítása, valamint az élőhelyek és a tájak megőrzése

**CAP AREAS OF ACTION Code + Description**

- **AOA-E** protection of biodiversity, conservation or restoration of habitats or species, including maintenance and creation of landscape features or non-productive areas

- **AOA-F** actions for a sustainable and reduced use of pesticides, particularly pesticides that present a risk for human health or environment

3 Need(s) addressed by the intervention

**Code** | **Description** | **Prioritisation at the level of the CAP Strategic Plan** | **Addressed in CSP**
--- | --- | --- | ---
6.1 | Enhance biodiversity on agricultural holdings and wider rural areas | 1 | Yes

4 Result indicator(s)

**RESULT INDICATORS Code + Description** Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold

- **R.31** Share of utilised agricultural area (UAA) under supported commitments for supporting biodiversity conservation or restoration, including high-nature value farming practices

5 Specific design, requirements and eligibility conditions of the intervention

**Description of commitments for eco-scheme**

Beneficiaries must commit to dedicating a whole area of at least one land parcel to biodiversity for 2 years by refraining from cultivating the land for crop production and without the use of Plant Protection Products, including fertilisers.

6 Identification of relevant baseline elements

(relevant GAEC, statutory management requirements (SMR) and other mandatory requirements established by national and Union law), where applicable, description of the specific relevant obligations
under the SMR, and explanation as to how the commitment goes beyond the mandatory requirements (as referred to in Art. 28 (5) and Art. 70 (3) and in Art. 72 (5))

### List of relevant GAEC and SMR

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAEC03</td>
<td>Ban on burning arable stubble, except for plant health reasons</td>
</tr>
<tr>
<td>GAEC04</td>
<td>Establishment of buffer strips along water courses</td>
</tr>
<tr>
<td>GAEC05</td>
<td>Tillage management, reducing the risk of soil degradation and erosion, including consideration of the slope gradient</td>
</tr>
<tr>
<td>GAEC06</td>
<td>Minimum soil cover to avoid bare soil in periods that are most sensitive</td>
</tr>
<tr>
<td>GAEC07</td>
<td>Crop rotation in arable land, except for crops growing under water</td>
</tr>
<tr>
<td>GAEC08</td>
<td>Minimum share of agricultural land devoted to non-productive areas or features. Minimum share of at least 4% of arable land at farm level devoted to non-productive areas and features, including land lying fallow. Where a farmer commits to devote at least 7% of his/her arable land to non-productive areas and features, including land lying fallow, under an enhanced eco-scheme in accordance with Article 28(5a), the share to be attributed to compliance with this GAEC shall be limited to 3%. Minimum share of at least 7% of arable land at farm level if this includes also catch crops or nitrogen fixing crops, cultivated using the use of plant protection products, of which 3% shall be land lying fallow or non-productive features. Member States should use the weighting factor of 0.3 for catch crops. Regulation of landscape features. Ban on cutting hedges and trees during the bird breeding and rearing season as option, measures for avoiding invasive plant species.</td>
</tr>
<tr>
<td>SMR01</td>
<td>Directive 2000/60/EC of the European Parliament and of the Council establishing a framework for Community action in the field of water policy: Article 11(3), point (e), and point (h), as regards mandatory requirements to control diffuse sources of pollution by phosphates.</td>
</tr>
</tbody>
</table>
| SMR08  | Directive 2009/128/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for Community action to achieve the sustainable use of pesticides: Article 5(2) and Article 8(1) to (5); Article 12 with regard to restrictions on the use of pesticides in protected areas defined on the basis of Directive 2000/60/EC and Natura 2000 legislation; Article 13(1) and (3) on handling and storage of }
List of relevant mandatory national standards

L.N. 345 of 2015 (Water Policy Framework Regulations).
S.L. 549.66 (Nitrates Action Programme Regulations)
S.L. 549.25 Protection of Waters against pollution caused by Nitrates from agricultural sources Regulation
S.L. 549.44 L.N. 311 of 2006 Flora, Fauna and Natural Habitats Protection Regulations 2006
Food Safety Act, 2002 (Act No. XIV of 2002)
S.L 430.08 & L.N.489 of 2011 (Sustainable Use of Pesticides Regulation)

Link between GAEC, SMR and national standards with the eco-scheme (explain how the eco-scheme goes beyond the baseline, notably for SMR and national standards)

There is no legal requirement which prohibits farmers from using Plant Protection Products, including fertilisers. Thus, this intervention goes beyond SMR 1 and SMR 2 protecting waters against pollution caused by nitrates from agricultural sources; SMRs 3, 4, 7 and 8 given that no pesticides will be used. This intervention shall result in a low input farming system and an increased species diversity by serving as a forage area attracting pollinators. This intervention will provide soil erosion control, improve soil health, and facilitate water conservation by providing cover over ground surface. This intervention also goes beyond the GAEC standards given that this land will not be used for the cultivation of crop production.

Therefore, this intervention will lead to several environmental benefits as a result of going above and beyond requirements.

7 Range and amounts of support

Description
It will take the form of an annual payment per eligible hectare covered by the commitment. A uniform flat rate amount per hectare will be paid. The total funding allocated towards this intervention shall be of circa Euro 793,517.92 per annum.

8 Additional questions/information specific to the Type of Intervention

N/A

9 WTO compliance

Green Box
Paragraph 12 of Annex 2 WTO
Explanation of how the intervention respects the relevant provisions of Annex 2 to the WTO Agreement on Agriculture as specified in Article 10 of this Regulation and in Annex II to this Regulation (Green Box)

This intervention is in line with paragraph 5 of Annex 2 to the WTO Agreement on Agriculture. It is aimed at encouraging better soil management and addresses the depletion of soil nutrients.
This support is payable to those beneficiaries that comply with the definition of active farmers as defined in this document and that commit to comply to a set of clearly defined practices beneficial for the environment that are also part of the eligibility conditions, and that go beyond the basic system of conditionality.

Payment will not be based on the type of volume or production. Support shall be based on a flat rate per eligible hectare as explained above.
11 Planned Unit Amounts - Definition

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Type of Planned Unit Amount</th>
<th>Region(s)</th>
<th>Result Indicator(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>DP ECO-Bio Unit - Eco-scheme: Land parcels dedicated for biodiversity purposes Unit Amount</td>
<td>Uniform</td>
<td></td>
<td>R.31;</td>
<td></td>
</tr>
</tbody>
</table>

Explanation and Justification (including the flexibility)

**DP ECO-Bio Unit - Eco-scheme: Land parcels dedicated for biodiversity purposes Unit Amount**

The scheme shall compensate farmers who decide to forgoe their income on whole parcels, whilst cultivating plants of high ecological value on that parcel. Justification for the rate: Instead of cultivating high value crops that forms an essential part of their revenue, farmers shall cultivate a selection of plants from a pre-defined list that serve as foraging plants for pollinators. No PPPs or fertilisers shall be allowed and the amount of water that these plant need is less when compared to other high value crops. This shall be a direct contribution by the farmer towards the enhancement of agro-biodiversity that comes at a huge opportunity cost, hence they need to be compensated appropriately.

12 Planned Unit Amounts - Financial table with outputs

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Financial Year</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>Total 2024 - 2028</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Planned unit amount</td>
<td>Calendar Year</td>
<td>2023</td>
<td>2024</td>
<td>2025</td>
<td>2026</td>
<td>2027</td>
<td>Total 2023 - 2027</td>
</tr>
<tr>
<td></td>
<td>Minimum Amount for the Planned unit amount</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Maximum Amount for the Planned unit amount</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td>Planned unit amount</td>
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<td></td>
<td>Planned unit amount</td>
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<td>1,720.00</td>
<td>1,720.00</td>
<td>1,720.00</td>
<td>1,720.00</td>
</tr>
<tr>
<td></td>
<td>Planned output * Planned unit amount</td>
<td></td>
<td>793,504.80</td>
<td>793,504.80</td>
<td>793,504.80</td>
<td>793,504.80</td>
<td>793,504.80</td>
<td>3,967,524.00</td>
</tr>
<tr>
<td></td>
<td>Annual indicative financial allocation (Union Contribution in EUR)</td>
<td></td>
<td>793,517.92</td>
<td>793,517.92</td>
<td>793,517.92</td>
<td>793,517.92</td>
<td>793,517.92</td>
<td>793,517.92</td>
</tr>
<tr>
<td></td>
<td>Out of which needed to reach the minimum ringfencing requirement (Annex X) (only under article 27) (Union contribution)</td>
<td></td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td>Out of which needed carried over - expenditure (applicable only to eco-scheme and only with type of payment)</td>
<td></td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>
“compensatory” (article 28(6)(b)) if the intervention contains carry over)
**DP ECO-Cultivation - Direct Payments (Eco-scheme Soil Cover) Encouraging the cultivation of catch crops and/or nitrogen-fixing crops as soil cover**

<table>
<thead>
<tr>
<th>Intervention Code (MS)</th>
<th>DP ECO-Cultivation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intervention Name</td>
<td>Direct Payments (Eco-scheme Soil Cover) Encouraging the cultivation of catch crops and/or nitrogen-fixing crops as soil cover</td>
</tr>
<tr>
<td>Type of Intervention</td>
<td>Eco-scheme(31) - Schemes for the climate, the environment and animal welfare</td>
</tr>
<tr>
<td>Common Output Indicator</td>
<td>O.8. Number of hectares or of livestock units benefitting from eco-schemes</td>
</tr>
</tbody>
</table>

### 1 Territorial scope and, if relevant, regional dimension

**Territorial scope:** National

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>MT</td>
<td>Malta</td>
</tr>
</tbody>
</table>

**Description of the Territorial Scope**

Given the small size of Malta where 90% of agricultural holdings is less than two hectares in size, and face similar socio-economic and environmental conditions, this intervention will apply to the entire Maltese territory.

### 2 Related Specific Objectives, Cross-Cutting Objective and relevant Sectoral Objectives

**CAP SPECIFIC OBJECTIVE Code + Description**

- SO4 Contribute to climate change mitigation and adaptation, including by reducing greenhouse gas emission and enhancing carbon sequestration, as well as promote sustainable energy
- SO5 A fenntartható fejlődés és a természeti erőforrások – például a vízzel, a talajjal és a levegővel – való hatékony gazdálkodás támogatása többek között a vegyi anyagoktól való függés csökkentésével
- SO6 Hozzájárulás a biológiai sokféleség csökkenésének megállításához és visszafordításához, az ökoszisztéma-szolgáltatások gyarapítása, valamint az élőhelyek és ökológiai visszafordulások megőrzése

**CAP AREAS OF ACTION Code + Description**

- AOA-A climate change mitigation, including reduction of GHG emissions from agricultural practices, as well as maintenance of existing carbon stores and enhancement of carbon sequestration
- AOA-B climate change adaptation, including actions to improve resilience of food production systems, and animal and plant diversity for stronger resistance to diseases and climate change
- AOA-D prevention of soil degradation and soil restoration, improvement of soil fertility and of nutrient management [and soil biota]

### 3 Need(s) addressed by the intervention

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Prioritisation at the level of the CAP Strategic Plan</th>
<th>Addressed in CSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.4</td>
<td>Reduced use of chemical N-fertilizers and other inputs with similarly high carbon footprint</td>
<td>1</td>
<td>Yes</td>
</tr>
<tr>
<td>5.5</td>
<td>Encourage farmers to invest in efficient farming systems that make efficient use of resources</td>
<td>3</td>
<td>Yes</td>
</tr>
</tbody>
</table>

### 4 Result indicator(s)

**RESULT INDICATORS Code + Description**

- R.19 Share of Utilised Agricultural Area (UAA) under supported commitments beneficial for soil management to improve soil quality and biota (such as reducing tillage, soil cover with crops, crop rotation included with leguminous crops)

### 5 Specific design, requirements and eligibility conditions of the intervention

Description of commitments for eco-scheme
Beneficiaries must commit their land parcel to nitrogen-fixing crops for at least one growing season.

This intervention is designed for those beneficiaries with relatively smaller Utilised Agricultural Area (UAA). This means that more than 50% of agricultural holdings will be targeted through this measure.

6 Identification of relevant baseline elements
(relevant GAEC, statutory management requirements (SMR) and other mandatory requirements established by national and Union law), where applicable, description of the specific relevant obligations under the SMR, and explanation as to how the commitment goes beyond the mandatory requirements (as referred to in Art. 28 (5) and Art. 70 (3) and in Art. 72 (5)).

List of relevant GAEC and SMR

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAEC03</td>
<td>Ban on burning arable stubble, except for plant health reasons</td>
</tr>
<tr>
<td>GAEC04</td>
<td>Establishment of buffer strips along water courses</td>
</tr>
<tr>
<td>GAEC05</td>
<td>Tillage management, reducing the risk of soil degradation and erosion, and consideration of the slope gradient</td>
</tr>
<tr>
<td>GAEC06</td>
<td>Minimum soil cover to avoid bare soil in periods that are most sensitive</td>
</tr>
<tr>
<td>GAEC07</td>
<td>Crop rotation in arable land, except for crops growing under water</td>
</tr>
<tr>
<td>GAEC08</td>
<td>Minimum share of agricultural area devoted to non-productive areas or features. Minimum share of at least 4% of arable land at farm level devoted to non-productive areas and features, including land lying fallow. Where a farmer commits to devote at least 7% of his/her arable land to non-productive areas and features, including land lying fallow, under an enhanced eco-scheme in accordance with Article 28(5a), the share to be attributed to compliance with this GAEC shall be limited to 3%. Minimum share of at least 7% of arable land at farm level if this includes also catch crops or nitrogen fixing crops, cultivated without the use of plant protection products, of which 3% shall be land lying fallow or non-productive features. Member States should use the weighting factor of 0.3 for catch crops. Retention of landscape features. Ban on cutting hedges and trees during the bird breeding and rearing season. As an option, measures for avoiding invasive plant species.</td>
</tr>
<tr>
<td>GAEC09</td>
<td>Ban on converting or ploughing permanent grassland designated as environmentally-sensitive permanent grasslands in Natural 2000 sites</td>
</tr>
<tr>
<td>SMR01</td>
<td>Directive 2000/60/EC of 23 October 2000 of the European Parliament and of the Council establishing a framework for Community action in the field of water policy: Article 11(3), point (e), and point (h), as regards mandatory requirements to control diffuse sources of pollution by phosphates</td>
</tr>
<tr>
<td>SMR03</td>
<td>Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds: Article 3(1), Article 3(2), point (b), Article 4(1), (2) and (4)</td>
</tr>
<tr>
<td>-------</td>
<td>--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>SMR05</td>
<td>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, laying down procedures in matters of food safety: Articles 14 and 15, Article 17(1) and Articles 18, 19 and 20</td>
</tr>
<tr>
<td>SMR08</td>
<td>Directive 2009/128/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for Community action to achieve the sustainable use of pesticides: Article 5(2) and Article 8(1) to (5); Article 12 with regard to restrictions on the use of pesticides in protected areas defined on the basis of Directive 2000/60/EC and Natura 2000 legislation; Article 13(1) and (3) on handling and storage of pesticides and disposal of remnants</td>
</tr>
</tbody>
</table>

List of relevant mandatory national standards

- L.N. 345 of 2015 (Water Policy Framework Regulations)
- S.L. 549.66 (Nitrates Action Programme Regulations)
- S.L. 549.25 Protection of Waters against pollution caused by Nitrates from agricultural sources Regulation
- S.L. 549.44 L.N. 311 of 2006 Flora, Fauna and Natural Habitats Protection Regulations 2006
- Food Safety Act, 2002 (Act No. XIV of 2002)
- S.L 430.08 & L.N.489 of 2011 (Sustainable Use of Pesticides Regulation)

Link between GAEC, SMR and national standards with the eco-scheme (explain how the eco-scheme goes beyond the baseline, notably for SMR and national standards)

Besides maintaining surface coverage to avoid nutrient losses and protect the soil from erosion, this intervention will also help reduce the need for plant protection products. These requirements are also complementary to SMR 2 concerning the Nitrates Directive and SMR 7 concerning the placing on the market of Plant Protection Products.

GAEC 6 specifies that ploughed land should not be left bare for prolonged periods of time. However, it does not specify what crops should be cultivated or for how long the parcel should have a soil cover. Therefore, this measure goes beyond the requirements of GAEC 6 as it encourages farmers to cultivate...
nitrogen-fixing crops for at least 5 weeks.

In addition, GAEC 7 specifies that crops belonging to the same botanical family should not be grown for more than [3] successive years on the same parcel of land. However, there is no obligation for farmers to include nitrogen-fixing crops as part of their crop plan. Therefore, this measure goes beyond the requirements of GAEC 7, and leads to several environmental benefits, mainly the maintenance of soil organic matter at a healthy level improving overall soil quality which in turn enhances the soil structure, water holding capacity, and increased biological activity. This intervention will also provide high feed values for animals as nitrogen-fixing crops can be used as forage replacing the more popular wheat and barley. This in turn will also have a positive impact on biodiversity as it will increase food sources for wild pollinators such as butterflies and wild bees. Moreover, certain nitrogen-fixing crops, such as sulla (Hedysarum coronarium), are the main nectar producers for local honey bee hives. Thus, this intervention will also be beneficial to the apiculture sector as it would increase the local honey production.

7 Range and amounts of support

<table>
<thead>
<tr>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>It will take the form of an annual payment per eligible hectare covered by the commitment. A uniform flat rate amount per hectare will be paid. The total funding allocated towards this intervention shall be of circa Euro 48,294.19 per annum.</td>
</tr>
</tbody>
</table>

8 Additional questions/information specific to the Type of Intervention

N/A

9 WTO compliance

Green Box

Paragraph 12 of Annex 2 WTO

Explaination of how the intervention respects the relevant provisions of Annex 2 to the WTO Agreement on Agriculture as specified in Article 10 of this Regulation and in Annex II to this Regulation (Green Box)

This intervention is in line with paragraph 5 of Annex 2 to the WTO Agreement on Agriculture. It is aimed at encouraging better soil management and addresses the depletion of soil nutrients.

The support is payable to those beneficiaries that comply with the definition of active farmers as defined in this document and that commit to comply to a set of clearly defined practices beneficial for the environment that are also part of the eligibility conditions, and that go beyond the basic system of conditionality.

A flat rate per eligible hectare will be applied.
11 Planned Unit Amounts - Definition

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Type of Planned Unit Amount</th>
<th>Region(s)</th>
<th>Result Indicator(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DP ECO-Cultivation U - Eco-scheme Soil Cover: Unit Amount for the cultivation of catch crops and/or nitrogen-fixing crops as soil cover</td>
<td>Uniform</td>
<td></td>
<td>R.19;</td>
</tr>
</tbody>
</table>

Explanation and Justification (including the flexibility)

DP ECO-Cultivation U - Eco-scheme Soil Cover: Unit Amount for the cultivation of catch crops and/or nitrogen-fixing crops as soil cover

Farmers under this scheme shall be compensated for their efforts in reducing soil erosion/deterioration by integrating nitrogen fixing crops. Foregoing income from crops with higher returns, as these are low value crops that in addition require a significant increase of manual labour hence an adequate compensation is appropriate.

12 Planned Unit Amounts - Financial table with outputs

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Financial Year</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>Total 2024 - 2028</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Calendar Year</td>
<td>2023</td>
<td>2024</td>
<td>2025</td>
<td>2026</td>
<td>2027</td>
<td>Total 2023 - 2027</td>
</tr>
<tr>
<td></td>
<td>Minimum Amount for the Planned unit amount</td>
<td></td>
<td>800.00</td>
<td>800.00</td>
<td>800.00</td>
<td>800.00</td>
<td>800.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Maximum Amount for the Planned unit</td>
<td></td>
<td>1,500.00</td>
<td>1,500.00</td>
<td>1,500.00</td>
<td>1,500.00</td>
<td>1,500.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>O.8 (unit: Hectare)</td>
<td></td>
<td>50.84</td>
<td>50.84</td>
<td>50.84</td>
<td>50.84</td>
<td>50.84</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Planned output * Planned unit amount</td>
<td></td>
<td>48,298.00</td>
<td>48,298.00</td>
<td>48,298.00</td>
<td>48,298.00</td>
<td>48,298.00</td>
<td>241,490.00</td>
</tr>
<tr>
<td></td>
<td>Planned unit amount</td>
<td></td>
<td>950.00</td>
<td>950.00</td>
<td>950.00</td>
<td>950.00</td>
<td>950.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>O.8 (unit: Hectare)</td>
<td></td>
<td>50.84</td>
<td>50.84</td>
<td>50.84</td>
<td>50.84</td>
<td>50.84</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Out of which needed to reach the minimum ringfencing requirement (Annex X) (only under article 27) (Union contribution)</td>
<td></td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Out of which needed carried over - expenditure (applicable only to eco-</td>
<td></td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
</tbody>
</table>
scheme and only with type of payment "compensatory" (article 28(6)(b)) if the intervention contains carry over)
DP ECO-IPM - Direct Payments (Eco-scheme: IPM and SSP for temporary crops)

<table>
<thead>
<tr>
<th>Intervention Code (MS)</th>
<th>Intervention Name</th>
<th>Type of Intervention</th>
<th>Common Output Indicator</th>
</tr>
</thead>
<tbody>
<tr>
<td>DP ECO-IPM</td>
<td>Direct Payments (Eco-scheme: IPM and SSP for temporary crops)</td>
<td>Eco-scheme(31) - Schemes for the climate, the environment and animal welfare</td>
<td>O.8. Number of hectares or of livestock units benefitting from eco-schemes</td>
</tr>
</tbody>
</table>

1 Territorial scope and, if relevant, regional dimension

Territorial scope: National

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>MT</td>
<td>Malta</td>
</tr>
</tbody>
</table>

Description of the Territorial Scope

Given the small size of Malta where 90% of agricultural holdings are less than two hectares in size, and face similar socio-economic and environmental conditions, this intervention will apply to the entire Maltese territory.

2 Related Specific Objectives, Cross-Cutting Objective and relevant Sectoral Objectives

**CAP SPECIFIC OBJECTIVE Code + Description** Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold

- **SO4** Contribute to climate change mitigation and adaptation, including by reducing greenhouse gas emission and enhancing carbon sequestration, as well as promote sustainable energy
- **SO5** A fenntartható fejlődés és a természet erőforrásainak és a levegővel való hatékonyszínű gazdálkodás támogatása többek között a vegyi anyagok csökkenésével
- **SO6** Hozzájárulás a biológiai sokféleség csökkentésének és megőrzésének céljából, az ökoszisztémás-szolgáltatások gyarapítása, valamint az ökoszisztémát és a tájak megőrzése
- **SO9** Az uniós mezőgazdaság által az élelmiszerekkel és az egészségel kapcsolatos társadalmi igényekre adott válasz javítása, többek között a magas minőségű, biztonságos és tápláló, fenntartható módon termelt élelmiszerek, az élelmiszer-pazarlás mérséklése, az állatjólét fokozása és az antimikrobiális rezisztencia elleni küzdelem terén

**CAP AREAS OF ACTION Code + Description**

- **AOA-B** climate change adaptation, including actions to improve resilience of food production systems, and animal and plant diversity for stronger resistance to diseases
- **AOA-C** protection or improvement of water quality and reduction of pressure on water resources
- **AOA-D** prevention of soil degradation, soil restoration, improvement of soil fertility and of nutrient management [and soil biota]
- **AOA-E** protection of biodiversity, conservation or restoration of habitats or species, including maintenance and creation of landscape features or non-productive areas
- **AOA-F** actions for a sustainable and reduced use of pesticides, particularly pesticides that present a risk for human health or environment

3 Needs addressed by the intervention

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Prioritisation at the level of the CAP Strategic Plan</th>
<th>Addressed in CSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.4</td>
<td>Increase efficient use of water and soil by restoring geographical and landscape features</td>
<td>1</td>
<td>Yes</td>
</tr>
<tr>
<td>5.5</td>
<td>Encourage farmers to invest in efficient farming systems that make efficient use of resources</td>
<td>3</td>
<td>Yes</td>
</tr>
<tr>
<td>6.1</td>
<td>Enhance biodiversity on agricultural holdings and wider rural areas</td>
<td>1</td>
<td>Yes</td>
</tr>
<tr>
<td>6.5</td>
<td>Restoration of habitats and rural landscape features</td>
<td>3</td>
<td>Yes</td>
</tr>
</tbody>
</table>

4 Result indicator(s)
RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold

R.24 Share of Utilised Agricultural Area (UAA) under supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides, such as pesticides leakage

5 Specific design, requirements and eligibility conditions of the intervention
Description of commitments for eco-scheme

Beneficiaries must commit to follow an Integrated Pest Management Plan on the whole area of the land parcel/s, as identified at application stage, for at least three (3) consecutive years.

6 Identification of relevant baseline elements
(relevant GAEC, statutory management requirements (SMR) and other mandatory requirements established by national and Union law), where applicable, description of the specific relevant obligations under the SMR, and explanation as to how the commitment goes beyond the mandatory requirements (as referred to in Art. 28 (5) and Art. 70 (3) and in Art. 72 (5))

List of relevant GAEC and SMR

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAEC03</td>
<td>Ban on burning arable stubble, except for plant health reasons</td>
</tr>
<tr>
<td>GAEC05</td>
<td>Tillage management, reducing the risk of soil degradation and erosion, including conservation of the slope gradient</td>
</tr>
<tr>
<td>GAEC06</td>
<td>Minimum share of at least 4% of arable land covered with vegetation, including land lying fallow. Where a farmer commits to devote at least 7% of his/her arable land to non-productive areas and features, including land lying fallow, under an enhanced eco-scheme in accordance with Article 28(5a), the share to be attributed to compliance with this GAEC shall be limited to 3%. Minimum share of at least 7% of arable land at farm level if this includes also catch crops or nitrogen fixing crops, cultivated without the use of plant protection products, of which 3% shall be land lying fallow or non-productive features. Member States should use the weighting factor of 0,3 for catch crops. Retention of landscape features. Ban on cutting hedges and trees during the bird breeding and rearing season. As an option, measures for avoiding invasive plant species</td>
</tr>
<tr>
<td>GAEC07</td>
<td>Crop rotation in the land, except for crops growing under water</td>
</tr>
<tr>
<td>GAEC08</td>
<td>Minimum share of agricultural area devoted to non-productive areas and features. Minimum share of at least 4% of arable land at farm level devoted to non-productive areas and features, including land lying fallow. Where a farmer commits to devote at least 7% of his/her arable land to non-productive areas and features, including land lying fallow, under an enhanced eco-scheme in accordance with Article 28(5a), the share to be attributed to compliance with this GAEC shall be limited to 3%. Minimum share of at least 7% of arable land at farm level if this includes also catch crops or nitrogen fixing crops, cultivated without the use of plant protection products, of which 3% shall be land lying fallow or non-productive features. Member States should use the weighting factor of 0,3 for catch crops. Retention of landscape features. Ban on cutting hedges and trees during the bird breeding and rearing season. As an option, measures for avoiding invasive plant species</td>
</tr>
<tr>
<td>SMR01</td>
<td>Directive 2000/60/EC of 23 October 2000 of the European Parliament and of the Council establishing a framework for Community action in the field of water policy: Article 11(3), point (e), and point (h), as regards mandatory requirements to control diffuse sources of pollution by phosphates</td>
</tr>
<tr>
<td>SMR03</td>
<td>Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds: Article 3(1), Article 3(2), point (b), Article 4(1), (2) and (4)</td>
</tr>
</tbody>
</table>
| SMR05 | 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, laying down...
procedures in matters of food safety: Articles 14 and 15, Article 17(1) and Articles 18, 19 and 20


Directive 2009/128/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for Community action to achieve the sustainable use of pesticides: Article 5(2) and Article 8(1) to (5); Article 12 with regard to restrictions on the use of pesticides in protected areas defined on the basis of Directive 2000/60/EC and Natura 2000 legislation; Article 13(1) and (2) on handling and storage of pesticides and disposal of remnants

List of relevant mandatory national standards

L.N. 345 of 2015 (Water Policy Framework Regulations).
S.L. 549.66 (Nitrates Action Programme Regulations)
S.L. 549.25 Protection of Waters against pollution caused by Nitrates from agricultural sources Regulation
S.L. 549.44 L.N. 311 of 2006 Flora, Fauna and Natural Habitats Protection Regulations 2006
Food Safety Act, 2002 (Act No. XIV of 2002)
S.L 430.08 & L.N 311 of 2011 (Sustainable Use of Pesticides Regulation)

Adopting an Integrated Pest Management Plan will lead to sustainable land management practices that are well-suited to the local climatic conditions. This will ultimately reduce the use of pesticides and fertilisers, as well as improve water management. This intervention will oblige farmers to enhance the monitoring of pests and diseases, develop a better understanding of the different agronomic technicalities surrounding the sustainable use of Plant Protection Products whilst following a pre-established plan based on experts’ advice.

By reducing pesticides use, this intervention will significantly scale down surface and ground water contamination from Plant Protection Products. Furthermore, it will improve soil nutrients and structure reversing the decline of beneficial soil organisms and soil organic matter as a result of extensive pesticides use. This will in turn lead to better water retention in soils. Ultimately, lower use of pesticides will enhance biodiversity and restore habitats.

Farmers under this scheme shall be asked to follow an integrated approach in their agricultural activity, advocating a paradigm shift from adhering to a set of rules as provided in the GAEC towards a more ambitious agriculture activity incorporating various agronomic practices, monitoring through enhanced knowledge and apply targeted solutions to specific problems.
7 Range and amounts of support
Description
It will take the form of an annual payment per eligible hectare covered by the commitment. A uniform flat rate amount per hectare additional to the Basic Income Support for Sustainability (BISS) will be paid. The total funding allocated towards this intervention shall be of circa Euro 517,511.69 per annum.

8 Additional questions/information specific to the Type of Intervention
N/A

9 WTO compliance
Green Box
Paragraph 12 of Annex 2 WTO
Explanation of how the intervention respects the relevant provisions of Annex 2 to the WTO Agreement on Agriculture as specified in Article 10 of this Regulation and in Annex II to this Regulation (Green Box)
This intervention is in line with paragraph 5 of Annex 2 to the WTO Agreement on Agriculture.

This support is payable to those beneficiaries that comply with a set of clearly defined criteria related to production methods and inputs that reduce the use of Plant Protection Products. Furthermore, no production will be required to receive this support.

A flat rate per eligible hectare will be applied.
11 Planned Unit Amounts - Definition

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Type of Planned Unit Amount</th>
<th>Region(s)</th>
<th>Indicator(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DP ECO-IPM Unit - Unit Amount for Eco-scheme: IPM and SSP for temporary crops</td>
<td>Uniform</td>
<td>R.24;</td>
<td></td>
</tr>
</tbody>
</table>

Explanation and Justification (including the flexibility)

DP ECO-IPM Unit - Unit Amount for Eco-scheme: IPM and SSP for temporary crops

Farmers under this scheme shall be asked to revisit what has been their approach towards pest control towards a much more sustainable approach. This will involve various challenges: 1. They shall be asked to submit and keep an updated crop-plan using Biedjacam (Mobile app). 2. They shall have to follow a strict plan as provided by Agriconnect. 3. They will have to keep records in line with the plan provided. 4. They will have to submit themselves to stricter controls. 5. The loss of a portion of their yield is likely especially until together with technical experts they get a better understanding of the different pedoclimatic conditions of their holding. 6. This shall involve an increase in administrative burden for the farmers. Hence they should be compensated appropriately.

12 Planned Unit Amounts - Financial table with outputs

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Financial Year</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>Total 2024 - 2028</th>
<th>Total 2023 - 2027</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DP ECO-IPM Unit - Unit Amount for Eco-scheme: IPM and SSP for temporary crops</td>
<td>Financial Year</td>
<td>2023</td>
<td>2024</td>
<td>2025</td>
<td>2026</td>
<td>2027</td>
<td>Total 2024 - 2028</td>
<td>Total 2023 - 2027</td>
</tr>
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<tr>
<td></td>
<td></td>
<td>Calendar Year</td>
<td>2023</td>
<td>2024</td>
<td>2025</td>
<td>2026</td>
<td>2027</td>
<td>Total 2024 - 2028</td>
<td>Total 2023 - 2027</td>
</tr>
<tr>
<td></td>
<td>DP ECO-IPM Unit - Unit Amount for Eco-scheme: IPM and SSP for temporary crops</td>
<td>Planned unit amount</td>
<td>1,500.00</td>
<td>1,500.00</td>
<td>1,500.00</td>
<td>1,500.00</td>
<td>1,500.00</td>
<td>1,500.00</td>
<td>1,500.00</td>
</tr>
<tr>
<td></td>
<td>Minimum Amount for the Planned unit amount</td>
<td>1,500.00</td>
<td>1,500.00</td>
<td>1,500.00</td>
<td>1,500.00</td>
<td>1,500.00</td>
<td>1,500.00</td>
<td>1,500.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Maximum Amount for the Planned unit amount</td>
<td>2,000.00</td>
<td>2,000.00</td>
<td>2,000.00</td>
<td>2,000.00</td>
<td>2,000.00</td>
<td>2,000.00</td>
<td>2,000.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>O.8 (unit: Hectare)</td>
<td>345.00</td>
<td>345.00</td>
<td>345.00</td>
<td>345.00</td>
<td>345.00</td>
<td>345.00</td>
<td>345.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Planned output * Planned unit amount</td>
<td>517,500.00</td>
<td>517,500.00</td>
<td>517,500.00</td>
<td>517,500.00</td>
<td>517,500.00</td>
<td>2,587,500.00</td>
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</tr>
<tr>
<td></td>
<td>O.8 (unit: Hectare)</td>
<td>345.00</td>
<td>345.00</td>
<td>345.00</td>
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<tr>
<td></td>
<td>Annual indicative financial allocation (Union Contribution in EUR)</td>
<td>517,511.69</td>
<td>517,511.69</td>
<td>517,511.69</td>
<td>517,511.69</td>
<td>517,511.69</td>
<td>517,511.69</td>
<td>517,511.69</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Out of which needed to reach the minimum ringfencing requirement (Annex X) (only under article 27) (Union contribution)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Out of which needed carried over - expenditure (applicable only to eco-</td>
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<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
</tbody>
</table>
scheme and only with type of payment "compensatory" (article 28(6)(b)) if the intervention contains carry over)
CIS(32) - Coupled income support

DP CIS-Beef - Direct Payments: Coupled Income Support for the Beef Sector

<table>
<thead>
<tr>
<th>Intervention Code (MS)</th>
<th>DP CIS-Beef</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intervention Name</td>
<td>Direct Payments: Coupled Income Support for the Beef Sector</td>
</tr>
<tr>
<td>Type of Intervention</td>
<td>CIS(32) - Coupled income support</td>
</tr>
<tr>
<td>Common Output Indicator</td>
<td>O.11. Number of heads benefitting from coupled income support</td>
</tr>
</tbody>
</table>

1 Territorial scope and, if relevant, regional dimension

Territorial scope: National

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>MT</td>
<td>Malta</td>
</tr>
</tbody>
</table>

Description of the Territorial Scope

Coupled income support will be used to support those sectors that are highly disadvantaged and that are important for socioeconomic or environmental purposes, namely, the dairy, beef, sheep, and tomatoes (for processing) sectors.

The small size of Malta combined with the island’s insularity creates a number of natural and structural disadvantages for these sectors. For this reason, this intervention will apply to the beef sector of the entire Maltese territory.

2 Related Specific Objectives, Cross-Cutting Objective and relevant Sectoral Objectives

CAP SPECIFIC OBJECTIVE Code + Description

Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold

3 Need(s) addressed by the intervention

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Prioritisation at the level of the CAP Strategic Plan</th>
<th>Addressed in CSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Sustain a viable farm income for farmers across all sectors</td>
<td>2</td>
<td>Yes</td>
</tr>
</tbody>
</table>

4 Result indicator(s)

RESULT INDICATORS Code + Description

Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold

R.8 Percentagem de explorações agrícolas que beneficiam de apoio associado ao rendimento para melhorar a competitividade, a sustentabilidade ou a qualidade

5 Specific design, requirements and eligibility conditions of the intervention

Compared to the dairy sector, the beef sector is a much smaller sector consisting of animals that are specifically raised for beef production and animals coming from the dairy sector. This sector faces numerous challenges as it is a marginal activity with minimal profit. The sector relies on imported animal feed which increases production costs.

Aid granted to the beef sector shall be calculated by dividing the annual financial allocation for this intervention by the total number of potentially eligible heads for slaughter for that particular year in order to determine the unit amount of support per eligible head. The total number of potentially eligible heads for slaughter will be based on the data available in the National Livestock Database. Consequently, the unit amount of support per eligible head may vary from one year to another according to the total number of potentially eligible heads for that particular year.

Any unused funds will be used to increase the value of the unit amount of support per eligible head of that
particular year.

Financial allocations for this intervention and other interventions under Coupled Income Support shall be in line with Article 96(5) whereby Malta will use up to Euro 3 million per year.

Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary, the area and, when applicable, other relevant obligations

Eligible beneficiaries must comply with the following eligibility criteria:

a. Must have their bovines registered in the National Livestock Database under their name for a minimum period of six (6) months before the date of slaughter;

b. Must have slaughtered at least three (3) eligible bulls or female of a beef breed or cross breed with a beef breed having between 8 and 20 months of age, in the year of application;

c. Comply with the minimum requirements on the identification and registration of bovine animals as set out in Regulation (EC) No 1760/2000;

d. Must express their interest in this intervention on an annual basis in line with the deadlines established by ARPA.

6 Identification of relevant baseline elements (relevant GAEC, statutory management requirements (SMR) and other mandatory requirements established by national and Union law), where applicable, description of the specific relevant obligations under the SMR, and explanation as to how the commitment goes beyond the mandatory requirements (as referred to in Art. 28 (5) and Art. 70 (3) and in Art. 72 (5))

N/A

7 Range and amounts of support

Description

The intervention shall take the form of an annual payment per animal.

Support under this intervention shall be paid at a flat rate per head and is payable to livestock breeders that comply with the Eligibility Conditions outlined under this intervention. The total funding allocated towards this intervention shall be of circa Euro 461,100.90 per annum. In 2018, this intervention supported circa 2,055 heads, therefore, the support rate shall be of circa Euro 224.38 per head. The rate may vary according to the total number of potentially eligible heads for the respective year.

Financial allocations for this intervention and other interventions under Coupled Income Support shall be in line with Article 96(5) whereby Malta will use up to Euro 3 million per year.

8 Additional questions/information specific to the Type of Intervention

Justification of the difficulty(ies) that the targeted sector(s)/production(s) or type(s) of farming therein undergo.

The sector faces high production costs related to products used for the production of milk and the importation of feed that has been experiencing a significant increase in costs especially following the difficulties brought about by the Covid-19 pandemic. Like the dairy sector, it is facing similar constraints related to high production costs, housing and fierce competition from external markets. Opportunity for growth is greatly limited due to barriers such as very high cost of land and proximity to residential areas. There is a significant lack of availability of land and lack of natural resources such as water is another factor which contributes to the difficulties encountered by the sector which has been worsened by severe prolonged droughts and heat waves that Malta has been increasingly experiencing in recent years. Maltese
farmers have no grazing land and this translates in additional feed/supplement costs. The beef sector in Malta is an offshoot of the dairy industry and therefore its support is linked to the dairy industry. Circa 140 farmers engaged in the sector provide fresh beef to the locals. A drop in the production of beef will have repercussions on the dairy sector, farmers who cultivate fodder and also the availability of fresh beef. Farmers in the sector have significantly decreased from 138 in 2016 to 127 in 2020. Hence support to this sector is very important to prevent further decline.

What is the aim of the intervention with regard to the targeted sector(s)/production(s) or type(s) of farming therein?

☑ to improve competitiveness
☑ to improve quality
☒ to improve sustainability

How will the intervention address the identified difficulty(ies) by this aim (i.e. explanation about the targeting)?

This support will provide economic certainty to the marginal activity with limited profit that also faces high feed costs due to the double insularity of the island status.

What is (are) the sector(s) concerned?

Beef and veal

Justification of the importance of the targeted sector(s)/production(s) or type(s) of farming therein

This intervention is the only means to support this important sector given that these farmers are landless. Furthermore, dependent on this sector are more than 40% of the Total Utilised Agricultural Area (UAA) that cultivate forage for animal feed.

Explanation how the intervention is consistent with the Water Framework Directive (i.e. 2000/60/EC).

Coupled support for this sector is granted on the condition of compliance with the rules under SMR 1 (Water Policy Directive) and SMR 2 (Nitrates Directive) that protect groundwater from nitrate pollution. This will significantly limit any undesired movement through leaching, surface runoff, and drainage discharges of animal manure that affect groundwater bodies.

Is the intervention financed, partly or completely, from the protein crop top up (maximum 2% in total) in accordance with Art. 96(3) of SPR?

☑ Yes  ☒ No

If the intervention targets a mix between legumes and grasses: please indicate the minimum percentage of legumes in the mix.

N/A

Coupled income support granted to silkworms is an animal based support, where the use of ‘head’ as the support’s basic unit requires prior clarification of the followings:

please clarify the conversion rate between this unit and ‘head’ (i.e. how many of this unit corresponds to ‘1 head’?) for the purpose of e.g. indicators.

N/A

It is possible to give further clarification in comment (e.g. the weight of eggs that a box must contain)
9 WTO compliance
Amber Box
Explanation of whether and, if so, how the intervention respects relevant provisions of Article 6.5 or Annex 2 to the WTO Agreement on Agriculture (Blue Box)
11 Planned Unit Amounts - Definition

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Type of Planned Unit Amount</th>
<th>Region(s)</th>
<th>Result Indicator(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DP CIS-Beef Unit - Unit Amount for Coupled Income Support for the Beef Sector</td>
<td>Uniform</td>
<td>R.8;</td>
<td></td>
</tr>
</tbody>
</table>

Explanation and Justification (including the flexibility)

**DP CIS-Beef Unit - Unit Amount for Coupled Income Support for the Beef Sector**

The planned unit amount is based on past experience in terms of rates and applications supported between 2016-2020.

12 Planned Unit Amounts - Financial table with outputs

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Financial Year</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>Total 2024 - 2028</th>
<th>Total 2023 - 2027</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DP CIS-Beef Unit - Unit Amount for Coupled Income Support for the Beef Sector</td>
<td>Calendar Year</td>
<td>2023</td>
<td>2024</td>
<td>2025</td>
<td>2026</td>
<td>2027</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Planned unit amount</td>
<td></td>
<td>224.38</td>
<td>224.38</td>
<td>224.38</td>
<td>224.38</td>
<td>224.38</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Minimum Amount for the Planned unit amount</td>
<td></td>
<td>200.00</td>
<td>200.00</td>
<td>200.00</td>
<td>200.00</td>
<td>200.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Maximum Amount for the Planned unit amount</td>
<td></td>
<td>260.00</td>
<td>260.00</td>
<td>260.00</td>
<td>260.00</td>
<td>260.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Planned output * Planned unit amount</td>
<td></td>
<td>461,100.90</td>
<td>461,100.90</td>
<td>461,100.90</td>
<td>461,100.90</td>
<td>461,100.90</td>
<td>2,305,504.50</td>
<td>2,305,504.50</td>
</tr>
<tr>
<td></td>
<td>Planned unit amount</td>
<td></td>
<td>2,055.00</td>
<td>2,055.00</td>
<td>2,055.00</td>
<td>2,055.00</td>
<td>2,055.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Annual indicative financial allocation (Union Contribution in EUR)</td>
<td></td>
<td>461,100.90</td>
<td>461,100.90</td>
<td>461,100.90</td>
<td>461,100.90</td>
<td>461,100.90</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Out of which needed to reach the minimum ringfencing requirement (Annex X) (only under article 27) (Union contribution)</td>
<td></td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Out of which needed carried over - expenditure (applicable only to eco-scheme and only with type of payment &quot;compensatory&quot; (article 28(6)(b)) if the intervention contains carry over)</td>
<td></td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOTAL</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
DP  CIS-Dairy - Direct Payments: Coupled Income Support for the Dairy Sector

<table>
<thead>
<tr>
<th>Intervention Code (MS)</th>
<th>DP  CIS-Dairy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intervention Name</td>
<td>Direct Payments: Coupled Income Support for the Dairy Sector</td>
</tr>
<tr>
<td>Type of Intervention</td>
<td>CIS(32) - Coupled income support</td>
</tr>
<tr>
<td>Common Output Indicator</td>
<td>O.11. Number of heads benefitting from coupled income support</td>
</tr>
</tbody>
</table>

1 Territorial scope and, if relevant, regional dimension
Territorial scope: National

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>MT</td>
<td>Malta</td>
</tr>
</tbody>
</table>

Description of the Territorial Scope
Coupled income support will be used to support those sectors that are highly disadvantaged and that are important for socioeconomic or environmental purposes, namely, the dairy, beef, sheep, and tomatoes (for processing) sectors.

The small size of Malta combined with the island's insularity creates a number of natural and structural disadvantages for these sectors. For this reason, this intervention will apply to the dairy sector of the entire Maltese territory.

2 Related Specific Objectives, Cross-Cutting Objective and relevant Sectoral Objectives

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold

3 Need(s) addressed by the intervention

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Prioritisation at the level of the CAP Strategic Plan</th>
<th>Addressed in CSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Sustainable farm income for farmers in Malta, across all sectors</td>
<td>2</td>
<td>Yes</td>
</tr>
</tbody>
</table>

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold

R.8 Percentage de explorações agrícolas que beneficiam de apoio associado ao rendimento para melhorar a competitividade, a sustentabilidade ou a qualidade

5 Specific design, requirements and eligibility conditions of the intervention

Description
The local dairy sector consists primarily of cows’ milk and is one of the most important agricultural sectors in Malta. Whilst being the main source of fresh milk supply, it also faces significant challenges, such as its reliance on imported animal feed. Local dairy farmers are landless, and thus cannot be supported through any other direct payments intervention. Furthermore, dependent on this sector are more than 40% of the total Utilised Agricultural Area (UAA) that cultivate forage for animal feed.

Aid granted to the dairy sector shall be calculated by dividing the annual financial allocation for this intervention by the total number of potentially eligible heads for that particular year in order to determine the unit amount of support per eligible head. The total number of potentially eligible heads will be based on the data available in the National Livestock Database and is determined on the basis of milk yield contracted. 10,000 kilogrammes of milk translates into one eligible head. Consequently, the unit amount of support per eligible head may vary from one year to another according to the total number of
potentially eligible heads for that particular year.

Any unused funds will be used to increase the value of the unit amount of support per eligible head of that particular year.

Financial allocations for this intervention and other interventions under Coupled Income Support shall be in line with Article 96(5) whereby Malta will use up to Euro 3 million per year.

Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary, the area and, when applicable, other relevant obligations

**Eligible beneficiaries must comply with the following eligibility criteria:**

a. Must have a contract or agreement with a dairy processor which clearly stipulates the milk yield (in kgs) to be supplied;

b. Must fulfill 75% of the milk yield set out in the contract or agreement with the dairy processor. In the case that this yield is not reached, beneficiaries will not be eligible for support under this intervention unless it can be proven that it was due to a Force majeure or due to a direction provided by the competent authority.

c. For an animal to be eligible for funding, by the time of data extraction, it must be registered under the name of the applicant in the National Livestock Database for a period of at least three (3) months from 1st October till the end of December; is a female appertaining to a dairy cow breed; and has at least one calf registered to that animal.

d. Comply with the minimum requirements on the identification and registration of bovine animals as set out in Regulation (EC) No 1760/2000

e. Must express their interest in this intervention on an annual basis in line with the deadlines established by ARPA.

6 Identification of relevant baseline elements
(relevant GAEC, statutory management requirements (SMR) and other mandatory requirements established by national and Union law), where applicable, description of the specific relevant obligations under the SMR, and explanation as to how the commitment goes beyond the mandatory requirements (as referred to in Art. 28 (5) and Art. 70 (3) and in Art. 72 (5))

N/A

7 Range and amounts of support

**Description**

The intervention shall take the form of an annual payment per head.

Support under this intervention shall be paid at a flat rate per head and is payable to livestock breeders that comply with the Eligibility Conditions as outlined under this intervention. The total funding allocated towards this intervention shall be of circa Euro 1,558,845 per annum. In 2018, this intervention supported circa 3,849 heads, therefore, the support rate shall be of circa Euro 405 per head. The rate may vary according to the total number of potentially eligible heads for the respective year.

Financial allocations for this intervention and other interventions under Coupled Income Support shall be
8 Additional questions/information specific to the Type of Intervention
Justification of the difficulty(ies) that the targeted sector(s)/production(s) or type(s) of farming therein undergo.

The sector faces high production costs related to products used for the production of milk and the importation of feed that has been experiencing a significant increase in costs especially following the difficulties brought about by the Covid-19 pandemic. This sector experienced further difficulties following the removal of the milk quota system in 2015 as Maltese producers are facing fierce competition from external markets that benefit from a more advantageous position. The Maltese dairy sector faces higher constraints when compared to other EU Member States, because of its insularity. There is a significant lack of availability of land and lack of natural resources such as water which is another factor that contributes to the difficulties encountered by the sector which has been worsened by severe prolonged droughts and heat waves that Malta has been increasingly experiencing in recent years. Maltese farmers have no grazing land and this translates in additional feed/supplement costs. Unlike most European countries, in Malta dairy herds are reared in confined housing without access to grazing due to the unavailability of land. In addition, the high value of the land and the close proximity to residential areas poses difficulty for their expansion and additional cost for these farmers who have to engage in additional costs to reduce the impact on residential areas. The dairy industry guarantees the provision of a fresh supply of milk to the local consumers, hence ensuring food security. Furthermore, the dairy sector exerts important influence on the use of arable land through the cultivation of fodder. Fodder which is produced on more than 50% of the arable land in Malta is mainly consumed by the dairy industry. In a livestock sector where the level of co-operation is very low, this sector is the most organised and hence serve as the main model on which other sectors may follow. In this respect, it is important to support the operators involved in the industry. Farmers in the sector have significantly decreased from 96 in 2016 to 85 in 2020. Hence support to this sector is very important to prevent further decline.

What is the aim of the intervention with regard to the targeted sector(s)/production(s) or type(s) of farming therein?

☒ to improve competitiveness
☒ to improve quality
☒ to improve sustainability

How will the intervention address the identified difficulty(ies) by this aim (i.e. explanation about the targeting)?

This support will provide economic certainty to milk producers that face high costs due to the double insularity of the island status and the high feed costs. Such measure is the only way to provide support to this sector given that these farmers are landless.

What is (are) the sector(s) concerned?
Milk and milk products

Justification of the importance of the targeted sector(s)/production(s) or type(s) of farming therein

This intervention is the only means to support this important sector given that these farmers are landless.

Furthermore, dependent on this sector are more than 40% of the local Utilised Agricultural Area (UAA) that cultivate forage for animal feed.

Explanation how the intervention is consistent with the Water Framework Directive (i.e. 2000/60/EC).

Coupled support for this sector is granted on the condition of compliance with the rules under SMR 1.
(Water Policy Directive) and SMR 2 (Nitrates Directive) that protect groundwater from nitrate pollution. This will significantly limit any undesired movement through leaching, surface runoff, and drainage discharges of animal manure that affect groundwater bodies

Is the intervention financed, partly or completely, from the protein crop top up (maximum 2% in total) in accordance with Art. 96(3) of SPR?

☐ Yes  ☒ No

If the intervention targets a mix between legumes and grasses: please indicate the minimum percentage of legumes in the mix.

N/A

Coupled income support granted to silkworms is an animal based support, where the use of ‘head’ as the support’s basic unit requires prior clarification of the followings:

☐ Please clarify the conversion rate between this unit and ‘head’ (i.e. how many of this unit corresponds to ‘1 head’?) for the purpose of e.g. indicators.

N/A

It is possible to give further clarification in comment (e.g. the weight of eggs that a box must contain)

☐ 9 WTO compliance

Amber Box

Explanation of whether and, if so, how the intervention respects relevant provisions of Article 6.5 or Annex 2 to the WTO Agreement on Agriculture (Blue Box)

☐ 9 WTO compliance

Amber Box

Explanation of whether and, if so, how the intervention respects relevant provisions of Article 6.5 or Annex 2 to the WTO Agreement on Agriculture (Blue Box)
### 11 Planned Unit Amounts - Definition

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Type of Planned Unit Amount</th>
<th>Region(s)</th>
<th>Result Indicator(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DP  CIS-Dairy Unit - Unit Amount for Coupled Income Support for the Dairy Sector</td>
<td>Uniform</td>
<td></td>
<td>R.8;</td>
</tr>
</tbody>
</table>

Explanation and Justification (including the flexibility)
DP  CIS-Dairy Unit - Unit Amount for Coupled Income Support for the Dairy Sector

The planned unit amount is based on past experience in terms of rates and applications supported between 2016-2020.

### 12 Planned Unit Amounts - Financial table with outputs

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Financial Year</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>Total 2024 - 2028</th>
<th>Total 2023 - 2027</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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<td>Calendar Year</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Planned unit amount</td>
<td>405.00</td>
<td>405.00</td>
<td>405.00</td>
<td>405.00</td>
<td>405.00</td>
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<tr>
<td></td>
<td></td>
<td>Minimum Amount for the Planned unit amount</td>
<td>380.00</td>
<td>380.00</td>
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<td>380.00</td>
<td>380.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maximum Amount for the Planned unit amount</td>
<td>440.00</td>
<td>440.00</td>
<td>440.00</td>
<td>440.00</td>
<td>440.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>O.11 (unit: Head)</td>
<td>3,849.00</td>
<td>3,849.00</td>
<td>3,849.00</td>
<td>3,849.00</td>
<td>3,849.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Planned output * Planned unit amount</td>
<td>1,558,845.00</td>
<td>1,558,845.00</td>
<td>1,558,845.00</td>
<td>1,558,845.00</td>
<td>1,558,845.00</td>
<td>7,794,225.00</td>
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<td>O.11 (unit: Head)</td>
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<td>3,849.00</td>
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<td>3,849.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Annual indicative financial allocation (Union Contribution in EUR)</td>
<td>1,558,845.00</td>
<td>1,558,845.00</td>
<td>1,558,845.00</td>
<td>1,558,845.00</td>
<td>1,558,845.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Out of which needed to reach the minimum ringfencing requirement (Annex X) (only under article 27) (Union contribution)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Out of which needed carried over - expenditure (applicable only to eco-scheme and only with type of payment &quot;compensatory&quot; (article 28(6)(b)) if the intervention contains carry over)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
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<td></td>
<td>TOTAL</td>
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<td>0.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
DP CIS-Sheep - Direct Payments: Coupled Income Support for the Sheep Sector

<table>
<thead>
<tr>
<th>Intervention Code (MS)</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>DP CIS-Sheep</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Intervention Name</th>
<th>Direct Payments: Coupled Income Support for the Sheep Sector</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Type of Intervention</th>
<th>CIS(32) - Coupled income support</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Common Output Indicator</th>
<th>O.11. Number of heads benefitting from coupled income support</th>
</tr>
</thead>
</table>

1 Territorial scope and, if relevant, regional dimension

Territorial scope: National

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>MT</td>
<td>Malta</td>
</tr>
</tbody>
</table>

Description of the Territorial Scope

Coupled income support will be used to support those sectors that are highly disadvantaged and that are important for socioeconomic or environmental purposes, namely, the dairy, beef, sheep, and tomatoes (for processing) sectors.

The small size of Malta combined with the island’s insularity creates a number of natural and structural disadvantages for these sectors. For this reason, this intervention will apply to the sheep sector of the entire Maltese territory.

2 Related Specific Objectives, Cross-Cutting Objective and relevant Sectoral Objectives

<table>
<thead>
<tr>
<th>CAP SPECIFIC OBJECTIVE Code + Description</th>
<th>Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold</th>
</tr>
</thead>
</table>

3 Need(s) addressed by the intervention

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Prioritisation at the level of the CAP Strategic Plan</th>
<th>Addressed in CSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Sustain viable farm income for farmers in Malta, across all sectors</td>
<td>2</td>
<td>Yes</td>
</tr>
</tbody>
</table>

4 Result indicator(s)

RESULT INDICATORS Code + Description

Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold

<table>
<thead>
<tr>
<th>RESULT INDICATORS Code + Description</th>
<th></th>
</tr>
</thead>
</table>

5 Specific design, requirements and eligibility conditions of the intervention

This sector is relatively small as herds continue to decline but is nonetheless a very important sector for the production of the traditional Ġbejna (cheeselet). Similar to the dairy sector, this sector has to rely on imported feed, which continues to increase production costs for this small and fragmented sector.

Aid granted to the sheep sector shall be calculated by dividing the annual financial allocation for this intervention by the total number of potentially eligible heads for that particular year in order to determine the unit amount of support per eligible head.

The total number of potentially eligible heads will be based on the data available in the National Livestock Database. Consequently, the unit amount of support per eligible head may vary from one year to another according to the total number of potentially eligible heads for that particular year.
Any unused funds will be used to increase the value of the unit amount of support per eligible head of that particular year.

Financial allocations for this intervention and other interventions under Coupled Income Support shall be in line with Article 96(5) whereby Malta will use up to Euro 3 million per year.

Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary, the area and, when applicable, other relevant obligations

Eligible beneficiaries must comply with the following eligibility criteria:

a. Must have at least 20 ewes of twelve (12) months or older;

b. Must have the ewes registered in the National Livestock Database under their name for a minimum period of six (6) months from 01 June till the end of December;

- Comply with the minimum requirements on the identification and registration of ovine animals as set out in Regulation (EC) No. 21/2004


6 Identification of relevant baseline elements
(relevant GAEC, statutory management requirements (SMR) and other mandatory requirements established by national and Union law, where applicable, description of the specific relevant obligations under the SMR, and explanation as to how the commitment goes beyond the mandatory requirements (as referred to in Art. 28 (5) and Art. 70 (3) and in Art. 72 (5))

N/A

7 Range and amounts of support
Description

The intervention shall take the form of an annual payment per head.

Support under this intervention shall be paid at a flat rate per head and is payable to livestock breeders that comply with the Eligibility conditions outlined under this intervention. The total funding allocated towards this intervention shall be of circa Euro 76,016.20 per annum. In 2018, this intervention supported circa 4,394 heads, therefore, the support rate shall be of circa Euro 17.30 per head. The rate may vary according to the total number of potentially eligible heads for the respective year.

Financial allocations for this intervention and other interventions under Coupled Income Support shall be in line with Article 96(5) whereby Malta will use up to Euro 3 million per year.

8 Additional questions/information specific to the Type of Intervention
Justification of the difficulty(ies) that the targeted sector(s)/production(s) or type(s) of farming therein undergo.

The sector faces high production costs related to products used for the production of milk and the importation of feed that has been experiencing a significant increase in costs especially following the difficulties brought about by the Covid-19 pandemic. The sheep sector faces numerous challenges due to lack of organization, small units and specific characteristics of the sector which inhibit competitiveness.
Like other livestock sectors in Malta, it depends on imports of feed and other products used for the production that lead to high production costs. There is a significant lack of availability of land and lack of natural resources such as water which is another factor that contributes to the difficulties encountered by the sector which has been worsened by severe prolonged droughts and heat waves that Malta has been increasingly experiencing in recent years. Maltese farmers have no grazing land and this translates in additional feed/supplement costs.

What is the aim of the intervention with regard to the targeted sector(s)/production(s) or type(s) of farming therein?
- [x] to improve competitiveness
- [x] to improve quality
- [x] to improve sustainability

How will the intervention address the identified difficulty(ies) by this aim (i.e. explanation about the targeting)?

This support will improve the viability of the sector in view of the small production and reliance on imported feed. It will also safeguard one of Malta’s traditional products, Ġbejna.

What is (are) the sector(s) concerned?
Sheepmeat and goatmeat

Justification of the importance of the targeted sector(s)/production(s) or type(s) of farming therein

This intervention is the only means to support this important sector given that these farmers are landless. It improves farm viability and ensures the production of Ġbejna, a Maltese traditional product.

Explanation how the intervention is consistent with the Water Framework Directive (i.e. 2000/60/EC).
Coupled support for this sector is granted on the condition of compliance with the rules under SMR 1 (Water Policy Directive) and SMR 2 (Nitrates Directive) that protect groundwater from nitrate pollution. This will significantly limit any undesired movement through leaching, surface runoff, and drainage discharges of animal manure that affect groundwater bodies.

Is the intervention financed, partly or completely, from the protein crop top up (maximum 2% in total) in accordance with Art. 96(3) of SPR?
- [x] Yes
- [ ] No

If the intervention targets a mix between legumes and grasses: please indicate the minimum percentage of legumes in the mix.

N/A

Coupled income support granted to silkworms is an animal based support, where the use of ‘head’ as the support’s basic unit requires prior clarification of the followings:

please clarify the conversion rate between this unit and ‘head’ (i.e. how many of this unit corresponds to ‘1 head’?) for the purpose of e.g. indicators.

N/A

It is possible to give further clarification in comment (e.g. the weight of eggs that a box must contain)

9 WTO compliance
Amber Box
Explanation of whether and, if so, how the intervention respects relevant provisions of Article 6.5 or Annex 2 to the WTO Agreement on Agriculture (Blue Box)
11 Planned Unit Amounts - Definition

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Type of Planned Unit Amount</th>
<th>Region(s)</th>
<th>Result Indicator(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DP CIS-Sheep Unit - Unit Amount for Coupled Income Support for the Sheep Sector</td>
<td>Uniform</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Explanation and Justification (including the flexibility)

DP CIS-Sheep Unit - Unit Amount for Coupled Income Support for the Sheep Sector

The planned unit amount is based on past experience in terms of rates and applications supported between 2016-2020.

12 Planned Unit Amounts - Financial table with outputs

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Financial Year</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>Total 2024 - 2028</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Calendar Year</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>DP CIS-Sheep Unit - Unit Amount for Coupled Income Support for the Sheep Sector</td>
<td>Planned unit amount</td>
<td>17.30</td>
<td>17.30</td>
<td>17.30</td>
<td>17.30</td>
<td>17.30</td>
<td>17.30</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Minimum Amount for the Planned unit amount</td>
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<td>16.00</td>
<td>16.00</td>
<td>16.00</td>
<td>16.00</td>
<td>16.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maximum Amount for the Planned unit amount</td>
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<td>22.00</td>
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<tr>
<td></td>
<td></td>
<td>O.11 (unit: Head)</td>
<td>4,394.00</td>
<td>4,394.00</td>
<td>4,394.00</td>
<td>4,394.00</td>
<td>4,394.00</td>
<td>4,394.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Planned output * Planned unit amount</td>
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<td>76,016.20</td>
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<td>4,394.00</td>
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<td>4,394.00</td>
<td>4,394.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Annual indicative financial allocation (Union Contribution in EUR)</td>
<td>76,016.20</td>
<td>76,016.20</td>
<td>76,016.20</td>
<td>76,016.20</td>
<td>76,016.20</td>
<td>76,016.20</td>
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</tr>
<tr>
<td></td>
<td></td>
<td>Out of which needed to reach the minimum ringfencing requirement (Annex X) (only under article 27) (Union contribution)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Out of which needed carried over - expenditure (applicable only to eco-scheme and only with type of payment &quot;compensatory&quot; (article 28(6)(b)) if the intervention contains carry over)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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</tr>
</tbody>
</table>
**DP CIS-Tomatoes - Direct Payments: Coupled Income Support for the Tomatoes Sector**

<table>
<thead>
<tr>
<th>Intervention Code (MS)</th>
<th>DP CIS-Tomatoes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intervention Name</td>
<td>Direct Payments: Coupled Income Support for the Tomatoes Sector</td>
</tr>
<tr>
<td>Type of Intervention</td>
<td>CIS(32) - Coupled income support</td>
</tr>
<tr>
<td>Common Output Indicator</td>
<td>O.10. Number of hectares benefitting from coupled income support</td>
</tr>
</tbody>
</table>

1. **Territorial scope and, if relevant, regional dimension**

Territorial scope: **National**

**Description of the Territorial Scope**

Coupled income support will be used to support those sectors that are highly disadvantaged and that are important for socioeconomic or environmental purposes, namely, the dairy, beef, sheep, and tomatoes (for processing) sectors.

The small size of Malta combined with the island’s insularity creates a number of natural and structural disadvantages for these sectors. For this reason, this intervention will apply to the tomatoes for processing sector of the entire Maltese territory.

2. **Related Specific Objectives, Cross-Cutting Objective and relevant Sectoral Objectives**

**CAP SPECIFIC OBJECTIVE Code + Description**

Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold.

3. **Need(s) addressed by the intervention**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Sustainable farm income for farmers in Malta, across all sectors</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Prioritisation at the level of the CAP Strategic Plan</th>
<th>Addressed in CSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2</td>
<td>Yes</td>
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</table>

4. **Result indicator(s)**

<table>
<thead>
<tr>
<th>RESULT INDICATOR Code + Description</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>R.8 Percentagem de explorações que beneficiam de apoio associado ao rendimento para melhorar a competitividade, a sustentabilidade e a qualidade</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

5. **Specific design, requirements and eligibility conditions of the intervention**

Tomatoes for processing is one of the most important crops in Malta owing to the presence of the agro-processing industry that produces a range of tomato products and employs a significant number of people. The sector faces challenges from market instability and structural constraints arising from the island’s lack of economies of scale in tomato production.

The intervention shall take the form of an annual payment per eligible hectare.

The value of payments per hectare will be calculated every year taking the lowest number of eligible hectares and the area under cultivation of tomatoes for processing. The number of eligible hectares will be determined by dividing the contracted amount as specified in the farmer’s contract with the organisation/co-op by the established yield of 82 tons per hectare. The value of payment per eligible hectare shall be uniform for all applicants.

Financial allocations for this intervention and other interventions under Coupled Income Support shall be in line with Article 96(5) whereby Malta will use up to Euro 3 million per year.
Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary, the area and, when applicable, other relevant obligations.

Eligible beneficiaries must comply with the following eligibility criteria:

a. Comply with the definition of an active farmer as defined in this Plan.

b. Must have a contract with a Producer Organisation or cooperative within the tomatoes for processing sector by 15 May, and fulfil at least 50% of the yield as set out in the said contract unless it can be proven by the applicant that due to a Force majeure or direction from a competent authority they could not reach this yield;

c. Cultivate the tomatoes (for processing) in the agricultural parcels as declared.

Applications are to be submitted within the deadlines as established by ARPA;

d. Must be registered in the IACS Farmer Registry as maintained by ARPA and the Nitrates Registry as maintained by the Directorate of Agriculture at the time of application;

e. All eligible hectares claimed should be unambiguously located on site through satellite images and registered with ARPA at time of application.

6 Identification of relevant baseline elements (relevant GAEC, statutory management requirements (SMR) and other mandatory requirements established by national and Union law), where applicable, description of the specific relevant obligations under the SMR, and explanation as to how the commitment goes beyond the mandatory requirements (as referred to in Art. 28 (5) and Art. 70 (3) and in Art. 72 (5))

N/A

7 Range and amounts of support

Description

The intervention shall take the form of an annual payment per eligible hectare.

Support under this intervention shall be paid at a flat rate per hectare and is payable to farmers that comply with the Eligibility Conditions outlined under this intervention. The total funding allocated towards this intervention shall be of circa Euro 904,036.85 per annum. In 2018, this intervention supported circa 115 hectares, the support rate shall be of circa Euro 7,861.19 per hectare. The rate may vary according to the total number of potentially eligible hectares for the respective year.

Financial allocations for this intervention and other interventions under Coupled Income Support shall be in line with Article 96(5) whereby Malta will use up to Euro 3 million per year.

8 Additional questions/information specific to the Type of Intervention

Justification of the difficulty(ies) that the targeted sector(s)/production(s) or type(s) of farming therein undergo.

Growing tomatoes for processing is very labour intensive. In view of the small size of the fields and holdings, planting and harvesting of the product is mainly carried out by hand. Labour costs and the high cost of inputs due to the island’s insularity, lead to high production costs making the product not viable without financial support. The survival of this sector is important in order to preserve the production of the traditional tomato products. Hence, support for this sector is important for farmers to continue production and maintain current production levels to avoid any possible high socio-economic repercussions in the processing industry. Tomatoes are the most important crop in Malta because of their presence in the processing industry that produces tomato products, such as the production of the
traditional tomato paste (Kunserva). Therefore, this sector is important for the preservation of these traditional products. Farmers in the sector have significantly decreased from 156 in 2016 to 105 in 2020.

What is the aim of the intervention with regard to the targeted sector(s)/production(s) or type(s) of farming therein?
- to improve competitiveness
- to improve quality
- ☒ to improve sustainability

How will the intervention address the identified difficulty(ies) by this aim (i.e. explanation about the targeting)?

Tomatoes for processing are a key cropping sector of particular added-value significance to the domestic economy, particularly to the economy of Gozo. By providing support to this sector, one would be securing jobs and strengthening the socio-economic fabric of rural areas.

Support to these farmers will also ensure the sector’s competitiveness and is an investment in a quality Maltese traditional product, Kunserva.

What is (are) the sector(s) concerned?
- Fruit and vegetables

Justification of the importance of the targeted sector(s)/production(s) or type(s) of farming therein

Tomatoes for processing is another important sector in Malta as it contributes to the value added of the domestic economy, particularly on the island of Gozo.

The sector generates a considerable amount of economic activity by providing employment both directly and indirectly throughout the production and supply chain.

Cultivated tomatoes are used to produce Kunserva, a tomato paste that is considered as a local delicacy.

Explanation how the intervention is consistent with the Water Framework Directive (i.e. 2000/60/EC).

Coupled support for this sector is granted on the condition of compliance with SMR 1 (Water Policy Directive); SMR 2 (Nitrates Directive); GAEC 4, protecting watercourses against pollution and run-off from agricultural sources; GAEC 6 on tillage management and GAEC 7 on minimum soil cover that both aim to reduce soil erosion; and SMR 13 (Sustainable Use of Pesticides). This will significantly limit any undesirable movement through leaching, erosion, surface runoff, and spray drift of fertiliser and plant protection products that affect groundwater bodies.

Is the intervention financed, partly or completely, from the protein crop top up (maximum 2% in total) in accordance with Art. 96(3) of SPR?

☐ Yes  ☒ No

If the intervention targets a mix between legumes and grasses: please indicate the minimum percentage of legumes in the mix.

N/A

Coupled income support granted to silkworms is an animal based support, where the use of ‘head’ as the support’s basic unit requires prior clarification of the followings:
please clarify the conversion rate between this unit and ‘head’ (i.e. how many of this unit corresponds to ‘1 head’?) for the purpose of e.g. indicators.

N/A

It is possible to give further clarification in comment (e.g. the weight of eggs that a box must contain)

9 WTO compliance
Amber Box
Explanation of whether and, if so, how the intervention respects relevant provisions of Article 6.5 or Annex 2 to the WTO Agreement on Agriculture (Blue Box)
11 Planned Unit Amounts - Definition

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Type of Planned Unit Amount</th>
<th>Region(s)</th>
<th>Result Indicator(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DP CIS (Tomatoes) Un - Unit Amount for Coupled Income Support for the Processing of Tomatoes</td>
<td>Uniform</td>
<td>R.8;</td>
<td></td>
</tr>
</tbody>
</table>

Explanation and Justification (including the flexibility)
DP CIS (Tomatoes) Un - Unit Amount for Coupled Income Support for the Processing of Tomatoes

The planned unit amount is based on past experience in terms of rates and applications supported between 2016-2020.

12 Planned Unit Amounts - Financial table with outputs

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Financial Year</th>
<th>Calendar Year</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>Total 2024 - 2028</th>
<th>Total 2023 - 2027</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DP CIS (Tomatoes) Un - Unit Amount for Coupled Income Support for the Processing of Tomatoes</td>
<td>Planned unit amount</td>
<td>2023</td>
<td>7,861.19</td>
<td>7,861.19</td>
<td>7,861.19</td>
<td>7,861.19</td>
<td>7,861.19</td>
<td>7,861.19</td>
<td>7,861.19</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Minimum Amount of the Planned unit amount</td>
<td>2023</td>
<td>7,000.00</td>
<td>7,000.00</td>
<td>7,000.00</td>
<td>7,000.00</td>
<td>7,000.00</td>
<td>7,000.00</td>
<td>7,000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maximum Amount for the Planned unit amount</td>
<td>2023</td>
<td>8,500.00</td>
<td>8,500.00</td>
<td>8,500.00</td>
<td>8,500.00</td>
<td>8,500.00</td>
<td>8,500.00</td>
<td>8,500.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>O.10 (unit: Hectare)</td>
<td>2023</td>
<td>115.00</td>
<td>115.00</td>
<td>115.00</td>
<td>115.00</td>
<td>115.00</td>
<td>115.00</td>
<td>115.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Planned output * Planned unit amount (Euro)</td>
<td>2023</td>
<td>904,036.85</td>
<td>904,036.85</td>
<td>904,036.85</td>
<td>904,036.85</td>
<td>904,036.85</td>
<td>904,036.85</td>
<td>904,036.85</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Annual indicative financial allocation (Union Contribution in EUR)</td>
<td>2023</td>
<td>904,036.85</td>
<td>904,036.85</td>
<td>904,036.85</td>
<td>904,036.85</td>
<td>904,036.85</td>
<td>904,036.85</td>
<td>904,036.85</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Out of which needed to reach the minimum ringfencing requirement (Annex X) (only under article 27) (Union contribution)</td>
<td>2023</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Out of which needed carried over - expenditure (applicable only to eco-scheme and only with type of payment &quot;compensatory&quot; (article 28(6)(b)) if the intervention contains carry over)</td>
<td>2023</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

TOTAL:  

<p>| | | | | | | | | | | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

DRAFT
5.2 Sectoral Interventions

Apiculture products

ADVIBEEES(55(1)(a)) - advisory services, technical assistance, training, information and exchange of best practices, including through networking, for beekeepers and beekeepers' organisations

Sectoral API T&I - Apiculture- Training, Information and Networks

<table>
<thead>
<tr>
<th>Intervention Code (MS)</th>
<th>Sectoral API T&amp;I</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Apiculture- Training, Information and Networks</td>
</tr>
<tr>
<td>Type of Intervention</td>
<td>ADVIBEEES(55(1)(a)) - advisory services, technical assistance, training, information and exchange of best practices, including through networking, for beekeepers and beekeepers' organisations</td>
</tr>
<tr>
<td>Common Output Indicator</td>
<td>O.37. Number of actions or units for beekeeping preservation or improvement</td>
</tr>
</tbody>
</table>

1 Territorial scope and, if relevant, regional dimension

Territorial scope: National

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>MT</td>
<td>Malta</td>
</tr>
</tbody>
</table>

Description of the Territorial Scope

Beekeepers face identical socio-economic and environmental conditions due to the small size of the island. Thus, this intervention will apply to the entire Maltese territory.

2 Related Specific Objectives, Cross-Cutting Objective and relevant Sectoral Objectives

CAP SECTORAL OBJECTIVE Code + Description

SO6 Hozzájárulás a biológiai sokféleség csökkenésének megállításához és visszafordításához, az ökoszisztéma-szolgáltatások gyarapítása, valamint az élőhelyek és a tájak megőrzése

XCO Az ágazat korszerűsítésére irányuló, az ismeretek gyarapításának és megosztásának, az innovációknak és a digitalizációknak a mezőgazdaságban és vidékfejlesztésben keresztül megvalósítandó átfogó célkitűzés

3 Need(s) addressed by the intervention

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Prioritisation at the level of the CAP Strategic Plan</th>
<th>Addressed in CSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1</td>
<td>Enhance biodiversity on agricultural holdings and wider rural areas</td>
<td>1</td>
<td>Yes</td>
</tr>
<tr>
<td>6.2</td>
<td>Disseminate knowledge amongst farmers to safeguard biodiversity on land adjacent to Natura 2000</td>
<td>6</td>
<td>Yes</td>
</tr>
<tr>
<td>6.3</td>
<td>Promote CAP SP measures that protect biodiversity, enhance ecosystems and preserve habitats</td>
<td>7</td>
<td>Yes</td>
</tr>
<tr>
<td>6.5</td>
<td>Restoration of habitats and rural landscape features</td>
<td>3</td>
<td>Yes</td>
</tr>
<tr>
<td>6.7</td>
<td>Conserve endemic species with the aim of preserving local agricultural genetic resources</td>
<td>5</td>
<td>Yes</td>
</tr>
</tbody>
</table>

4 Result indicator(s)

RESULT INDICATORS Code + Description

R.35 Share of beehives supported by the CAP

5 Specific design, requirements and eligibility conditions of the intervention
Description

This intervention will provide technical assistance and training to beekeepers, groups of beekeepers and beekeepers’ organisations.

This will cover the following actions:

(a) Organisation of training, information seminars and workshops on various topics related to beekeeping with special emphasis on beehive invaders, pests and disease management and identification, including modern varroa management techniques by local and foreign experts;

(b) Subscription to apiculture literature containing updated and recent information;

(c) Publication and distribution costs of informative material on local beekeeping context and apiculture products.

Complementarity under this intervention is foreseen with the rural development intervention supporting Knowledge exchange and dissemination of information.

Eligibility Conditions:

Beneficiaries must satisfy one of the following criteria in order to be eligible:

a. Be registered with the Apiculture Register held by the Veterinary Regulation Department (VRD);

b. Qualify as a Beekeeping Association or producer organisation;

c. Apply on behalf of the Directorate of Agriculture.

- In the case of cooperatives, organisations and associations, all the documentation required by the ARPA relative to the fulfilment of Art 13(c) and point 3 of the Annex of Commission Implementing Regulation (EU) 2015/1368 laying down rules for the application of Regulation (EU) No 1308/2013 of the European Parliament and of the Council with regard to aid in the apiculture sector, inter alia details identifying the registered and active members, statute of the organization, financial plans and an activities programme should also be submitted in order to be eligible;

- In the case of beekeepers, they must be registered in the IACS Farmer Registry in order to be eligible.

The following documents would need to be submitted:

1. A site plan where the bee boxes are kept
2. Invoice and proof of payment of the relevant costs incurred
3. If relevant, evidence of participation in relevant training, information seminar or workshop
4. If relevant, evidence of the publication or informative material
5. Applications are to be submitted within the deadlines as established by ARPA

6 Form and rate of support/amounts/calculation methods

This intervention will reimburse the costs actually incurred by a beneficiary/beneficiaries to:

(a) Organise training, information seminars or workshops in line with the documentation and proof provided.

(b) Subscription to apiculture literature containing updated and recent information.

(c) Publication and distribution costs of informative material on local beekeeping context and apiculture
products.

The total funding allocated towards this intervention shall be of Euro 5,485.44 per annum (50% co-financed EAGF and MT Funds).

7 Additional information specific to the Type of Intervention

Not applicable

8 WTO compliance

Green Box

Paragraph 2 of Annex 2 WTO

Explanation of how the intervention respects the relevant provisions of Annex 2 to the WTO Agreement on Agriculture as specified in Article 10 of this Regulation and in Annex II to this Regulation (Green Box)

This intervention is in line with paragraph 2 of Annex 2 to the WTO Agreement on Agriculture. It is aimed at reimbursing expenditure incurred in relation to the apiculture product sector. This support is payable to those eligible beneficiaries as specified in section 2.6.1.

Support shall take the form of reimbursement of expenditure incurred in training services and technical assistance services on various topics related to beekeeping.
9 Planned Unit Amounts - Definition

Planned Unit Amount | Type of Planned Unit Amount | Region(s) | Result Indicator(s)
--- | --- | --- | ---
API T&I Unit 1 - Unit Amount 1 for Sectoral API T&I | Uniform | R.35; |
API T&I Unit 2 - Unit Amount 2 for Sectoral API T&I - Publications | Uniform | R.35; |

Description

API T&I Unit 1 - Unit Amount 1 for Sectoral API T&I

This planned amount relates to the organisation of training, information seminars and workshops on various topics related to beekeeping with special emphasis on beehive invaders, pests and disease management and identification, including modern varroa management techniques by local and foreign experts.

The established planned amount is in line with current budgetary allocations under Apiculture Aid.

API T&I Unit 2 - Unit Amount 2 for Sectoral API T&I - Publications

This planned amount relates to publications and has been established on the basis of current budgetary allocations under Apiculture Aid.

10 Planned Unit Amounts - Financial table with output

<table>
<thead>
<tr>
<th>Planned Unit Amount</th>
<th>Financial Year</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>Total 2023 - 2027</th>
</tr>
</thead>
<tbody>
<tr>
<td>API T&amp;I Unit 1 - Unit Amount 1 for Sectoral API T&amp;I</td>
<td>Annual indicative financial allocation (Total Union expenditure in EUR)</td>
<td>2,422.81</td>
<td>2,422.81</td>
<td>2,422.81</td>
<td>2,422.81</td>
<td>2,422.81</td>
<td>12,114.05</td>
</tr>
<tr>
<td></td>
<td>Planned unit amount (Total Union expenditure in EUR)</td>
<td>319.91</td>
<td>319.91</td>
<td>319.91</td>
<td>319.91</td>
<td>319.91</td>
<td>1,599.55</td>
</tr>
<tr>
<td></td>
<td>O.37 (unit: Actions)</td>
<td>3.00</td>
<td>3.00</td>
<td>3.00</td>
<td>3.00</td>
<td>3.00</td>
<td>3.00</td>
</tr>
<tr>
<td>API T&amp;I Unit 2 - Unit Amount 2 for Sectoral API T&amp;I - Publications</td>
<td>Annual indicative financial allocation (Total Union expenditure in EUR)</td>
<td>319.91</td>
<td>319.91</td>
<td>319.91</td>
<td>319.91</td>
<td>319.91</td>
<td>1,599.55</td>
</tr>
</tbody>
</table>
INVAPI(55(1)(b)) - investments in tangible and intangible assets, as well as other actions

Sectoral API Product - Apiculture Products- Varroasis, restocking and transhumance

<table>
<thead>
<tr>
<th>Intervention Code (MS)</th>
<th>Sectoral API Product</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Apiculture Products- Varroasis, restocking and transhumance</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of Intervention</th>
<th>INVAPI(55(1)(b)) - investments in tangible and intangible assets, as well as other actions</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Common Output Indicator</th>
<th>O.37. Number of actions or units for beekeeping preservation or improvement</th>
</tr>
</thead>
</table>

1 Territorial scope and, if relevant, regional dimension

**Territorial scope:** National

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>MT</td>
<td>Malta</td>
</tr>
</tbody>
</table>

**Description of the Territorial Scope**

Beekeepers face identical socio-economic and environmental conditions due to the small size of the island. Thus, this intervention will apply to the entire Maltese territory.

2 Related Specific Objectives, Cross-Cutting Objective and Relevant Sectoral Objectives

**CAP SECTORAL OBJECTIVE Code + Description**

**CAP SPECIFIC OBJECTIVE Code + Description** Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold

3 Need(s) addressed by the intervention

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Prioritisation at the level of the CAP Strategic Plan</th>
<th>Addressed in CSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1</td>
<td>Enhance biodiversity on agricultural holdings and wider rural areas</td>
<td>1</td>
<td>Yes</td>
</tr>
<tr>
<td>6.5</td>
<td>Restoration of habitats and rural landscape features</td>
<td>3</td>
<td>Yes</td>
</tr>
<tr>
<td>6.7</td>
<td>Conserve endemic species with the aim of preserving local agricultural genetic resources</td>
<td>5</td>
<td>Yes</td>
</tr>
</tbody>
</table>

4 Result indicator(s)

**RESULT INDICATORS Code + Description** Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold

5 Specific design, requirements and eligibility conditions of the intervention

**Description**

This intervention will support investments in tangible and non-tangible assets and actions to combat beehive invaders and diseases, in particular varroasis; restocking of beehives including bee breeding; and rationalising transhumance.

This intervention will cover:

(a) Measures to control varroasis including:
- Beekeepers will be supported to replace or convert normal hive floors with varroa floors. This will form part of the National Integrated Pest Management (IPM) Programme against varroa in the Maltese Islands. Other useful techniques such as drone-brood trapping will also be implemented and supported in order to reduce the frequency of use of varroacides;
- Acquisition of the appropriate varroacides;
- Costs related to the continuous screening for varroa resistance;

(b) Measures to support the restocking of hives including:
- Acquisition of new healthy queens, colonies and nuclei following colony losses due to outbreaks of disease, pesticides and other factors which are beyond the control of the beekeeper, as well as eliminating losses as a result of human action.
- Costs incurred on activities to promote queen rearing;
- Acquisition of hives to replace hives which have come to the end of their useful lifespan.

(c) Measures rationalising transhumance
- Acquisition of small equipment like closure belts and other implements which are necessary for transhumance;
- Mapping of areas having the best foraging potential for nomadic beekeeping with special reference to garigue areas where wild thyme grows naturally.

Eligibility Conditions

Beneficiaries must satisfy one of the following criteria in order to be eligible:
- Be registered with the Apiculture Register held by the Veterinary Regulation Department (VRD);
- Qualify as a Beekeeping Association or producer organisation;
- Apply on behalf of the Directorate of Agriculture.

In the case of cooperatives, organisations and associations, all the documentation required by the ARPA relative to the fulfilment of Art.13(c) and point 3 of the Annex of Commission Implementing Regulation (EU) 2015/1368 laying down rules for the application of Regulation (EU) No 1308/2013 of the European Parliament and of the Council with regard to aid in the apiculture sector, inter alia details identifying the registered and active members, statute of the organization, financial plans and an activities programme should also be submitted in order to be eligible;

- In the case of beekeepers, these must be registered in the IACS Farmer Registry in order to be eligible.
The following documents would need to be submitted:

1. A site plan where the bee boxes are kept
2. Invoice and proof of payment of the relevant costs incurred
3. If relevant, evidence of participation in relevant training, information seminar or workshop
4. If relevant, evidence of the publication or informative material
5. Applications are to be submitted within the deadlines as established by ARPA

6 Form and rate of support/amounts/calculation methods

This intervention will reimburse the costs actually incurred by a beneficiary/beneficiaries upon presentation of documentation and proof of payment.

The total funding allocated towards this intervention shall be of Euro 18,541.96 per annum (co-financed 50% EAGF and 50% MT Funds).

7 Additional information specific to the Type of Intervention

Not Applicable

8 WTO compliance

Green Box

Paragraph 2 of Annex 2 WTO

Attention! Interventions under Article 55(1)b subpoints (i) and (ii) according to Article 10 and Annex II are obliged to comply with WTO Green Box criteria. Explanation of how the intervention respects the relevant provisions of Annex 2 to the WTO Agreement on Agriculture as specified in Article 10 of this Regulation and in Annex II to this Regulation (Green Box)

This intervention is in line with paragraph 2 of Annex 2 to the WTO Agreement on Agriculture. It is aimed at reimbursing expenditure incurred in relation to the apiculture product sector. This support is payable to those beneficiaries that are registered as beekeepers as specified in this document.

Support shall take the form of reimbursement for expenditure incurred.
9 Planned Unit Amounts - Definition

<table>
<thead>
<tr>
<th>Planned Unit Amount</th>
<th>Type of Planned Unit Amount</th>
<th>Region(s)</th>
<th>Result Indicator(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>API Products Unit 1 - Unit Amount 1 for Investments &amp; actions for API</td>
<td>Average</td>
<td></td>
<td>R.35;</td>
</tr>
<tr>
<td>API Products Unit 2 - Unit Amount 2 for Investments &amp; actions for API</td>
<td>Uniform</td>
<td></td>
<td>R.35;</td>
</tr>
<tr>
<td>API Products Unit 3 - Unit Amount 3 for Investments &amp; Actions for API</td>
<td>Uniform</td>
<td></td>
<td>R.35;</td>
</tr>
</tbody>
</table>

**Description**

**API Products Unit 1 - Unit Amount 1 for Investments & actions for API**

This planned unit relates to investments in tangible and non-tangible assets and actions aimed at combating beehive invaders and diseases, in particular varroasis. The planned amount has been established in line with current budgetary allocations under Apiculture Aid.

**API Products Unit 2 - Unit Amount 2 for Investments & actions for API**

This planned unit relates to the restocking of beehives including bee breeding and has been established in line with current budgetary allocations under Apiculture Aid.

**API Products Unit 3 - Unit Amount 3 for Investments & Actions for API**

This planned unit relates to rationalising transhumance and has been established in line with current budgetary allocations under Apiculture Aid.

10 Planned Unit Amounts - Financial table with output

<table>
<thead>
<tr>
<th>Planned Unit Amount</th>
<th>Financial Year</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>Total 2023 - 2027</th>
</tr>
</thead>
<tbody>
<tr>
<td>Planned Unit Amount (Total Union expenditure in EUR)</td>
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<td>7,840.82</td>
<td>7,840.82</td>
<td>7,840.82</td>
<td>7,840.82</td>
<td>39,204.10</td>
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<tr>
<td>O.37 (unit: Actions)</td>
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<td>84.00</td>
<td>84.00</td>
<td>84.00</td>
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<td></td>
</tr>
<tr>
<td>API Products Unit 1 - Unit Amount 1 for Investments &amp; actions for API</td>
<td>Annual indicative financial allocation (Total Union expenditure in EUR)</td>
<td>7,840.82</td>
<td>7,840.82</td>
<td>7,840.82</td>
<td>7,840.82</td>
<td>7,840.82</td>
<td>39,204.10</td>
</tr>
<tr>
<td>API Products Unit 2 - Unit Amount 2 for Investments &amp; actions for API</td>
<td>Planned unit amount (Total Union expenditure in EUR)</td>
<td>1,100.85</td>
<td>1,100.85</td>
<td>1,100.85</td>
<td>1,100.85</td>
<td>1,100.85</td>
<td>5,504.25</td>
</tr>
<tr>
<td>API Products Unit 3 - Unit Amount 3 for Investments &amp; Actions for API</td>
<td>O.37 (unit: Actions)</td>
<td>34.00</td>
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<td></td>
</tr>
<tr>
<td><strong>Annual indicative financial allocation (Total Union expenditure in EUR)</strong></td>
<td></td>
<td>1,100.85</td>
<td>1,100.85</td>
<td>1,100.85</td>
<td>1,100.85</td>
<td>5,504.25</td>
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<td>Planned unit amount (Total Union expenditure in EUR)</td>
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<td></td>
</tr>
<tr>
<td><strong>Annual indicative financial allocation (Total Union expenditure in EUR)</strong></td>
<td></td>
<td>329.31</td>
<td>329.31</td>
<td>329.31</td>
<td>329.31</td>
<td>1,646.55</td>
<td></td>
</tr>
</tbody>
</table>
ACTLAB(55(1)(c)) - actions to support laboratories for the analysis of apiculture products, bee losses or productivity drops, and substances potentially toxic to bees

**Sectoral API Labs - Apiculture Products: Support for labs**

<table>
<thead>
<tr>
<th>Intervention Code (MS)</th>
<th>Sectoral API Labs</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Intervention Name</strong></td>
<td>Apiculture Products: Support for labs</td>
</tr>
<tr>
<td><strong>Type of Intervention</strong></td>
<td>ACTLAB(55(1)(c)) - actions to support laboratories for the analysis of apiculture products, bee losses or productivity drops, and substances potentially toxic to bees</td>
</tr>
<tr>
<td><strong>Common Output Indicator</strong></td>
<td>O.37. Number of actions or units for beekeeping preservation or improvement</td>
</tr>
</tbody>
</table>

1 **Territorial scope and, if relevant, regional dimension**

**Territorial scope:** National

**Description of the Territorial Scope**

Beekeepers face identical socio-economic and environmental conditions due to the small size of the island. Thus, this intervention will apply to the entire Maltese territory.

2 **Related Specific Objectives, Cross-Cutting Objective and relevant Sectoral Objectives**

**CAP SECTORAL OBJECTIVE** Code + Description

**CAP SPECIFIC OBJECTIVE** Code + Description

Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold

3 **Need(s) addressed by the intervention**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Prioritisation at the level of the CAP Strategic Plan</th>
<th>Addressed in CSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1</td>
<td>Enhance biodiversity on agricultural holdings and wider rural areas</td>
<td>1</td>
<td>Yes</td>
</tr>
<tr>
<td>6.5</td>
<td>Restoration of habitats and rural landscape features</td>
<td>3</td>
<td>Yes</td>
</tr>
<tr>
<td>6.7</td>
<td>Conserve endemic species with the aim of preserving local agricultural genetic resources</td>
<td>5</td>
<td>Yes</td>
</tr>
</tbody>
</table>

4 **Result indicator(s)**

**RESULT INDICATORS** Code + Description

Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold

R.35 Share of beehives supported by the CAP

5 **Specific design, requirements and eligibility conditions of the intervention**

**Description**

Pursuant to Article 55(1)(c), this intervention will support actions to support laboratories for the analysis of apiculture products, bee losses or productivity drops, and substances potentially toxic to bees. In this regard, this intervention will cover:

(a) Analysis of honey samples to characterise the different productions during the three major honey flows with the aim to improve correct labelling and marketing of the product. The analysis of the physicochemical properties of honey according to its botanical origin provides beekeepers with precise...
knowledge of the quality of the honey.
- Costs incurred by beekeepers for the analysis of honey samples.
- Costs incurred by beekeepers for the analysis of the physico-chemical properties of honey.

(b) Research on different varroacides.
- Costs related to testing of different varroacides for their efficiency and suitability for usage in the local climatic conditions.

Eligibility conditions

The following documents would need to submitted:

- the laboratory accreditation certificate
- description of the analyses carried out, including the need for such analysis, details on the honey samples analysed and details of the findings
- invoice and proof of payment for services rendered.

Applications are to be submitted within the deadlines as established by ARPA.

6 Form and rate of support/amounts/calculation methods

This intervention will reimburse the costs actually incurred by a beneficiary/beneficiaries upon presentation of documentation.

The total funding allocated towards this intervention shall be of Euro 2,705.08 per annum (co-financed 50% EAGF and 50% MT Funds).

7 Additional information specific to the Type of Intervention

Not Applicable

8 WTO compliance

Green Box

Paragraph 2 of Annex 2 WTO

Explanation of how the intervention respects the relevant provisions of Annex 2 to the WTO Agreement on Agriculture as specified in Article 10 of this Regulation and in Annex II to this Regulation (Green Box)

This intervention is in line with paragraph 2 of Annex 2 to the WTO Agreement on Agriculture. It is aimed at reimbursing expenditure incurred in relation to the apiculture product sector. This support is payable to those laboratories as specified in this document.

Support shall take the form of reimbursement for expenditure incurred.
9 Planned Unit Amounts - Definition

<table>
<thead>
<tr>
<th>Planned Unit Amount</th>
<th>Type of Planned Unit Amount</th>
<th>Region(s)</th>
<th>Result Indicator(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>API LABS Unit 1 - Unit Amount 1 for API Support for Labs</td>
<td>Average</td>
<td></td>
<td>R.35;</td>
</tr>
<tr>
<td>API LABS Unit 2 - Unit Amount 2 for API Support for Labs</td>
<td>Average</td>
<td></td>
<td>R.35;</td>
</tr>
</tbody>
</table>

Description

API LABS Unit 1 - Unit Amount 1 for API Support for Labs

This planned amount relates to the analysis of honey samples to characterise the different productions during the three major honey flows with the aim to improve correct labelling and marketing of the product. The analysis of the physico-chemical properties of honey according to its botanical origin provides beekeepers with precise knowledge of the quality of the honey. Value has been established on current budgetary allocations under Apiculture Aid.

API LABS Unit 2 - Unit Amount 2 for API Support for Labs

This planned amount relates to research on different varroacides and has been established on current budgetary allocations under Apiculture Aid.

10 Planned Unit Amounts - Financial table with output

<table>
<thead>
<tr>
<th>Planned Unit Amount</th>
<th>Financial Year</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>Total 2023 - 2027</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Planned unit amount (Total Union expenditure in EUR)</td>
<td>940.90</td>
<td>940.90</td>
<td>940.90</td>
<td>940.90</td>
<td>940.90</td>
<td>4,704.50</td>
</tr>
<tr>
<td>API LABS Unit 1 - Unit Amount 1 for API Support for Labs</td>
<td>O.37 (unit: Actions)</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Annual indicative financial allocation (Total Union expenditure in EUR)</td>
<td>940.90</td>
<td>940.90</td>
<td>940.90</td>
<td>940.90</td>
<td>940.90</td>
<td>4,704.50</td>
</tr>
<tr>
<td>API LABS Unit 2 - Unit Amount 2 for API Support for Labs</td>
<td>Planned unit amount (Total Union expenditure in EUR)</td>
<td>411.64</td>
<td>411.64</td>
<td>411.64</td>
<td>411.64</td>
<td>411.64</td>
<td>2,058.20</td>
</tr>
<tr>
<td></td>
<td>O.37 (unit: Actions)</td>
<td>5.00</td>
<td>5.00</td>
<td>5.00</td>
<td>5.00</td>
<td>5.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Annual indicative financial allocation (Total Union expenditure in EUR)</td>
<td>411.64</td>
<td>411.64</td>
<td>411.64</td>
<td>411.64</td>
<td>411.64</td>
<td>2,058.20</td>
</tr>
</tbody>
</table>
**Intervention Code (MS)** | **Intervention Name**  
--- | ---  
COOPAPI(55(1)(e)) | Apiculture - Research Programmes

**Type of Intervention**  
COOPAPI(55(1)(e)) - cooperation with specialised bodies for the implementation of research programs in the field of beekeeping and apiculture products

**Common Output Indicator**  
O.37. Number of actions or units for beekeeping preservation or improvement

### 1 Territorial scope and, if relevant, regional dimension

**Territorial scope**: National

**Description of the Territorial Scope**

Beekeepers face identical socio-economic and environmental conditions due to the small size of the island. Thus, this intervention will apply to research relevant to the Maltese territory.

### 2 Related Specific Objectives, Cross-Cutting Objective and relevant Sectoral Objectives

**CAP SECTORAL OBJECTIVE Code + Description**

**CAP SPECIFIC OBJECTIVE Code + Description**

Recommended specific objectives for this type of intervention are displayed in bold.

### 3 Need(s) addressed by the intervention

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Prioritisation at the level of the CAP Strategic Plan</th>
<th>Addressed in CSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.1</td>
<td>Enhance biodiversity on agricultural holdings and wider rural areas</td>
<td>1</td>
<td>Yes</td>
</tr>
<tr>
<td>6.5</td>
<td>Restoration of habitats and rural landscape features</td>
<td>3</td>
<td>Yes</td>
</tr>
<tr>
<td>6.7</td>
<td>Conserve endemic species with the aim of preserving local agricultural genetic resources</td>
<td>5</td>
<td>Yes</td>
</tr>
</tbody>
</table>

### 4 Result indicator(s)

**RESULT INDICATORS Code + Description**

Recommended result indicators for the selected CAP specific objectives of this intervention are displayed in bold.

R.35 Share of beehives supported by the CAP

### 5 Specific design, requirements and eligibility conditions of the intervention

Pursuant to Article 55(1)(e), this intervention will support cooperation with specialised bodies for the implementation of research programmes in the field of beekeeping and apiculture products.
This intervention will thus cover:

(a) Cooperation with specialised bodies for the implementation of research programmes in the field of beekeeping and apiculture products.

- Research on the incidence of serious bee diseases and pests present in the Maltese Islands will be carried out in collaboration with foreign stakeholders to prevent further spreading. Sampling will also be taken for surveillance against the possible introduction of new pests, such as the Small Hive Beetle.

- Studies in relation to the benefits of new hive products for the general well-being of humans.

- The use and effectiveness of modern advanced beekeeping techniques for the control of bee diseases, queen-rearing, harvest of bee products, etc. will be tried and tested in the local context.

Eligibility Conditions

Laboratories must be accredited by the National Accreditation Board of Malta (NAB-MALTA).

The following documents would need to submitted:

1. Description of the research carried out, including the need for such research, its relevance to the local context and details of the findings
2. Invoice and proof of payment of the relevant costs incurred
3. Applications are to be submitted within the deadlines established by ARPA

6 Form and rate of support/amounts/calculation methods

This intervention will reimburse the costs actually incurred by a beneficiary/beneficiaries upon presentation of documentation.

The total funding allocated towards this intervention shall be of Euro 1,541.52 per annum (co-financed 50% EAGF and 50% MT Funds).

7 Additional information specific to the Type of Intervention

Not Applicable

8 WTO compliance

Green Box
Paragraph 2 of Annex 2 WTO
Explanation of how the intervention respects the relevant provisions of Annex 2 to the WTO Agreement on Agriculture as specified in Article 10 of this Regulation and in Annex II to this Regulation (Green Box)

This intervention is in line with paragraph 2 of Annex 2 to the WTO Agreement on Agriculture. It is aimed at reimbursing expenditure incurred in relation to the apiculture product sector. This support is payable to specialised bodies carrying out research as specified in this document.

Support shall take the form of reimbursement for expenditure incurred.
### 9 Planned Unit Amounts - Definition

<table>
<thead>
<tr>
<th>Planned Unit Amount</th>
<th>Type of Planned Unit Amount</th>
<th>Region(s)</th>
<th>Result Indicator(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>API RESEARCH Unit - Unit Amount for Apiculture Research Programmes</td>
<td>Average</td>
<td></td>
<td>R.35;</td>
</tr>
</tbody>
</table>

**Description**

API RESEARCH Unit - Unit Amount for Apiculture Research Programmes

This planned amount relates to cooperation with specialised bodies for the implementation of research programmes in the field of beekeeping and apiculture products. It has been established on the basis of current budgetary allocations for Apiculture Aid.

### 10 Planned Unit Amounts - Financial table with output

<table>
<thead>
<tr>
<th>Planned Unit Amount</th>
<th>Financial Year</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>Total 2023 - 2027</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Planned unit amount (Total Union expenditure in EUR)</td>
<td></td>
<td>770.76</td>
<td>770.76</td>
<td>770.76</td>
<td>770.76</td>
<td>770.76</td>
<td>3,853.80</td>
</tr>
<tr>
<td>O.37 (unit: Actions)</td>
<td></td>
<td>2.00</td>
<td>2.00</td>
<td>2.00</td>
<td>2.00</td>
<td>2.00</td>
<td></td>
</tr>
<tr>
<td>API RESEARCH Unit - Unit Amount for Apiculture Research Programmes</td>
<td></td>
<td>770.76</td>
<td>770.76</td>
<td>770.76</td>
<td>770.76</td>
<td>770.76</td>
<td>3,853.80</td>
</tr>
</tbody>
</table>
5.3 Rural Development Interventions

**ENVCLIM(70) - Environmental, climate-related and other management commitments**

**RD Gen Res - Conservation and sustainable use of genetic resources**

<table>
<thead>
<tr>
<th>Intervention Code (MS)</th>
<th>RD Gen Res</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intervention Name</td>
<td>Conservation and sustainable use of genetic resources</td>
</tr>
<tr>
<td>Type of Intervention</td>
<td>ENVCLIM(70) - Environmental, climate-related and other management commitments</td>
</tr>
<tr>
<td>Common Output Indicator</td>
<td>O.19. Number of operations or units supporting genetic resources</td>
</tr>
</tbody>
</table>

**Contributing to ringfencing requirement for/on**

Generational Renewal: No
Environment: Yes
ES rebate system: No
LEADER: No

1 Territorial scope and, if relevant, regional dimension

Territorial scope: National

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>MT</td>
<td>Malta</td>
</tr>
</tbody>
</table>

**Description of the Territorial Scope**

This intervention aims to support activities that will enable the valorisation of varieties of plant and animals that are specifically vulnerable to genetic erosion, focusing on the entire territory of Malta.

2 Related Specific Objectives, Cross-Cutting Objective and relevant Sectoral Objectives

**CAP SPECIFIC OBJECTIVE Code + Description**

Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold

| SO6 | Hozzájárulás a biológiai sokféleség csökkenéséhez és visszafordításához, az ökoszisztéma-szolgáltatások gyarapítása, valamint az élőhelyek és a tájak megőrzése |

3 Need(s) addressed by the intervention

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Prioritisation at the level of the CAP Strategic Plan</th>
<th>Addressed in CSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.3</td>
<td>Promote CAP SP measures that protect biodiversity, enhance ecosystem services and maintain habitats</td>
<td>7</td>
<td>Yes</td>
</tr>
<tr>
<td>6.7</td>
<td>Conserve endemic species with the aim of preserving local agricultural genetic resources</td>
<td>5</td>
<td>Yes</td>
</tr>
</tbody>
</table>

4 Result indicator(s)

**RESULT INDICATORS Code + Description**

Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold

| R.31 | Share of utilised agricultural area (UAA) under supported commitments for supporting biodiversity conservation or restoration including high-nature-value farming practices |

5 Specific design, requirements and eligibility conditions of the intervention

Describe what are the specific objectives and content of the intervention including specific targeting, principles of selection, links with relevant legislation, complementarity with other interventions/sets of operations in both pillars and other relevant information.

**Support for conservation and sustainable use and development of genetic resources in agriculture**

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 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. This intervention may support 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, as well as information, dissemination and advisory actions involving non-governmental organisations and other relevant stakeholders, training courses and the preparation of technical reports.

The envisaged investments will contribute to the following specific objectives:

**Specific Objective 6: to contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes**

This intervention will preserve species that are vulnerable to genetic erosion and will therefore inevitably contribute to halting biodiversity loss and sustain habitats which are essential for environmental sustainability and agricultural growth. Through knowledge and research the preservation of genetic resources will lead to further conservation actions and sustain future ecosystems.

**Targeting**

Support for conservation and sustainable use development of genetic resources in agriculture.

**Complementarity with other interventions**

Actions that will complement this investment include in knowledge and research under AKIS as well as conservation measures under off-farm and on-farm non-productive investment.

**Links with relevant legislation:**

- EU Habitats and Birds Directive
- EU Water and Waste Framework Directives
- Nitrates Action Plan and Directive

Define eligible beneficiaries, specific eligibility criteria where relevant related to the beneficiary and area

The eligible beneficiaries for support for conservation of genetic resources in agriculture are Public Entities and Departments.

The eligible conditions may include:

- 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;

- In cases of emergency due to catastrophic events or a significant and sudden change in the socio-economic conditions, according to Article 86 (3) of Regulation 2021/2115, permission may be granted for expenditure to be eligible from the date when the event occurred and thus before an application has been submitted.

Define eligible type of support (non-IACS) or commitments (IACS) and other obligations
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 prophylactic nursery activity;
- regulatory 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.

Support for this action will be limited to Public Entities and Departments only, with a remit to protect local agricultural produce and/or enhance /establish gene banks for local agricultural produce. Eligible costs shall include:

- 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;
- Equipment related to the scope of the project;
- Infrastructural works.

6 Identification of relevant baseline elements
(relevant GAEC, statutory management requirements (SMR) and other mandatory requirements established by national and Union law), where applicable, description of the specific relevant obligations under the SMR, and explanation as to how the commitment goes beyond the mandatory requirements (as referred to in Art. 28 (5) and Art. 70 (3) and in Art. 72 (5)).

List of relevant GAEC and SMR

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAEC05</td>
<td>Tillage management, reducing the risk of soil degradation and erosion, including consideration of the slope gradient</td>
</tr>
<tr>
<td>GAEC06</td>
<td>Minimum soil cover to avoid bare soil in periods that are most sensitive</td>
</tr>
<tr>
<td>GAEC07</td>
<td>Crop rotation in arable land, except for crops growing under water</td>
</tr>
<tr>
<td>SMR01</td>
<td>Directive 2000/60/EC of 23 October 2000 of the European Parliament and of the Council establishing a framework for Community action in the field of water policy: Article 11(3), point (e), and point (h), as regards mandatory requirements to control diffuse sources of pollution by phosphates</td>
</tr>
<tr>
<td>SMR03</td>
<td>Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds: Article 3(1), Article 3(2), point (b), Article 4(1), (2) and (4)</td>
</tr>
</tbody>
</table>

List of relevant mandatory national standards

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>372.</td>
<td>S.L. 549.44 L.N. 311 of 2006 Flora, Fauna and Natural Habitats Protection Regulations 2006</td>
</tr>
</tbody>
</table>

Link between GAEC, SMR and national standards with the intervention

Detailed information on the link between GAEC, SMR and national standards with the intervention is
7 Form and rate of support/amounts/calculation methods

☐ IACS
☒ Non-IACS

Non-IACS section
Form of support
☒ Grant
☐ Financial instrument

Type of payment
☒ reimbursement of eligible costs actually incurred by a beneficiary
☐ unit costs
☐ lump sums
☐ flat-rate financing

Range of support at beneficiary level

The support rate applied to the intervention on the preparation and implementation of cooperation activities shall be 100% of the eligible costs.

Additional explanation

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;

The possibility of either using the simplified cost option (SCO) or else the actual cost incurred;

Equipment related to the scope of the project.

The measure provides for 100% of the eligible rates or costs.

Only expenditure which has been incurred after an application has been submitted to the competent authority shall be considered eligible (Article 86 Reg 2021/2115 applies). This with the exception of the professional services incurred by successful applicants for the submission of an EAFRD application, including business plans where these are required. Successful applicants are those who are offered a grant agreement (hence excluding those who either fail the eligibility and/or selection process or are placed on a waiting list). The MA may adopt an SCO rate for such eligible cost.

8 Information regarding State aid assessment

The intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment:

☐ Yes    ☒ No    ☐ Mixed

Type of state aid instrument to be used for clearance:

☐ Notification  ☐ GBER  ☐ ABER  ☐ de minimis

9 Additional questions/information specific to the Type of Intervention

What are the models of the commitment(s) in the intervention?
result based (with possibility to pick and choose)
management based (with possibility to pick and choose)
hybrid (management and result based)

Please explain the obligations/possibilities for beneficiaries in relation to the commitments set out in the intervention

What is the duration of contracts?

10 WTO compliance
Green Box
Paragraph 12 of Annex 2 WTO
Explanation of how the intervention respects the relevant provisions of Annex 2 to the WTO Agreement on Agriculture as specified in Article 10 of this Regulation and in Annex II to this Regulation (Green Box)

This intervention qualifies as ‘Green box’ because it has no, or at most minimal, trade-distorting effects or effects on production, as set out in the WTO Agreement on Agriculture.

11 Contribution rate(s) applicable to this intervention

<table>
<thead>
<tr>
<th>Region</th>
<th>Article</th>
<th>Applicable rate</th>
<th>Min Rate</th>
<th>Max Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>MT - Malta</td>
<td>91(2)(c)-Transition regions within the meaning of Article 78(2), first subparagraph, point (b), of Regulation (EU) 2021/1060</td>
<td>60.00%</td>
<td>20.00%</td>
<td>60.00%</td>
</tr>
</tbody>
</table>
12 Planned Unit Amounts - Definition

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Type of Support</th>
<th>Contribution rate(s)</th>
<th>Type of Planned Unit Amount</th>
<th>Region(s)</th>
<th>Result Indicator(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GEN RESOURCES - Unit Amount for the Conservation of Genetic Resources</td>
<td>Grant</td>
<td>Average</td>
<td></td>
<td></td>
<td>R.31;</td>
</tr>
</tbody>
</table>

Explanation and justification related to the value of the unit amount

GEN RESOURCES - Unit Amount for the Conservation of Genetic Resources

The planned unit amount relates to operations for the conservation of genetic resources and has been established on the basis of 14-20 rates.

13 Planned Unit Amounts - Financial table with outputs

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Financial Year</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
<th>Total 2023 - 2029</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>GEN RESOURCES - Unit Amount for the Conservation of Genetic Resources</td>
<td>Planned unit amount (Total Public Expenditure in EUR)</td>
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<td>Maximum Amount for the Planned unit amount (EUR)</td>
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<td>O.19 (unit: Hectare)</td>
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<td>Annual indicative financial allocation</td>
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<td>(Union Contribution in EUR)</td>
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<td>Out of which carry-over (Total public Expenditure in EUR)</td>
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<td>Out of which carry-over (Union contribution in EUR)</td>
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<td>Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) and 73 and 75) (Total public expenditure in EUR)</td>
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<td>Out of which needed to reach the minimum financial</td>
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<td>allocation set out in Annex XII (Union Contribution in EUR)</td>
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RD MANG COMT - Land Based management commitments

<table>
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<tr>
<th>Intervention Code (MS)</th>
<th>RD MANG COMT</th>
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<tr>
<td>Intervention Name</td>
<td>Land Based management commitments</td>
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<tr>
<td>Type of Intervention</td>
<td>ENVCLIM(70) - Environmental, climate-related and other management commitments</td>
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<tr>
<td>Common Output Indicator</td>
<td>O.14. Number of hectares (excluding forestry) or number of other units covered by environmental or climate-related commitments going beyond mandatory requirements</td>
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<td>Contributing to ringfencing requirement for/on</td>
<td>Generational Renewal: No</td>
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<td>Environment: Yes</td>
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<td></td>
<td>ES rebate system: No</td>
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<tr>
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<td>LEADER: No</td>
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1 Territorial scope and, if relevant, regional dimension
Territorial scope: National

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>MT</td>
<td>Malta</td>
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</table>

Description of the Territorial Scope

This intervention aims to grant support to farmers and other beneficiaries who undertake, on a voluntary basis, land based management commitments which are beneficial to achieving the aims set out in the CAP SP Regulation, which will focus on the entire territory of Malta.

2 Related Specific Objectives, Cross-Cutting Objective and relevant Sectoral Objectives

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold

| SO4 | Contribute to climate change mitigation and adaptation, including by reducing greenhouse gas emission and enhancing carbon sequestration, as well as promote sustainable energy use. |
| SO5 | A fenntartható fejlődés és a természeti erőforrásokkal – például az árvizekkel, a talajjal és a levegővel – való hatékony gazdálkodás támogatása többek között a vegyi anyagoktól való függőség csökkentésével. |
| SO6 | Hozzájárulás a biológiai sokféleség csökkenésének megszüntetéséhez és visszafordításához, az őkoszisztéma-szolgáltatások gyarapítása, valamint az élőhelyek és a tájak kibővítésének és megőrzésének segítése. |

3 Need(s) addressed by the intervention

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Prioritisation at the level of the CAP Strategic Plan</th>
<th>Addressed in CSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.4</td>
<td>Reduced use of chemical N-fertilizer and other inputs with similarly high carbon footprint</td>
<td>1</td>
<td>Yes</td>
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<tr>
<td>5.2</td>
<td>Ensure adequate treatment of farm wastewaters to reduce groundwater pollution</td>
<td>7</td>
<td>Yes</td>
</tr>
<tr>
<td>5.3</td>
<td>Introduce Mechanisms and processes that convert agricultural waste to fertilizer and/or energy</td>
<td>4</td>
<td>Yes</td>
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<tr>
<td>5.4</td>
<td>Increase efficient use of water and soil, restoring geographical and landscape features</td>
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<tr>
<td>5.6</td>
<td>Demonstrate the value to farm profitability of crops and livestock produced to higher standards</td>
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<td>5.7</td>
<td>Identify ways to reduce nutrient loading to air, soil and water from agricultural activity</td>
<td>5</td>
<td>Yes</td>
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<tr>
<td>6.1</td>
<td>Enhance biodiversity on agricultural holdings and wider rural areas</td>
<td>1</td>
<td>Yes</td>
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<tr>
<td>6.3</td>
<td>Promote CAP SP measures that protect biodiversity, enhance ecosystems and preserve habitats</td>
<td>7</td>
<td>Yes</td>
</tr>
</tbody>
</table>
6.4 Promote the removal of invasive alien species and the planting of native and archaeophytic species 4 Yes

6.5 Restoration of habitats and rural landscape features 3 Yes

6.6 Promote Malta’s Natura 2000 sites and Malta’s rural landscape heritage amongst farmers 2 Yes

6.7 Conserve endemic species with the aim of preserving local agricultural genetic resources 5 Yes

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold

R.12 Percentagem da superfície agrícola utilizada (SAU) abrangida por compromissos apoiados para melhorar a adaptação às alterações climáticas

R.19 Share of Utilised Agricultural Area (UAA) under supported commitments beneficial for soil management to improve soil quality and biota (such as reducing tillage, soil cover with crops, crop rotation, invaded with leguminous crops)

R.25 Percentagem de cabeças normais (CN) abrangidas por compromissos apoiados para melhorar a sustentabilidade ambiental

R.29 Percentagem da superfície agrícola utilizada (SAU) que beneficia do apoio da PAC para a agricultura biológica, discriminada entre manutenção e conversão

R.31 Share of utilised agricultural area (UAA) under supported commitments for supporting biodiversity conservation or restoration including high-nature-value farming practices

R.34 Percentagem da superfície agrícola utilizada (SAU) abrangida por compromissos apoiados para a gestão dos elementos paisagísticos, incluindo as sebes e as árvores

5 Specific design, requirements and eligibility conditions of the intervention

Describe what are the specific objectives and content of the intervention including specific targeting, principles of selection, links with relevant legislation, complementarity with other interventions/sets of operations in both pillars and other relevant information.

Land-based management commitments 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.

The specific objectives of these commitments are to reduce pressures on semi-natural features caused by significant agricultural intensification and neglect which would otherwise continue and spread. They will also increase farmland biodiversity (which is a priority for Malta’s biodiversity strategy) and enhance 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.

The minimum size of parcel to be considered under land-based commitments, shall be 0.04ha.

Higher Support Rates

The design of land-based management commitments for Malta takes into account the specific environmental needs as defined in the SWOT analyses. In order for the interventions 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. Farmers require assistance (lack of expertise, ageing) to draft and implement Integrated Pest Management Plans and Soil Management Plans 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.

Support for conservation of local endangered breeds will continue. 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 use it 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.

Based on the 2014 – 2020 uptake of AECM, support shall focus on four land-based management commitments which aim to control weeds in orchards and vineyards, promote the maintenance and conversion of organic farming, implement a soil management and conservation plan, introduce bee boxes on holdings, and integrate and maintain the autochthonous Maltese species.

Support may also be provided on management of soil as well as support measures addressing biodiversity conservation, measures to control weeds by mechanical instead of chemical methods, support towards use of non-synthetic pesticides and fertilizers for conservation of genetic resources and planting of indigenous trees.

Measure for the maintenance of trees (Support for the maintenance of newly planted recommended tree species)

The removal of alien species and the planting and maintenance of trees needs to be in accordance with ERA Guidelines on managing invasive plant invaders and restoring plant communities in terrestrial settings in the Maltese lands and the recommended list of trees for planting found in the guidance document provided by the MA. This measure complements the possibilities offered under Non-productive Investments for the removal of alien tree species or the planting of new trees in registered cultivated agricultural land. Land managers may apply for support to maintain the endemic and indigenous trees planted. This shall allow for regular clearing of weeds, the removal of dry undergrowth in summer months to prevent any fire outbreaks, 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. This is targeted at registered cultivated agricultural land, upon which one or more alien species are found. Alien species eligible for support/ removal under this intervention are listed in the guidance document provided by the MA. The aim of this measure is to replace specified alien species with recommended species as listed in the guidance document provided by the MA on agricultural land. In order to ensure the intervention is successful, farmers will be required to attend a short course on tree management, soil threats and the correct pruning
Environmental commitments to control weeds in orchards and vineyards by mechanical, instead of chemical methods

The objective of this measure is to incentivise farmers to control weeds growing in vineyards and orchards between 15th October and 15th March, using mechanical means. The measure will urge farmers to use a grass cutter/mower to control weeds growing in vineyards and orchards during the winter season.

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 its animal and plant life. 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 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.

Introduction of bee boxes on holdings

The objective of this measure is to incentivise farmers to set up bee boxes on their holdings 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 the maquis.

In the context of the farming community there is a general lack of interest from farmers in retaining bee boxes on their holdings. 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.

Boxes will be moved to different garrigue/maquis locations an estimated 3 times (two movements) in a year. This would also accommodate the 3 honey seasons in the Maltese islands. Depending on the season (and up to the beekeeper) the beekeeper will locate the boxes to ensure the bees have access to the prevalent flowering species at that given time. 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 take into 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 this task may necessitate the assistance of another individual in the lifting and movement of the boxes, an additional cost which the beekeeper will now incur.

Beekeepers can include land belonging to other farmers under this land-based commitment. In such cases the farmers would be eligible for financial reimbursement/top-up support for allowing the placement of bee boxes on their holdings. There will be no financial reimbursement when the farmer and beekeeper are the same person.

Implementation of soil management and conservation plan on a parcel

Soil supports organisms that are essential for a healthy and sustainable environment. The environmental commitments focusing on soil management 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. Through enhancing soil organic matter, and targeting problems like erosion and compaction, this measure has the potential, from an environmental point of view to add several benefits. Investments may relate to measures including soil conservation through nutrient protection by investing in adequate infrastructure for rainwater that prevents run off of nutrients, improving water quality through monitored used of chemicals and GMOs and conserving soil biodiversity. Investments aimed at soil management may include mapping and soil sampling and analysis, crop irrigation and crop rotation, subsidies for soil nutrient, irrigation patterns and provide support for farmers to convert from high water demanding crops to less water demanding crops.

The objective of this measure is to incentivise farmers to prepare and implement a Soil Nutrient Management Plan (SMP) on their parcels targeting three primary soil related threats on a parcel level; erosion, compaction and low soil organic matter. The SMP must be drafted and signed by a competent person whose name is published on the website of the competent authority (Plant Protection Directorate).

The implementation of a SMP has the potential to; better filter water prior to it reaching the groundwater table; enhance water retention and storage; mitigate the impacts of extreme weather events; improves soil structure; provide microbial habitat; and serves as a source of long-term, slow-release nutrients. In addition, it enhances the soil ability to store carbon dioxide (CO2) and other GHGs in soil organic matter.

The benefits of leaving land fallow for extended periods include rebalancing soil nutrients, re-establishing soil biota, breaking crop pest and disease cycles, and providing a haven for wildlife.

Through the promotion of composting (to increase organic matter) green wastes such as vegetation, wood and other organic wastes are diverted from landfills, and can play a role in reducing greenhouse gas
emissions. This intervention sets different targets for irrigated/non-irrigated land. These targets are further explained hereunder.

The definition of an irrigated parcel is linked to the potentiality of the parcel to be irrigated. Hence, irrigated land refers to agricultural areas purposely provided with water, for example by means of pipes and sprinklers. In this respect, the paying agency shall be carrying out checks to determine whether land is irrigated or non-irrigated on the basis of the following:

- Presence of pipes (both temporary and permanent) on the parcel in question imply that parcel is to be considered as irrigated
- Presence of sprinklers on the parcel in question imply that parcel is to be considered as irrigated
- Presence of water storage infrastructure (including bir™ and giebja™) equipment or facilities on the parcel in question
- Presence of any other equipment intended to provide irrigation on the parcel in question

If the 3% (1% in the case of non-irrigated land) soil organic matter (SOM) of a parcel is not achieved at the end of the AECM agreement, this will lead to at least 1/3 recovery of the total amount received during the whole 5 years on the specific parcel for failing to achieve one of the SOM specific targets.

The possibility to register numerous adjoining parcels as one parcel is not applicable where parcels are divided by parcels registered on other farmers or parcels registered on the same farmer but are not part of the same AECM commitment.

The grouping of parcels needs to remain the same throughout the whole commitment. All soil tests/SMPs in subsequent years have to follow the same grouping which was used in the first year. Changes to the groupings are not permitted, with the exception of approved parcel removal.

The SMP should be directed at the adoption of measures and actions to:

- minimise soil erosion on the parcel
- in the case of irrigated land, increasing soil organic matter from 2% to a minimum of 3%
- in the case of non-irrigated land, increasing soil organic matter to a minimum of 1%
- setting various standards to prevent compaction.

It is being clarified that in cases where an action under eco-schemes (Pillar I) complements and is considered to contribute towards the scope of this AECC, then the action performed under the obligations of eco-scheme will be considered over and above the minimum actions required under this AECC.
Organic Conversion and Maintenance

Organic farming is difficult to achieve in 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 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. This intervention provides for support for farmers to convert part or all of their production to organic farming practices with products aimed for human consumption. Support payments for conversion shall only apply for a maximum of two (2) years (irrespective of crop type) following the certification of conversion to organic issued by the Control Authority or Control Body), for all land which is converted to organic production. The payment rate shall move to the maintenance level after the end of the conversion commitment (maximum 2 years subject to the parcel meeting CA/CB recognition criteria). The farmer shall immediately notify the ARPA upon his parcel obtaining certification as ‘Organic’ so that the conversion rate shall seize to apply. This means that a parcel cannot benefit from Conversion rate for more than 2 years, regardless of whether this moves onto Organic status or not.

If, for whatever reason even for reasons beyond the farmers’ control, the agricultural parcels supported for organic conversion do not reach Organic certification, the farmer will be subject to refunding the support received under conversion action.

Support may also be provided for farmers to maintain organic farming practices (aimed at human consumption) for a minimum of 5 years (where applicable, following the 2 years conversion period described under the previous action of conversion). The payment rate shall be reverted to the maintenance level after the end of the second year of the commitment, and on the basis of certification of recognition issued by the competent authority. This action shall also provide support for farmers, who are already certified as organic producers and who have not benefitted under conversion towards Organic farming, to maintain organic farming practices. Beneficiaries must commit themselves to maintain the certified organic land for a minimum period of 5 years.

For both commitments linked to Organic, the MA may establish a capping on the participation/area that a single agricultural holding would receive support for in order to cater for different holdings.

Integration and maintenance of autochthonous Maltese species

Investments supported through this intervention will focus on conserving Malta’s biodiversity and will be consistent with the priorities of Malta’s National Biodiversity Action Plan. This investment will have a positive impact on biodiversity, enhancing the countryside and promoting practices which work in harmony with our unique ecosystems. Support may include conservation indigenous species including Carob and Mulberry trees that will assist farmers to maintain these trees in a good condition. Further investment may be provided for the integration and maintenance of autochthonous Maltese species such as the Maltese Black Chicken and Maltese Ox. Other interventions may support promoting agricultural
and genetic biodiversity conservation through support for rare, indigenous breeds of plants and trees and supporting rotational fallow land.

The envisaged investments will contribute to the following specific objectives:

**Specific Objective 4: to contribute to climate change mitigation and adaptation, including by reducing greenhouse gas emissions and enhancing carbon sequestration, as well as to promote sustainable energy.**

The Investments under land-based management commitments will address climate mitigation and adaptation as specified under SO 4 through, support to convert land from seasonal to permanent crops for increased carbon sequestration. Other measures may include maintenance of non-productive trees located on agricultural holdings, productive/non-productive trees that have been planted to replace alien species, and management of traditional orchards. Support may include investment of rotational fallow land within a 5-year cycle and support for crop rotation with leguminous crops as part of a 5-year soil nutrient management plan.

**Specific Objective 5: to foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency.**

Environmental commitments focusing on soil management will contribute to SO 5 through investments that may support measures for the implementation of soil management and conservation plan on a holding, and support for farmers to convert from high water demanding crops to crops requiring less water. Further investments may include support for the control of weeds in orchards and vineyards by mechanical, instead of chemical, methods and promoting the use of non-synthetic pesticides and fertilizers, whose impact on the environment is lower. Farmers may be encouraged to practice better pest management through the rotation of pesticides on a calendar basis, and applying pesticides when necessary. Investments in Soil management may include soil conservation through adequate infrastructure that will prevent soil erosion and rain water run off, soil monitoring for the use of chemicals and GMOâ€™s improving soil quality, through monitored use of chemicals and GMOâ€™s, preserving soil biodiversity and supporting the control of invasive alien species. Other investments may include mapping, soil sampling and analysis, subsidies for soil nutrient, and support for farmers to convert from high water demanding crops to less water demanding crops. Major benefits also seem likely from organic farming where ground and surface water are concerned since fertilizer 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.

**Specific Objective 6: to contribute to the halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes.**

Investments under this intervention will contribute towards SO 6 through biodiversity conservation measures in particular through the introduction of native trees which will provide a habitat for many species of wildlife acting as buffers. The maintenance of tree species will also protect existing greenery
and promote additional planting of trees in appropriate locations. The planting of new trees can be designed as buffer zones between agriculture and valuable natural assets such as watercourses. Other support may include conservation of carob trees, through ensuring their good health and preventing any harmful actions, as well as then Maltese black Ox and Maltese Black Chicken. Other interventions may support promoting agricultural and genetic biodiversity conservation through support for rare, indigenous breeds of plants and trees and supporting rotational fallow land. Support for converting towards organic farming will have a positive impact on biodiversity, enhancing greenery areas with non-invasive species which complement the unique ecosystems and expand habitats for local flora and fauna.

**Targeting**

Land based Environmental commitments: Focusing on soil management and conservation, planting and maintenance of trees, organic farming, sustainable use of pesticides and conservation of indigenous species.

Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary and area

Farmers (whether natural/legal persons);

Land managers, including NGOs;

Site managers responsible for the management of protected areas, including Natura 2000 sites;

Group of Farmers (including inter alia partnerships, cooperatives);

A mixture of both who carry out, on a voluntary basis, operations consisting of one or more agri-environment-climate commitments on agricultural land.

**Eligibility conditions may be:**

- **Measure for the maintenance of trees:**
  - In order to apply for aid, farmers must have a minimum of 1124m² of agricultural land. Any parcels that are found to be less than 0.04 hectares are ineligible;
  - Farmers will be required to keep records relevant to the parcel linked to measure. These will be subject to checks and controls by the Farm Advisory Service;
  - Farmers must be registered in the IACS Farmer Registry;
  - Beneficiaries will be required to attend a training module relevant to this intervention. 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. The Paying Agency reserves the right to suspend payment until submission of...
course certificate (after which payments can be activated retrospectively);

- 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. The Managing Authority shall notify as to the type of acceptable advice under this measure. Proof of service received will be requested. The Paying Agency reserves the right to suspend payment until submission of proof of service (after which payments can be activated retrospectively).

Control of weeds in orchards and vineyards

- In order to apply for aid a farmer must have a minimum of 0.1124 hectares (1 tumolo) of permanent crops (fruit trees/olive trees/vines). Any polygons in parcels that are found to have less than 0.04 hectares of orchards and vineyards are ineligible for payment;

- Payment may only be granted on agricultural area which has been maintained in line with annual minimum agricultural activity.

- Farmers must observe the baseline Cross Compliance Requirements, which include the statutory management requirements and the Good Agricultural and Environmental Conditions (GAEC);

- In case of transfer of holdings (or part of) farmers in 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 will be required to attend a training module relevant to this intervention. Courses should be completed by the end of the 3rd year from acceptance on the scheme. Training will be provided free of charge. The Paying Agency reserves the right to suspend payment until submission of course certificate (after which payments can be activated retrospectively);

- 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. The Managing Authority shall notify as to the type of acceptable advice under this measure. Proof of service received will be requested. The Paying Agency reserves the right to suspend payment until submission of proof of service (after which payments can be activated retrospectively).

Introduction of bee boxes on holdings

- In order to apply for aid a farmer must have a minimum of 0.2 hectares of agricultural land registered under this land based commitment. This is the minimum requirement land needed to be eligible for payment for 1 bee box. Any parcels that are found to be less than 0.04 hectares, are ineligible;

- Farmers will be required to keep records relevant to their holding. These will be subject to checks and controls by the Farm Advisory Service;

- Farmers must be registered in the IACS Farmer Registry;

- 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 land based management commitment. 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;

- 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 will be required to attend a training module relevant to this intervention. Courses should be completed by the end of the 3rd year from acceptance on the scheme. Training will be provided free of charge. The Paying Agency reserves the right to suspend payment until submission of course certificate (after which payments can be activated retrospectively);

- 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. The Managing Authority shall notify as to the type of acceptable advice under this measure. Proof of service received will be requested. The Paying Agency reserves the right to suspend payment until submission of proof of service (after which payments can be activated retrospectively).

**Implementation of soil management and conservation plan on a parcel**

- In order to apply for aid a farmer must have a minimum of 0.1124 hectares (1 tumoli) of arable land. Any parcels that are found to be less than 0.04 hectares, are ineligible;

- During the request period the farmer must present either a copy of the soil test results or a receipt showing proof that the soil sample has been submitted covering all parcels being included in the commitment;

- All submitted soil samples need to be collected by advisors who are already recognised on the date the sample was submitted to the lab (i.e. if an advisor was registered on the 18th of April then all soil samples submitted need to be dated from 18th April onwards. Soil samples dated prior to the 18th April will not be deemed eligible for AECM and can result in a rejection of the application/termination of the commitment leading to recovery of funds. All soil samples are to be collected under the supervision of the recognised competent person. Samples shall not be collected by the direct beneficiary applying under AECM, for whom the samples are being collected. The recognised competent person remains responsible for the sample collection process. All samples need to be labelled with the new parcel numbers;

- Only arable land is eligible for support under this measure. Permanent cropland is ineligible for support under AECM;

- Irrigated Agricultural land with soil organic matter (SOM) below 2% is ineligible (GAEC obligation). When submitting a request for application for the first time, the farmer must present a SOM test with a result of 2% or upwards to be eligible. This 2% eligibility requirement is not applicable in the case of non-
irrigated parcels;
- Farmer must also submit a crop plan with the SMP;
- Where a parcel has up to 15% landscape features, then parcel is 100% eligible i.e. 85% arable area + 15% landscape features;
- Where a parcel has more than 15% (for example, 20%) landscape features, then parcel is eligible but ALL landscape features area is eliminated (in this example, 80% of the parcel remains eligible, 20% considered non-eligible);

- Beneficiaries will be required to attend a training module relevant to this intervention. Courses should be completed by the end of the 3rd year from acceptance on the scheme. Training will be provided free of charge. The Paying Agency reserves the right to suspend payment until submission of course certificate (after which payments can be activated retrospectively);
- 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. The Managing Authority shall notify as to the type of acceptable advice under this measure. Proof of service received will be requested. The Paying Agency reserves the right to suspend payment until submission of proof of service (after which payments can be activated retrospectively).

Integration and maintenance of autochthonous Maltese species

- In order to apply for aid supporting Carob/Mulberry species, a farmer must have a minimum of 0.1124 hectares (1 tumulo) 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;
- Applications for aid supporting Maltese black chicken and Maltese ox are exempted from this requirement;
- Beneficiaries will be required to attend a training module relevant to this intervention. Courses should be completed by the end of the 3rd year from acceptance on the scheme. Training will be provided free of charge. The Paying Agency reserves the right to suspend payment until submission of course certificate (after which payments can be activated retrospectively);
- 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. The Managing Authority shall notify as to the type of acceptable advice under this measure. Proof of service received will be requested. The Paying Agency reserves the right to suspend payment until submission of proof of service (after which payments can be activated retrospectively).

Organic Conversion and Maintenance

- Applicants must be active farmer 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;

- Those receiving support for conversion are required to attend training relevant to conversion as detailed in the MAâ€™s Guidance Notes;

- Those beneficiaries transitioning from conversion to maintenance will be receiving support for 5 years from the initial certification date of organic certification status, regardless of the crop type;

- Support for maintenance for applicants who have not received aid under conversion but are already established as organic producers, will be available for a minimum of 5 years from the date of contracting;

- Beneficiaries will be required to attend a training module relevant to this intervention. Courses should be completed by the end of the 3rd year from acceptance on the scheme. Training will be provided free of charge. The Paying Agency reserves the right to suspend payment until submission of course certificate (after which payments can be activated retrospectively);

- Beneficiaries are obliged to take advice for adequate fulfilment of the 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. The Managing Authority shall notify as to the type of accepted advice under this measure. Proof of service received will be requested. The Paying Agency reserves the right to suspend payment until submission of proof of service (after which payments can be activated retrospectively).

**Define eligible type of support (non-IACS) or commitments (IACS) and other obligations**

**Eligible type of support will include:**

1. Using mechanical control (rather than herbicides) for weeds in permanent crop production systems (olives, vines, orchards);
2. Tree maintenance measures – Maintenance of recommended newly planted tree species;
3. Support for introduction and management of bee boxes on holdings to improve pollination;
4. Integration and implementation of soil management and conservation plans for whole holdings;
5. Integration and maintenance of autochthonous Maltese species (2 types of animal, 2 plant species);
6. Support crop rotation with leguminous crops as part of a 5-year soil nutrient management plan;
7. Support for the conversion and maintenance of organic farming.

**O14 What areas is eligible?**

- Agricultural area defined for the CAP plan
- Agricultural land, including and beyond agricultural area
- Non-agricultural land

**6 Identification of relevant baseline elements**

(relevant GAEC, statutory management requirements (SMR) and other mandatory requirements established by national and Union law), where applicable, description of the specific relevant obligations under the SMR, and explanation as to how the commitment goes beyond the mandatory requirements (as referred to in Art. 28 (5) and Art. 70 (3) and in Art. 72 (5))

**List of relevant GAEC and SMR**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
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</thead>
<tbody>
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</tbody>
</table>
GAEC05  Tillage management, reducing the risk of soil degradation and erosion, including consideration of the slope gradient

GAEC06  Minimum soil cover to avoid bare soil in periods that are most sensitive

GAEC07  Crop rotation in arable land, except for crops growing under water

SMR03  Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds: Article 3(1), Article 3(2), point (b), Article 4(1), (2) and (4)


SMR08  Directive 2009/128/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for community action to achieve the sustainable use of pesticides: Article 5(2) and Article 8(1) to (5); Article 12 with regard to restrictions on the use of pesticides in protected areas defined on the basis of Directive 2000/60/EC and Natura 2000 legislation; Article 13(1) and (3) on handling and storage of pesticides and disposal of remnants

List of relevant mandatory national standards

375. S.L. 549.66 (Nitrates Action Programme Regulations)
376. S.L. 549.25 Protection of Waters against pollution caused by Nitrates from agricultural sources Regulation
378. S.L. 549.44 L.N. 311 of 2006 Flora, Fauna and Natural Habitats Protection Regulations 2006
381. S.L 430.08 & L.N.489 of 2011 (Sustainable Use of Pesticides Regulation)

Link between GAEC, SMR and national standards with the intervention

Detailed information on the link between GAEC, SMR and national standards with the intervention is provided in Chapter 3.

7 Form and rate of support, amounts, calculation methods

IACS
Non-IACS

IACS section
Type of payment
- unit cost based on additional costs and income foregone
- transaction cost included
- one off payment
- lump sum

Range of support at beneficiary level

Maintenance of trees:
Support rate: €44.49/tree/year up to a maximum of 18 trees per hectare (which amounts to a maximum of € 800.82 per hectare. Conditions explained in section 5.3.5.

Introduction of bee boxes:
Support rate: €135.09/hive/year with 5 boxes/ha (and an additional top-up for farmers hosting beehives). Conditions explained in section 5.3.5.
Control of weeds in orchards and vineyards:

**Support rate:** €127.74/tumolo/year (equivalent to €1,282.45/hectare/year). Conditions explained in section 5.3.5.

Implementation of soil management and conservation plan on a parcel

**Support rate:** €2,378.35/hectare/year. Conditions explained in section 5.3.5.

Integration and maintenance of autochthonous Maltese species

**Support rate for Maltese Black Chicken:** €25.01/head/year. (95 Maltese Black Chicken = 1 Livestock Unit)

**Support rate for Maltese Ox:** €1,936.27/1 livestock unit (equivalent to 1 Maltese Ox). Conditions explained in section 5.3.5.

**Support rate for Carob/ Mulberry:** The rate of support for the conservation of the carob and mulberries shall be of €44.49/tree/year up to a maximum of 18 trees/hectare (which amounts to a maximum of €800.82/hectare). Conditions explained in section 5.3.5.

Conversion to Organic

Support rate: €5,296.89/ha for land which is under conversion. Conditions explained in section 5.3.5.

Maintenance of organic land

**Support rate:** €5,296.89/ha for organic land which is under maintenance (same rate applies for both land that has transitioned from organic and also for land that is committed directly under maintenance). Conditions explained in section 5.3.5.

Calculation method

The amounts of support provided by an independent body were deemed realistic, arithmetically accurate and adequate for the purposes of the Programme and have been based on a fair, equitable and verifiable calculation method.

Additional explanation

**Maintenance of tree species**

- Support for this measure will be provided on a per-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 for the maintenance of the trees.
Support rate: €44.49/tree/year up to a maximum of 18 trees per hectare (which amounts to a maximum of €800.82 per hectare).

Justification of the support rate:

Support for the conservation and maintenance of planted trees was calculated on the basis of the additional labour involved (such as: canopy management, training and production pruning, green pruning, fruit tinning, 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.

Introduction of bee boxes on holdings

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, all honeybees endemic to the Maltese islands is a particular species of bee which has naturalized and adapted to the environment. The Maltese honeybee, Apis mellifera ruttneri, is a subspecies of the Western honeybee. Support offered is expected to have a positive impact on overall pollinator populations as well as increasing the population of this endemic species.

Beekeepers can include land belonging to other farmers under this AECM. In such cases the farmers would be eligible for financial reimbursement top-up in exchange for allowing the placement of bee boxes on their holdings.

Support rate: €135.09/yr with 5 boxes/ha (and an additional top-up for farmers hosting beehives).

Justification of support rate:

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 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 different honey seasons in the Maltese islands, all of which play an important role in terms of biodiversity, ecosystem infrastructure and conservation. Through this intervention, 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.
**Control of weeds in orchards and vineyards**

**Support rate:** €127.74 per tumolo per year (equivalent to €1,282.45 per hectare per year).

**Justification of support rate:**

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. As this measure directly prohibits the application of herbicides in vineyards and fruit orchards, the basic amount of herbicides applied/ha is 3 litres/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 a 6-month period would be a total of 8 hours/ha (4 hours each treatment). 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.

**Implementation of soil management and conservation plan on a parcel**

Farmers must implement the measures and actions included in the Soil Management Plan.

The SMP should be in line with the guidelines issues by the Competent Authority which should include:

- a list of soil threats identified on each parcel and the possible environmental consequence;
- have a map showing risks of runoff and water erosion;
- actions to mitigate the soil threats;
- Composting – composting has to be carried out on at least 1 parcel from the whole holding committed;
- submit copy of the crop plan and fertiliser plan.

**Support rate:** €2,378.35 per hectare per year.

**Justification of support rate:**

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.

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.

*Integration and maintenance of autochthonous Maltese species*

**Support rate for Maltese Black Chicken:** €25.01/head/year (95 Maltese Black Chickens = 1 Livestock Unit).

*Justification of support rate:*

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.

**Support rate for Maltese Ox:** €1,936.27 per 1 livestock unit (equivalent to 1 Maltese Ox).

*Justification of support rate:*

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 2014 – 2020.

**Support rate for Carob/ Mulberry:** The rate of support for the conservation of the carob and mulberries shall be of €44.49 per tree per year up to a maximum of 18 trees per hectare (which amounts to a maximum of €800.82 per hectare).

*Justification of support rate:*
The support rate is based on the previous RDP. Support and transactional costs incurred for the implementation of this measures are not included in the support rate. Farmers will receive support in line with Article 71 of CAP SP Regulation for areas facing natural or other specific constraints.

*Conversion to Organic*

The support shall have the form of a fixed payment per every hectare of land certified as under conversion.

**Support rate:** €5,296.89/ha for land which is under conversion to organic land.

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. However, the produce must be aimed at human consumption.

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.

*Maintenance of organic land*

The support shall have the form of a fixed payment per every tumolo/hectare of land maintained as organic.

**Support rate:** €5,296.89/ha for organic land which is under maintenance (same rate applies for both land that has transitioned from organic and also for land that is committed directly under maintenance).

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.

Support under AECMs is not provided for the actual planting of trees but just maintenance.
8 Information regarding State aid assessment
The intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment:
☐ Yes  ☒ No  ☐ Mixed

Type of state aid instrument to be used for clearance:
☐ Notification  ☐ GBER  ☐ ABER  ☐ de minimis

9 Additional questions/information specific to the Type of Intervention

What are the models of the commitment(s) in the intervention?
☐ result based (with possibility to pick and choose)  ☒ management based (with possibility to pick and choose)  ☐ hybrid (management and result based)

Please explain the obligations/possibilities for beneficiaries in relation to the commitments set out in the intervention

**Maintenance of trees**

- Beneficiaries are required to attend a training module, which should be completed by end of the 3rd year from acceptance on the scheme;
- Removal of invasive alien species as per ERA Guidelines;
- Farmers are obliged to keep a record pertaining to the trees present on the parcel;
- Canopy management: This practice is applicable depending on the tree being maintained;
- Production pruning: This practice is applicable depending on the tree being maintained;
- Green pruning: This practice is applicable depending on the tree being maintained;
- Pest control and rationalization of fertilizer and pesticide treatments: Only in the event of a pest infestation or demonstration of lack of overall health of the tree, the farmer is required to address any infestations/deficiencies through responsible pesticide and fertilizer practices.

**Introduction of bee boxes on holdings**

- Beneficiaries are required to attend a training module, which should be completed by end of the 3rd year from acceptance on the scheme;
- Keep and maintain maximum of 5 bee boxes per hectare in good health;
- 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;
- Required to be a member of an apicultural society;
- 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;
- The beekeeper will be required to notify ARPA of the movements to be carried out every year;
- 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 no
evidence of tampering in accordance with PA requirements.

Control of weeds in orchards and vineyards

- Beneficiaries are required to attend a training module, which should be completed by end of the 3rd year from acceptance on the scheme;

- Between 15th October till the 15th of March weeds can only be controlled with a mower/ grass cutter. Weeds removed during this period can be retained as much;

- The use of herbicides is prohibited throughout the year with the exception of specific herbicide targeting Bermuda grass between 15th June and 15th August;

- Nitrogen based fertiliser must be split into a minimum of 2 separate applications, i.e. as recorded in the Fertiliser Application record;

- In the event that farmers do not retain the weeds as much (removed between the 15th October and the 15th of March) they are required to cultivate intercrops between vines and orchards. Eligible intercropping plants are nitrogen fixing plants of the vicia.spp group (excluding vicia.faba) as well as hedysarum.spp;

- Farmers are required to maintain records of use of herbicides and records in relation to Cross Compliance obligations. These are to be presented to the ARPA inspectors at the time of inspection.

Implementation of soil management and conservation plan on a parcel

- Beneficiaries are required to attend a training module, which should be completed by end of the 3rd year from acceptance on the scheme;

- Soil testing for Organic Matter must be carried out annually for Soil Organic Matter (SOM) throughout the commitment years. The soil test results must be submitted to ARPA during the annual application claim;

- The annual soil samples for testing must be collected by the authorised advisor who prepares the SMP, who should follow sampling guidelines issued by the Competent Authority and needs to be collected according to the W spatial pattern;

- The cost of the soil tests and the SMP is to be borne by the beneficiary since this is included in the payment rate of the measure i.e. as part of the rate per tumolo/hectare;

- On the spot checks will be carried out by ARPA which shall include where necessary sampling and testing for Soil Organic Matter;

- Leave the committed parcels fallow between 1st July and 1st October every year during the summer months. Summer fallow is the practice of allowing land to lie idle during the growing season;

- During the fallow period (between 1st July and 1st October) farmers cannot apply pesticides and non-organic fertiliser to the parcels under commitment;

- Farmers will be required to maintain any records relevant to the AECM and also those relevant to Cross Compliance obligations. These are to be presented to the ARPA inspectors at the time of inspection.

Integration and maintenance of autochthonous Maltese species

- Applicants must have a minimum of 30 Maltese Black Chicken present on his holdings;
- Farmers must ensure that all poultry are easily identified through numbered rings to ensure traceability;
- Applicants are required to fill in the livestock form;
- Each individual poultry must have a signed certificate of accreditation clearly stating the identifying number on the poultry ring;
- All poultry upon which the applicant is applying for aid must also have a vaccination programme;
- The applicant must have carob/mulberry on the agricultural land.

**Organic Conversion and Maintenance**

- Farmers will be required to attend a relevant course. Course must be awarded within the first 3 years of commitment;
- Farmers will be required to demonstrate â€œin conversionâ€™ certification in order to be eligible for support for conversion;
- Farmers will be required to demonstrate â€œorganicâ€™ certification in order to be eligible for support for maintenance.

**What is the duration of contracts?**

Commitments shall be undertaken for a period of five (5) years. These commitments may be annually extended after the termination of the initial period, at the discretion of the Managing Authority. Regarding the conversion to organic, commitment shall be undertaken within 2 years whereas maintenance shall be undertaken within 5 years.

**10 WTO compliance**

**Green Box**

Paragraph 12 of Annex 2 WTO

Explanation of how the intervention respects the relevant provisions of Annex 2 to the WTO Agreement on Agriculture as specified in Article 10 of this Regulation and in Annex II to this Regulation (Green Box)

This intervention qualifies as ‘Green Box’ because it has no, or at most minimal, trade-distorting effects or effects on production, as set out in the WTO Agreement on Agriculture.

**11 Contribution rate(s) applicable to this intervention**

<table>
<thead>
<tr>
<th>Region</th>
<th>Article</th>
<th>Applicable rate</th>
<th>Min Rate</th>
<th>Max Rate</th>
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</thead>
<tbody>
<tr>
<td>MT - Malta</td>
<td>91(3)(b) - 70-Payment under Article 70</td>
<td>80.00%</td>
<td>20.00%</td>
<td>80.00%</td>
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<td>Group</td>
<td>Planned Unit Amount</td>
<td>Type of Support</td>
<td>Contribution rate(s)</td>
<td>Type of Planned Unit Amount</td>
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<tr>
<td>MANG COM Unit 1 - Unit Amount for AECM 1 (Control of weeds for vineyards and orchards)</td>
<td>Grant</td>
<td>91(3)(b) - 70-MT-80.00%</td>
<td>Uniform</td>
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<tr>
<td>MANG COM Unit 2 - Unit Amount for AECM 2 (Maintenance of Trees)</td>
<td>Grant</td>
<td>91(3)(b) - 70-MT-80.00%</td>
<td>Uniform</td>
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</tr>
<tr>
<td>MANG COM Unit 3 - Unit Amount for AECM 3 (Introduction of bee boxes on holdings)</td>
<td>Grant</td>
<td>91(3)(b) - 70-MT-80.00%</td>
<td>Uniform</td>
<td></td>
</tr>
<tr>
<td>MANG COM Unit 4 - Unit Amount for AECM 4 (Implementation of soil management and conservation plan on a parcel)</td>
<td>Grant</td>
<td>91(3)(b) - 70-MT-80.00%</td>
<td>Uniform</td>
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</tr>
<tr>
<td>MANG COM Unit 5 - Unit Amount for AECM 5 (Integration and maintenance of autochthonous Maltese species)</td>
<td>Grant</td>
<td>91(3)(b) - 70-MT-80.00%</td>
<td>Uniform</td>
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<tr>
<td>MANG COM Unit 6 - Unit Amount for AECM 6 (Organic)</td>
<td>Grant</td>
<td>91(3)(b) - 70-MT-80.00%</td>
<td>Uniform</td>
<td></td>
</tr>
</tbody>
</table>

Explanations and justifications related to the value of the unit amounts:

**MANG COM Unit 1 - Unit Amount for AECM 1 (Control of weeds for vineyards and orchards)**

This planned amount relates to the control of weeds in orchards and vineyards and has been established on the basis of 14-20 support rates taking into consideration an updated income/hectare variable income, based on the latest available economic accounts data published by NSO NR/165/2021. For hectares, the latest data is derived from NR109/2014 for which the classification of land is structured in a manner which is compatible with the methodology used to derive the support rate.

**MANG COM Unit 2 - Unit Amount for AECM 2 (Maintenance of Trees)**

This planned amount relates to the maintenance of trees and has been established on 14-20 support rates established for similar AECMs taking into consideration increased labour rates.

**MANG COM Unit 3 - Unit Amount for AECM 3 (Introduction of bee boxes on holdings)**

This planned amount relates to the introduction of bee boxes on holdings and has been established on 14-20 support rates taking into consideration labour costs.
costs and revenue in terms of sale of honey per kg.

MANG COM Unit 4 - Unit Amount for AECM 4 (Implementation of soil management and conservation plan on a parcel)
This planned amount relates to the implementation of soil management and conservation plan on a parcel. Support rates have been established on the basis of 14-20 rates taking into consideration income per hectare and labour rate per hour.

MANG COM Unit 5 - Unit Amount for AECM 5 (Integration and maintenance of autochthonous Maltese species)
This planned unit amount relates to support rates for the integration and maintenance of autochthonous Maltese species which have been established on the basis of 14-20 rates taking into account inflation costs where appropriate.

MANG COM Unit 6 - Unit Amount for AECM 6 (Organic)
This planned unit amount relates to organic conversion and maintenance. The average payment rate for conversion has been considered in Europe and a factor determined between the highest paid rate (Greece) and the lowest paid rate (UK). It is suggested that countries with lower hectares of organic land such as Greece (land characteristics comparable to Malta) require higher support rates. This ratio is then applied to the conversion rate which is currently used in Scotland for the conversion of organic land per hectare. Furthermore, a number of countries apply the same support rate for conversion and maintenance. Therefore it is suggested that the same rate is applied for both conversion and maintenance. On this basis the total support provided over 7 years amounts to Euro 37,078.23.

13 Planned Unit Amounts - Financial table with outputs

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Financial Year</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
<th>Total 2023 - 2029</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Maximum Amount for the Planned Unit Amount (EUR)</td>
<td>130,538.88</td>
<td>130,538.88</td>
<td>130,538.88</td>
<td>130,538.88</td>
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<td>130,538.88</td>
<td>130,538.88</td>
<td>130,538.88</td>
<td></td>
</tr>
<tr>
<td>MANG COM Unit 1 - Unit Amount for AECM 1(Control of weeds for vineyards and orchards)</td>
<td>Planned Unit Amount (EUR)</td>
<td>130,538.88</td>
<td>130,538.88</td>
<td>130,538.88</td>
<td>130,538.88</td>
<td>130,538.88</td>
<td>130,538.88</td>
<td>130,538.88</td>
<td>130,538.88</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(unit: Hectare)</td>
<td>101.00</td>
<td>101.00</td>
<td>101.00</td>
<td>101.00</td>
<td>101.00</td>
<td>101.00</td>
<td>101.00</td>
<td>101.00</td>
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<tr>
<td>Unit</td>
<td>Description</td>
<td>Planned unit amount (Total Public Expenditure in EUR)</td>
<td>Maximum Amount for the Planned unit amount (EUR)</td>
<td>O.14 (unit: Hectare)</td>
<td>Total</td>
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<tr>
<td>MANG COM Unit 2</td>
<td>Maintenance of Trees</td>
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<td>980.27</td>
<td>980.27</td>
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<tr>
<td>MANG COM Unit 3</td>
<td>Introduction of bee boxes on holdings</td>
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<td>9,499.44</td>
<td>9,499.44</td>
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<tr>
<td>MANG COM Unit 4</td>
<td>Implementation of soil management and conservation plan on a parcel</td>
<td>646,062.90</td>
<td>646,062.90</td>
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<td>MANG COM Unit 5</td>
<td>Integration and maintenance of autochthonous Maltese species</td>
<td>42,918.49</td>
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<td>42,918.49</td>
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<td>8.00</td>
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<td>40.00</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Planned unit amount (Total Public Expenditure in EUR)</td>
<td>105,937.80</td>
<td>211,876.00</td>
<td>286,032.60</td>
<td>360,189.20</td>
<td>413,158.20</td>
<td>471,424.10</td>
<td>471,424.10</td>
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<tr>
<td>Maximum Amount for the Planned unit amount (EUR)</td>
<td>105,937.80</td>
<td>211,876.00</td>
<td>286,032.60</td>
<td>360,189.20</td>
<td>413,158.20</td>
<td>471,424.10</td>
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<tr>
<td>O.14 (unit: Hectare)</td>
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<td>Annual indicative financial allocation (Total public expenditure in EUR)</td>
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<td>1,116,032.60</td>
<td>1,190,189.20</td>
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<td>471,424.10</td>
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<td>Annual indicative financial allocation (Union Contribution in EUR)</td>
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<td>833,500.80</td>
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<tr>
<td>Out of which for financial instrument (Union Contribution in EUR)</td>
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<td>EUR)</td>
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<tr>
<td>Out of which carry-over (Total public Expenditure in EUR)</td>
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</tr>
<tr>
<td>Out of which carry-over (Union contribution in EUR)</td>
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<td>0.00</td>
<td>0.00</td>
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</tr>
<tr>
<td>Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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<td>0.00</td>
<td></td>
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</tr>
<tr>
<td>Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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<td>0.00</td>
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</tr>
</tbody>
</table>
ANC(71) - Natural or other area-specific constraints
RD AN CONSTRAINTS - Areas under natural or other area-specific constraints

<table>
<thead>
<tr>
<th>Intervention Code (MS)</th>
<th>Intervention Name</th>
<th>Type of Intervention</th>
<th>Common Output Indicator</th>
<th>Contributing to ringfencing requirement for/on</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Areas under natural or other area-specific constraints</td>
<td>ANC(71) - Natural or other area-specific constraints</td>
<td>O.12. Number of hectares benefitting from support for areas facing natural or specific constraints, including a breakdown per type of areas</td>
<td>Generational Renewal: No Environment: Yes ES rebate system: No LEADER: No</td>
</tr>
</tbody>
</table>

1 Territorial scope and, if relevant, regional dimension
Territorial scope: National

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>MT</td>
<td>Malta</td>
</tr>
</tbody>
</table>

Description of the Territorial Scope
This intervention, will address all agricultural land across the Maltese Islands, providing compensation to ensure continued agricultural land use, and will focus on the entire territory of Malta.

2 Related Specific Objectives, Cross-Cutting Objective and relevant Sectoral Objectives

**CAP SPECIFIC OBJECTIVE Code + Description** Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold

**SO1 Support viable farm income and resilience of the agricultural sector across the Union in order to enhance long-term food security and agricultural diversity as well as to ensure the economic sustainability of agricultural production in the Union**

3 Need(s) addressed by the intervention

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Prioritisation at the level of the CAP Strategic Plan</th>
<th>Addressed in CSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Sustain a viable farm income for farmers in Malta, across all sectors</td>
<td>2</td>
<td>Yes</td>
</tr>
</tbody>
</table>

4 Result indicator(s)

**RESULT INDICATORS Code + Description** Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold

**R.7 Percentagem de apoio adicional por hectare em zonas com maiores necessidades (em comparação com a média)**

5 Specific design, requirements and eligibility conditions of the intervention
Describe what are the specific objectives and content of the intervention including specific targeting, principles of selection, links with relevant legislation, complementarity with other interventions/sets of operations in both pillars and other relevant information.

This intervention has been offered in the previous RDP 2014-2020 and RDP 2007-2013, and has covered all agricultural land by providing compensation to ensure continued agricultural land use, across the rural areas of Malta since EU accession in 2004. This intervention may offer support through compensation payment to other areas affected by specific constraints.

**Compensation payment to other areas affected by specific constraints**

This intervention aims to address the specific constraints that are faced by agriculture production in Malta, several of which include:
Agriculture production in the Maltese islands faces several specific constraints, including:

a) the high opportunity cost of land, the loss of agricultural land through urbanization plus land abandonment due to decreasing prospects for farmers from the utilization 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 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 fields;
- 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.

Further setbacks include an aging farming population and insularity that leads to considerable transportation costs for all inputs such as feed, pesticides, fertilizers, seeds and also machinery and other equipment. Limited water resources, long hot, dry summers and unpredictable and variable rainfall add further strain as well as poor soil fertility, increased soil erosion and low yields per hectare. These factors also 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 hang onto their property is also an important factor limiting investments by the tenants.

Maltese soils are rather young or immature since pedological processes are slow in calcareous soils, particularly where acidic drainage water is very limited in quantity. Maltese soils are also characterised by a low organic content, high carbonate content, insufficiently developed soil horizons while extensive erosion that has taken place throughout the years, which has led to loss of agricultural land and a decrease in agricultural production. In addition to the above, Malta faces the following specific constraints:

- irreversibly eroded slopes and desertification, particularly in abandoned terraced fields;
extensive monoculture 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 due to over extraction;

• continuous discharge of unabsorbable wastes and sewage;

• high population densities which pose pressure on existing infrastructure;

• lean off-season tourist periods where activities approach normality unless communications are disrupted by inclement weather.

This intervention aims to prevent land abandonment across the Maltese Islands, providing an annual premium aimed at supplementing farming income. Given the small size of most agricultural holdings, this annual premium does not result in a significant improvement in the income of farm households. However, this intervention helps attract farmers towards the uptake of eco-schemes and land based environmental and climate commitments, facilitating the uptake of actions that have a positive impact on the environment and that go beyond conditionality requirements. Article 71 of the CAP Strategic Plan regulation states that Member States may re-designate the areas subject to natural or other area-specific constraints with the aim of achieving the specific objectives laid out in article 6 (1) & (2) of the CAP SPR. All of the Maltese territory is considered as a less favoured area since 2004-2006, while the same arrangement was also maintained throughout the 2007-2013 and the 2014-2020 programming period.

Malta has been considered as a 100% less favoured area since 2004-2006, an arrangement which was also maintained throughout the 2007-2013 and 2014-2020 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.

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 and adheres to conditionality obligations defined in Chapter 4.2 of the CAP Strategic Plan.

The envisaged investments will contribute to the following specific objectives:

Specific Objective 1 Support viable farm income and resilience of the agricultural sector across the union in order to enhance long-term food security and agricultural diversity as well as ensure the economic sustainability of agricultural production in the Union.
Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary and area

The beneficiaries of this measure are Farmers (active farmers) as defined in Chapter 4 of this CAP Strategic Plan.

Eligibility conditions may include:

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 payments for areas under natural or other area-specific constraints 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 direct payments aid), or ineligible to apply for any direct payments (if their total holding is less than 0.3 ha in area).

Because the minimum area on which areas under natural or other area-specific constraints can be claimed is 1124 m$^2$ it is potentially capable of attracting a very significant number of small landholdings that would otherwise not be subject to cross-compliance conditions. Support for areas with constraints shall be available to all farmers who have at least 1124 m$^2$ 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.

Define eligible type of support (non-IACS) or commitments (IACS) and other obligations

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 and adheres to conditionality obligations defined in Chapter 4.2 of the CAP Strategic Plan. The following conditions will apply:

- beneficiary must have a holding with a minimum of one tumolo [1124] m$^2$ of land$[^1]$;
- must be registered in the IACS Farmer Registry;
- must observe the baseline conditionality requirements which include the statutory management requirements and the Good Agricultural and Environmental Conditions (GAEC);
- payments will only be granted to beneficiaries that undertake to pursue their farming activity in the delimited area.

[1] Eligible land under this intervention will be made up of eligible parcels each exceeding 0.4ha.

O12 What area is eligible?

☐ Mountain areas (pursuant to Article 32 (1)(a) of Regulation (EU) No 1305/2013)
☒ Areas facing natural constraints , other than mountains(pursuant to Article 32, (1)(b) of Regulation (EU) No 1305/2013)
Areas affected by other area-specific constraints (pursuant to Article 32(1)(c) of Regulation (EU) No 1305/2013)

- All areas with natural or other specific constraints
- Other

6 Identification of relevant baseline elements
(relevant GAEC, statutory management requirements (SMR) and other mandatory requirements established by national and Union law), where applicable, description of the specific relevant obligations under the SMR, and explanation as to how the commitment goes beyond the mandatory requirements (as referred to in Art. 28 (5) and Art. 70 (3) and in Art. 72 (5))

N/A

7 Form and rate of support/amounts/calculation methods
Type of payment
- unit cost based on additional costs and income foregone
- transaction cost included
- one off payment
- lump sum

Range of support at beneficiary level

The support rate amounts to €263.97/Ha/Yr. No differentiation between payments is foreseen.

Calculation method

The amounts of support provided by an independent body were deemed realistic, arithmetically accurate and adequate for the purposes of the Programme and have been based on a fair, equitable and verifiable calculation method.

Additional explanation

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 €263.97 as a suitable amount to be paid for all farmers, as per the following justification.

Increased on the basis of inflation - Actual inflation for 2021, forecasted inflation thereafter and average rate taken from 2021 to 2027.

Justification of calculation

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.

**Degressivity of Payments**

Malta will apply degressivity at a rate of 1% to agricultural holdings with area exceeding 5ha. This degressivity will apply to every year of the programming period.

Commitments under this measure will take the form of an annual contract that may be renewed on an annual basis. Beneficiaries will receive a fixed payment per hectare, per year, calculated by reference to their total agricultural land area.

8 Information regarding State aid assessment
The intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment:

☐ Yes  ☒ No  ☐ Mixed

Type of state aid instrument to be used for clearance:

☐ Notification  ☐ GBER  ☐ ABER  ☐ de minimis

9 Additional questions/information specific to the type of Intervention

N/A

10 WTO compliance

Green Box

Paragraph 13 of Annex 2 WTO

Explanation of how the intervention respects the relevant provisions of Annex 2 to the WTO Agreement on Agriculture, as specified in Article 10 of this Regulation and in Annex II to this Regulation (Green Box)

This intervention qualifies as ‘Green Box’ because it has no, or at most minimal, trade-distorting effects or effects on production, as set out in the WTO Agreement on Agriculture.

11 Contribution rate(s) applicable to this intervention

<table>
<thead>
<tr>
<th>Region</th>
<th>Article</th>
<th>Description</th>
<th>Applicable rate</th>
<th>Min Rate</th>
<th>Max Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>MT - Malta</td>
<td>91(3)(a)</td>
<td>Payments for natural or others area-specific constraints under Article 71</td>
<td>65.00%</td>
<td>20.00%</td>
<td>65.00%</td>
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</table>
**12 Planned Unit Amounts - Definition**

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Type of Support</th>
<th>Contribution rate(s)</th>
<th>Type of Planned Unit Amount</th>
<th>Region(s)</th>
<th>Result Indicator(s)</th>
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</thead>
<tbody>
<tr>
<td>AN CONSTRAINTS UNIT - Unit amount for areas with natural constraints</td>
<td>Grant</td>
<td>91(3)(a)-MT-65.00%</td>
<td>Uniform</td>
<td></td>
<td></td>
<td>R.7;</td>
</tr>
</tbody>
</table>

Explanation and justification related to the value of the unit amount

**AN CONSTRAINTS UNIT - Unit amount for areas with natural constraints**

This planned unit amount relates to support rates for the areas with natural constraints taking into consideration actual inflation for 2021, forecasted inflation thereafter and average rate taken from 2021 to 2027.

**13 Planned Unit Amounts - Financial table with outputs**

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Financial Year</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
<th>Total 2023 - 2029</th>
</tr>
</thead>
<tbody>
<tr>
<td>AN CONSTRAINTS UNIT - Unit amount for areas with natural constraints</td>
<td>Planned unit amount (Total Public Expenditure in EUR)</td>
<td>1,963,703.00</td>
<td>1,963,703.00</td>
<td>1,963,703.00</td>
<td>1,963,703.00</td>
<td>2,103,967.50</td>
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<td>1,963,703.00</td>
<td>1,963,703.00</td>
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<td>7,439.11</td>
<td>7,439.11</td>
<td>7,439.11</td>
<td>7,970.48</td>
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<td>7,439.11</td>
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<td>1,963,703.00</td>
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<tr>
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<td>0.00</td>
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<tr>
<td>Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable under article 73 and 75) (Total public expenditure in EUR)</td>
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<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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<td>0.00</td>
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<tr>
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</table>
INVEST(73-74) - Investments, including investments in irrigation
RD OnFarm NP Invest - On-Farm Non-Productive Investments

<table>
<thead>
<tr>
<th>Intervention Code (MS)</th>
<th>RD OnFarm NP Invest</th>
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</thead>
<tbody>
<tr>
<td>Intervention Name</td>
<td>On-Farm Non-Productive Investments</td>
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<tr>
<td>Type of Intervention</td>
<td>INVEST(73-74) - Investments, including investments in irrigation</td>
</tr>
<tr>
<td>Common Output Indicator</td>
<td>O.21. Number of supported on-farm non-productive investment operations or units</td>
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<tr>
<td>Contributing to ringfencing requirement for/on</td>
<td>Generational Renewal: No</td>
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<tr>
<td></td>
<td>Environment: Yes</td>
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<tr>
<td></td>
<td>ES rebate system: No</td>
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<tr>
<td></td>
<td>LEADER: No</td>
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</table>

1 Territorial scope and, if relevant, regional dimension
Territorial scope: National

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>MT</td>
<td>Malta</td>
</tr>
</tbody>
</table>

Description of the Territorial Scope

This intervention aims to fund investment in rubble walls, planting of indigenous trees/species on the entire territory of Malta.

2 Related Specific Objectives, Cross-Cutting Objective and relevant Sectoral Objectives

<table>
<thead>
<tr>
<th>CAP SPECIFIC OBJECTIVE Code + Description</th>
<th>Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold</th>
</tr>
</thead>
<tbody>
<tr>
<td>SO5 A fenntartható fejlődés és a természeti erőforrások kezelése – például a vizzel, a talajéval és a levegővel – való hatékony gazdálkodás támogatása többek között a vegyi anyagok eltávolításával és csökkentésével, az ökoszisztéma-szolgáltatások gyarapítása, valamint az élőhelyek és a tájak megőrzése</td>
<td></td>
</tr>
<tr>
<td>SO6 Hozzájárulás a biológiai sokféleség megőrzéséhez és visszafordításához, az ökoszisztéma-szolgáltatások gyarapítása, valamint az élőhelyek és a tájak megőrzése</td>
<td></td>
</tr>
</tbody>
</table>

3 Need(s) addressed by the intervention

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Prioritisation at the level of the CAP Strategic Plan</th>
<th>Addressed in CSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.4</td>
<td>Increase efficient use of water and soil by restoring geographical and landscape features</td>
<td>1</td>
<td>Yes</td>
</tr>
<tr>
<td>6.1</td>
<td>Enhance biodiversity on agricultural holdings and wider rural areas</td>
<td>1</td>
<td>Yes</td>
</tr>
<tr>
<td>6.4</td>
<td>Promote the removal of invasive alien species and the planting of native and archaeophytic species</td>
<td>4</td>
<td>Yes</td>
</tr>
<tr>
<td>6.5</td>
<td>Restoration of habitats and rural landscape features</td>
<td>3</td>
<td>Yes</td>
</tr>
</tbody>
</table>

4 Result indicator(s)

<table>
<thead>
<tr>
<th>RESULT INDICATORS Code + Description</th>
<th>Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold</th>
</tr>
</thead>
<tbody>
<tr>
<td>R.32 Percentagem de explorações agrícolas que beneficiam de um apoio ao investimento no âmbito da PAC que contribua para a biodiversidade</td>
<td></td>
</tr>
</tbody>
</table>

5 Specific design, requirements and eligibility conditions of the intervention
Describe what are the specific objectives and content of the intervention including specific targeting, principles of selection, links with relevant legislation, complementarity with other interventions/sets of operations in both pillars and other relevant information.

Establishing, restoring, or re-instating rural infrastructure

Support may be provided for establishing, restoring, or re-instating rural infrastructure needed for...
management of habitats. Such investments may include, *inter alia*, the restoration and/or establishment of rubble walls and other rural landscape features including maintenance of existing terrace walls as linear features of high diversity value supporting biodiversity; the creation and/or restoration of different types of terrestrial habitats, including *inter alia* garigue, steppe, maquis, woodland, rock pools, valleys and watercourses, saline marshlands and sand dunes.

The building and restoration of retaining and non-retaining dry-stone walls and rubble walls shall be carried out in order to prevent further soil erosion and habitat loss from the adjacent parcels of agricultural land during heavy rains, including loss of same soil into roads. Targeted rubble walls need to be adjacent to an agricultural area on at least one side of the intervention (regardless of whether the area is currently in production).

This intervention may contribute to the following specific objectives:

**Specific Objective 6: Contribute to the protection of biodiversity, enhance ecosystem services and preserve habitats and landscapes.**

Apart from marking boundaries, traditionally built rubble walls have important environmental roles since they enable slopes to be modified to terraces, soil retention in fields, therefore limiting soil erosion, shelter crops in exposed areas and serve as habitats for local flora and fauna, while also forming an integral part of the cultural landscape of the Maltese Islands. Such an intervention will therefore register a secondary contribution towards Specific Objective 5.

**Support for planting of trees and ancillary works**

Under this intervention, support will also be provided for tree planting and ancillary works for purposes of agri-environmental and climate objectives, including tree planting for soil management and erosion control as well as the removal of invasive alien tree species is also an eligible action; the planting of new trees (not necessarily on the same areas/parcels where trees are removed) to replace the invasive alien tree species need to be in accordance with ERA Guidelines.

Planting of trees under this intervention will normally focus on introducing trees on the perimeter of agricultural parcels, and not the installation of orchards. Such trees can also be trees that give the farmer a product; however, the main scope here would not be for productive purposes.

The envisaged investments will contribute to the following specific objectives.

**SO 5 To foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency.**
This intervention will contribute to SO 5 through interventions that may enhance the natural landscape, management of water, and soil conservation, whilst contributing to improving water retention and reducing flood risk. Furthermore, afforestation and development of woodland on agricultural and non-agricultural lands will contribute to the reduction of greenhouse gas emissions through carbon sequestration.

SO 6 To Contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes

The investments in woodlands under this intervention will contribute to the objectives of SO 6 since they will complement the objectives in Malta's National Biodiversity Strategy and Action Plan (NBSAP). This intervention will contribute to the conservation of High Nature Value areas, and may include the planting of indigenous tree species for the establishment of new woodland areas, re-planting in existing woodlands, the establishment of bio-diverse woodland edge structures and appropriate tree and shrub species which also can serve for better microclimate creation purposes and ecosystems management.

Targeting:

Restoring green landscape: Restoration of rural on-farm landscape features such as rubble and terrace walls, habitat conservation or recreation works requiring investment actions may be supported under this intervention. Investments aimed at facilitating rainwater collection are also envisaged.

Complementarity with other interventions:

Interventions supporting on-farm non-productive investments shall contribute towards interventions in off-farm non-productive investments targeting afforestation.

Links with relevant legislation:

Wild Birds and Habitat Directive

REGULATION (EU) 2021/2115 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 2 December 2021 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) No 1305/2013 and (EU) No 1307/2013

Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary and area

Farmers (whether natural/legal persons);

Group of Farmers (including inter alia partnerships, cooperatives).
Eligibility conditions may include:

- 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 afforested areas and species.

- Projects should contribute to landscape, environment and ecological objectives for Malta.

- Support will not be granted when this is already provided under EAGF to avoid double-funding.

- Eligibility for support for investments will be based on a detailed assessment of applications by the project selection committee.

- Recipients of grants, under certain circumstances as deemed appropriate by the Managing Authority or the Project Selection Committee, may be required to undertake training or seek advice.

- Operations shall not be eligible for support where they have been physically completed or fully implemented before the application for funding under the CAP Strategic Plan is submitted to the Managing Authority, irrespective of whether all related payments have been made.

Define eligible type of support (non-IACS) or commitments (IACS) and other obligations

Eligible investments include, as may be determined by the MA in the guidance notes inter alia:

- 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, e.g. 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.

- The possibility of either using the simplified cost option (SCO) or else the actual cost incurred[1].

- 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 licenses up to a maximum 15% of the total eligible project cost;

- Contributions in kind and depreciation costs may be eligible for support under the EAFRD, subject to conditions to be set by the Member States;

- Only expenditure which has been incurred after an application has been submitted to the competent
authority shall be considered eligible;

– Specific actions that have been recommended as part of the management, conservation or rehabilitation plans;

– The actual restoration, in situ reproductions, including but not limited to the restoration and installation of walkways and installation of security measures, the setting up of interpretation aids and visitors’ centres;

– The restoration of small, man-made structures of rural heritage value located in rural areas, including traditionally built rubble walls and water channels;

– The construction and/or restoration of recreational infrastructure, information and interpretation facilities, public amenities, afforestation activities and regeneration of degraded areas to be converted for recreational purposes;

– Only species included in the list established by the MA and the respective competent authorities and published as part of the Guidance Notes shall be eligible for funding. Other species may be considered for funding upon the presentation of the necessary approval by the respective competent authorities when requested by the Managing Authority;

– Publicity/dissemination costs.

[1] The MA reserves the right to develop further SCOs for all expenditure, with further details on their applicability to be listed in the respective Guidance Note.

6 Identification of relevant baseline elements
(relevant GAEC, statutory management requirements (SMR) and other mandatory requirements established by national and Union law), where applicable, description of the specific relevant obligations under the SMR, and explanation as to how the commitment goes beyond the mandatory requirements (as referred to in Art. 28 (5) and Art. 70 (3) and in Art. 72 (5))

N/A

7 Form and rate of support/amounts/calculation methods

Form of support

☒ Grant

☐ Financial instrument

Type of payment

☒ Reimbursement of eligible costs actually incurred by a beneficiary

☐ Unit costs

☐ Lump sums

☐ Flat-rate financing

Range of support at beneficiary level

The applicable support rates shall be 80% of the eligible amount.

Additional explanation

Support will be provided in the form of grants. The same aid intensities shall apply across the Maltese Islands.

Maximum support rates as defined in Article 73 (4) will be applied as applicable. The aid intensity rates that apply 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 of investment related support may request an advance payment of up to 50% of the public aid related to the investment, at the discretion of the MA and ARPA.\[1\] Funding support may be capped per project as applicable; such capping would be outlined in the respective national implementation guidance documents.

Simplified Cost Options may be used to support investments funded through this intervention, building on the experience of the 2014 â€“ 2020 programming period. The SCOs, and their respective methodologies, drafted and/or implemented during the 2014 â€“ 2020 programming period, will therefore be re-programmed. The value of these SCOs may be updated in line with market trends, if necessary. The MA may make the use of SCOsâ€™s obligatory.

Only expenditure which has been incurred after an application has been submitted to the competent authority shall be considered eligible (Article 86 Reg 2021/2115 applies) with the exception of the professional services incurred by successful applicants for the submission of an EAFRD application, including business plans where these are required. Successful applicants are those who are offered a grant agreement (hence excluding those who either fail the eligibility and/or selection process or are placed on a waiting list). The MA may adopt an SCO rate for such eligible cost.

\[1\] Regulation (EU) 2021/2116, Article 44, Payments to Beneficiaries, paragraph 3.

8 Information regarding State aid assessment

The intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment:
☑ Yes ☐ No ☑ Mixed

Explanation of support activities falling outside the scope of Art. 42 TFEU

Activities supporting on-farm non-productive activities shall constitute the restoration and/or establishment of rubble walls and other rural landscape features as well as the planting of trees.


Type of state aid assessment to be used for clearance:
☐ Notification ☐ GBER ☐ ABER ☑ de minimis

9 Additional questions/information specific to the Type of Intervention

What is not eligible for support?

- In order to avoid inappropriate afforestation, support will only be provided for planting of trees/shrubs listed in the guidance document provided by the Environment and Resources Authority.

- Non-native tree and shrub species shall not be eligible for support. Only native and indigenous species are allowed to be planted only.

- Investments in afforestation which are not consistent with climate and environmental objectives in line
with sustainable forest management principles, as developed in the Pan-European Guidelines for Afforestation and Reforestation.

Does the investment contain irrigation?
- Yes  
- No

Investments in the improvement of existing irrigation installations, what is the potential water saving(s) required (expressed in %)
N/A

Investments in the improvement of existing irrigation installations (affecting water bodies whose status is less than good) what is/are the requirement(s) for an effective reduction in water use - expressed in %)
N/A

10 WTO compliance
Green Box
Paragraph 11 of Annex 2 WTO
Explanation of how the intervention respects the relevant provisions of Annex 2 to the WTO Agreement on Agriculture as specified in Article 10 of this Regulation and in Annex II to this Regulation (Green Box)

This intervention qualifies as ‘Green box’ because it has no, or at most minimal, trade-distorting effects or effects on production, as set out in the WTO Agreement on Agriculture.

11 Contribution rate(s) applicable to this intervention

<table>
<thead>
<tr>
<th>Region</th>
<th>Article</th>
<th>Applicable Rate</th>
<th>Min Rate</th>
<th>Max Rate</th>
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<tr>
<td>MT - Malta</td>
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<td>20.00%</td>
<td>80.00%</td>
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12 Planned Unit Amounts - Definition

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Type of Support</th>
<th>Contribution rate(s)</th>
<th>Type of Planned Unit Amount</th>
<th>Region(s)</th>
<th>Result Indicator(s)</th>
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<tr>
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<td>RD OnFarm NP Unit - Unit Amount for On-Farm Non-Productive Investments</td>
<td>Grant</td>
<td>Average</td>
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<td>R.32;</td>
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</table>

Explanation and justification related to the value of the unit amount

RD OnFarm NP Unit - Unit Amount for On-Farm Non-Productive Investments

The planned amount is based on 14-20 RDP experience including financial allocation set and number of operations committed under Measure 4.4. This takes into consideration the fact that the proposed interventions are expected to be similar in nature.

13 Planned Unit Amounts - Financial table with outputs

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Financial Year</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
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<tr>
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<tr>
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<td>Maximum Amount for the Planned unit amount (EUR)</td>
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<td>80,000.00</td>
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</tr>
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<td></td>
<td>RD OnFarm NP Unit - Unit Amount for On-Farm Non-Productive Investments</td>
<td>O.21 (unit: Operations)</td>
<td>1.00</td>
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<td>Out of which for financial instrument (Total public expenditure in EUR)</td>
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<tr>
<td>Out of which carry-over (Total public expenditure in EUR)</td>
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<td>Out of which carry-over (Union contribution in EUR)</td>
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<tr>
<td>Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)</td>
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<tr>
<td>Out of which needed to reach the minimum financial allocation set out in Annex XII (Union contribution in EUR)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
RD Off Farm NP INVST - Off-farm Non-Productive Investments and Afforestation

<table>
<thead>
<tr>
<th>Intervention Code (MS)</th>
<th>RD Off Farm NP INVST</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intervention Name</td>
<td>Off-farm Non-Productive Investments and Afforestation</td>
</tr>
<tr>
<td>Type of Intervention</td>
<td>INVEST(73-74) - Investments, including investments in irrigation</td>
</tr>
<tr>
<td>Common Output Indicator</td>
<td>O.23. Number of supported off-farm non-productive investment operations or units</td>
</tr>
<tr>
<td>Contributing to ringfencing requirement for/on</td>
<td>Generational Renewal: No</td>
</tr>
<tr>
<td></td>
<td>Environment: Yes</td>
</tr>
<tr>
<td></td>
<td>ES rebate system: No</td>
</tr>
<tr>
<td></td>
<td>LEADER: No</td>
</tr>
</tbody>
</table>

1 Territorial scope and, if relevant, regional dimension
Territorial scope: National

Code | Description |
--- | --- |
MT | Malta |

Description of the Territorial Scope

This intervention aims to fund non-productive investments linked to the creation and development of off-farm non-productive activities and support to improve the resilience and environmental value of ecosystems, across the Maltese territory.

2 Related Specific Objectives, Cross-Cutting Objective and relevant Sectoral Objectives

**CAP SPECIFIC OBJECTIVE Code + Description**

Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold

**SO5** A fenntartható fejlődés és a természeti erőforrások – például talaj és levegővel – való hatékony gazdálkodás támogatása többek között a vegyi anyagokat és való függőséget csökkentésével

**SO6** Hozzájárulás a biológiai sokféleség csökkenésének megállításához és visszafordításához, az ökoszisztéma-szolgáltatások gyarapítása, valamint az élőhelyek és egyedi megőrzése

**SO9** Az uniós mezőgazdaság által az élelmiszer-pazarlás, az állatjólét felülvizsgálása és az antimikrobiális rezisztencia elkerülése

3 Need(s) addressed by the intervention

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Prioritisation at the level of the CAP Strategic Plan</th>
<th>Addressed in CSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.1</td>
<td>Provide training and advice to increase awareness on the efficient management of natural resources</td>
<td>6</td>
<td>Yes</td>
</tr>
<tr>
<td>5.2</td>
<td>Increase the efficient use of water and soil by restoring geographical and landscape features</td>
<td>1</td>
<td>Yes</td>
</tr>
<tr>
<td>6.1</td>
<td>Enhance biodiversity on agricultural holdings and wider rural areas</td>
<td>1</td>
<td>Yes</td>
</tr>
<tr>
<td>6.2</td>
<td>Promote CAP SP measures that protect biodiversity, enhance ecosystems and preserve habitats</td>
<td>7</td>
<td>Yes</td>
</tr>
<tr>
<td>6.4</td>
<td>Promote the removal of invasive alien species and the planting of native and archaeophytic species</td>
<td>4</td>
<td>Yes</td>
</tr>
<tr>
<td>6.5</td>
<td>Restoration of habitats and rural landscape features</td>
<td>3</td>
<td>Yes</td>
</tr>
<tr>
<td>9.2</td>
<td>Foster higher animal welfare standards to ensure well being among farmed animals</td>
<td>4</td>
<td>Yes</td>
</tr>
<tr>
<td>9.7</td>
<td>Setting up of an electronic</td>
<td>2</td>
<td>Yes</td>
</tr>
</tbody>
</table>
prescription system and upgrade of AMR laboratory

4 Result indicator(s)

<table>
<thead>
<tr>
<th>RESULT INDICATORS Code + Description</th>
<th>Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold</th>
</tr>
</thead>
<tbody>
<tr>
<td>R.17</td>
<td>Zonas apoiadas para fins de florestação, agrossilvicultura e restauração, com respetiva repartição</td>
</tr>
<tr>
<td>R.27</td>
<td>Number of operations contributing to environmental sustainability and the achievement of climate mitigation and adaptation goals in rural areas</td>
</tr>
</tbody>
</table>

5 Specific design, requirements and eligibility conditions of the intervention

Describe what are the specific objectives and content of the intervention including specific targeting, principles of selection, links with relevant legislation, complementarity with other interventions/sets of operations in both pillars and other relevant information.

Malta has a very limited area of woodlands and this intervention will contribute directly to the conservation of existing woodland and support new planting that will contribute to improved habitat and biodiversity across the islands. Therefore, this intervention may provide support for the creation and sustainable management of woodlands to deliver environmental improvements such as biodiversity and climate change mitigation. Other support may include social benefits such as public access for recreation, basic management to ensure woodland sustainability, and operations that maintain or enhance environmental value such as pest management, coppicing, and uneconomic thinning as well as carbon sequestration.

Support for investments improving the resilience and environmental value of forest ecosystems.

Trees and woodland are comparatively rare in Malta and improvements to woodland management will contribute to conservation of habitats and biodiversity. According to EUROSTAT data, only 1% of land is covered by forest in Malta, which is required to engage in restoration management to enhance the quality of the woodland and its conservation value. The plan will aim at enhancing the rural landscape of Malta by supporting forest-related activities which include afforestation and creation of woodland areas. Malta proposes to make targeted support available to forestry in line with the national context and opportunities provided.

Interventions under this type of operation are envisaged by Public Authorities (who may designate NGOs to manage the site and/or the project in question) and will support both the creation of new woodland as well as the amelioration of existing woodland in Malta through planting of indigenous tree species, replanting in existing woodland, and establishment of bio-diverse woodland edge structure with appropriate trees and shrub species which can also serve for better microclimate creation purposes.

Creation of woodland will seek to provide additional green spaces for recreational purposes. 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.

Support shall also target afforestation ancillary investments, services and amenities such as through the setting up of small-scale infrastructure for the practicing of a particular recreational activity, inter alia bird watching or sight-seeing.
Reconstruction and upgrading of rubble walls by Public entities

Support may be provided for establishing, restoring, or re-instating rural infrastructure needed for management of habitats. Such investments may include, *inter alia*, the restoration and/or establishment of rubble walls and other rural landscape features including maintenance of existing terrace walls as linear features of high diversity value supporting biodiversity; the creation and/or restoration of different types of terrestrial habitats, including *inter alia* garigue, steppe, maquis, woodland, rock pools, valleys and watercourses, saline marshlands and sand dunes.

Rehabilitation of valleys around the Maltese Islands

Funding can be allocated towards the rehabilitation of valleys around the Maltese Islands that, throughout the years have accumulated silt and debris and can therefore no longer act as channels through which water can flow. This causes flooding in surrounding rural areas, leading to soil erosion, loss of crops and destruction of rural structures such as rubble walls. This intervention can therefore support investments that include cleaning of debris and construction or restoration of rainwater retention systems such as reservoirs. Such investments will reduce flooding while also collecting rainwater that can then be used for irrigation purposes, again providing an alternative source of water for irrigation, reducing the amount of water extracted from the aquifer.

Other complementary investments will include conservation of biodiversity, ecosystems as well as areas of natural heritage. These actions will be oriented towards those with a public interest and do not incorporate a commercial purpose.

Detection of diseases in crops and livestock using smart technologies

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 hailstorms 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 through the use of artificial intelligence and smart technologies including satellite imagery and drones in agriculture that can help detect the onset of diseases in crops and livestock as well as determine the soil composition on an hourly basis.

Investments contributing to the setting up of an electronic prescription system may be considered enabling the monitoring and collection of quality data on the prescription, use, consumption and trends of antibiotics in Malta. The data would be used to carry out risk assessments and to complete the picture and assist in implementing the Anti-microbial resistance strategy in Malta. Support may also include upgrades to the AMR laboratory, in line with the *Strategy and Action Plan for the Prevention and Containment of Antimicrobial Resistance in Malta* (2020–2028). This intervention shall contribute towards SO9, on improving the response of EU agriculture to societal demands on food and health including safe and
nutritious food produced in a sustainable way, food waste as well as animal welfare.

Support for planting of trees and ancillary works (not on agricultural parcels)

Under this intervention, support will also be provided for tree planting and ancillary works for purposes of agri-environmental and climate objectives, including tree planting for soil management and erosion control action. Removal of invasive alien tree species is also an eligible action; the planting of new trees (not necessarily on the same areas/parcels where trees are removed) to replace the invasive alien tree species need to be in accordance with ERA Guidelines.

Planting of trees under this intervention will normally focus on introducing trees on the perimeter of agricultural parcels, and not the installation of orchards. Such trees can also be trees to give the farmer a product; however, the main scope here would not be for productive purposes.

The envisaged investments will contribute to the following specific objectives.

SO 5 To foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency.

This intervention will contribute to SO 5 through interventions that may enhance the natural landscape, management of water, and soil conservation, while contributing to improving water retention and reducing flood risk. Furthermore, afforestation and development of woodland on agricultural and non-agricultural lands will contribute to the reduction of greenhouse gas emissions through carbon sequestration.

Specific Objective 6: Contribute to the protection of biodiversity, enhance ecosystem services and preserve habitats and landscapes.

The various local habitats host a multitude of plant and animal species, including various endemic and indigenous ones. Supported interventions may also form part of N2000 masterplans. Support may also be provided for the reclamation and restoration of marginal or derelict land that can be upgraded into areas that can be used for afforestation purposes. This intervention will therefore contribute directly towards the achievement of Specific Objective 6.

Apart from marking boundaries, traditionally built rubble walls have important environmental roles since they enable slopes to be modified to terraces, aid soil retention in fields therefore limiting soil erosion, shelter crops in exposed areas and serve as habitats for local flora and fauna while also forming an integral part of the cultural landscape of the Maltese Islands. Such an intervention will therefore register a secondary contribution towards Specific Objective 5.

The investments in Woodlands under this intervention will contribute to the objectives of SO 6 since they
will complement the objectives in Malta's National Biodiversity Strategy and Action Plan (NBSAP). This intervention will contribute to the conservation of High Nature Value areas, and may include the planting of indigenous tree species for the establishment of new woodland areas, re-planting in existing woodlands, the establishment of bio-diverse woodland edge structure with appropriate trees and shrub species which also can serve for better microclimate creation purposes and ecosystem management.

**Specific Objective 9 - Improve the response of EU agriculture to societal demands on food and health, including safe and nutritious food, produced in a sustainable way, food waste, as well as animal welfare**

This intervention may also support investments related to animal welfare, where investment being carried out exceeds the minimum requirements established by EU and/or national legislation, as overseen by the respective responsible Public Authority. Such investments may include the establishment of an electronic prescription system, and upgrades to the AMR laboratory. Improved animal welfare and hygiene lead to better livestock health which in turn reduces the occurrence of disease and lessens the need for antimicrobial use, therefore targeting anti-microbial resistance. Such investments would therefore contribute directly to Specific Objective 9.

**Targeting**

Off-farm afforestation and non-productive investments. Support may include social benefits such as public access and recreation, basic management to ensure woodland sustainability, operations that maintain or enhance environmental and social value such as pest management, coppicing, and uneconomic thinning as well as carbon sequestration.

**Complementarity with other interventions**

This Intervention will complement investments under land-based management commitments and on-farm non-productive investments including rubble walls.

**Link with relevant legislation**

Wild Birds and Habitat EU Directives;

REGULATION (EU) 2021/2115 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 2 December 2021 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) No 1305/2013 and (EU) No 1307/2013.
Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary and area.

Public entities/authorities will be eligible. Public authorities may designate NGOs for the management and maintenance of such sites.

*Eligible conditions may include:*

- 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.

- 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 as advised by the Environment and Resources Authority (ERA) *Indicative List of Trees and shrub species that can be Planted in Rural Areas* and included in the MA Guidance Document. Support will not be granted to holdings or enterprises in difficulty within the meaning of the Union guidelines for the agricultural and forestry sector and the Union guidelines on State aid for rescuing and restructuring firms in difficulty.

- Support will not be granted when this is already provided under EAGF.

- Eligibility for support for investments will be based on a detailed assessment of applications by the project selection committee.

- Recipients of grants, under certain circumstances as deemed appropriate by the Managing Authority or the Project Selection Committee, may be required to undertake training or seek advice.

- Operations shall not be eligible for support where they have been physically completed or fully implemented before the application for funding under the CAP Strategic Plan is submitted to the Managing Authority, irrespective of whether all related payments have been made.

- In cases of emergency due to catastrophic events or a significant and sudden change in the socio-economic conditions, according to Article 86 (3) of Regulation 2021/2115, permission may be granted for expenditure to be eligible from the date when the event occurred and thus before an application has been submitted.

---

Define eligible type of support (non-IACS) or commitments (IACS) and other obligations

- 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).

- 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.

General maintenance costs are not supported under this sub-measure.

The possibility of either using the simplified cost option (SCO) or else the actual cost incurred[1].

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 licenses up to a maximum 15% of the total eligible project cost;

Contributions in kind and depreciation costs may be eligible for support under the EAFRD, subject to conditions to be set by the Member States;

Only expenditure which has been incurred after an application has been submitted to the competent authority shall be considered eligible;

Specific actions that have been recommended as part of the management, conservation or rehabilitation plans;

Visitors’ management and provision of public access sites;

The actual restoration, in situ reproductions, including but not limited to the restoration and installation of walkways and installation of security measures, setting up of interpretation aids and visitors’ centres;

The restoration of small, man-made structures of rural heritage value located in rural areas, including traditionally built rubble walls and water channels;

The construction and/or restoration of recreational infrastructure, information and interpretation facilities, public amenities, afforestation activities and regeneration of degraded areas to be converted for recreational purposes;

Only species included in the list established by the MA and the respective competent authorities and published as part of the Guidance Notes shall be eligible for funding.

Publicity/dissemination costs.

[1]The MA reserves the right to develop further SCOs for all expenditure, with further details on their applicability to be listed in the respective Guidance Note.
Grant

Financial instrument

Type of payment

- reimbursement of eligible costs actually incurred by a beneficiary
- unit costs
- lump sums
- flat-rate financing

Range of support at beneficiary level

The support rate applied to this intervention will be 100% of the eligible costs. Hence, no private co-financing will be applicable.

Additional explanation

Support will be provided in the form of grants. The same aid intensities shall apply across the Maltese Islands.

Maximum support rates as defined in Article 73 (4) will be applied as applicable. Beneficiaries of investment related support may request an advance payment of up to 50% of the public aid related to the investment.\[1\]

Simplified Cost Options may be used to support investments funded through this intervention, building on the experience of the 2014-2020 programming period. The SCOs and their respective methodologies, implemented and/or drafted during the 2014-2020 programming period, will therefore be re-programmed. The value of these SCOs may be updated in line with market trends, if necessary. The MA may decide to make SCOs obligatory.

Only expenditure which has been incurred after an application has been submitted to the competent authority shall be considered eligible (Article 86 Reg 2021/2115 applies). This with the exception of the professional services incurred by successful applicants for the submission of an EAFRD application, including business plans. Where these are required, successful applicants are those who are offered a grant agreement (hence excluding those who either fail the eligibility and/or selection process or are placed on a waiting list). The MA may adopt an SCO rate for such eligible cost.


8 Information regarding State aid assessment

The intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment:

- Yes
- No
- Mixed

Explanation of the support activities falling outside the scope of Art. 42 TFEU

Support shall target afforestation ancillary investments, services and amenities.

State Aid clearance will be requested on the basis of Commission Regulation (EU) No 2020/2008 amending regulations (EU) No 702/2014, (EU) No 717/2014 and (EU) No 1388/2014, as regards their period of application and other relevant adjustments declaring certain categories of aid in the agricultural and forestry sector.
Type of state aid instrument to be used for clearance:
☐ Notification ☐ GBER ☐ ABER ☒ de minimis

9 Additional questions/information specific to the Type of Intervention

What is not eligible for support?
In order to avoid inappropriate afforestation, support will only be provided for planting of trees/shrubs listed in the guidance document provided by the Environment and Resources Authority.

Non-native tree and shrub species shall not be eligible for support. Only native and indigenous species are allowed to be planted only. Other species may be considered for funding upon the presentation of the necessary approval by the respective competent authorities when requested by the Managing Authority;

Does the investment contain irrigation?
☐ Yes ☒ No

Investments in the improvement of existing irrigation installations, what is the potential water saving(s) required (expressed in %)
N/A

Investments in the improvement of existing irrigation installations (affecting water bodies whose status is less than good) what is/are the requirement(s) for an effective reduction in water use - expressed in %)
N/A

10 WTO compliance

Green Box

Paragraph 11 of Annex 2 WTO

Explanation of how the intervention respects the relevant provisions of Annex 2 to the WTO Agreement on Agriculture as specified in Article 10 of this Regulation and Annex II to this Regulation (Green Box)

This intervention qualifies as a 'Green Box' because it has no, or at most minimal, trade-distorting effects or effects on production, as set out in the WTO Agreement on Agriculture.

11 Contribution rate(s) applicable to this intervention

<table>
<thead>
<tr>
<th>Region</th>
<th>Article</th>
<th>Applicable rate</th>
<th>Min Rate</th>
<th>Max Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>MT - Malta</td>
<td>91(3)(b) - 73 Support for non-productive investments referred to in Article</td>
<td>80.00%</td>
<td>20.00%</td>
<td>80.00%</td>
</tr>
</tbody>
</table>
### 12 Planned Unit Amounts - Definition

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Type of Support</th>
<th>Contribution rate(s)</th>
<th>Type of Planned Unit Amount</th>
<th>Region(s)</th>
<th>Result Indicator(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Off Farm NP INV Unt1 - Unit Amount 1 for Off-Farm Non-productive Investments - Afforestation</td>
<td>Grant</td>
<td>91(3)(b) - 73-MT-80.00%</td>
<td>Average</td>
<td>R.17;</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Off Farm NP INV Unt2 - Unit Amount 2 for Off-Farm Non-productive Investments</td>
<td>Grant</td>
<td>91(3)(b) - 73-MT-80.00%</td>
<td>Average</td>
<td>R.27;</td>
<td></td>
</tr>
</tbody>
</table>

Explanations and justifications related to the value of the unit amount

**Off Farm NP INV Unt1 - Unit Amount 1 for Off-Farm Non-productive Investments - Afforestation**

This planned amount is based on 14-20 RDP experience including financial allocations set and number of operations committed. This takes into consideration the fact that the proposed interventions relating to afforestation are expected to be similar in nature.

**Off Farm NP INV Unt2 - Unit Amount 2 for Off-Farm Non-productive Investments**

The planned amount relates to operations contributing to environmental sustainability and achievement of climate mitigation and adaptation goals in rural areas. Its value is based on 14-20 RDP experience including financial allocations set and number of operations committed. This takes into consideration the fact that the proposed interventions are expected to be similar in nature.

### 13 Planned Unit Amounts - Financial table with outputs

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Financial Year</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
<th>Total 2023 - 2029</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Off Farm NP INV Unt1 - Unit Amount 1 for Off-Farm Non-productive Investments - Afforestation</td>
<td>Planned unit amount (Total Public Expenditure in EUR)</td>
<td>1,250,000.00</td>
<td>1,250,000.00</td>
<td>1,250,000.00</td>
<td>1,250,000.00</td>
<td>1,250,000.00</td>
<td>1,250,000.00</td>
<td>1,250,000.00</td>
<td>1,250,000.00</td>
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<tr>
<td></td>
<td>Maximum Amount for the Planned unit amount (EUR)</td>
<td>2,500,000.00</td>
<td>2,500,000.00</td>
<td>2,500,000.00</td>
<td>2,500,000.00</td>
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<td>2,500,000.00</td>
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<td></td>
<td>O.23 (unit: Operations)</td>
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<td></td>
<td>Off Farm NP INV Planned unit</td>
<td>625,000.00</td>
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<tr>
<td>Unit 2 - Unit Amount 2 for Off-Farm Non-productive Investments</td>
<td>amount (Total Public Expenditure in EUR)</td>
<td>Maximum Amount for the Planned unit amount (EUR)</td>
<td>O.23 (unit: Operations)</td>
<td>O.23 (unit: Operations)</td>
<td>Annual indicative financial allocation (Total public expenditure in EUR)</td>
<td>Annual indicative financial allocation (Union Contribution in EUR)</td>
<td>Out of which for financial instrument (Total public Expenditure in EUR)</td>
<td>Out of which for financial instrument (Union Contribution in EUR)</td>
<td>Out of which carry-over (Total public Expenditure in EUR)</td>
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<td></td>
<td>437,500.00</td>
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</tr>
<tr>
<td>Out of which carry-over (Union contribution in EUR)</td>
<td>0.00</td>
<td>0.00</td>
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<tr>
<td>Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)</td>
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<td>0.00</td>
<td>0.00</td>
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<tr>
<td>Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)</td>
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<td>0.00</td>
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RD Off-Farm INFRA - Off Farm Investments – Infrastructure

<table>
<thead>
<tr>
<th><strong>Intervention Code (MS)</strong></th>
<th>RD Off-Farm INFRA</th>
</tr>
</thead>
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<tr>
<td><strong>Intervention Name</strong></td>
<td>Off Farm Investments – Infrastructure</td>
</tr>
<tr>
<td><strong>Type of Intervention</strong></td>
<td>INVEST(73-74) - Investments, including investments in irrigation</td>
</tr>
<tr>
<td><strong>Common Output Indicator</strong></td>
<td>O.22. Number of supported infrastructures investment operations or units</td>
</tr>
</tbody>
</table>
| **Contributing to ringfencing requirement for/on** | Generational Renewal: No  
Environment: Yes  
ES rebate system: No  
LEADER: No |

1 Territorial scope and, if relevant, regional dimension
Territorial scope: **National**

<table>
<thead>
<tr>
<th><strong>Code</strong></th>
<th><strong>Description</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>MT</td>
<td>Malta</td>
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</tbody>
</table>

Description of the Territorial Scope

This intervention aims to support investment related to off-farm infrastructure, focusing on the entire territory of Malta.

2 Related Specific Objectives, Cross-Cutting Objective and relevant Sectoral Objectives

**CAP SPECIFIC OBJECTIVE Code + Description**

Recommended CAP specific objectives for this Type of Intervention are displayed in bold

SO2 Enhance market orientation and increase farm competitiveness, both in the short and long term, including greater focus on research, technology and digitalisation

SO5 A fenntartható fejlődés és a természeti erőforrások – például a vízzel, a talajjal és a levegővel – való hatékony gazdálkodás támogatása többek között a vegyi anyagoktól való függőség csökkentésével

3 Need(s) addressed by the intervention

<table>
<thead>
<tr>
<th><strong>Code</strong></th>
<th><strong>Description</strong></th>
<th><strong>Prioritisation at the level of the CAP Strategic Plan</strong></th>
<th><strong>Addressed in CSP</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>2.5</td>
<td>Identify and support investment needs of the sector to increase its market competitiveness</td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>5.3</td>
<td>Introduce Mechanisms that support agricultural waste fertilisation and energy</td>
<td></td>
<td>Yes</td>
</tr>
<tr>
<td>5.5</td>
<td>Encourage farmers to invest in efficient farming systems that make efficient use of resources</td>
<td></td>
<td>Yes</td>
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<tr>
<td>5.7</td>
<td>Identify ways to reduce nutrient loading in air, soil and water from agricultural activity</td>
<td></td>
<td>Yes</td>
</tr>
</tbody>
</table>

4 Result indicator(s)

**RESULT INDICATORS Code + Description**

Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold

R.15 Supported investments in renewable energy production capacity, including bio-based (in MW)

R.27 Number of operations contributing to environmental sustainability and the achievement of climate mitigation and adaptation goals in rural areas

R.41 Percentagem da população rural que beneficia de um melhor acesso a serviços e infraestruturas graças ao apoio da PAC

5 Specific design, requirements and eligibility conditions of the intervention

Describe what are the specific objectives and content of the intervention including specific targeting, principles of selection, links with relevant legislation, complementarity with other interventions/sets of operations in both pillars and other relevant information.

This intervention aims to support investments that take place off the farm but which are of benefit to the agricultural sector. Such investments may include *inter alia* the amelioration of rural roads, modern water capture, storage, and distribution systems and the establishment of biomass plants or other projects aimed...
at treating farm waste.

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 the holding), and for energy generation using a range of technologies including: biomass from manures and wastes, solar, and wind power.

Support for investments in infrastructure related to development, modernisation, and adaptation of agriculture.

This intervention aims to provide support to public entities to carry out investments in off-farm infrastructure that will ultimately lead to improved farmers' competitiveness and environmental performance.

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 land access, soil conservation and water management, and renewable energy. The fragmented nature of landholdings make access a particular problem for arable farms. The lack of 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 the holding), and for energy generation using a range of technologies including: biomass from manures and wastes, solar, and wind power.

Water management and associated soil management are activities that remain pertinent in the agricultural sector. Arable farmers need support to invest in more effective and modern water capture, storage, and new water distribution systems that fit into the landscape and enable improved scope for sharing of structures and equipment, enhance the uptake and reduce dependency on groundwater resources. Livestock farms need support for investment in water treatment and recycling technology, and storage facilities.

Off-farm interventions under this intervention 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 including biodiversity compatible techniques, 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 Council Directive 2013/64/EU â€“ following with the additional treatment to comply with the minimum requirements for water reuse in agriculture.

The envisaged investments will contribute to the following specific objectives:

**Specific Objective 2:** Enhance market orientation and increase competitiveness, including greater focus on research, technology and digitalisation.

Building on the success of measures implemented under the RDP 14-20 to improve road accessibility with the aim of increasing farm competitiveness, under this intervention the construction and upgrading of access roads in rural areas may be supported. The National Transport Strategy 2050 for Malta in fact aims to provide a sustainable transport system for both rural and urban environments, where people live and work. This strategy notes that in view of Malta's smaller size, isolation of rural communities is not as critical as it tends to be in larger countries, therefore, such investments in rural areas are more targeted towards providing farmers with better access to their holdings, rather than in connecting rural to urban areas. The aim, therefore, is to limit land abandonment and encourage farmers to make the best use of all their land parcels. Better rural roads ensure that farmers' equipment can also be accommodated. This intervention will have a positive impact on the agricultural sector given that better rural roads will also cut down on the time required by farmers to travel from one land parcel to another, keeping in mind the fragmented nature of local agricultural holdings. This intervention aims to improve farmers' competitiveness and will therefore target Specific Objective 2.

Interventions in rural roads will also target, albeit indirectly, the improvement of water collection systems which could also be supported.

**Specific Objective 5:** Foster sustainable development and efficient management of natural resources such as water, soil and air.

Malta is a semi-arid country where water scarcity has been an issue since documented history. Also, with the impact of climate change, rainfall patterns have changed, becoming more erratic. Therefore, a stable supply of water for irrigation purposes is crucial for farmers. Whereas various farmers have access to natural water supplies through bore holes, this supply of water is slowly being depleted, since extraction rates are higher than recharge rates. Maltaâ€™s 2nd Water Catchment Management Plan (WCMP) acknowledges the agricultural sectorâ€™s reliance on ground water for irrigation and suggests measures aimed at addressing water scarcity and over-abstraction of ground water through the restoration of over-
drawn aquifers and investment in smart irrigation technology. The 2nd WCMP identifies the need for alternative sources of irrigation, such as treated sewage effluent and the collection of rainwater runoff to reduce groundwater abstractions for irrigation. The Rural Development Programme 2014-2020 has already supported a project aimed at distributing treated sewage effluent to certain areas of the Maltese Islands in which agriculture is most predominant. This intervention aims to support further extension of this distribution network, therefore increasing the number of holdings that can make use of this treated sewage effluent for irrigation purposes, reducing their reliance on groundwater.

Apart from contributing towards the achievement of Specific Objective 5, water related investments shall also contribute to improving farmers’ competitiveness, since farmers will be provided with alternative sources of water that are less costly to extract, therefore reducing the expenditure on inputs. Such secondary contributions to SO 2 and other Specific Objectives will be identified and discussed by evaluators in the respective evaluations that will be carried out throughout the life of the CAP Strategic Plan.

As set out in the National Renewable Energy Action Plan (NREAP) 2015-2020, Malta has potential to generate more renewable energy through a mix of options. Although bioenergy from cropping is not a feasible solution in Malta, due to the limited availability of land, and low climate compatibility for such crops, further scope exists for energy generation from human and agricultural waste. This intervention may therefore also support the setting up of an adequate structure for the utilization of biomass, such as animal and agricultural waste and other residues, for the production of renewable energy production or for bio-based products. This intervention may therefore support the centralised management of waste stream that offers advantages brought about by economies of scale. Small-scale plants intended to process animal manure on-site may then be supported through Intervention 1 that is aimed at supporting investments on agricultural holdings.

This intervention is in line with the commitment to facilitate the supply and use of renewable sources of energy. Such an intervention that converts agricultural waste that could have otherwise caused pollution to natural water sources, will contribute to Specific Objective 5. Given that such an intervention will also provide an alternative source of energy, it may also contribute to Specific Objective 4.

This intervention may also enhance the construction of infrastructure aimed at recovering nutrients from abattoir waste, transforming it into organic agricultural by products, therefore following the principles of a circular economy. Extensive quantities of animal by-products end up as waste, following livestock slaughtering, since these are normally not used for human consumption. This generates a significant quantity of waste that needs to be disposed of, but that could also be processed into other useful products. Unless processed for further reuse, such waste would have to be incinerated in a thermal treatment facility that is powered by non-renewable sources of energy.

**Targeting**
Off Farm non-productive infrastructural investments: Supporting investments in modernisation, water management, soil conservation, and renewable energy.

**Complementarity with other interventions**

Interventions supporting the investments in infrastructure related to development modernisation or adaptation of agriculture may be complemented through cooperation activities involving partnerships of farmers to ensure economies of scale are achieved. Similarly, investments in agricultural holdings involving smart irrigation techniques and other technologies will also complement infrastructural interventions that aim to increase the farmers’ competitiveness.

[1] Such investments, including the on-farm installations by the farmer (under Int. 1) for the use of collected water, shall not be subject to the tests as per Article 68 (3).

Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary and area

**Public entities/authorities**

**Eligibility Conditions may include:**

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 – 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.

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) shall apply.

Support will not be granted when this is already provided under the EAGF to avoid double-funding.

Support for investments in irrigation through improved water management and storage will only be eligible if they meet the relevant requirements of Article 74 of the CAP SPR.

Define eligible type of support (non-IACS) or commitments (IACS) and other obligations

**Eligible Actions will include:**

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;

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 86 of the CAP SP Regulation and other relating eligibility rules of the ESI Funds.

In line with Article 86 of the CAP SP Regulation, only expenditure which has been incurred after an application has been submitted to the competent authority shall be considered eligible.

In cases of emergency due to catastrophic events or a significant and sudden change in the socio-economic conditions, according to 86 (3) of Regulation 2021/2115, permission may be granted for expenditure to be considered eligible from the date when the event occurred and thus before an application has been submitted.

6 Identification of relevant baseline elements
(relevant GAEC, statutory management requirements (SMR) and other mandatory requirements established by national and Union law), where applicable, description of the specific relevant obligations under the SMR, and explanation as to how the commitment goes beyond the mandatory requirements (as referred to in Art. 28 (5) and Art. 70 (3) and in Art. 72 (5))
N/A

7 Form and rate of support/amounts/calculation methods
Form of support

☑ Grant
☐ Financial instrument

Type of payment
☑ reimbursement of eligible costs actually incurred by a beneficiary
☐ unit costs
☐ lump sums
☐ flat-rate financing

Range of support at beneficiary level

The support rate applied to this intervention shall be 90% of the eligible costs.

Additional explanation

Support will be provided in the form of grants. The same aid intensities shall apply across the Maltese Islands.

Maximum support rates as defined in Article 73 (4) will be applied as applicable. Beneficiaries of investment related support may request an advance payment, at the discretion of the MA and ARPA, up to 50% of the public aid related to the investment. [1]

Simplified Cost Options may be used to support investments funded through this intervention, building on the experience of the 2014 â€“ 2020 programming period. The SCOs, and their respective methodologies, drafted and/or implemented during the 2014 â€“ 2020 programming period will therefore be re-
programmed. The value of these SCOs may be updated in line with market trends, if necessary. The MA may decide to make SCOs obligatory.

Only expenditure which has been incurred after an application has been submitted to the competent authority shall be considered eligible (Article 86 Reg 2021/2115 applies). This with the exception of the professional services incurred by successful applicants for the submission of an EAFRD application, including business plans where these are required. Successful applicants are those who are offered a grant agreement (hence excluding those who either fail the eligibility and/or selection process or are placed on a waiting list). The MA may adopt an SCO rate for such eligible cost.


8 Information regarding State aid assessment
The intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment:
☐ Yes ☒ No ☐ Mixed

Type of state aid instrument to be used for clearance:
☐ Notification ☐ GBER ☐ ABER ☐ de minimis

9 Additional questions/information specific to the Type of Intervention

What is not eligible for support?
Simple replacement investments shall not be eligible for support (however, operations such as investment in the functional improvement of agricultural water reservoirs (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 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).

Does the investment contain irrigation?
☐ Yes ☒ No

Investments in the improvement of existing irrigation installations, what is the potential water saving(s) required (expressed in %)?

N/A

Investments in the improvement of existing irrigation installations (affecting water bodies whose status is less than good) what is/are the requirement(s) for an effective reduction in water use - expressed in %)

N/A

10 WTO compliance
☐ Green Box
Paragraph 11 of Annex 2 WTO
Explanation of how the intervention respects the relevant provisions of Annex 2 to the WTO Agreement on Agriculture as specified in Article 10 of this Regulation and in Annex II to this Regulation (Green Box)

This intervention qualifies as ‘Green box’ because it has no, or at most minimal, trade-distorting effects or effects on production, as set out in the WTO Agreement on Agriculture.
### 11 Contribution rate(s) applicable to this intervention

<table>
<thead>
<tr>
<th>Region</th>
<th>Article</th>
<th>Applicable rate</th>
<th>Min Rate</th>
<th>Max Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>MT - Malta</td>
<td>91(2)(c)-Transition regions within the meaning of Article 108(2), first subparagraph, point (b), of Regulation (EU) 2021/1060</td>
<td>60.00%</td>
<td>20.00%</td>
<td>60.00%</td>
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</table>
12 Planned Unit Amounts - Definition

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Type of Support</th>
<th>Contribution rate(s)</th>
<th>Type of Planned Unit Amount</th>
<th>Region(s)</th>
<th>Result Indicator(s)</th>
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<tbody>
<tr>
<td></td>
<td>Off-Farm INFRA Unit - Unit Amount for Off-Farm Infrastructure investments</td>
<td>Grant</td>
<td>Average</td>
<td></td>
<td></td>
<td>R.15; R.41; R.27;</td>
</tr>
</tbody>
</table>

Explaination and justification related to the value of the unit amount

Off-Farm INFRA Unit - Unit Amount for Off-Farm Infrastructure investments

The planned amount is based on 14-20 RDP experience including financial allocation and number of operations committed under Measure 4.3. This takes into consideration the fact that the proposed interventions are expected to be similar in nature.

13 Planned Unit Amounts - Financial table with outputs

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Financial Year</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
<th>Total 2023 - 2029</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Off-Farm INFRA Unit - Unit Amount for Off-Farm Infrastructure investments</td>
<td>Planned unit amount (Total Public Expenditure in EUR)</td>
<td>2,066,468.20</td>
<td>2,066,468.20</td>
<td>2,066,468.20</td>
<td>2,066,468.20</td>
<td>2,066,468.20</td>
<td>2,066,468.20</td>
<td>2,066,468.20</td>
<td>2,066,468.20</td>
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<tr>
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<td>Maximum Amount for the Planned unit amount (EUR)</td>
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<td>O.22 (unit: Operations)</td>
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<td>3.00</td>
<td>4.00</td>
<td>4.00</td>
<td>3.00</td>
<td>3.00</td>
<td>20.00</td>
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<tr>
<td></td>
<td>Annual indicative financial allocation (Total public expenditure EUR)</td>
<td>2,066,468.20</td>
<td>4,132,936.40</td>
<td>6,612,698.23</td>
<td>7,025,991.87</td>
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<td>41,329,363.95</td>
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<td>TOTAL</td>
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<td>3,967,618.94</td>
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<tr>
<td>Out of which for financial instrument (Total public Expenditure in EUR)</td>
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<td></td>
</tr>
<tr>
<td>Out of which needed to reach the minimum financial allocation out in Annex XII (applicable to Article 95(1) under Article 73 and Article 80 of the Treaty) (Total public expenditure in EUR)</td>
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<td>0.00</td>
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<td>Out of which needed to</td>
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</tbody>
</table>
reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)
RD Off-Farm P.INVEST - Off-farm Productive Investment

<table>
<thead>
<tr>
<th>Intervention Code (MS)</th>
<th>RD Off-Farm P.INVEST</th>
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</thead>
<tbody>
<tr>
<td>Intervention Name</td>
<td>Off-farm Productive Investment</td>
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<tr>
<td>Type of Intervention</td>
<td>INVEST(73-74) - Investments, including investments in irrigation</td>
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<td>O.24. Number of supported off-farm productive investment operations or units</td>
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<td>Contributing to ringfencing requirement for/on</td>
<td>Generational Renewal: No Environment: No ES rebate system: LEADER: No</td>
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1 Territorial scope and, if relevant, regional dimension
Territorial scope: National

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<thead>
<tr>
<th>Code</th>
<th>Description</th>
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<tbody>
<tr>
<td>MT</td>
<td>Malta</td>
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</tbody>
</table>

Description of the Territorial Scope

This intervention aims to support farmers and processors as well as the development of new products, covering the entire territory of Malta.

2 Related Specific Objectives, Cross-Cutting Objective and relevant Sectoral Objectives

**CAP SPECIFIC OBJECTIVE Code + Description** Recommended CAP specific objectives for this Type of Intervention are displayed in bold

<table>
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<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>SO2</td>
<td>Enhance market orientation and increase farm competitiveness, both in the short and long term, including greater focus on research, technology and digitalisation</td>
</tr>
<tr>
<td>SO3</td>
<td>A mezőgazdasági termelők helyzetének javítása az értékláncban</td>
</tr>
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</table>

3 Need(s) addressed by the intervention

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<th>Code</th>
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<th>Addressed in CSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2</td>
<td>More co-ordinated and strategic market approaches in the sectors which currently lack this</td>
<td>5</td>
<td>Yes</td>
</tr>
<tr>
<td>2.3</td>
<td>Increase direct selling, adding value, improving processing facilities and skills</td>
<td>6</td>
<td>Yes</td>
</tr>
<tr>
<td>2.5</td>
<td>Identify and support the investment needs of the sector to increase its market competitiveness</td>
<td>3</td>
<td>Yes</td>
</tr>
<tr>
<td>3.2</td>
<td>Improve the organisation of producers in the relevant sectors where this is currently lacking</td>
<td>4</td>
<td>Yes</td>
</tr>
<tr>
<td>3.3</td>
<td>Increase understanding among Maltese producers and processors of emerging market opportunities</td>
<td>8</td>
<td>Yes</td>
</tr>
<tr>
<td>3.5</td>
<td>Further develop established niche markets for authentic Maltese products (olive oil, gbejna, honey)</td>
<td>6</td>
<td>Yes</td>
</tr>
<tr>
<td>3.7</td>
<td>Strengthen capacity for collaboration among producers and supply chains</td>
<td>2</td>
<td>Yes</td>
</tr>
</tbody>
</table>

4 Result indicator(s)

**RESULT INDICATORS Code + Description** Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>R.10</td>
<td>Share of farms participating in producer groups, producer organisations, local markets, short supply chain circuits and quality schemes supported by the CAP</td>
</tr>
</tbody>
</table>

5 Specific design, requirements and eligibility conditions of the intervention
Describe what are the specific objectives and content of the intervention including specific targeting, principles of selection, links with relevant legislation, complementarity with other interventions/sets of operations in both pillars and other relevant information.

**Off-farm investments related to processing and/or development**

This intervention aims to fund productive off-farm investments related to processing and/or development of agricultural products.

Investments in processing may consist of grants that support farmers, processors and other eligible beneficiaries in adding value to primary products, improve quality or develop new products amongst others. Such funding aims to target two main groups of beneficiaries, namely farmers, including young farmers, whether individually or in groups and partnerships; and processors in all forms. This intervention can also support other eligible beneficiaries, as noted in the list of eligible beneficiaries. Investments supported through this intervention should result in demonstrable benefits to Maltese agricultural producers.

This intervention shall be open to processing and/or development of agricultural products listed in Annex 1 to the Treaty on the Functioning of the EU as an input. Support shall also be provided for off-farm investments that transform Annex 1 products into other Annex I products. Investments that transform Annex 1 products into non-Annex 1 products will be eligible, however these will be subject to State Aid parameters. It is however admissible to support processing with non-Annex I products to the extent that they constitute a minor component of the input within the processing operation and are necessary for processing reasons, e.g. small percentages of additives. For the purpose of this intervention, Regulation (EU) 1308/2013 or other superseding legislation shall be used to establish whether a product is an agricultural product listed in Annex I of the Treaty on the Functioning of the EU or not. Processing should be specifically related to undertaking activities that add value to primary production, for processors in all forms. This may complement interventions involving diversification to agricultural activities.

This intervention also supports development activities aimed at adding value to agricultural products, improving quality beyond standards, applying new and more efficient production methods or improving product presentation.

Processors (legal persons), as well as natural persons investing in processing and/or development of agricultural products, will be supported at a rate of 50%.

**Specific Objective 2: Enhance market orientation and increase competitiveness, including greater focus on research, technology and digitalisation**

Support contributing to this Specific Objective shall aim at enhancing the competitiveness and profitability of beneficiaries, whether farmers or processors. Modern equipment that reduces the expenditure on inputs such as water and energy and the development of new products aimed at increasing oneâ€™s market share shall be considered as contributing to this Specific Objective.

**Specific Objective 3: improve farmers bargaining position in the supply chain**

Investments that shorten the supply chain, that bring farmers closer to processors, shall contribute to
Specific Objective 3.

Such projects would also contribute to enhancing the competitiveness of farmers since shortening the supply chain and adding value will likely provide beneficiaries with better returns on primary produce, and therefore better possibility for further investments and opportunities for business development.

Targeting:

Processing & marketing to develop new products and short supply chains, as well as expanding production and increasing processing efficiency on existing processing systems/products.

Complementarity with other interventions:

Interventions supporting off-farm productive investments involving processing, marketing, and development of new products shall contribute towards interventions in on-farm productive investments targeting diversification and cooperation.

Links with relevant legislation

REGULATION (EU) 2021/2115 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 2 December 2021 establishing rules on support to strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) No 1305/2013 and (EU) No 1307/2013.

Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary and area:

Farmers (whether natural or legal persons);

Group of Farmers (including inter alia partnerships, cooperatives);

Other businesses, public entities, and land managers active.

Eligibility conditions may include:

- 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.

- Support will not be granted for when this is already provided for under direct payment.

- In the case of investments under the processing and marketing intervention 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.

- In cases of emergency due to catastrophic events or a significant and sudden change in the socioeconomic conditions, according to Article 86 (3) of Regulation 2021/2115, permission may be...
granted for expenditure to be eligible from the date when the event occurred and thus before an application has been submitted.

Define eligible type of support (non-IACS) or commitments (IACS) and other obligations

Eligible investments include, as may be determined by the MA in the guidance notes *inter alia*:

- 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
- 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
- Only expenditure which has been incurred after an application has been submitted to the competent authority shall be considered eligible.

6 Identification of relevant baseline elements (relevant GAEC, statutory management requirements (SMR) and other mandatory requirements established by national and Union law), where applicable, description of the specific relevant obligations under the SMR, and explanation as to how the commitment goes beyond the mandatory requirements (as referred to in Art. 28 (5) and Art. 70 (3) and in Art. 72 (5))

N/A

7 Form and rate of support/amounts/calculation methods

Form of support

- Grant
- Financial instrument

Type of payment

- Reimbursement of eligible costs actually incurred by a beneficiary
- Unit cost
- Lump sum
- Flat-rate financing

Range of support at beneficiary level

The applicable support rates shall be 50% of the eligible amount.

Investments that transform Annex 1 products into non-Annex 1 products may be subject to other rates, subject to applicable State Aid parameters.

Additional explanation

Support will be provided in the form of grants. The same aid intensities shall apply across the Maltese
Maximum support rates as defined in Article 73 (4) will be applied as applicable. The aid intensity rates that apply 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. For processing related investments, maximum aid intensity shall be 50%. In case of active individual farmers (natural persons) of on-farm productive investments, the aid intensity will be increased to 65%. On the other hand, processors (legal persons) as well as natural persons investing in processing off-farm will be supported at a rate of 50%.

Beneficiaries of investment related support may request an advance payment of up to 50% of the public aid related to the investment, at the discretion of the MA and ARPA. Funding capping per project may be applied; such capping would be outlined in the respective national implementation guidance documents.

Simplified Cost Options may be used to support investments funded through this intervention, building on the experience of the 2014-2020 programming period. The SCOs and their respective methodologies, drafted and/or implemented during the 2014-2020 programming period will therefore be re-programmed. The value of these SCOs may be updated in line with market trends, if necessary. The MA may make the use of SCO’s obligatory.

Only expenditure which has been incurred after an application has been submitted to the competent authority shall be considered eligible (Article 86 Reg 2021/2115 applies). This with the exception of the professional services incurred by successful applicants for the submission of an EAFRD application, including business plans where these are required. Successful applicants are those who are offered a grant agreement (hence excluding those who either fail the eligibility and/or selection process or are placed on a waiting list). The MA may adopt a SCO rate for such eligible cost.

9 Additional questions/information specific to the Type of Intervention

What is not eligible for support?

- 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).

Does the investment contain irrigation?
☐ Yes  ☒ No

Investments in the improvement of existing irrigation installations, what is the potential water saving(s) required (expressed in %)
N/A

Investments in the improvement of existing irrigation installations (affecting water bodies whose status is less than good) what is/are the requirement(s) for an effective reduction in water use - expressed in %
N/A

10 WTO compliance

Green Box

Paragraph 11 of Annex 2 WTO

Explanation of how the intervention respects the relevant provisions of Annex 2 to the WTO Agreement on Agriculture as specified in Article 10 of this Regulation and in Annex II to this Regulation (Green Box)

This intervention qualifies as ‘Green Box’ because it has no, or at most minimal, trade-distorting effects or effects on production as set out in the WTO Agreement on Agriculture.

11 Contribution rate(s) applicable to this intervention

<table>
<thead>
<tr>
<th>Region</th>
<th>Article</th>
<th>Applicable rate</th>
<th>Min Rate</th>
<th>Max Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>MT</td>
<td>91(2)(c)-Transition regions within the meaning of Article 108(2), first subparagraph, point (b) of Regulation (EU) 2021/1060</td>
<td>60.00%</td>
<td>20.00%</td>
<td>60.00%</td>
</tr>
</tbody>
</table>
12 Planned Unit Amounts - Definition

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Type of Support</th>
<th>Contribution rate(s)</th>
<th>Type of Planned Unit Amount</th>
<th>Region(s)</th>
<th>Result Indicator(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Off-Farm P INVS Unit - Unit Amount for Off-Farm Productive Investments</td>
<td>Grant</td>
<td></td>
<td></td>
<td>Average</td>
<td></td>
<td>R.10;</td>
</tr>
</tbody>
</table>

Explanation and justification related to the value of the unit amount

Off-Farm P INVS Unit - Unit Amount for Off-Farm Productive Investments

The planned amount is based on 14-20 RDP experience including financial allocation and number of operations committed under Measure 4.2. This takes into consideration the fact that the proposed interventions are expected to be similar in nature.

13 Planned Unit Amounts - Financial table with outputs

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Financial Year</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
<th>Total 2023 - 2029</th>
</tr>
</thead>
<tbody>
<tr>
<td>Off-Farm P INVS Unit - Unit Amount for Off-Farm Productive Investments</td>
<td>Planned unit amount (Total Public Expenditure in EUR)</td>
<td></td>
<td>333,333.33</td>
<td>333,333.33</td>
<td>333,333.33</td>
<td>333,333.33</td>
<td>333,333.33</td>
<td>333,333.33</td>
<td>333,333.33</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Maximum Amount for the Planned unit amount (EUR)</td>
<td></td>
<td>1,600,000.00</td>
<td>1,600,000.00</td>
<td>1,600,000.00</td>
<td>1,600,000.00</td>
<td>1,600,000.00</td>
<td>1,600,000.00</td>
<td>1,600,000.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>O.24 (unit: Operations)</td>
<td></td>
<td>1.00</td>
<td>2.00</td>
<td>3.00</td>
<td>4.00</td>
<td>4.00</td>
<td>3.00</td>
<td>3.00</td>
<td>20.00</td>
</tr>
<tr>
<td></td>
<td>Annual indicative financial allocation (Total Public expenditure in EUR)</td>
<td></td>
<td>333,333.33</td>
<td>666,666.67</td>
<td>1,066,666.67</td>
<td>1,133,333.33</td>
<td>1,200,000.00</td>
<td>1,133,333.33</td>
<td>1,133,333.33</td>
<td>6,666,666.66</td>
</tr>
<tr>
<td>TOTAL</td>
<td>Annual indicative financial</td>
<td></td>
<td>200,000.00</td>
<td>400,000.00</td>
<td>640,000.00</td>
<td>680,000.00</td>
<td>720,000.00</td>
<td>680,000.00</td>
<td>680,000.00</td>
<td>4,000,000.00</td>
</tr>
<tr>
<td>Allocation (Union Contribution in EUR)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td>---</td>
<td>---</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Out of which for financial instrument (Total public Expenditure in EUR)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Out of which for financial instrument (Union Contribution in EUR)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Out of which carry-over (Total public Expenditure in EUR)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Out of which carry-over (Union contribution in EUR)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) and article 73 and Total public expenditure in EUR)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Out of which needed to reach the minimum</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>financial allocation set out in Annex XII (Union Contribution in EUR)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>---------------------------------------------------------------</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## RD On-farm Invest P. - On-farm Productive Investments

<table>
<thead>
<tr>
<th>Intervention Code (MS)</th>
<th>Intervention Name</th>
<th>Type of Intervention</th>
<th>Common Output Indicator</th>
<th>Contributing to ringfencing requirement for/on</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>RD On-farm Invest P.</td>
<td>INVEST(73-74) - Investments, including investments in irrigation</td>
<td>O.20. Number of supported on-farm productive investment operations or units</td>
<td>Generational Renewal: No Environment: No ES rebate system: LEADER: No</td>
</tr>
</tbody>
</table>

### 1 Territorial scope and, if relevant, regional dimension

**Territorial scope:** National

**Description of the Territorial Scope:**

This intervention aims to fund investment in agricultural holdings including best available techniques to address production, environmental and health issues including precision farming, small investments, modern pesticide management solutions, agricultural diversification, smart irrigation techniques, detection of diseases in crops and livestock and Farm waste management, amongst others, focusing on the entire territory of Malta.

### 2 Related Specific Objectives, Cross-Cutting Objective and relevant Sectoral Objectives

**CAP SPECIFIC OBJECTIVE Code + Description:** Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold

- **SO2** Enhance market orientation and increase farm competitiveness, both in the short and long term, including greater focus on research, technology and digitalisation
- **SO4** Contribute to climate change mitigation and adaptation, including by reducing greenhouse gas emission and enhancing carbon sequestration, as well as promoting renewable energy
- **SO5** A fenntartható fejlődés és a természeti erőforrások – például a vízzel, a talajjal és a levegővel – való hatékony gazdálkodás támogatása többek között a vegyi anyagoktól való áramlás csökkentésével
- **SO6** Hozzájárulás a biológiai sokféleség csökkenésének megállításához és visszafordításához, az ökoszisztéma-szolgáltatások gyarapítása, valamint az élőhelyek és a tájak építkezése
- **SO9** Az uniós mezőgazdaság aktuális és az élőhelyek és a tájak fenntartható állapotának megfelelően kapcsolatos társadalmi igényekre adott válasz javítása, többek között a magas minőségű, biztonságos és tápláló, fenntartható módon termelt élelmiszerek, az élelmiszer-pazarlás mérsékletének, az állatjólét fokozásának és a hovatartozások és az antimikrobiális rezisztencia elleni küzdelem terén
- **XCO** Az ágazat korszerűsítésére irányuló, az ismeretek gyarapításának és megosztásának, az innovációknak és a digitalizációknak a mezőgazdaságban és vidéki társadalom terén történő előmozdításán keresztül megvalósítandó átfogó célkitűzés

### 3 Need(s) addressed by the intervention

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Prioritisation at the level of the CAP Strategic Plan</th>
<th>Addressed in CSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.4</td>
<td>Increased understanding of Maltese consumer demand and better tapping of the tourism market</td>
<td>4</td>
<td>Yes</td>
</tr>
<tr>
<td>2.5</td>
<td>Identify and support the investment needs of the sector to increase its market competitiveness</td>
<td>3</td>
<td>Yes</td>
</tr>
<tr>
<td>4.3</td>
<td>The use of animal and agricultural waste and residues for energy production</td>
<td>4</td>
<td>Yes</td>
</tr>
<tr>
<td>4.5</td>
<td>Further investment in renewable energy sources, aimed at decarbonisation of the farm sector</td>
<td>9</td>
<td>Yes</td>
</tr>
<tr>
<td>5.3</td>
<td>Introduce Mechanisms and processes that convert agricultural waste to fertilizer and/or energy</td>
<td>4</td>
<td>Yes</td>
</tr>
</tbody>
</table>
5.4 Increase efficient use of water and soil by restoring geographical and landscape features

5.5 Encourage farmers to invest in efficient farming systems that make efficient use of resources

5.7 Identify ways to reduce nutrient loading to air, soil and water from agricultural activity

6.1 Enhance biodiversity on agricultural holdings and wider rural areas

6.2 Disseminate knowledge amongst farmers to safeguard biodiversity on land adjacent to Natura 2000

9.1 Identify ways to reduce nutrient loading to air, soil and water from agricultural activity

6.1 Enhance biodiversity on agricultural holdings and wider rural areas

6.2 Disseminate knowledge amongst farmers to safeguard biodiversity on land adjacent to Natura 2000

9.1 Identify ways to reduce nutrient loading to air, soil and water from agricultural activity

6.1 Enhance biodiversity on agricultural holdings and wider rural areas

6.2 Disseminate knowledge amongst farmers to safeguard biodiversity on land adjacent to Natura 2000

9.1 Identify ways to reduce nutrient loading to air, soil and water from agricultural activity

XCO.1 Developing a holistic and strategic approach to grow and enhance the AKIS in Malta

4 Result indicator(s)

**RESULT INDICATORS Code + Description** Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold.

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>R.16</td>
<td>Share of farms benefitting from CAP investment support contributing to climate change mitigation and adaptation, and to the production of renewable energy or biomaterials</td>
</tr>
<tr>
<td>R.3</td>
<td>Share of farms benefitting from support for digital farming technology through CAP</td>
</tr>
<tr>
<td>R.9</td>
<td>Percentagem de agricultores que recebem um apoio ao investimento para reestruturar e modernizar, incluindo melhorar a eficiência dos recursos</td>
</tr>
</tbody>
</table>

5 Specific design, requirements and eligibility conditions of the intervention

Describe what are the specific objectives and content of the intervention including specific targeting, principles of selection, links with relevant legislation, complementarity with other interventions/sets of operations in both pillars and other relevant information.

**Investments in agricultural holdings, and precision livestock farming**

This investment will support cost-effective and environmentally efficient systems and equipment concerning, *inter alia*, farm production, soil and water management, use of renewable energy sources, investments in innovative systems to improve competitiveness and farm management through digital means. Other support measures may address farms through incentives to invest in pesticide equipment to facilitate environmental and climate sustainability, whilst improving competitiveness and modernization.

**Investments in agricultural holdings**

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 considered environmentally sensible. Small investments including modern pesticide
application equipment may also be considered.

The CAP will aim to support on-farm investments. 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. Investments contributing towards purchasing of equipment, construction and upgrading of farms are a few of the actions that can be supported under this intervention. Livestock farms may 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.

Investments funded through this intervention are also expected to contribute to Specific Objectives 2 and 9, with secondary contributions to other Specific Objectives that will then be identified by evaluators.

This intervention is expected to be administered through simplified procedures that reduce the administrative burden on beneficiaries receiving small grants.

**Precision livestock farming**

Investment focusing on establishing precision livestock demonstration systems may be considered which will target specific sector farms such as cattle, ovine, caprine, and rabbit, amongst others. This shall also support on-farm investments for the on-site treatment of livestock waste.

**Agricultural diversification**

Investments will support agricultural diversification and making farms more efficient in terms of resources whilst also remaining competitive. Support will include aid to diversify into new and potential niche sectors that will help overcome agricultural challenges while strengthening economic resilience. Investment is required to enable farmers to diversify into other agricultural activities.

**On-farm, non-Agricultural Diversification by full-time farmers**

Full-time, bona fide established farmers (natural persons only) will be eligible for diversification into non-agricultural economic activity, which activity should be intrinsically linked to the agricultural sector, including the agricultural activity on the same holding. Support under this action will build on similar interventions supported through the 2014 â€“ 2020 RDP that could also foster rural tourism through farm shops, artisanal production of quality local products and the provision of services in order to stimulate
family farming for example.

The action has to take place on the farm. The requirements for fulfillment of the full-time, bona fide established farmers will be set in the national measure guidelines, and may be linked, *inter alia*, to the agricultural primary income over the preceding years.

**Smart Irrigation Investments**

Agricultural production in Malta is dependent on water supply which places additional pressure on the limited and scarce water supply. The foreseen investment in water irrigation systems will assist farmers to adopt integrated water management resources, and to mitigate the challenges encountered by the sector whilst improving soil productivity. Investments may include amongst others better moisture collection, rain collection and prevention of soil water loss.

The parameters for supporting investments in irrigation shall include the following:

- An investment in an improvement to an existing irrigation installation or element of irrigation infrastructure shall be eligible only if it is assessed as offering potential water savings of a minimum of 5% according to the technical parameters of the existing installation or infrastructure;

- 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;

- Water metering enabling measurement of water use at the level supported investment must be in place;

- Any water source used by the irrigation scheme is to be duly registered with the competent regulatory authorities;

- In respect to measures including the use of natural water resources in irrigation, the legality of the water source is a basic eligibility requirement.

None of the conditions in this paragraph shall apply to an investment in an existing installation which affects only energy efficiency, to an investment in the creation of a reservoir, or to an investment in the use of reclaimed/recycled water which does not affect a body of groundwater or surface water.

Any investment, including but not limited to reservoirs (giebja) and irrigation that will be connected the use of recycled water are exempt from the above obligations and the obligations linked to Article 74 of the CAP SP Regulation.

**Support to invest in organic greenhouses**
As outlined in the SWOT analysis, increasing organic farming faces real challenges for certification at the local level due to the small and highly scattered parcels of land, which is not conducive to developing organic farming, where products are likely to be contaminated from activities on neighbouring parcels. Hence, support is required to enable farmers to diversify into protected organic production, by either converting their greenhouses or constructing new ones for organic production.

**Specific Objective 6: SO 6** to contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes

Promoting the use of organic farming will aim to enhance biodiversity through less chemically dependent modes of production while investing in more sustainable means to cultivate land and crop production. This will therefore enable better management of habitat and ecosystem conservation. Investments earmarked under this intervention will be aligned with the national organic action plan, which is currently being developed by the Ministry responsible for Agriculture. This is envisaged to be finalised by end of 2022.

**Specific Objective 9: Improve the response of Union Agriculture to societal demands on food and health including safe and nutritious food produced in a sustainable way, food security as well as animal welfare.**

Greater consumer awareness on the origin of fresh produce as well as the demand for organic products is on the increase, however local farmers and co-operatives face challenges to deliver on this in view of the small scale of their operations. Investments will support farmers to diversify into organic products as well as support local and small-scale processing of organic products.

**Farm waste management**

Investments support in farm waste management may also be considered.

Such initiatives aims to support investments through the provision of grants on agricultural holdings that may result in:

- Farm modernisation and restructuring, better production processes, increased efficiency, better yields, improved efficiency of fertilizer and pesticide use and control;
- Innovative technological processes and developing new, enhanced processes and products;
- Improved hygiene and improved animal welfare;
improved manure and slurry storage, nutrient management and handling;
improved soil management, water capture and use;
renewable energy generation;
waste management interventions;
smart irrigation techniques;
supporting the uptake of innovative technologies such as precision farming systems and smart technologies.
agricultural diversification.

Water related on-farm investments - reservoirs

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. Investments that aid the flow of rainwater into appropriate reservoirs or dams may therefore be considered through the CAP SP. Such investments will reduce flooding while also collecting rainwater that can then be used for irrigation purposes, again providing an alternative source of water for irrigation, reducing the amount of water extracted from the aquifer.

Apart from contributing towards the achievement of Specific Objective 5, water related investments shall also contribute to improving farmers’ competitiveness, since farmers will be provided with alternative sources of water that are less costly to extract, therefore reducing the expenditure on inputs.

Cross-cutting objective:

Investments supported under this measure will contribute to the AKIS by improving agricultural knowledge amongst farmers and taking the sector forward through more efficient and digitised agricultural management systems.

The envisaged investments shall contribute to the following specific objectives:

Specific Objective 2: Enhance market orientation and increase competitiveness, including greater focus on research, development and digitalisation.

In order to increase their competitiveness, livestock and arable farms may benefit from support through this intervention to invest in new, modern and efficient equipment that reduces the use of water, fertiliser, pesticides, other inputs and energy consumption. Investments related to the generation of energy from renewable sources of energy may also be funded through this scheme. These investments also aim to improve market participation, market-orientation and agricultural diversification.

Support shall be aimed at improving the profitability of the farming sector by reducing the expenditure on inputs, such as water and energy, and improve returns through quality assurance, productivity and adding
Better profit margins allow for a more profitable sector that is more attractive and willing to further investment.

Availability of land may pose limitations to farmers who may wish to expand their business but cannot do so due to limited availability of agricultural land and its high purchase cost. Such interventions, that may be carried out by any of the eligible beneficiaries under this intervention, can improve the competitiveness of the agricultural sector by increasing production, decreasing fragmentation of holdings and achieving better economies of scale.

These investments will be contributing directly towards Specific Objective 2, however, secondary contributions to other SOs will also be registered. For example, equipment that reduces the use of water or structures that collect rainwater runoff will register a secondary contribution to Specific Objective 5 that is related to water and resources. As for the reduction of pesticide use, apart from contributing towards SO2, it will also contribute to both SO 5 and SO 6, with the latter being related to the protection of biodiversity. With respect to equipment related to the generation of energy, apart from contributing to SO2, such investments will also have a secondary contribution to SO4 that is related to climate adaptation and mitigation, and possibly SO 5, if generation of energy is taking place from waste and/or biomass that would otherwise have negative impact on soil and/or natural water sources.

This intervention also aims to support young farmers that are prepared to invest and undertake innovative developments, whether they are new entrants or have been active within the sector for some time, to improve their efficiency, environmental performance and productivity. If such investments are carried out by young farmers that fall within the definition outlined in the CAP SP, a secondary contribution towards SO 7 will take place.

Secondary contributions to Specific Objectives will be identified and discussed by evaluators in the respective evaluations that will be carried out throughout the life of the CAP SP.

Specific Objective 5: to foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency

Interventions supported shall target Specific Objective 5 that is related to efficient management of water, providing farmers with an alternative source of water, therefore reducing the volume of water extracted from the aquifer. This will have a positive impact on both the qualitative and quantitative status of the aquifer. The 2nd Water Catchment Management Plan also identifies the collection of rainwater runoff as another source of water that can be used for irrigation purposes, instead of groundwater. This intervention may also support investments that aid the flow of rainwater into appropriate reservoirs or dams.

Specific Objective 6: to contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes
On-farm productive investments may be carried out within Natura 2000 areas, and may lead to water capturing and other related investments which would ultimately see farmers and other rural businesses making use of such water. The various local habitats host a multitude of plant and animal species, including various endemic and indigenous ones. Supported interventions may also form part of N2000 masterplans.

**Targeting**

- **Agricultural holdings**: Investments aimed towards farm modernisation to support value added activities. Formally organised Groups of farmers (being registered as such with the Agricultural and fiscal authorities) would be prioritised here due to current lack of cooperation and small size of farms;

- **Precision livestock farming**: Livestock and arable farms will benefit from support to invest in more efficient equipment and innovative systems that aim to achieve sustainable animal production systems through, inter alia, automation of production processes, constant animal monitoring allowing early detection of health and welfare issues, and availability of reliable information for farmers for a proper decision-making process.

- **Pesticide equipment**: Investment shall entail support to facilitate the uptake of alternative pesticide equipment.

- **Improve farm waste management**: Support will be provided to farmers to improve their on-farm waste management practices through alternative solutions including adoption of best available techniques that contribute to sustainable waste management.

- **Investment in Smart irrigation techniques**: Interventions will enable sustainable agricultural practices through new technology and digitisation to improve knowledge and mitigate challenges in agriculture.

**Complementarity with other interventions:**

On-farm productive investments may complement investments in processing/marketing/development. Actions promoting diversification can also contribute towards cooperation, exploring innovative solutions through possible partnerships arrangements of producers, processors, researchers, NGO’s and public bodies.

**Links with relevant legislation**

- Malta River Basin Management Plan;
- EU Water and Waste Frameworks Directives;
- Nitrates Action Plan and Directive

Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary and area
Farmers (whether natural/legal persons);
Formally registered Group of Farmers ((being registered as such with the Agricultural and fiscal authorities, including *inter alia* partnerships, cooperatives).

Eligibility conditions may include:

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 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.

The eligibility criteria for the small investment scheme will be tailored in the guidance note developed by the MA before the launch of the scheme, in line with applicable state aid rules.

Durability of the investment of 5 years following the final payment to the beneficiary.

For investments carried out on agricultural holdings, applicants must be farms which are efficient and economically viable defined as agricultural holdings with a minimum standard output threshold of €15,000 per holding. For the following three sub-sectors, the definition of efficient and economically viable agricultural holdings shall be the following (and hence the standard output of €15,000 per holding shall not apply):

Vineyards and Olive Orchards where the investment proposal is linked to the establishment of at least 1 tumolo of either vineyards or olive orchards (continuous area), regardless of the size of the agricultural holding in terms of SO. In this case, the applicant would be deemed as satisfying the criteria for an efficient and economically viable agricultural holding and the applicant and/or application shall not be subject to further tests on SO eligibility. In cases where the applicant accedes to EAFRD on the basis of the projected investment, then the Managing Authority will restrict the type and scope of investment for which the project proposal (ancillary to vineyards / olive orchards) might be linked to. An SCO rate (lump sum per tumolo) may be adopted by the MA.

Likewise, if an agricultural holding, regardless of size, wants to invest in a minimum of 50 registered bee-boxes, then the investment proposal, the application would be deemed as satisfying the criteria for an efficient and economically viable agricultural holding and the applicant and/or application shall not be subject to further tests on SO eligibility. In cases where the applicant accedes to EAFRD on the basis of the projected investment, then the Managing Authority will restrict the type and scope of investment (ancillary to apiculture) for which the project proposal might be linked to. An SCO rate (including a unit cost per bee-box) may be adopted by the MA.

In order to access a full investment proposal, the following parameters will apply to these three sub-sectors, and hence will be deemed eligible for support if they possess, at the time of application or as requested by the MA, the following:

- Vineyards and Olive Orchards: 0.5 hectares of registered Vineyards and Olive Orchards
- Beekeepers: a minimum of 50 registered bee-boxes.

In these cases, the investment proposal will not be limited to the type and scope of investment but will be considered as having met the minimum threshold of standard output and considered as satisfying the criteria for an efficient and economically viable agricultural holding.

Vineyards and Olive Orchards â€“ a minimum total area of 0.1124 ha (1 tumolo of land) registered as vineyard or olive orchard with the Department of Agriculture. For apiculture, the minimum threshold shall be 50 bee-boxes/bee-hives registered with the Veterinary Regulation Directorate of Malta.
Only produce that is covered by the Eurostat public statistics for Malta will be considered for SO value purposes.

Eligibility for support for investments will be based on a detailed assessment of applications by the project selection committee.

Recipients of grants, under certain circumstances as deemed appropriate by the Managing Authority or the Project Selection Committee, may be required to undertake training or seek advice as part of their project implementation. Failure to follow this condition could result in 100% recovery of the project and/or cancellation of the grant.

Operations shall not be eligible for support where they have been physically completed or fully implemented before the application for funding under the CAP SP is submitted to the Managing Authority, irrespective of whether all related payments have been made.[1]

[1] Where operations have been partly implemented, CAP support can finance the items that would have not been implemented at application stage.

Define eligible type of support (non-IACS) or commitments (IACS) and other obligations

Eligible investments may include, as may be determined by the MA in the guidance notes inter alia:

- The construction, acquisition, including through leasing, or improvement of immovable property; The costs of funding specialist contractors to undertake project management duties to realise the investment;
- 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;
- The possibility of either using the simplified cost option (SCO) or else the actual cost incurred[1];
- 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 and up to a maximum 15% of the total eligible project cost;
- Intangible investments such as copyrights, trademarks or processes;
- Depreciation costs may be eligible for support under the EAFRD, subject to conditions to be set by the Member States;
- The acquisition and planting of permanent crops, including vines, as defined in the CAP Strategic Plan in view of Article 4, paragraph 1 (b, ii) of the CAP SP regulation;
- Only expenditure which has been incurred after an application has been submitted to the competent authority shall be considered eligible;
- Publicity/dissemination costs.

[1] The MA reserves the right to develop further SCOs for all expenditure, with further details on their applicability to be listed in the respective Guidance Note.

6 Identification of relevant baseline elements (relevant GAEC, statutory management requirements (SMR) and other mandatory requirements established by national and Union law), where applicable, description of the specific relevant obligations
under the SMR, and explanation as to how the commitment goes beyond the mandatory requirements (as referred to in Art. 28 (5) and Art. 70 (3) and in Art. 72 (5))

N/A

7 Form and rate of support/amounts/calculation methods

Form of support

☑ Grant

☐ Financial instrument

Type of payment

☑ reimbursement of eligible costs actually incurred by a beneficiary

☐ unit costs

☐ lump sums

☐ flat-rate financing

Range of support at beneficiary level

The range of support shall be 50% of eligible cost.

The range of support for investments by young farmers will be 85%, who fulfill the conditions provided for by Member States in their CAP Strategic Plans in accordance with Article 4.

Additional explanation

Support will be provided in the form of grants. The same aid intensities shall apply across the Maltese Islands.

Maximum support rates as defined in Article 73 (4) will be applied as applicable. The aid intensity rates that apply 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 of investment related support may request an advance payment of up to 50% of the public aid related to the investment at the discretion of the MA and ARPA. Funding capping per project may be applied; such capping would be outlined in the respective national implementation guidance documents.

Simplified Cost Options may be used to support investments funded through this intervention, building on the experience of the 2014 – 2020 programming period. The SCOs, and their respective methodologies, drafted and/or implemented during the 2014 – 2020 programming period will therefore be re-programmed. The value of these SCOs may be updated in line with market trends, if necessary. The MA may make the use of SCO’s obligatory.

Only expenditure which has been incurred after an application has been submitted to the competent authority shall be considered eligible (Article 86 Reg 2021/2115 applies). This with the exception of the professional services incurred by successful applicants for the submission of an EAFRD application,
including business plans where these are required. Successful applicants are those who are offered a grant agreement (hence excluding those who either fail the eligibility and/or selection process or are placed on a waiting list). The MA may adopt an SCO rate for such eligible cost.


8 Information regarding State aid assessment
The intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment:
☐ Yes ☒ No ☐ Mixed

Type of state aid instrument to be used for clearance:
☐ Notification ☐ GBER ☐ ABER ☐ de minimis

9 Additional questions/information specific to the Type of Intervention
What is not eligible for support?

– Purchase of payment entitlements;

– Purchase of livestock, as defined in Article 2(24) of Regulation (EU) No 2016/1012, annual plants and their planting other than for the purpose of restoring agricultural or forestry potential following natural disaster and catastrophic events;

– Purchase of land for an amount exceeding 10% of the total eligible expenditure for the operation concerned; in the case of financial instruments, this ceiling shall apply to the eligible public expenditure paid to the final recipient, or, in case of guarantees, to the amount of the underlying loan;

– Interest rate on debt, except in relation to grants given in the form of an interest rate subsidy or guarantee fee subsidy;

– Investments in irrigation which are not consistent with the achievement and maintenance of good status of water bodies, as laid down in Article 4(1) of Directive 2000/60/EC, including expansion of irrigation affecting water bodies whose status has been defined as less than good in the relevant river basin management plan for reasons related to quantity;

– 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 which are either water pumping and/or energy generation for agricultural purposes are not considered simple replacement);

– 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.

Does the investment contain irrigation?
☒ Yes ☐ No

Investments in the improvement of existing irrigation installations, what is the potential water saving(s) required (expressed in %)
N/A

Investments in the improvement of existing irrigation installations (affecting water bodies whose status is less than good) what is/are the requirement(s) for an effective reduction in water use - expressed in %
N/A
10 WTO compliance

Green Box

Paragraph 11 of Annex 2 WTO

Explanation of how the intervention respects the relevant provisions of Annex 2 to the WTO Agreement on Agriculture as specified in Article 10 of this Regulation and in Annex II to this Regulation (Green Box)

This intervention qualifies as ‘Green box’ because it has no, or at most minimal, trade-distorting effects or effects on production, as set out in the WTO Agreement on Agriculture.

11 Contribution rate(s) applicable to this intervention

<table>
<thead>
<tr>
<th>Region</th>
<th>Article</th>
<th>Applicable rate</th>
<th>Min Rate</th>
<th>Max Rate</th>
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<tbody>
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<td>MT - Malta</td>
<td>91(2)(c)-Transition regions within the meaning of Article 108(2), first subparagraph, point (b), of Regulation (EU) 2021/1060</td>
<td>60.00%</td>
<td>20.00%</td>
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12 Planned Unit Amounts - Definition

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Type of Support</th>
<th>Contribution rate(s)</th>
<th>Type of Planned Unit Amount</th>
<th>Region(s)</th>
<th>Result Indicator(s)</th>
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<tbody>
<tr>
<td>On-farm P.Invst Unit - Unit Amount for On-Farm Productive Investments</td>
<td>Grant</td>
<td></td>
<td>Average</td>
<td></td>
<td>R.3; R.9;</td>
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</table>

Explanation and justification related to the value of the unit amount

On-farm P.Invst Unit - Unit Amount for On-Farm Productive Investments

The planned amount is based on 14-20 RDP experience including financial allocation second number of operations committed under Measure 4.1. This takes into consideration the fact that the proposed interventions are expected to be similar in nature.

13 Planned Unit Amounts - Financial table with outputs

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Financial Year</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
<th>Total 2023 - 2029</th>
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<tbody>
<tr>
<td>On-farm P.Invst Unit - Unit Amount for On-Farm Productive Investments</td>
<td>Planned unit amount (Total Public Expenditure in EUR)</td>
<td></td>
<td>98,559.91</td>
<td>98,559.91</td>
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<td>Maximum Amount for the Planned unit amount (EUR)</td>
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<td></td>
<td>O.20 (unit: Livestock units)</td>
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<td>11.00</td>
<td>22.00</td>
<td>35.00</td>
<td>37.00</td>
<td>39.00</td>
<td>37.00</td>
<td>36.00</td>
<td>217.00</td>
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<td></td>
<td>Annual indicative financial allocation (Total public expenditure in EUR)</td>
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<td>2,138,750.00</td>
<td>3,422,000.00</td>
<td>3,635,875.00</td>
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<td>TOTAL</td>
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<td>Out of which for financial instrument (Total public Expenditure in EUR)</td>
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<tr>
<td>Out of which for financial instrument (Union Contribution in EUR)</td>
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<tr>
<td>Out of which carry-over (Total public Expenditure in EUR)</td>
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<tr>
<td>Out of which carry-over (Union contribution in EUR)</td>
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<tr>
<td>Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and of Total public expenditure in EUR)</td>
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<td>financial allocation set out in Annex XII (Union Contribution in EUR)</td>
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INSTAL(75) - Setting up of young farmers and new farmers and rural business start-up

RD INSTAL YF - Setting up of young farmers

<table>
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<th>Intervention Code (MS)</th>
<th>RD INSTAL YF</th>
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<tr>
<td><strong>Intervention Name</strong></td>
<td>Setting up of young farmers</td>
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<tr>
<td><strong>Type of Intervention</strong></td>
<td>INSTAL(75) - Setting up of young farmers and new farmers and rural business start-up</td>
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<td><strong>Common Output Indicator</strong></td>
<td>O.25. Number of young farmers receiving setting-up support</td>
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<td><strong>Contributing to ringfencing requirement for/on</strong></td>
<td>Generational Renewal: Yes, Environment: No, ES rebate system: LEADER: No</td>
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1 Territorial scope and, if relevant, regional dimension

**Territorial scope: National**

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>MT</td>
<td>Malta</td>
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</table>

**Description of the Territorial Scope**

This intervention aims to fund investment related to the needs of the younger generation of farmers, focusing on the entire territory of Malta.

2 Related Specific Objectives, Cross-Cutting Objective and relevant Sectoral Objectives

**CAP SPECIFIC OBJECTIVE Code + Description** Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold

SO7 A mezőgazdasági pálya vonzóvá tétele a fiatal mezőgazdasági termelők és egyéb új mezőgazdasági termelők számára és e termelők ágazatban tartása, valamint a fenntartható vállalkozásfejlesztés előmozdítása a vidéki térségekben

3 Need(s) addressed by the intervention

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Prioritisation at the level of the CAP Strategic Plan</th>
<th>Addressed in CSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1</td>
<td>Provide start-up financial aid for young farmers for full and part-time farmers and new entrants</td>
<td>1</td>
<td>Yes</td>
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<tr>
<td>7.2</td>
<td>Provide training, advice, mentoring and assistance for young farmers and rural entrepreneurs</td>
<td>7</td>
<td>Yes</td>
</tr>
<tr>
<td>7.3</td>
<td>Promote cooperation among young farmers to trade at a scale that is resilient and viable</td>
<td>3</td>
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<tr>
<td>7.4</td>
<td>Income boost to young farmers to incentivise earlier generational renewal within farming households</td>
<td>2</td>
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<tr>
<td>7.5</td>
<td>Explore enhanced opportunities for access to credit among young farmers</td>
<td>5</td>
<td>Yes</td>
</tr>
<tr>
<td>7.6</td>
<td>Support new rural business ventures that add value to rural income and promote rural quality of life</td>
<td>6</td>
<td>No</td>
</tr>
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</table>

4 Result indicator(s)

**RESULT INDICATORS Code + Description** Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold

R.36 Número de jovens agricultores que se instalaram com o apoio da PAC, com repartição por género

5 Specific design, requirements and eligibility conditions of the intervention
Describe what are the specific objectives and content of the intervention including specific targeting, principles of selection, links with relevant legislation, complementarity with other interventions/sets of operations in both pillars and other relevant information.

This intervention aims to support young farmers that fall within the definition outlined in Chapter 4 of the CAP Strategic Plan. This intervention provides young farmers with start-up aid in the form of a lump sum that is to be used for the implementation of a business plan, through which, the farmer will set up as the head of the agricultural holding. It is clarified that the business plan shall primarily be dedicated towards an agricultural activity, although secondary components linked to processing of same products can be included in the business plan.

**Installation of young farmers**

Young farmers face numerous barriers before they can start off agricultural activity, therefore, they require specific, targeted support. Barriers exist in the form of:

- difficulties in accessing land through the high costs of purchasing or renting,
- fragmentation of land;
- difficulties in obtaining financial assistance to business investment through regular commercial channels;
- difficulty in accessing markets;
- resistance from older farmers who are not open to new ideas, innovation in production and marketing; and
- limited opportunities for continuous professional development related to both technical matters and business development.

Despite the significant number of young people attending agriculture-related courses in Malta, few enter farming due to the barriers identified above, the perceived limited financial returns and long working hours inherent to the nature of the sector. The provision of such installation aid is considered as a key initiative to encourage a more attractive, innovative and efficient agricultural sector in future.

Support through this intervention will be provided in the form of a lump-sum, aimed at providing young farmers with enough seed capital to start off a successful business in the agricultural sector, either from scratch or by taking over an existing holding. As outlined in the CAP Strategic Plan regulation, Article 75, paragraph 3, funding shall be allocated against the submission of a business plan. In the respective measure Guidelines, the Managing Authority may provide guidance as regards the contents of such a plan. The business plan will be subject to the following minimum criteria:

- 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,
There are no restrictions of the costs[1] that could be covered under this intervention if the maximum amounts defined in Article 75 of Regulation (EU) 2021/2115 are respected. The business plan should be considered as a general framework driving the development of the holding during the business plan period and not as a precise roadmap to be strictly followed.

Training and Advice

Young farmers benefitting from business start up support are encouraged to participate in general training on environment and climate change, digitalisation, marketing and innovative tools that can improve their businesses. Benefiting from such advisory services will assist young farmers to incorporate long-term adaptation and sustainable environmental practices within their business plans.

Targeting

This intervention shall support the needs of young farmers to address the various challenges experienced in the agricultural sector. Training and advisory services will assist in setting up the business plan and developing marketing and financial skills.

The envisaged investments will contribute to the following specific objectives:

Specific Objective 7: Attract and sustain young farmers and new farmers and facilitate sustainable business development in rural areas

Support under this intervention will contribute to Specific Objective 7 that aims to attract and sustain the younger generation of farmers as well as facilitate business development in rural areas. Through sound business planning, economic resilience would be improved by means of long-term strategic planning, that can be improved through better training and advice.

This intervention aims to support young farmers that fall within the definition outlined in Chapter 4 of the CAP Strategic Plan. This intervention provides young farmers with start-up aid in the form of a lump sum that is to be used for the implementation of a business plan, through which, the farmer will set up as the head of the agricultural holding. It is clarified that the business plan shall primarily be dedicated towards an agricultural activity, although secondary components linked to processing of same products can be included in the business plan.

Installation of young farmers
Young farmers face numerous barriers before they can start off agricultural activity, therefore, they require specific, targeted support. Barriers exist in the form of:

- difficulties in accessing land through the high costs of purchasing or renting,
- fragmentation of land;
- difficulties in obtaining financial assistance to business investment through regular commercial channels;
- difficulty in accessing markets;
- resistance from older farmers who are not open to new ideas, innovation in production and marketing; and
- limited opportunities for continuous professional development related to both technical matters and business development.

Despite the significant number of young people attending agriculture-related courses in Malta, few enter farming due to the barriers identified above, the perceived limited financial returns and long working hours inherent to the nature of the sector. The provision of such installation aid is considered as a key initiative to encourage a more attractive, innovative and efficient agricultural sector in future.

Support through this intervention will be provided in the form of a lump-sum, aimed at providing young farmers with enough seed capital to start off a successful business in the agricultural sector, either from scratch or by taking over an existing holding. As outlined in the CAP Strategic Plan regulation, Article 75, paragraph 3, funding shall be allocated against the submission of a business plan. The business plan will be subject to the following minimum criteria:

- 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.

In the respective measure guidelines, the Managing Authority may provide further guidance as regards the contents of such a plan.

There are no restrictions of the costs[1] that could be covered under this intervention if the maximum amounts defined in Article 75 of Regulation (EU) 2021/2115 are respected. The business plan should be considered as a general framework driving the development of the holding during the business plan period and not as a precise roadmap to be strictly followed.

Training and Advice
Young farmers benefitting from business start up support are encouraged to participate in general training on environment and climate change, digitalisation, marketing and innovative tools that can improve their businesses. Benefiting from such advisory services will assist, inter alia, young farmers to incorporate long-term adaptation and sustainable environmental practices within their business plans.

Targeting

This intervention shall support the needs of young farmers to address the various challenges experienced in the agricultural sector. Training and advisory services will assist in setting up the business plan and developing marketing and financial skills.

The envisaged investments will contribute to the following specific objectives:

Specific Objective 7: Attract and sustain young farmers and new farmers and facilitate sustainable business development in rural areas

Support under this intervention will contribute to specific objective 7 that aims to attract and sustain the younger generation of farmers as well as facilitate business development in rural areas. Through sound business planning, economic resilience would be improved by means of long-term strategic planning, that can be improved through better training and advice.

Complementarity

Such interventions will complement investments contributing towards climate change mitigation and adaptation through training for young farmers on environmental practices such as converting land from seasonal to permanent crops for increased carbon sequestration. Furthermore, training activities will help incentivise young farmers to invest in digital means that will eventually improve efficiency through modern machinery and equipment. Knowledge transfer and advice on good environmental and climate measures will also help increase their resilience and adaptation to changing climatic conditions.

Links with relevant legislation:

Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary and area

Young farmers as defined in the CAP Strategic Plan.

Eligibility conditions may include:

- The applicant shall fall under the definition of a young farmer, as defined in Chapter 4 of the CAP Strategic Plan.

- Implementation of the business plan must commence within 9 months of the date of granting of support under this measure. Business plans must be implemented within a maximum period of 3 years from the granting of support under this measure, allowing sufficient time for necessary controls of business plans and final payments. [1]

- The applicant shall submit a Business Plan as part of the application for funding, in line with Article 75 of the CAP Strategic Plan regulation.

- Access through this sub-measure will be restricted to holdings with actual or projected standard outputs[2] of between €15,000 euros and €250,000 euros per holding, for all sectors. These projected standard outputs need to be achieved by the latest year 3 of the business plan.

- The applicant shall become an active farmer as per the conditions provided for in the Regulation on support for rural development from EAFRD;

- Eligibility for support for investments will be based on a detailed assessment of applications by the Project Selection Committee.

- Recipients of grants, under certain circumstances, deemed appropriate by the Managing Authority or the Project Selection Committee, may be required to undertake training or seek advice.

- Operations shall not be eligible for support where they have been physically completed or fully implemented before the application for funding under the CAP Strategic Plan;

- Natural persons who are majority shareholders in an agricultural holding are not eligible for support, since they are considered already established head of holdings;

- The Young Farmer will be expected that with the business plan, they make the commitment to be installed as a farmer and to carry out agricultural activities.

[1] Implementation can start upon application submission, but not later than 9 months of conceding the grant.

[2] This may not be actually achieved at project implementation stage.
1. Where the application for support concerns a holding owned by a legal person, a young farmer within the meaning of the CAP Strategic Plan for Malta shall exercise effective and long-term control over the legal person in terms of decisions related to management, benefits and financial risks. Further details concerning the definition of long-term control shall be outlined in the respective measure Guidance Notes. Results and outputs are to be achieved by the end of the business plan implementation and are obligatory.

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.

All the elements of the definition of young farmer set out in the CAP Strategic Plan for Malta have to be met at the moment of submission of an application for support.

[1] These details might not be required here and may need to be defined in the respective Guidance Notes. The definition of a “young farmer” should also include the conditions of being head of holding.

6 Identification of relevant baseline elements (relevant GAEC, statutory management requirements (SMR) and other mandatory requirements established by national and Union law), where applicable, description of the specific relevant obligations under the SMR, and explanation as to how the commitment goes beyond the mandatory requirements (as referred to in Art. 28 (5) and Art. 70 (3) and in Art. 72 (5))

N/A

7 Form and rate of support/amounts/calculation methods

Form of support

☑ Grant

☑ Financial instrument

Type of payment

☐ reimbursement of eligible costs actually incurred by a beneficiary

☐ unit costs

☐ lump sums

☐ flat-rate financing

Basis for the establishment

In the 2014-2020 RDP, the grant value which is provided to young farmers amounts to €70,000, the maximum value permissible by Regulation (EU) No 1305/2013. In the setting up of the maximum rate, authorities noted at the time that the cost of capital to acquire a farm is significantly higher than the provision of the grant. This continues to hold as outlined in a Thematic evaluation undertaken on young farmers whereby it is stressed that the financial support provided by Measure 6.1, which can be used for the purchase of land, is not sufficient when one takes into consideration the price of agricultural land in Malta. In other words, the measure is not deemed to be sufficient to support new entrants in acquiring the land, given that the cost of land is higher than the provision of support available through the measure. This is similar to the point highlighted in a paper published by the European Parliament which indicates that the maximum payable amount for Measure 6.1 is insufficient for the establishment of a new farming enterprise, or motivating newcomers to join the industry. Consequently in the CAP SP, authorities intend to provide the maximum supportable grant rate of €100,000.
The support rate for start-up activities will be €100,000 per young farmer. This support will be provided in the form of a lump sum of €100,000 per young farmer. This shall be paid in two instalments: 80% following the funding decision, with the remaining 20% paid upon the completion of a business plan.\[1\]

Implementation of the business plan shall be completed within a maximum of three years from the receipt of the funding decision.

Young farmers receiving support shall commit, in their business plan, to justify financing of at least 75% of the lump sum received towards new farm investments.

The same aid intensities shall apply across the Maltese Islands.

Only expenditure which has been incurred after an application has been submitted to the competent authority shall be considered eligible (Article 86 Reg 2021/2115 applies). This includes professional services incurred by successful applicants for the submission of an EAFRD application, including business plans where they are required. Successful applicants are those who are offered a grant agreement (hence excluding those who either fail the eligibility and/or selection process or are placed on a waiting list). The MA may adopt an SCO rate for such eligible cost.\[1\]

The second instalment shall only be granted upon the correct implementation of the objectives established in the business plan. In the event of non-compliance with the business plan, the first instalment shall be paid back, proportionally to the achieved objectives.

8 Information regarding State aid assessment
The intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment:

- Yes
- No
- Mixed

Type of state aid instrument to be used for clearance:

- Notification
- GBER
- ABER
- de minimis

9 Additional questions/information specific to the Type of Intervention
N/A

10 WTO compliance
Amber Box
Explanation of how the intervention respects the relevant provisions of Annex 2 to the WTO Agreement on Agriculture as specified in Article 10 of this Regulation and in Annex II to this Regulation (Green Box)

This intervention represents an ‘Amber box’ support under the terms set out in the WTO Agreement on Agriculture, conforming to the EU commitments on limiting the scale of such support as required under CAP regulations.

11 Contribution rate(s) applicable to this intervention

<table>
<thead>
<tr>
<th>Region</th>
<th>Article</th>
<th>Applicable</th>
<th>Min Rate</th>
<th>Max Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>MT - Malta</td>
<td>91(2)(c)-Transition regions within the meaning of Article 108(2), first subparagraph, point (b), of Regulation (EU) 2021/1060</td>
<td>60.00%</td>
<td>20.00%</td>
<td>60.00%</td>
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</tbody>
</table>
### 12 Planned Unit Amounts - Definition

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Type of Support</th>
<th>Contribution rate(s)</th>
<th>Type of Planned Unit Amount</th>
<th>Region(s)</th>
<th>Result Indicator(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>RD INSTAL YF Unit - Unit Amount for the Setting up of Young Farmers</td>
<td>Grant</td>
<td>Uniform</td>
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<td>R.36;</td>
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</tbody>
</table>

Explanation and justification related to the value of the unit amount

RD INSTAL YF Unit - Unit Amount for the Setting up of Young Farmers

The amount is a lump sum amount limited to the maximum amount of aid of EUR 100,000 which has been established in line with Article 75(4) of the CAP SP Reg.In the 2014-2020 RDP, the grant value which is provided to young farmers amounts to €70,000, the maximum value permissible by Regulation (EU) No 1305/2013. In the setting up of the maximum rate, authorities noted at the time that the cost of capital to acquire a farm is significantly higher than the provision of the grant. This continues to hold as outlined in a Thematic evaluation[1] undertaken on young farmers whereby it is stressed that the financial support provided by Measure 6.1, which can be used for the purchase of land, is not sufficient when one takes into consideration the price of agricultural land in Malta. In other words, the measure is not deemed to be sufficient to support new entrants in acquiring the land, given that the cost of land is higher than the provision of support available through the measure. This is similar to what was highlighted in a paper published by the European Parliament[2] which indicates that the maximum payable amount for Measure 6.1 is insufficient for the establishment of a new farming enterprise, or motivating newcomers to join the industry. Consequently in the CAP SP, authorities intend to provide the maximum supportable grant rate of €100,000.


### 13 Planned Unit Amounts - Financial table with outputs

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Financial Year</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
<th>Total 2023 - 2029</th>
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<tbody>
<tr>
<td>RD INSTAL YF Unit - Unit Amount for the Setting up of Young Farmers</td>
<td>Planned unit amount (Total Public Expenditure in EUR)</td>
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<td>Maximum Amount for the Planned unit amount (EUR)</td>
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<td>(Total public expenditure in EUR)</td>
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<tr>
<td>financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)</td>
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needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)
COOP(77) - Cooperation
RD COOP - Cooperation - Quality Schemes

<table>
<thead>
<tr>
<th>Intervention Code (MS)</th>
<th>RD COOP</th>
</tr>
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<tbody>
<tr>
<td>Intervention Name</td>
<td>Cooperation - Quality Schemes</td>
</tr>
<tr>
<td>Type of Intervention</td>
<td>COOP(77) - Cooperation</td>
</tr>
<tr>
<td>Common Output Indicator</td>
<td>O.29. Number of beneficiaries receiving support to participate in official quality schemes</td>
</tr>
<tr>
<td>Contributing to ringfencing requirement for/on</td>
<td>Generational Renewal: No, Environment: No, ES rebate system: No, LEADER: No</td>
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</table>

1 Territorial scope and, if relevant, regional dimension
Territorial scope: National

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>MT</td>
<td>Malta</td>
</tr>
</tbody>
</table>

Description of the Territorial Scope

This intervention aims to reimburse the costs incurred by those participating in EU or National quality schemes. Support may also be granted to entities carrying out promotion of quality schemes. The intervention will focus on the entire territory of Malta.

2 Related Specific Objectives, Cross-Cutting Objective and relevant Sectoral Objectives

**CAP SPECIFIC OBJECTIVE Code + Description** Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold

- **SO2** Enhance market orientation and increase farm competitiveness, both in the short and long term, including greater focus on research, technology and digitalisation
- **SO3** A mezőgazdasági termelők helyzetének javítása az értékláncban
- **SO9** Az uniós mezőgazdaság által az élelmiszerekkel és az egészségkel kapcsolatos társadalmi igényekre adott válasz javítása, többek között a magas minőségű, bírósági és tápláló, fenntartható módon termelt élelmiszerek, az élelmiszer-pazarlás mérséklése, az állatjólét fokozása és az antimikrobiális rezisztencia elleni küzdelem terén

3 Need(s) addressed by the intervention

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Prioritisation at the level of the CAP Strategic Plan</th>
<th>Addressed in CSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.2</td>
<td>More co-ordinated and strategic market approaches in the sectors which currently lack this</td>
<td>5</td>
<td>Yes</td>
</tr>
<tr>
<td>2.6</td>
<td>Add value to agricultural produce by improving quality and environment standards</td>
<td>1</td>
<td>Yes</td>
</tr>
<tr>
<td>3.1</td>
<td>Build human and social capital and support facilitation and innovation to improve the supply chain</td>
<td>1</td>
<td>Yes</td>
</tr>
<tr>
<td>3.4</td>
<td>Promote Product Quality National Scheme (PQNS) and branding to influence consumer choice</td>
<td>7</td>
<td>Yes</td>
</tr>
<tr>
<td>9.1</td>
<td>Enhance quality transparent environmental and animal welfare standards to increase traceability</td>
<td>1</td>
<td>Yes</td>
</tr>
</tbody>
</table>

4 Result indicator(s)

**RESULT INDICATORS Code + Description** Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold

- **R.10** Share of farms participating in producer groups, producer organisations, local markets, short supply chain circuits and quality schemes supported by the CAP

5 Specific design, requirements and eligibility conditions of the intervention
Describe what are the specific objectives and content of the intervention including specific targeting, principles of selection, links with relevant legislation, complementarity with other interventions/sets of operations in both pillars and other relevant information.

Marketing and quality assurance were identified as major areas for development in the SWOT analysis, in order to secure a sustainable future for agriculture and rural areas in Malta. The analysis identified a wide range of areas requiring action, including weak presentation of Maltese produce as well as lack of cooperation among producers in production and marketing reduces access to high volume tourist/hospitality measures. Investment through this intervention that may aim to support participation in new quality schemes.

**Support for participation in Quality Schemes**

A key area of activity is to provide support for farmers and others to join schemes to provide quality schemes for products. In line with the National Scheme launched in 2014 regulated by Subsidiary Legislation 427.90 on the Establishment of the 'Products of Quality' National Scheme Regulations, Malta will support first participation in this scheme which may include actions falling within this framework (as per Article 77 (1) (c)). The MA may also consider carrying out preparations and consultations for the creation of quality standards for other products.

Further initiatives could link to existing or new PDO or PGI-labelled products for Malta, but these might be few and restricted in number.

Other support may be offered to producers of target products to achieve and maintain certification in relation to precision and reduction fertilization and integrated pest management under national quality schemes amongst others.

This intervention may also support new participation, and those that have been in the quality scheme for less than five years in the established EU quality schemes (in accordance with Article 77 (1) (c) of the CAP Dec), namely:

- Regulation (EU) 2019/787 of the European Parliament and of the Council of 17 April 2019 on the definition, description, presentation and labelling of spirit drinks, the use of the names of spirit drinks in the presentation and labelling of other foodstuffs, the protection of geographical indications for spirit drinks, the use of ethyl alcohol and distillates of agricultural origin in alcoholic beverages, and repealing Regulation (EC) No 110/2008
- Part II, Title II, Chapter I, Section 2 of Council Regulation (EU) No 1308/2013 - as concerns wine
Support for joining these schemes is relevant to a wide range of farm produce and processed products from seasonal and permanent crops, and from livestock (e.g. olive oil, tomato and vegetable based products, dairy products “cheeses, yogurt, meat cuts and processed meat products).

Existing or future schemes regulated by Subsidiary Legislation 427.90 on the Establishment of the “Products of Quality” National Scheme Regulations;

Support for joining these schemes is relevant to a wide range of farm produce and processed products from seasonal and permanent crops, and from livestock (e.g. olive oil, tomato and vegetable based products, dairy products “cheeses, yogurt, meat cuts and processed meat products).

In the case of initial participation in a quality scheme prior to the application for support, the maximum duration of five years shall be reduced by the number of years which have elapsed between the initial participation in a quality scheme and the time of the application for the support.

This envisaged investment will contribute to the following specific objectives.

Specific Objective 1: Support viable farm income and resilience of the agricultural sector across the Union in order to enhance long-term food security and agricultural diversity as well as to ensure the economic sustainability of agricultural production in the Union.

This aim of this intervention is to guarantee product quality or attributes and promote products certified as attaining the standards of quality schemes. The measure will encourage farmers to take quality schemes seriously, as an option to maintain and increase their sales. This will contribute to support farm viable income and resilience by increasing product value and securing farm income.

Specific Objective 3: Improve farmers’ position in the value chain

This intervention aims to provide support for farmers and others to join schemes to provide quality schemes for products. This will be done in line with the National Scheme launched in 2014 regulated by Subsidiary Legislation 427.90 on the Establishment of the “Products of Quality” National Scheme Regulations. Such initiatives will contribute to adding value to the farmers position in the value chain in line with Specific Objective 3, by offering further bargaining advantages to farmers in the food chain through the valorization and acknowledgement of quality produce.

Targeting:

Complementarity with other actions:

Interventions supporting Quality Schemes will complement knowledge and exchange as well as AKIS and interventions targeting young farmers.

Links with relevant legislation

The same list of legislative frameworks regulating participation to Quality schemes is applicable.

Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary and area

Farmers (whether natural/legal persons);

Group of Farmers (including inter alia partnerships, cooperatives);

Groups of producers for the information activities.

In the case of promotion activities, there is no obligation for beneficiary to be a beneficiary (whether through EAFRD support or other) under any of the quality schemes,

Eligibility conditions may include:

1. Active farmers, in line with the definition outlined in Chapter 4, in participation to the listed schemes (either new or those that have been in the quality scheme for less than five years, EU Protected Geographical Indications, Protected Designations of Origin and Traditional Specialities Guaranteed, can only be granted in respect of products registered in one of the EU registers.

2. Organic products support is granted for products complying with the conditions of Council Regulation (Regulation (EU) 2018/848

3. For spirit drinks bearing a geographical indication according to Regulation (EU) 2019/787, support can only be granted in respect of products registered in the EU register

4. The Products of Quality National Scheme set in accordance with the criteria laid down in article 16 (1) (b). The Scheme has been established by SL 427.90 and provides for the establishment of specific standards for milk and tomato products (tomatoes for processing, kunsera and polpa) as well as pig meat. This scheme has been communicated through the TRIS notification procedure.

5. Information activities eligible for support shall be activities designed to induce among others consumers to buy the agricultural products or foodstuffs covered by Union or quality schemes.

6. Support under this intervention should cover exclusively schemes programmed under Art. 77 (1) (c) of the CAP SP Regulation. Eligible quality schemes for information and promotion activities should solely concern agricultural products and foodstuffs, and not agricultural holdings and/or
their environmental certification. At least one producer ‘in the 'group of producers' has to be participating in a Quality scheme at time of application.

8. All information drawn up in the context of a supported activity comply with Community and national legislation applicable in the Member State in which the information activities are carried out.

9. Recipients of grants, under certain circumstances as deemed appropriate by the Managing Authority or the Project Selection Committee, may be required to undertake training or seek advice.

Define eligible type of support (non-IACS) or commitments (IACS) and other obligations

Eligible expenditure includes, *inter alia*:

Support for new participation in quality schemes:

1. Cost of certification which comprises charges related to professional analysis and administrative fees, amongst others;
2. Annual contribution consisting of expenditure on checks required verifying compliance with the specifications of the scheme and the annual fee paid to a competent authority.

The fixed costs include the additional associated expenditure incurred for entering in a quality scheme. This comprises certification costs and annual contributions that are inclusive of administrative fees, and may also include checks required to verify compliance with the specifications of the scheme. In the case of organic products, this intervention may only finance costs of certifications, and annual contributions specified above as the eligible costs.

6 Identification of relevant baseline elements
(relevant GAEC, statutory management requirements (SMR) and other mandatory requirements established by national and Union law), where applicable, description of the specific relevant obligations under the SMR, and explanation as to how the commitment goes beyond the mandatory requirements (as referred to in Art. 28 (5) and in Art. 70 (3) and in Art. 72 (5))

N/A

7 Form and rate of support/amount/calculation methods
Form of support

- Grant

- Financial instrument

Type of payment

- Reimbursement of eligible costs actually incurred by a beneficiary
- Unit costs
- Lump sums
- Flat-rate financing

Range of support at beneficiary level

The support rate applied to this intervention shall be 70% of the eligible costs.

Additional explanation

In the case of support related to certification, support will be provided in the form of annual payments, up to a maximum of 5 years[^1].
The same support rate shall apply across the Maltese Islands.

Simplified Cost Options may be used to support farmers subscribed to quality schemes, building on the experience of the 2014 – 2020 programming period. The SCOs, and their respective methodologies, drafted and/or implemented during the 2014 – 2020 programming period will therefore be re-programmed. The value of these SCOs may be updated in line with market trends, if necessary. The MA may decide to make SCOs obligatory.

Only expenditure which has incurred after an application has been submitted to the competent authority shall be considered eligible (Article 86 Reg 2021/2115 applies). This rule, the exception of the professional services incurred by successful applicants for the submission of an AFRD application, including business plans where these are required. Successful applicants are those who are offered a grant agreement (hence excluding those who either fail the eligibility and/or selection process or are placed on a waiting list). The MA may adopt an SCO rate for such eligible costs.


8 Information regarding State aid assessment
The intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment:

☑ Yes ☐ No ☐ Mixed

Explanation of support activities falling outside the scope of Art. 42 TFEU
Among the envisaged activities there is support to farmers and others to join schemes to provide quality schemes for products.

State Aid clearance will be requested on the basis of Commission Regulation (EU) No 2020/2008 amending Regulations (EU) No 702/2014, (EU) No 97/2014 and (EU) No 1388/2014, as regards their period of application and other relevant adjustments declaring certain categories of aid in the agricultural and forestry sector and in rural areas compatible with the internal market.

Type of state aid instrument to be used for clearance:

☐ Notification ☐ GBER ☐ ABER ☐ de minimis

9 Additional questions/information specific to the Type of Intervention

☐ N/A

10 WTO compliance
Green Box
Paragraph 2 of Annex 2 WTO
Explanation of how the intervention respects the relevant provisions of Annex 2 to the WTO Agreement on Agriculture as specified in Article 10 of this Regulation and in Annex II to this Regulation (Green Box)

This intervention qualifies as ‘Green box’ because it has no, or at most minimal, trade-distorting effects or effects on production, as set out in the WTO Agreement on Agriculture.

11 Contribution rate(s) applicable to this intervention

<table>
<thead>
<tr>
<th>Region</th>
<th>Article</th>
<th>Applicable rate</th>
<th>Min Rate</th>
<th>Max Rate</th>
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</thead>
<tbody>
<tr>
<td></td>
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<tr>
<td>MT - Malta</td>
<td>91(2)(c)-Transition regions within the meaning of Article 108(2), first subparagraph, point (b), of Regulation (EU) 2021/1060</td>
<td>60.00%</td>
<td>20.00%</td>
<td>60.00%</td>
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</tbody>
</table>
12 Planned Unit Amounts - Definition

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Type of Support</th>
<th>Contribution rate(s)</th>
<th>Type of Planned Unit Amount</th>
<th>Region(s)</th>
<th>Result Indicator(s)</th>
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</thead>
<tbody>
<tr>
<td>COOP- QUALITY Unit - Unit Amount for Quality Schemes</td>
<td>Grant</td>
<td>Average</td>
<td></td>
<td></td>
<td></td>
<td>R.10;</td>
</tr>
</tbody>
</table>

Explanation and justification related to the value of the unit amount

COOP- QUALITY Unit - Unit Amount for Quality Schemes

The planned amount is based on 14-20 RDP experience including financial allocation second number of operations committed under Measure 3.1. This takes into consideration the fact that the proposed interventions are expected to be similar in nature.

13 Planned Unit Amounts - Financial table with outputs

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Financial Year</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
<th>Total 2023 - 2029</th>
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</thead>
<tbody>
<tr>
<td>COOP- QUALITY Unit - Unit Amount for Quality Schemes</td>
<td>Planned unit amount (Total Public Expenditure in EUR)</td>
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<td>39,000.00</td>
<td>39,000.00</td>
<td>39,000.00</td>
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<tr>
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<td>Maximum Amount for the Planned unit amount (EUR)</td>
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<td>O.29 (unit: Beneficiaries)</td>
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<td>4.00</td>
<td>6.00</td>
<td>7.00</td>
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<td></td>
<td>Annual indicative financial allocation (Total public expenditure in EUR)</td>
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<td>78,000.00</td>
<td>156,000.00</td>
<td>249,600.00</td>
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<td>Annual indicative financial allocation (Union Contribution in EUR)</td>
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<td>46,800.00</td>
<td>93,600.00</td>
<td>149,760.00</td>
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<td>Description</td>
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<tr>
<td>(Total public Expenditure in EUR)</td>
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<td>Out of which for financial instrument (Union Contribution in EUR)</td>
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<td>0.00</td>
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</tr>
<tr>
<td>Out of which carry-over (Total public Expenditure in EUR)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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</tr>
<tr>
<td>Out of which carry-over (Union contribution in EUR)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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<td>0.00</td>
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<tr>
<td>Out of which needed to reach the minimum financial allocation set out in</td>
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<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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</tr>
<tr>
<td>Annex XII (applicable to article 95(1) under article 73 and 75) (Total</td>
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<td></td>
<td></td>
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<td>public expenditure in EUR)</td>
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<tr>
<td>Out of which needed to reach the minimum financial allocation set out in</td>
<td>0.00</td>
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<tr>
<td>Annex XII (Union Contribution in EUR)</td>
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</tbody>
</table>
RD COOP LEADER - COOPERATION: LEADER

<table>
<thead>
<tr>
<th>Intervention Code (MS)</th>
<th>RD COOP LEADER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intervention Name</td>
<td>COOPERATION: LEADER</td>
</tr>
<tr>
<td>Type of Intervention</td>
<td>COOP(77) - Cooperation</td>
</tr>
<tr>
<td>Common Output Indicator</td>
<td>O.31. Number of supported local development strategies (LEADER) or preparatory actions</td>
</tr>
<tr>
<td>Contributing to ringfencing requirement for/on</td>
<td>Generational Renewal: No Environment: No ES rebate system: LEADER: Yes</td>
</tr>
</tbody>
</table>

1 Territorial scope and, if relevant, regional dimension
Territorial scope: National

Description of the Territorial Scope
This intervention shall provide funding for the LEADER programme, that will be implemented by Local Action Groups (LAGs), focusing on the entire rural territory of Malta and the Maltese Islands.

2 Related Specific Objectives, Cross-Cutting Objective and relevant Sectoral Objectives

**CAP SPECIFIC OBJECTIVE Code + Description** Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold

SO8 Promote employment, growth, gender equality, including the participation of women in farming, social inclusion and local development in rural areas, including the circular bio-economy and sustainable forestry

3 Need(s) addressed by the intervention

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Prioritisation at CSP level</th>
<th>% of the CSP level</th>
<th>Addressed in CSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.1</td>
<td>Provide new funding for small projects through the LEADER programme</td>
<td>1</td>
<td>2</td>
<td>Yes</td>
</tr>
<tr>
<td>8.2</td>
<td>Improve and enhance the effectiveness of co-operation through the restoration of heritage elements</td>
<td>2</td>
<td>3</td>
<td>Yes</td>
</tr>
<tr>
<td>8.3</td>
<td>Maximize synergy between CAP resources, other policies and EU funds</td>
<td>4</td>
<td>5</td>
<td>Yes</td>
</tr>
<tr>
<td>8.4</td>
<td>Support for LAGs and local communities to explore their unique cultural history and knowledge</td>
<td>3</td>
<td>4</td>
<td>Yes</td>
</tr>
</tbody>
</table>

4 Result indicator(s)

**RESULT INDICATORS Code + Description** Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold

R.38 Percentagem da população rural abrangida por estratégias de desenvolvimento local

5 Specific design, requirements and eligibility conditions of the intervention

Describe what are the specific objectives and content of the intervention including specific targeting, principles of selection, links with relevant legislation, complementarity with other interventions/sets of operations in both pillars and other relevant information.

This intervention shall provide funding for the LEADER programme that will be implemented by Local Action Groups (LAGs). Following selection of LAGs, LEADER shall finance the running costs of selected Local Action Groups, measures programmed in the respective LDS.
Local Action Groups shall only encompass localities that can be classified as rural in line with the definition outlined in Chapter 4 of the CAP Strategic Plan (it is being noted that once a rural locality is classified as such at the stage of drafting of the LDS, then it is considered as such throughout the implementation period of the CAP SP, even if circumstances change). The aim of the CAP Strategic Plan is to continue with the existing LAGs and new LAGs, if any, 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 existing LAGs (i.e. those engaged under the RDP 14-20) 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. Every local development strategy submitted must clearly demonstrate that it has the support of the local communities through exclusive declarations of at least 30% of the Local Councils within their region. In cases where any of the existing three (3) LAGs fail to submit a local development strategy or the submitted strategy does not meet the minimum selection criteria following the issuance of the restricted call, the Managing Authority may issue an open call for the establishment of a new local action group for the respective region.

In line with Article 92, paragraph 1 of the CAP Strategic Plan proposal, 5% of the total EAFRD contribution to the CAP Strategic Plan is being reserved for LEADER.

LAGs are normally non-profit organisations and LAG statutes should define elements such as the size and composition of the Board, as well as the General Assembly procedures. In the respective Guidance Notes, the Managing Authority will outline the basic requirements for LAGs and the criteria to be fulfilled by such entities.

As noted in Article 31 of the Common Provisions Regulation (CPR) (EU) 2021/1060 proposal, Community Led Local Development (CLLD) shall:

- be focused on subregional areas;
- be led by local action groups composed of representatives of public and private local socioeconomic interests, which no single interest group controls the decision-making;
- be carried out through strategies in accordance with Article 32.

In line with Article 32 of the CPR (EU) 2021/1060 LAGs shall design and implement Local Development Strategies (LDS) whereas Managing Authorities shall ensure that LAGs either select one partner within the group as a lead partner in administrative and financial matters, or come together in a legally constituted common structure.

As noted in Article 33, paragraph 3 of the CPR (EU) 2021/1060, local action groups, exclusively, shall carry out all of the following tasks:
build the capacity of local actors to develop and implement operations;

draw up a non-discriminatory and transparent selection procedure and criteria, which avoids conflicts of interest and ensures that no single interest group controls selection decisions;

publish calls for proposals;

selecting operations and fixing the amount of support and presenting the proposals to the body responsible for final verification of eligibility before approval;

monitoring progress towards the achievement of objectives of the strategy;

evaluating the implementation of the strategy.

Follow any guidance issued by the MA and ARPA.

It is being clarified that since LAGs are appointed as part of the regulatory requirements, they are not required to be designated as Intermediary Bodies.

Implementation of operations under the CLLD

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 shall 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 competitiveness of the area;

contribute to the preservation of resources and environmental protection;

establishment of an integrated approach to rural development.

Preparation and implementation of cooperation activities of the local action groups

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 inter-territorial or 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 Malta needs. The ability to deliver clear tangible results must be demonstrated in order to be eligible for support.

Support for running costs and animation

In order to implement operations under their respective LDS, Local Action Groups shall receive support covering the LAG’s running costs, as stipulated in Article 33 of the CPR (EU) 2021/1060. Support shall cover the running costs of the LAGs but in addition, it will include the training of LAG staff and members of the Decision Committee involved in the implementation of the strategy.

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.

The envisaged investments will contribute to the following specific objective:

Specific Objective 8: Promote employment, growth, gender equality, social inclusion and local development in rural areas, including bio-economy and sustainable forestry.

LEADER targets the local development of rural areas in line with Specific Objective 8 and contributes to enhancing social capital through the implementation of operations under local development strategies together with cooperation activities. LEADER aims at reinforcing territorial coherence and provides
potential to meet local needs through an integrated, multi-sectoral, and bottom-up approach and will support the local development in rural areas. This intervention may support LAGs through the provision of preparatory support for the drawing up of the LDS, as well as the implementation costs involved in relation to CLLD, cooperation activities and support for running costs and animation.

**Targeting**

**LEADER: Support for local development through CLLD** community-led local development and the Local Development Strategy

**Links with relevant Legislation**

Regulation (EU) 2021/2115


Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary and area

**Local Action Groups and Local Actors operating within LAG Territory:**

**Eligible conditions may include:**

**Local Action Groups**

- 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.

- In case of emergency due to catastrophic events or a significant and sudden change in the socioeconomic conditions, according to Article 86 (3) of Regulation 2021/2115, permission may be granted for expenditure to be eligible from the date when the event occurred and thus before an application has been submitted.

**Preparation and implementation of cooperation activities of the LAG**

- 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;

- 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.

- In cases of emergency due to catastrophic events or a significant and sudden change in the socio-economic conditions, according to Article 86 (3) of Regulation 2021/2115, permission may be granted for expenditure to be eligible from the date when the event occurred and thus before an application has been submitted.

**Preparatory Support**

- 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.

- In cases of emergency due to catastrophic events or a significant and sudden change in the socio-economic conditions, according to Article 86 (3) of Regulation 2021/2115, permission may be granted for expenditure to be eligible from the date when the event occurred and thus before an application has been submitted.

**Implementation of operations under the CLLD**

- 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.

- In cases of emergency due to catastrophic events or a significant and sudden change in the socio-economic conditions, according to Article 86 (3) of Regulation 2021/2115, permission may be granted for expenditure to be eligible from the date when the event occurred and thus before an application has been submitted.

**Running costs and implementation**
- 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.

- In cases of emergency due to catastrophic events or a significant and sudden change in the socioeconomic conditions, according to Article 86 (3) of Regulation 2021/2115, permission may be granted for expenditure to be eligible from the date when the event occurred and thus before an application has been submitted.

**Support for short-term farm and forest management exchange as well as farm and forest visits**

- To be eligible under this measure the beneficiary (service provider) and any partners 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 call for applications 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 farm exchange/visit;
  - have the technical and financial capacity required to carry out the specific farm exchange/visit;
  - not be in financial difficulty.

- Farm exchanges and/or visits which are already part of the normal education programmes or systems at secondary or higher levels are not eligible. This includes courses of instruction or training, which form part of the above-mentioned normal education programmes or systems.

Define eligible type of support (non-IACS) or commitments (IACS) and other obligations

**Preparation and implementation of cooperation activities of the local action**

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 article 78 of the CAP SPR
- 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.

Preparatory Support

Eligible costs may include:

- studies of the area concerned;
- costs related to the design of the LDS, including consultancy costs and costs of 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, including 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.

Eligibility cost for the Implementation of operations under the CLLD

- 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 scheme;
- The LAGs cannot be a direct beneficiary;
- Publicity costs are eligible, in line with article 78 of the CAP SPR;
- 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 86 of the CAP SPR.

Support for running costs and animation

Eligible costs may include:

- 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;

Costs of animation of the LDS 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.

6 Identification of relevant baseline elements
(relevant GAEC, statutory management requirements (SMR) and other mandatory requirements established by national and Union law), where applicable, description of the specific relevant obligations under the SMR, and explanation as to how the commitment goes beyond the mandatory requirements (as referred to in Art. 28 (5) and Art. 70 (3) and in Art. 72 (5))
N/A

7 Form and rate of support/amounts/calculation methods
Form of support
- Grant
- Financial instrument
Type of payment
- reimbursement of eligible costs actually incurred by a beneficiary
- unit costs
- lump sums
- flat-rate financing
Range of support at beneficiary level

The support rate applied to the intervention contributing to LEADER involving preparatory support of LDS and support for running costs and animation shall be 100% of the eligible costs whereas implementation of operations under LDS and preparation and implementation of cooperation activities shall be supported at 80% of the eligible costs.

Additional explanation
Support will be provided in the form of grants. The same aid intensities shall apply for all Local Action Groups across the Maltese Islands.

The following support rates shall apply for various actions under LEADER:
- Preparation of Local Development Strategies – 100%
- Implementation of operations under the LDS – 80%
- Support for running costs and animation – 100%
- Cooperation activities – 80%

As noted in Article 34, paragraph 2 of the CPR (EU) 2021/1060, support for management, monitoring and evaluation of the strategy and its animation shall not exceed 25 % of the total public contribution to the strategy
Beneficiaries of investment related support, at the discretion of the MA and ARPA, may request an advance payment of up to 50% of the public aid related to the investment.

Simplified Cost Options may be used to support investments funded through this intervention, building on the experience of the 2014 – 2020 programming period. The SCOs, and their respective methodologies, designed and/or implemented during the 2014 – 2020 programming period will therefore be re-programmed. The value of these SCOs may be updated in line with market trends, if necessary. The MA may decide to make SCOs obligatory.

8 Information regarding State aid assessment
The intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment:

☐ Yes  ☐ No  ☐ Mixed

Explanation of support activities falling outside the scope of Art. 42 TFEU
Support activities shall include preparation and update of local development strategies, running costs and animation and cooperation.

State Aid clearance will be requested on the basis of Commission Regulation (EU) No 2020/2008 amending Regulations (EU) No 702/2014, (EU) No 717/2014 and (EU) No 1388/2014, as regards their period of application and other relevant adjustments declaring certain categories of aid in the agricultural and forestry sector and in rural areas compatible with the internal market.

Type of state aid instrument to be used for clearance:
☐ Notification  ☐ GBER  ☐ de minimis

9 Additional questions/information specific to the Type of Intervention
What is the added value of the LEADER approach for Rural Development aimed?

The LEADER measure is an important tool for local rural development 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.

Describe how the basic requirements and principles related to the LEADER approach will be ensured through the delivery model

The LEADER approach ensures an effective and efficient approach by being designed and eventually implemented by local actors. Malta is divided into three regions with each region currently having a very active Local Action Group (LAG) composed of representatives of public and private local socioeconomies. Non-Public entities stakeholders shall form the majority, in terms of representation at the decision-making level, of foundations acting as LAG’s. This approach shall be enshrined in the foundations’ statute. This ensures that no single interest group controls the decision-making within the LAG. Each LAG through an extensive consultation process within its region shall aim to address the region’s needs and opportunities by providing a wide range of people and organisations (active within a specific region) the possibility to explore and indicate specific needs and opportunities as required within the region. This process will then be adequately evaluated in order to formulate a strategy that is area based and that is mutually beneficial for the interest of the local rural communities. This model provides the territory with the opportunity to turn its challenges into opportunities through a bottom-up approach during both the design and implementation stages.

Malta is an island state which can thus prove difficult for its territories to undertake certain innovative
activities due to limitations such as resources. Thus, the LAGs will be provided with the opportunity to participate within a cooperation project which may be inter-territorial or trans-national which can help LAGs and its communities boost their knowledge, experience and add more value within the territory’s own resources.

Is support from more than one EU fund planned?
☐ Yes  ❌ No

Would the lead fund option be applied?
☐ Yes  ❌ No

10 WTO compliance

Green Box

Explanation of how the intervention respects the relevant provisions of Annex 2 to the WTO Agreement on Agriculture as specified in Article 10 of this Regulation and in Annex II to this Regulation (Green Box)

This intervention qualifies as ‘Green box’ because it has no, or at most minimal, trade-distorting effects or effects on production, as set out in the WTO Agreement on Agriculture.

11 Contribution rate(s) applicable to this intervention

<table>
<thead>
<tr>
<th>Region</th>
<th>Article</th>
<th>Applicable rate</th>
<th>Min Rate</th>
<th>Max Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>MT - Malta</td>
<td>91(3)(b) - 77(1)(b)-LEADER under Article 71(1), point (b)</td>
<td>80.00%</td>
<td>20.00%</td>
<td>80.00%</td>
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</tbody>
</table>
### 12 Planned Unit Amounts - Definition

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Type of Support</th>
<th>Contribution rate(s)</th>
<th>Type of Planned Unit Amount</th>
<th>Region(s)</th>
<th>Result Indicator(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>COOP LEADER Unit - Unit Amount for LEADER</td>
<td>Grant</td>
<td>91(3)(b) - 77(1)(b) - MT-80.00%</td>
<td>Average</td>
<td></td>
<td></td>
<td>R.38;</td>
</tr>
</tbody>
</table>

Explanation and justification related to the value of the unit amount

COOP LEADER Unit - Unit Amount for LEADER

This planned amount relates to Cooperation activities under LEADER which have been established on the basis of 14-20 amounts.

### 13 Planned Unit Amounts - Financial table with outputs

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Financial Year</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
<th>Total 2023 - 2029</th>
</tr>
</thead>
<tbody>
<tr>
<td>COOP LEADER Unit - Unit Amount for LEADER</td>
<td>Planned unit amount (Total Public Expenditure in EUR)</td>
<td></td>
<td>1,748,385.00</td>
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<td></td>
<td>1,748,385.00</td>
<td>1,748,385.00</td>
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<td></td>
<td>Maximum Amount for the Planned unit amount (EUR)</td>
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<td>2,000,000.00</td>
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<td>O.31 (unit: Strategies)</td>
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<tr>
<td>Annual indicative financial</td>
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<td>262,252.75</td>
<td>524,515.50</td>
<td>839,224.80</td>
<td>891,676.35</td>
<td>944,127.90</td>
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<td>TOTAL</td>
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<td>2,806,20</td>
<td>419,612.40</td>
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<td>713,341.08</td>
<td>713,341.08</td>
<td>4,196,124.00</td>
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<tr>
<td>Description</td>
<td>Value1</td>
<td>Value2</td>
<td>Value3</td>
<td>Value4</td>
<td>Value5</td>
<td>Value6</td>
<td>Value7</td>
<td>Value8</td>
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<tr>
<td>allocation (Union Contribution in EUR)</td>
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<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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<tr>
<td>Out of which for financial instrument (Total public Expenditure in EUR)</td>
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<tr>
<td>Out of which for financial instrument (Union Contribution in EUR)</td>
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<tr>
<td>Out of which carry-over (Total public Expenditure in EUR)</td>
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<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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</tr>
<tr>
<td>Out of which carry-over (Union contribution in EUR)</td>
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<td>0.00</td>
<td>0.00</td>
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<td>0.00</td>
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<tr>
<td>Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under Article 73 and 75) (Total public expenditure in EUR)</td>
<td>0.00</td>
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<tr>
<td>Out of which needed to reach the minimum</td>
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<tr>
<td>financial allocation set out in Annex XII (Union Contribution in EUR)</td>
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<td></td>
</tr>
</tbody>
</table>
RD OTHER COOP ACT - Other Cooperation Activities

<table>
<thead>
<tr>
<th>Intervention Code (MS)</th>
<th>RD OTHER COOP ACT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intervention Name</td>
<td>Other Cooperation Activities</td>
</tr>
<tr>
<td>Type of Intervention</td>
<td>COOP(77) - Cooperation</td>
</tr>
<tr>
<td>Common Output Indicator</td>
<td>O.32. Number of supported other cooperation operations or units (excluding EIP reported under O.1)</td>
</tr>
<tr>
<td>Contributing to ringfencing requirement for/on</td>
<td>Generational Renewal: No, Environment: No, ES rebate system: No, LEADER: No</td>
</tr>
</tbody>
</table>

1 Territorial scope and, if relevant, regional dimension

Territorial scope: National

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>MT</td>
<td>Malta</td>
</tr>
</tbody>
</table>

Description of the Territorial Scope

This intervention aims to grant support for the cooperation among supply-chain actors and support for pilot projects, focusing on the entire territory of Malta.

2 Related Specific Objectives, Cross-Cutting Objective and relevant Sectoral Objectives

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold

SO2 Enhance market orientation and increase farm competitiveness, both in the short and long term, including greater focus on research, technology and digitalisation

SO3 A mezőgazdasági termelők helyzetének javítása az értékláncban

SO5 A fenntartható fejlődés és a természeti erőforrásokkal – például a vízzel, a talajjal és a levegővel – való hatékonyny gazdálkodás támogatása többek között a vegyi anyagoktól való függetlenítésével

3 Need(s) addressed by the intervention

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
<th>Prioritisation at the level of the CAP Strategic Plan</th>
<th>Addressed in CSP</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.5</td>
<td>Identify and support the investment needs of the sector to increase its market competitiveness</td>
<td>3</td>
<td>Yes</td>
</tr>
<tr>
<td>3.1</td>
<td>Build human and social capital and support facilitation and innovation to improve the supply chain</td>
<td>1</td>
<td>Yes</td>
</tr>
<tr>
<td>3.2</td>
<td>Improve the organisation of producers in the relevant sector, where this is currently lacking</td>
<td>4</td>
<td>Yes</td>
</tr>
<tr>
<td>3.6</td>
<td>Investment in supply chain organisation and the establishment of demonstration farm-to-fork systems</td>
<td>5</td>
<td>Yes</td>
</tr>
<tr>
<td>3.7</td>
<td>Strengthen capacity for collaboration between producers and supply chains</td>
<td>2</td>
<td>Yes</td>
</tr>
<tr>
<td>5.3</td>
<td>Introduce Mechanisms and processes that convert agricultural waste to fertilizer and/or energy</td>
<td>4</td>
<td>Yes</td>
</tr>
<tr>
<td>5.5</td>
<td>Encourage farmers to invest in efficient farming systems that make efficient use of resources</td>
<td>3</td>
<td>Yes</td>
</tr>
</tbody>
</table>

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold

R.1 Number of persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP in order to enhance sustainable economic, social, environmental,
climate and resource efficiency performance

5 Specific design, requirements and eligibility conditions of the intervention

Describe what are the specific objectives and content of the intervention including specific targeting, principles of selection, links with relevant legislation, complementarity with other interventions/sets of operations in both pillars and other relevant information.

Support under this intervention will aim to contribute to actions falling under Article 77 1(d) and (f) of the CAP SP Regulation.

Support for horizontal and vertical cooperation among supply-chain actors for the establishment and development of short-supply chains and local markets, and for promotion activities in a local context relating to the development of short supply chains and local markets.

Cooperation was identified in the SWOT and Needs analysis for Malta as a key requirement to support primary producers in developing quality assurance and improving returns to agriculture through alternative forms of marketing and shorter supply chains. In Malta distances between producer and consumer are short yet the fresh produce wholesale market provides limited returns to primary producers and lacks traceability. Both fresh produce and livestock producers would benefit from developing closer and more direct links between producer and consumer in order to realize the potential for Maltese products. Due to the small size of many producers, economies of scale and market efficiencies will only be gained through collaborative and co-operative actions.

This intervention aims to encourage and promote cooperation between farmers, young farmers, businesses, research and educational institutes and public entities along the supply chain, and may also be used to develop niche products. Collaboration between different actors can also be used to tackle animal health and welfare issues, as well as foster cooperation between different stakeholders in developing the agricultural sector. Support will also be targeted towards climate adaptation, mitigation, sustainable use of energy and resources and the protection of biodiversity.

This intervention may also support other forms of cooperation. Support will help to encourage the formation of partnerships that aim to undertake improvements in environmental quality, supply chain efficiency, sustainable energy, water and waste management. Support will be provided for groups, partnerships, cooperatives and other cooperation activities.

This applies not just to horizontal linkages to create efficiency of supply and scale, but also to vertical partnerships along supply chains, to engage in promotion and marketing of existing and new products. Support will be provided to establish and manage new groups of producers, processors and suppliers working together in short supply chains and local markets. For the purpose of this intervention support for the establishment and development of short supply chains shall cover only supply chains involving no more than one intermediary between farmer and consumer.

Support for co-operation among supply chain actors for sustainable provision of biomass for use in food and energy production and industrial processes (waste), as well as for the establishment and development of short-supply chains.
In Malta, distances between producer and consumer are short yet the fresh produce wholesale market provides limited returns to primary producers and lacks traceability. Both fresh produce and livestock producers would benefit from developing closer and more direct links between producer and consumer in order to realize the potential for Maltese products. Due to the small size of many producers, economies of scale and market efficiencies will only be gained through collaborative and co-operative actions. This applies not just to horizontal linkages to create efficiency of supply and scale, but also to vertical partnerships in supply chains, to engage in promotion and marketing of existing and new products. Support will be provided to establish and manage new groups of producers, processors and suppliers working together in short supply chains and local markets, as well as projects in favour of the provision of sustainable biomass. For projects concerning biomass, cooperative actions linking a wide range of stakeholders will be required including land managers, farmers, NGOs, local authorities, and government agencies concerned with energy, wastes, and environmental protection.

Support for pilot projects, and for the development of new products, practices, processes and technologies

Many innovative actions need to be piloted or tested before being made more widely available. Support may also be provided for demonstration or development of new products or processes. The most relevant areas for this type of activity in the CAP Strategic Plan 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, capable of coping with Malta’s natural constraints, in the face of anticipated climate change. Under this operation pilot projects involving specialised techniques, technologies and expertise will be slowed and shared to more simple projects supported under Article 78.

These might involve, inter alia, the purchasing of specialized laboratory equipment, pilot projects in relation to pesticide management, or the management of local or foreign research teams and expertise. RDP will support grants under the 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 an operational plan:

- a description of their innovative project; a description of the expected results;

The envisaged investments will contribute to the following Specific Objectives:

Specific Objective 1: to enhance market orientation and increase farm competitiveness both in the short and long term, including greater focus on research, technology and digitalisation.

This intervention can provide support for pilot projects, for the development of new products, practices, processes and technologies, contributing specifically towards Specific Objective 2.

Specific Objective 3: to improve farmers’ position in the value chain.

This intervention will support horizontal and vertical co-operation among supply chain actors for the establishment and development of short supply chains and local markets, and for promotion activities in a
local context relating to the development of short supply chains and local markets, contributing specifically towards Specific Objective 3.

Specific Objective 5: to foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency

This intervention will provide support for cooperation among supply chain actors for sustainable provision of biomass for use in food and energy production and industrial processes, contributing specifically towards Specific Objective 5.

Targeting

Other Cooperation Activities: Support for pilot projects, for the development of new products, practices, processes and technologies.

Complementarity with other interventions:

Interventions supporting Cooperation activities will complement Knowledge and Exchange, AKIS, on farm productive investments and young farmers amongst others.

Links with relevant legislation

EU Regulation 2021/2115

Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary and area:

Farmers (whether natural/legal persons);
Group of farmers (including inter alia partnerships, cooperatives);
Businesses;
Public entities;
Groups suitable/relevant to achieving the objectives of the intervention for support for pilot projects, and for the development of new products, practices, processes and technologies.

When it comes to payments and reimbursements, reporting etc., a lead partner in the group will act on behalf of all the members forming part of the group.
Eligibility Conditions may include:

- Support will only be granted to Groups with specific planned actions resulting in specific planned outcomes.

Define eligible type of support (non-IACS) or commitments (IACS) and other obligations

Support for horizontal and vertical cooperation among supply chain actors for the establishment and development of short-supply chains, and for promotion activities in a local context relating to the development of short supply chains and local markets and Support for cooperation among supply chain actors for sustainable provision of biomass for use in food and energy production and industrial processes (waste) and support for pilot projects, and for the development of new products, practices, processes and technologies.

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 or other actions targeted towards innovation, including but not limited to investments costs and importantly, including salary costs for animation and coordination activities delivered on the ground by dedicated project officers.

The possibility of either using the simplified cost option (SCO) or else the actual cost incurred.

6 Identification of relevant baseline elements
(relevant GAEC, statutory management requirements (SMR) and other mandatory requirements established by national and Union law), where applicable, description of the specific relevant obligations under the SMR, and explanation as to how the commitment goes beyond the mandatory requirements (as referred to in Art. 28 (5) and Art. 70 (3) and in Art. 72 (5))

N/A

7 Form and rate of support/amounts/calculation methods
Form of support

☒ Grant

☐ Financial instrument

Type of payment

☒ reimbursement of eligible costs actually incurred by a beneficiary

☐ unit costs

☐ lump sums

☐ flat-rate financing

Range of support at beneficiary level

The support rate applied to the intervention on the preparation and implementation of cooperation
activities shall be 80% of the eligible costs whereas the support rate applied for cooperation among supply chain actors shall be 100%.

Additional explanation

Cooperation interventions will be supported up to 100%. The costs of operations shall be supported in line with the relevant rules and requirements for similar operations covered under other types of interventions for rural development as set out in Articles 70 to 76 and 78 of the CAP Strategic Plan. The same support rates shall apply across the Maltese Islands.

Simplified Cost Options may be used to support farmers subscribed to quality schemes, building on the experience of the 2014–2020 programming period. The SCOs, and their respective methodologies, drafted and/or implemented during the 2014–2020 programming period will therefore be re-programmed. The value of these SCOs may be updated in line with market trends, if necessary. The MA may make the use of SCOs obligatory.

It is being clarified that the cost of setting-up the co-operation of other forms of co-operation (excluding LEADER) will not be supported through the CAP SP.

Only expenditure which has been incurred after an application has been submitted to the competent authority shall be considered eligible (Article 86 Reg 2021/2115 applies). This with the exception of the professional services incurred by successful applicants for the submission of an EAFRD application, including business plans where these are required. Successful applicants are those who are offered a grant agreement (hence excluding those who either fail the eligibility and/or selection process or are placed on a waiting list). The MA may adopt an SCO rate for such eligible cost.

8 Information regarding State aid assessment
The intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment:
☑ Yes   ☐ No   ☐ Mixed

Explanation of support activities falling outside the scope of Art. 42 TFEU

Support activities shall include amongst others the formation of partnerships that aim to undertake improvements in environmental quality, supply chain efficiency, sustainable energy, water and waste management. Other activities may include pilot projects for development of new products, practices and processes.

State Aid clearance will be requested on the basis of Commission Regulation (EU) No 2020/2008 amending Regulations (EU) No 702/2014, (EU) No 717/2014 and (EU) No 1388/2014, as regards their period of application and other relevant adjustments declaring certain categories of aid in the agricultural and forestry sector and in rural areas compatible with the internal market.

Type of state aid instrument to be used for clearance:
☐ Notification   ☐ GBER   ☐ ABER   ☑ de minimis

9 Additional questions/information specific to the Type of Intervention
N/A
10 WTO compliance

Green Box

Paragraph 2 of Annex 2 WTO

Explanation of how the intervention respects the relevant provisions of Annex 2 to the WTO Agreement on Agriculture as specified in Article 10 of this Regulation and in Annex II to this Regulation (Green Box)

This intervention qualifies as ‘Green box’ because it has no, or at most minimal, trade-distorting effects or effects on production, as set out in the WTO Agreement on Agriculture.

11 Contribution rate(s) applicable to this intervention

<table>
<thead>
<tr>
<th>Region</th>
<th>Article</th>
<th>Applicable Article</th>
<th>Min Rate</th>
<th>Max Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>MT - Malta</td>
<td>91(2)(c)-Transition regions within the meaning of Article 108(2), first subparagraph, point (b), of Regulation (EU) 2021/1060</td>
<td></td>
<td>20.00%</td>
<td>60.00%</td>
</tr>
</tbody>
</table>
### 12 Planned Unit Amounts - Definition

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Type of Support</th>
<th>Contribution rate(s)</th>
<th>Type of Planned Unit Amount</th>
<th>Region(s)</th>
<th>Result Indicator(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>OTHER COOP Unit - Unit Amount for Other Cooperation Activities</td>
<td></td>
<td>Grant</td>
<td>Average</td>
<td></td>
<td></td>
<td>R.1;</td>
</tr>
</tbody>
</table>

Explanation and justification related to the value of the unit amount

**OTHER COOP Unit - Unit Amount for Other Cooperation Activities**

The planned amount is based on 14-20 RDP experience including financial allocation and number of operations committed. This takes into consideration the fact that the proposed interventions are expected to be similar in nature.

### 13 Planned Unit Amounts - Financial table with outputs

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Financial Year</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
<th>Total 2023 - 2029</th>
</tr>
</thead>
<tbody>
<tr>
<td>OTHER COOP Unit - Unit Amount for Other Cooperation Activities</td>
<td>Planned unit amount (Total Public Expenditure in EUR)</td>
<td>666,666.67</td>
<td>666,666.67</td>
<td>666,666.67</td>
<td>666,666.67</td>
<td>666,666.67</td>
<td>666,666.67</td>
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<td>666,666.67</td>
<td>2,000,000.00</td>
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<tr>
<td></td>
<td>Maximum Amount for the Planned unit amount (EUR)</td>
<td>2,000,000.00</td>
<td>2,000,000.00</td>
<td>2,000,000.00</td>
<td>2,000,000.00</td>
<td>2,000,000.00</td>
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<td>2,000,000.00</td>
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<tr>
<td></td>
<td>O.32 (unit: Operations)</td>
<td>0.00</td>
<td>0.00</td>
<td>1.00</td>
<td>0.00</td>
<td>1.00</td>
<td>0.00</td>
<td>1.00</td>
<td>3.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Annual indicative financial allocation (Total public expenditure in EUR)</td>
<td>100,000.00</td>
<td>200,000.00</td>
<td>320,000.00</td>
<td>340,000.00</td>
<td>360,000.00</td>
<td>340,000.00</td>
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<tr>
<td></td>
<td>Annual indicative financial</td>
<td>60,000.00</td>
<td>120,000.00</td>
<td>192,000.00</td>
<td>204,000.00</td>
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<td>216,000.00</td>
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<td>204,000.00</td>
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<tr>
<td>Allocation (Union Contribution in EUR)</td>
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<tr>
<td>Out of which for financial instrument (Total public Expenditure in EUR)</td>
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<td>0.00</td>
<td>0.00</td>
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<td>Out of which for financial instrument (Union Contribution in EUR)</td>
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<tr>
<td>Out of which carry-over (Total public Expenditure in EUR)</td>
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<tr>
<td>Out of which carry-over (Union contribution in EUR)</td>
<td>0.00</td>
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</tr>
<tr>
<td>Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) and article 73 and of Total public expenditure in EUR)</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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<tr>
<td>Out of which needed to reach the minimum</td>
<td>0.00</td>
<td>0.00</td>
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<tr>
<td>financial allocation set out in Annex XII (Union Contribution in EUR)</td>
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</tbody>
</table>
KNOW(78) - Knowledge exchange and dissemination of information

RD KNOW - Knowledge exchange, training and dissemination of information

<table>
<thead>
<tr>
<th>Intervention Code (MS)</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>KNOW(78)</td>
<td>Knowledge exchange and dissemination of information</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Type of Intervention</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>KNOW(78)</td>
<td>Knowledge exchange and dissemination of information</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Common Output Indicator</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>O.33. Number of supported training, advice and awareness actions or units</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contributing to ringfencing requirement for/on</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Generational Renewal: No</td>
<td></td>
</tr>
<tr>
<td>Environment: No</td>
<td></td>
</tr>
<tr>
<td>ES rebate system: No</td>
<td></td>
</tr>
<tr>
<td>LEADER: No</td>
<td></td>
</tr>
</tbody>
</table>

1 Territorial scope and, if relevant, regional dimension

Territorial scope: National

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>MT</td>
<td>Malta</td>
</tr>
</tbody>
</table>

Description of the Territorial Scope

This intervention aims to fund knowledge transfer actions and will focus on the entire territory of Malta.

2 Related Specific Objectives, Cross-Cutting Objective and relevant Sectoral Objectives

**CAP SPECIFIC OBJECTIVE Code + Description** Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>SO2</td>
<td>Enhance market orientation and increase farm competitiveness, both in the short and long term, including greater focus on research, technology and digitalisation</td>
</tr>
<tr>
<td>SO3</td>
<td>A mezőgazdasági termelők helyzetének javítása és a mezőgazdasági termelők számára és e termelők ágazatban tartása, valamint a fenntartható vállalkozásfejlesztés korszerűsítése a vidéki térségekben</td>
</tr>
<tr>
<td>SO7</td>
<td>A mezőgazdasági pálya vonzó tétele a fiatal mezőgazdasági termelőknek egyéb új mezőgazdasági termelők számára és e termelők ágazatban tartása, valamint a fenntartható vállalkozásfejlesztés korszerűsítése a vidéki térségekben</td>
</tr>
<tr>
<td>SO9</td>
<td>Az uniós mezőgazdaság által az élelmiszerekkel és az élelmiszerekkel kapcsolatos társadalmi igényekre adott válasz javítása, többek között a magas minőségű, biztonságos és tápláló, fenntartható módon termelt élelmiszerek, az élelmiszer-pazarlás mérséklése, az állatjólét fokozása, az antimikrobiális rezisztencia elleni küzdelem terén</td>
</tr>
<tr>
<td>XCO</td>
<td>Az ágazat korszerűsítésére irányuló, az ágazat gyarapításának és megosztásának, az innovációknak és a digitalizációknak a mezőgazdaságban és vidéki térségekben történő előmozdításának erősítését és integritását terén</td>
</tr>
</tbody>
</table>

3 Need(s) addressed by the intervention

<table>
<thead>
<tr>
<th>Code</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>Build human, social and institutional capital through investment in knowledge, training, advice and mentoring</td>
</tr>
<tr>
<td>2.3</td>
<td>Increase direct selling, adding value, improving processing, marketing facilities and skills</td>
</tr>
<tr>
<td>3.1</td>
<td>Build human and social capital and support facilitation and innovation to improve the supply chain</td>
</tr>
<tr>
<td>3.5</td>
<td>Further develop established niche markets for authentic Maltese products (olive oil, ġbejna, honey)</td>
</tr>
<tr>
<td>3.6</td>
<td>Investment in supply chain organisation and the establishment of demonstration farm-to-fork systems</td>
</tr>
<tr>
<td>3.7</td>
<td>Strengthen capacity for collaboration among producers and supply chains</td>
</tr>
<tr>
<td>7.2</td>
<td>Provide training, advice, mentoring</td>
</tr>
</tbody>
</table>

**Prioritisation at the level of the CAP Strategic Plan**

<table>
<thead>
<tr>
<th>Code</th>
<th>Prioritisation at the level of the CAP Strategic Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2</td>
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<td></td>
<td>6</td>
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<td></td>
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<td></td>
<td>2</td>
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<td></td>
<td>7</td>
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</table>

**Addressed in CSP**

<table>
<thead>
<tr>
<th>Code</th>
<th>Addressed in CSP</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Yes</td>
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<tr>
<td></td>
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<td>Yes</td>
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<td>Yes</td>
</tr>
</tbody>
</table>
and assistance for young farmers and rural entrepreneurs

| 9.2 | Foster higher animal welfare standards to ensure well being among farmed animals | 4 | Yes |
| 9.4 | Introduce new measures aimed at reducing, reusing and recycling food waste along the supply chain | 7 | Yes |
| 9.5 | Promote products produced to higher standards for dietary, environmental and animal welfare | 5 | Yes |
| XCO.2 | Ensuring that other SO's integrate knowledge exchange, advice, training and information provision | 2 | Yes |

4 Result indicator(s)

**RESULT INDICATORS Code + Description** Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold

R.1 Number of persons benefitting from advice, training, knowledge exchange or participating in European Innovation Partnership (EIP) operational groups supported by the CAP in order to enhance sustainable economic, social, environmental, climate and resource efficiency performance

R.2 Número de conselheiros que recebem apoio que devem ser integrados no âmbito de sistemas de conhecimento e inovação agrícolas (AKIS)

R.28 Number of persons benefitting from advice, training, knowledge exchange or participating in European Innovation Partnership (EIP) operational groups supported by the CAP related to environmental or climate-related performance

5 Specific design, requirements and eligibility conditions of the intervention

Describe what are the specific objectives and content of the intervention including specific targeting, principles of selection, links with relevant legislation, complementarity with other interventions/sets of operations in both pillars and other relevant information.

Support may be provided for Vocational training and skills acquisition actions, knowledge transfer actions such as training and farm advisory services. Training and farm advisory services will mainly provide support issues such as economic viability, competitiveness, sustainable use of resources, resource efficiency, protection of biodiversity and animal welfare amongst others.

**Support for Vocational training and skills acquisition actions**

This intervention aims to raise the level of skills and knowledge of farmers and operators in the agricultural sector. Training and advisory services will mainly provide support issues such as economic viability, competitiveness, sustainable use of resources, resource efficiency, adaptation to climate change, protection of biodiversity, animal welfare and antimicrobial resistance. There was clear evidence in the SWOT analysis that a major weakness was the lack of expertise and skills among those operating in agricultural 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 Knowledge Transfer, indicating the importance of enabling access to relevant expertise from outside of the country. Farm exchanges as part of training may also be considered. These exchanges will be organised through Public Authorities as the CAP SP beneficiaries, and exchanges facilitated in liaison with and in cooperation with other authorities, farmer organisations, LEADER groups etc in other Member States.

Training and advisory services will be offered to actors engaged in the agricultural sector such as farmers including full-time, part-time, large, small and young farmers land managers, processors, other economic...
actors and SMEs operating in the sector. Training may also include start up-courses designed specifically for new entrants and young farmers. Such courses will be developed throughout the implementation of the plan based on emerging policy needs within the local context. The provision of training to farmers on advice topics such as organic farming, animal welfare, AMR, hygiene, health and safety on the farm, principles of conditionality, business development, innovation, environmental awareness. Advisors may also provide information concerning relevant land based and environmental management commitment type measures from which the holding can benefit, where relevant.

Training may be classroom based and/or online and as well as for demonstration activities. Training and tailor-made advice may also take place on site and on a one-to-one basis. In view of the limited number of service providers that can cater for such services, the Managing Authority reserves the right to issue restricted calls for training and advisory interventions.

Support to help benefitting from the use of Advisory Services

Advisory support will be targeted at grant applicants and beneficiaries (recipients of advice) and may be targeted at individuals and/or groups, including Farmers and other land managers. Advice shall be linked to at least one specific objective as mentioned in article 6 (1) & (2) of the CAP SPR for rural development and shall cover at least one of the elements of the following issues:

- One or more statutory management requirements (SMRs), quality standards, or good agricultural and environmental condition; 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, soil, animal and plant disease notification and innovation as well as animal welfare.

- sustainable development of the economic activity of small farms including occupational safety standards, where relevant.

- Other issues linked to the economic, agricultural and environmental performance of the agricultural holding.

Advisory to Woodland holders may cover as a minimum the relevant obligations under Directive 92/43/EEC (conservation of natural habitats and of wild fauna and flora), Directive 2009/147EC (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.

This intervention may support farm advisory services on agricultural production, nutrient management and precision fertilization and, the development and implementation of Animal Health Plans for each farm.

Support for Demonstration Activities and Information Actions

This intervention aims to improve the basic skills and knowledge among farmers, as well as among the
individually working in the agri-food sector, by extending the scope of application and by supporting other
short-term actions, such as demonstration activities and information actions. Other skills acquisition
methods, in addition to traditional courses, will be therefore promoted. The actions supported under this
intervention may include

-Demonstration activities: to be carried out as practical sessions aiming to demonstrate new technologies,
the use of new equipment and machinery, new methods to protect crops or specific production techniques
amongst others. These may consist, for example, providing an opportunity for stakeholders to witness the
techniques and investments that can be adopted to improve storage life and quality of fresh fruit and
vegetables, through appropriate storage techniques. Other examples include improvements to energy or
waste management on a farm within a rural business in order to illustrate the type of investment needed,
the operational management required, and the benefits of investment. Demonstration on smart irrigation
may also be addressed. The activity may take place in a farm or in other locations, such as exhibitions,
specialised fairs, etc.

-Information actions: information dissemination activities in regard to agriculture, environment, agri-food
sector, in order to raise the awareness of the target group on knowledge relevant to the activity carried
out on the job. The actions covered by this intervention relate to increasing awareness among individuals
employed in the agricultural and food sectors on the specific fields where they work and other fields, such
as environmental protection or other fields of general interest.

Support for short-term farm and forest management exchange as well as farm and forest visits

This intervention aims to improve the basic skills and knowledge among farmers, as well as among the
individuals working in the agri-food sector, rural tourism, and rural development sector by supporting
exchange visits to improve knowledge and understanding in the following areas:

- Water, wastes and energy: improving sustainable use and generating renewable energy;
- Maltese quality produce: improving quality, traceability, strategic marketing, adding value, and
  promotion;
- Sustainable livestock: improving resource efficiency, competitiveness and productivity, and welfare;
- Landscape and environment: managing habitats and features;
- Wider rural economy and quality of life: developing rural tourism, rural skills and promoting social
  inclusion.

The certification of these visits would be achieved (and limited to) foreign LEADER groups.

Rural stakeholders, land managers, rural businesses (SMEs operating in rural areas and in compliance
with the SME criterion), stakeholders involved in supply chains and management will learn more
effectively from visiting high quality and best practice operations in other parts of the EU. These visits
can illustrate the benefits, challenges, opportunities, and problems associated with investing in
improvements to their businesses. In many cases farmers and other stakeholders will need to be convinced
that investment in specific actions will produce the desired benefits, and visits abroad/farm exchange
visits are a good way to do this.

The envisaged investments will contribute to the following specific objectives:
Specific Objective 2: Enhance market orientation and increase competitiveness both in the short and long term, including greater focus on research technology and digitalisation.

Training and advisory services will support beneficiaries in developing their businesses, providing them with the necessary skillset required to improve the competitiveness of their holding, reduce input costs and improve profit margins, therefore ensuring the economic sustainability of the sector. Knowledge Exchange and information and Support for training for advisors shall therefore target Specific Objective 2.

Training and advice, although contributing directly to SO 2, will also register secondary contributions to other Specific Objectives. For example, training related to the use of renewable sources of energy will also lead to a secondary contribution to SO 4, since although the primary target is farmers to become more knowledgeable on how to reduce the use of fossil fuels to reduce their input costs, switching to renewable sources of energy will reduce emissions and therefore target climate mitigation. Training and advice may also be targeted at equipping farmers with knowledge on how to better deal with climate change, through the possibility of switching to crops and livestock that are more suitable for a drier, warmer climate. This will contribute towards farmers’ economic sustainability and survival, while also indirectly targeting SO 4 that is related to climate adaptation and mitigation.

Training and advice on the better use of water resources will register a secondary contribution to SO 5 that is related to water management while training related to for example organic farming and pesticide use, will register a secondary contribution to SO 6 since reduced pesticide use is beneficial to biodiversity.

Similarly, training and advice targeted towards equipping farmers with the necessary skills required to cooperate and coordinate in order to improve their position in the food chain shall aim to improve the farmers’ competitiveness and economic sustainability, while also registering a secondary contribution to SO 3. Secondary contributions to other Specific Objectives will be identified and discussed by evaluators in the respective evaluations that will be carried out throughout the life of the CAP Strategic Plan.

Specific Objective 7: Attract and sustain young farmers and facilitate business development in rural areas.

Young farmers entering the agricultural sector will be required specific intensive training. This training should be available for:

- new entrants benefitting from the installation of young farmers scheme;
- new entrants, below the age of 40 years, that have not benefitted from the installation of young farmers scheme; and
- farmers, below the age of 45 years, that are already active within the sector.

Where necessary, training may provide these farmers with a relevant induction course, and may focus on technical matters, whether agronomic or veterinary related, environment and climate issues and business management matters, amongst others that will incorporate a long-term business planning model and the drafting of business plans that will be required as part of the application for funding under the intervention targeted at Young Farmers. These skills will therefore contribute towards Specific Objective 7. Secondary contributions to other Specific Objectives will be identified and discussed by evaluators in the respective evaluations that will be carried out throughout the life of the CAP Strategic Plan.
Specific Objective 9: Improve the response of EU agriculture to societal demands on food and health, including safe and nutritious food, produced in a sustainable way, food waste, as well as animal welfare.

Since consumers are becoming more conscious of what goes into their food, farmers and livestock breeders shall be equipped with the skills required to address these demands.

Targeting

Knowledge exchange and information dissemination: Supporting demonstration activities and Information actions, and support for training for advisors and advisory services.

Complementarity with other interventions

Interventions supporting Knowledge and exchange will complement interventions targeting On farm Productive investments including diversification into agricultural activities and new technology, Investments in on farm production in relation to marketing investments under interventions aimed at Young Farmers. There is also complementarity with Sectoral intervention Apiculture- Training, Information and Networks.

Links with relevant legislation

EU Regulation 2021/2115
EU Regulation 2021/2116
L.N. 99 of 2019, Supplies and Services Act (CAP. 117) Farm Advisory Services Regulations, 2019
L.N 113 of 2010 establishing the rules for the setting up of FAS
[1] In cases of farmers already active within the sector, some introductory modules may not be applicable.

Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary and area.

The eligible beneficiaries (in the sense of recipients of funds) for support are:

-Entities or bodies that will be entrusted to organise the exchanges and visits with the scope of providing 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;

- For farmer exchanges, only public authorities will be eligible;

- Advice providers, public and/or private entities having competence and necessary Farm Advisory Board recognition (as per L.N. 99 of 2019 SUPPLIES AND SERVICES ACT (CAP. 117) Farm Advisory Services Regulations, 2019) in the area covered by the intervention;

- Training and Advice providers.

Eligibility conditions may include:

Eligibility for support for investments will be based on a detailed assessment of applications by an assessment panel that possess the expertise necessary to undertake this work.

Recipients of grants, under certain circumstances as deemed appropriate by the Managing Authority, may be required to undertake training or seek advice. Operations shall not be eligible for support where they have been physically completed or fully implemented before the application for funding under the CAP Strategic Plan is submitted to the Managing Authority, irrespective of whether all related payments have been made.

Training and demonstration providers shall present the necessary recognition by the MFHEA or be exempted accordingly.

Training providers and advisors shall provide evidence meeting appropriate qualifications and resources to properly provide the activity, as defined in the respective Guidance Notes.

At the time of application, advisory service providers shall be registered Farm Advisory Service Providers, registered with the respective competent authority. Service providers shall possess or be able to provide appropriate logistical arrangements, including the provision of adequate training spaces and specific training activity.

Support for short-term farm and forest management exchange as well as farm and forest visits

To be eligible under this measure the beneficiary (service provider) and any partners 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 call for applications 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 farm exchange/visit;

- have the technical and financial capacity required to carry out the specific farm exchange/visit;

- not be in financial difficulty. Farm exchanges and/or visits which are already part of the normal education programmes or systems at secondary or higher levels are not eligible. This includes courses of instruction or training, which form part of the above-mentioned normal education programmes or systems.

[1] Training providers will have to be recognised as training providers within the Agricultural sector by
Define eligible type of support (non-IACS) or commitments (IACS) and other obligations

**Support for Vocational training and skills acquisition actions**

- 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.
- 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
- The possibility of either using the simplified cost option (SCO) or else the actual cost incurred\[1\]

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. 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.

**Support for demonstration activities and information actions**

**Demonstration Activities**

- Capital costs for the setting up of the project may be used after the operation is completed
- Hire of facilities
- Venue costs
- Hire of specialist expertise
- Salaries of employees
- Travel
- Accommodation
- Per diem expenses
- The possibility of either using the simplified cost option (SCO) or else the actual cost incurred

**Information Actions**
-Publication of training materials

-Marketing and promotion costs

-The possibility of either using the simplified cost option (SCO) or else the actual cost incurred

For 'advanced' training sessions only and lasting at least one full day or longer: Cost of replacement of farmer. It means any person suitable to replace the farmer (head of the holding) when participating in training. Cost of participants will be paid to the providers of the service. 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.

*Support to help benefitting from the use of Advisory Services*

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 land based and environment commitments, 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 in laboratory testing, preparation of fertilizer and nutrient management plans, compilation of farm records obligatory under cross compliance and agri-environmental measures, and 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 plan.

*Support for training of advisors*

Eligible costs under this measure may include: Cost of training of advisors: costs incurred in organizing and delivering training to the advisors (e.g. salaries of employees, travel cost, material prepared for the training, costs related with the place where the training 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.

*Support for short-term farm and forest management exchange as well as farm and forest visits*

- Hire of facilities
- Venue costs
- Contracts with providers of training and external specialists
- Salaries of employees
- Marketing and promotion
- Publication of training materials â€“ CDs, memory cards/sticks, booklets, folders, handouts
- Development and delivery exchange visit
- Costs of participants, including accommodation and other travel costs Travel costs
- The possibility of either using the simplified cost option (SCO) or else the actual cost incurred[2]

Vouchers that can be redeemed by individuals or organizations to help them access the training offered by the providers and other approved providers may be adopted at the discretion of the MA. These vouchers may be obtained from the Managing Authority/ Paying Agency by the 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/organization 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 awareness raising and information actions as well as related costs for the replacement of farmers through financial vouchers or another system of equivalent effect. 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 validity period of the voucher, which period would be defined by the MA or ARPA. All eligible costs shall be paid to the beneficiary of support (the service provider) for operations with eligible costs up to EUR 5000, the reasonableness of the costs may be established by the draft budget agreed ex-ante by the Managing Authority.

For visits 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 â€“ €11.14 per day may be paid by the service provider to the participant requiring such compensation. The service provider will also claim reimbursement of this expense together with other eligible expenditure.

[1] The MA reserves the right to develop further SCOs for all expenditure, with further details on their applicability to be listed in the respective Guidance Note.

[2] Ibid.

6 Identification of relevant baseline elements
(relevant GAEC, statutory management requirements (SMR) and other mandatory requirements established by national and Union law), where applicable, description of the specific relevant obligations under the SMR, and explanation as to how the commitment goes beyond the mandatory requirements (as referred to in Art. 28 (5) and Art. 70 (3) and in Art. 72 (5))
N/A
7 Form and rate of support/amounts/calculation methods
Form of support
✓ Grant
☐ Financial instrument
Type of payment
✓ reimbursement of eligible costs actually incurred by a beneficiary
The support rate applied to this intervention shall be 100% of the eligible costs.

Additional explanation

Support will be paid to training, support and advisory service providers.

The maximum support of 100% will be paid to service providers. The same rate shall apply across the Maltese Islands.

The public aid granted under this measure may include flat rates for indirect costs.

Simplified Cost Options may be used for the provision of training and farm advisory services, building on the experience of the 2014 – 2020 programming period. The SCOs and their respective methodologies, drafted and/or implemented during the 2014 – 2020 programming period will therefore be re-programmed. The MA may decide to make SCOs obligatory.

The cost of advice provided shall not exceed a maximum of €1,500 per advice to one recipient of such advisory services at any one point in time, however multiple supports can be received. The value of these SCOs may be updated in line with market trends, if necessary.

Only expenditure which has been incurred after an application has been submitted to the competent authority shall be considered eligible (Article 86 Reg 2021/2115 applies). This with the exception of the professional services incurred by successful applicants for the submission of an EAFRD application, including business plans where these are required. Successful applicants are those who are offered a grant agreement (hence excluding those who either fail the eligibility and/or selection process or are placed on a waiting list). The MA may adopt an SCO rate for such eligible cost.

8 Information regarding State aid assessment

The intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment: ☑ Yes ☐ No ☐ Mixed

Explanation of support activities falling outside the scope of Art. 42 TFEU

Support shall include amongst others training and skills acquisition, provision of advisory services and information activities.

State Aid clearance will be requested on the basis of Commission Regulation (EU) No 2020/2008 amending Regulations (EU) No 702/2014, (EU) No 717/2014 and (EU) No 1388/2014, as regards their period of application and other relevant adjustments declaring certain categories of aid in the agricultural and forestry sector and in rural areas compatible with the internal market.
Type of state aid instrument to be used for clearance:
☐ Notification    ☐ GBER    ☐ ABER    ☑ de minimis
9 Additional questions/information specific to the Type of Intervention
N/A

10 WTO compliance
Green Box
Paragraph 2 of Annex 2 WTO
Explanation of how the intervention respects the relevant provisions of Annex 2 to the WTO Agreement on Agriculture as specified in Article 10 of this Regulation and in Annex II to this Regulation (Green Box)

| This intervention qualifies as ‘Green box’ because it has no, or at most minimal, trade-distorting effects or effects on production, as set out in the WTO Agreement on Agriculture. |

11 Contribution rate(s) applicable to this intervention

<table>
<thead>
<tr>
<th>Region</th>
<th>Article</th>
<th>Applicable Rate</th>
<th>Min Rate</th>
<th>Max Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>MT - Malta</td>
<td>91(2)(c)-Transition regions within the meaning of Article 108(2), first subparagraph, point (b), of Regulation (EU) 2021/1060</td>
<td>60.00%</td>
<td>20.00%</td>
<td>60.00%</td>
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</table>
12 Planned Unit Amounts - Definition

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Type of Support</th>
<th>Contribution rate(s)</th>
<th>Type of Planned Unit Amount</th>
<th>Region(s)</th>
<th>Result Indicator(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>RD KNOW Unit 1 - Unit Amount 1 for Knowledge-Training, Exchange &amp; Information</td>
<td>Grant</td>
<td></td>
<td></td>
<td>Average</td>
<td></td>
<td>R.1; R.28;</td>
</tr>
<tr>
<td>RD KNOW Unit 2 - Unit Amount 2 for Knowledge-Advisory</td>
<td>Grant</td>
<td></td>
<td></td>
<td>Average</td>
<td></td>
<td>R.1; R.2; R.28;</td>
</tr>
</tbody>
</table>

Explanation and justification related to the value of the unit amount

RD KNOW Unit 1 - Unit Amount 1 for Knowledge- Training, Exchange & Information

The planned amount is based on 14-20 RDP experience including financial allocation set and number of operations committed under Measure 1. This takes into consideration the fact that the proposed interventions are expected to be similar in nature.

RD KNOW Unit 2 - Unit Amount 2 for Knowledge- Advisory

The planned amount is based on 14-20 RDP experience including financial allocation set and number of operations committed under Measure 2. This takes into consideration the fact that the proposed interventions are expected to be similar in nature.

13 Planned Unit Amounts - Financial table with outputs

<table>
<thead>
<tr>
<th>Group</th>
<th>Planned Unit Amount</th>
<th>Financial Year</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
<th>Total 2023 - 2029</th>
</tr>
</thead>
<tbody>
<tr>
<td>RD KNOW Unit 1 - Unit Amount 1 for Knowledge-Training, Exchange &amp; Information</td>
<td>Planned unit amount (Total Public Expenditure in EUR)</td>
<td>794,187.90</td>
<td>794,187.90</td>
<td>794,187.90</td>
<td>794,187.90</td>
<td>794,187.90</td>
<td>794,187.90</td>
<td>794,187.90</td>
<td>794,187.90</td>
<td>794,187.90</td>
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<tr>
<td></td>
<td>Maximum Amount for the Planned amount (EUR)</td>
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<td>1,588,375.80</td>
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<tr>
<td></td>
<td>O.33 (unit: Operations)</td>
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<td>0.00</td>
<td>0.00</td>
<td>1.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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<td>2.00</td>
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<tr>
<td>RD KNOW Unit 2 - Unit Amount 2 for Knowledge-Advisory</td>
<td>Planned unit amount (Total)</td>
<td>1,393,312.10</td>
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<tr>
<td><strong>Amount 2 for Knowledge-Advisory</strong></td>
<td><strong>Public Expenditure in EUR</strong></td>
<td><strong>Maximum Amount for the Planned unit amount (EUR)</strong></td>
<td><strong>Out of which for financial instrument (Total public Expenditure in EUR)</strong></td>
<td><strong>Out of which for financial instrument (Union Contribution in EUR)</strong></td>
<td><strong>Out of which carry-over (Total public Expenditure in EUR)</strong></td>
<td></td>
<td></td>
<td></td>
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<td>O.33 (unit: Operations)</td>
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<td>2.00</td>
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<tr>
<td>Annual indicative financial allocation (Total public expenditure in EUR)</td>
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<td>218,750.00</td>
<td>437,500.00</td>
<td>743,750.00</td>
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<td>Annual indicative financial allocation (Union Contribution in EUR)</td>
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<tr>
<td>Out of which carry-over (Total public Expenditure in EUR)</td>
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<td>0.00</td>
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<td>0.00</td>
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**TOTAL**

<p>|                             |                             | 0.00                                              | 0.00                                              | 0.00                                              | 0.00                                              |</p>
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<th></th>
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<tr>
<td>Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)</td>
<td>0.00</td>
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<td>Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)</td>
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</table>
# Financial plan

## 6.1 Overview table

<table>
<thead>
<tr>
<th>Financial Year (Direct payments (CY N=FY N+1))</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Initial direct payments allocations (initial Annex V)</td>
<td>N/A</td>
<td>4,594,021.00</td>
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<td>22,970,105.00</td>
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</tr>
<tr>
<td>2 Cotton (Annex VIII)</td>
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<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>3 Initial direct payments allocations excluding cotton (Initial annex IX)</td>
<td>N/A</td>
<td>4,594,021.00</td>
<td>4,594,021.00</td>
<td>4,594,021.00</td>
<td>4,594,021.00</td>
<td>4,594,021.00</td>
<td>22,970,105.00</td>
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<tr>
<td>4 Coupled income support (Article 96)</td>
<td>N/A</td>
<td>2,999,998.95</td>
<td>2,999,998.95</td>
<td>2,999,998.95</td>
<td>2,999,998.95</td>
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<td>14,999,994.75</td>
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<tr>
<td>5 Transfer to EAFRD total amount (flexibility+reduction) Resulting amount</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>6 Total flexibility - article 103(1)(a) Amount to be entered</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>7 If above 25%: of which for the environmental and climate-related objectives (Article 103(2)(a)) - amount to be entered</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>8 If above 25%: of which for the installation of young farmers (article 103(2)(b)) - Amount to be entered</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<td>9 Total flexibility %</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>10 Transfer to EAFRD of the estimated product of reduction, if applicable (Article 17(5))</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>11 Transfer to types of interventions in other sectors (article 88(6)) Amount to be entered</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>12 Transfer to types of interventions in other sectors (article 88(6)) resulting percentage</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
<tr>
<td>13 Transferred from EAFRD: amount (article 103(1)(b))</td>
<td>N/A</td>
<td>4,996,124.25</td>
<td>4,996,124.25</td>
<td>4,996,124.25</td>
<td>4,996,124.25</td>
<td>4,996,124.25</td>
<td>19,984,497.00</td>
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<tr>
<td>14 Adjusted direct payments allocation (Annex V)</td>
<td>N/A</td>
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<td>9,590,145.25</td>
<td>9,590,145.25</td>
<td>9,590,145.25</td>
<td>9,590,145.25</td>
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<tr>
<td>17 Adjusted direct payments allocations excluding cotton before reduction transfer (Annex IX)</td>
<td>N/A</td>
<td>9,590,145.25</td>
<td>9,590,145.25</td>
<td>9,590,145.25</td>
<td>9,590,145.25</td>
<td>9,590,145.25</td>
<td>42,954,602.00</td>
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<td>2023</td>
<td>2024</td>
<td>2025</td>
<td>2026</td>
<td>2027</td>
<td>2028</td>
<td>Total</td>
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<tr>
<td>--------------------------------------------------------</td>
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<td>-----------</td>
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<td>18 Wine (Annex VII)</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>70,685.00</td>
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<td>19 Apiculture (Annex X)</td>
<td>14,137.00</td>
<td>14,137.00</td>
<td>14,137.00</td>
<td>14,137.00</td>
<td>14,137.00</td>
<td>N/A</td>
<td>70,685.00</td>
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<td>22 Types of interventions in other sectors from Direct Payments</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<td><strong>EAFRD</strong></td>
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<td>2025</td>
<td>2026</td>
<td>2027</td>
<td>2028</td>
<td>Total</td>
<td></td>
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<tr>
<td>23 Initial EAFRD Member State's allocation (Annex XI)</td>
<td>19,984,497.00</td>
<td>19,984,497.00</td>
<td>19,984,497.00</td>
<td>19,984,497.00</td>
<td>19,984,497.00</td>
<td>N/A</td>
<td>99,922,485.00</td>
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<td>24 Flexibility transfer to direct payments - amount (Article 103(b)) amount to be entered</td>
<td>4,996,124.25</td>
<td>4,996,124.25</td>
<td>4,996,124.25</td>
<td>4,996,124.25</td>
<td>N/A</td>
<td>19,984,497.00</td>
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<tr>
<td>25 resulting percentage</td>
<td>25.00</td>
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<td>25.00</td>
<td>25.00</td>
<td>N/A</td>
<td>20.00</td>
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<td></td>
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<tr>
<td>26 Transferred from direct payments (flexibility+reduction estimate), article 17+103</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<td></td>
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<tr>
<td>27 Allocated to EU Invest - (Article 81)</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<td>28 Allocated to LIFE - (Article 99) amount</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
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<tr>
<td>28a Allocated to ERASMUS - (Article 99) amount</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
<td></td>
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<tr>
<td>30 Adjusted EAFRD Member State's allocations (Annex XI)</td>
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<td>14,988,372.75</td>
<td>14,988,372.75</td>
<td>14,988,372.75</td>
<td>N/A</td>
<td>79,937,988.00</td>
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<tr>
<td><strong>Financial Year, minimum spending requirements (Articles 92, 93, 95, 97)</strong></td>
<td>2023</td>
<td>2024</td>
<td>2025</td>
<td>2026</td>
<td>2027</td>
<td>2028</td>
<td>Total</td>
<td></td>
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<tr>
<td>31 Reserved for LEADER (Article 92(1)) - minimum 5% over the period resulting percentage</td>
<td>4.20</td>
<td>5.60</td>
<td>5.60</td>
<td>5.60</td>
<td>N/A</td>
<td>5.25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>32 Reserved for LEADER - amount to be entered</td>
<td>839,224.80</td>
<td>839,224.80</td>
<td>839,224.80</td>
<td>839,224.80</td>
<td>839,224.80</td>
<td>N/A</td>
<td>4,196,124.00</td>
<td></td>
</tr>
<tr>
<td>33 Reserved for environmental and climate related objectives under EAFRD (Article 93) (min 35%) - Outermost regions excluded resulting percentage</td>
<td>37.56</td>
<td>30.08</td>
<td>50.08</td>
<td>50.08</td>
<td>50.08</td>
<td>N/A</td>
<td>46.95</td>
<td></td>
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<tr>
<td>34 Reserved for environmental and climate relate objectives under EAFRD - amount to be entered</td>
<td>7,506,449.65</td>
<td>7,506,449.65</td>
<td>7,506,449.65</td>
<td>7,506,449.65</td>
<td>7,506,449.65</td>
<td>N/A</td>
<td>37,532,248.25</td>
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</tr>
<tr>
<td>35 Out of which for Article 70</td>
<td>1,035,206.72</td>
<td>1,035,206.72</td>
<td>1,035,206.72</td>
<td>1,035,206.72</td>
<td>1,035,206.72</td>
<td>N/A</td>
<td>5,176,033.60</td>
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<tr>
<td>36 Out of which for Article 71 (50%)</td>
<td>911,719.25</td>
<td>911,719.25</td>
<td>911,719.25</td>
<td>911,719.25</td>
<td>911,719.25</td>
<td>N/A</td>
<td>4,558,596.25</td>
<td></td>
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<td>37 Out of which for Article 72</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>38 Out of which for Article 73 linked to specific objectives in Art 6 (1) points (d), (e) and (f) and, as regards animal welfare, in Art 6 (1), point (i)</td>
<td>5,559,523.60</td>
<td>5,559,523.68</td>
<td>5,559,523.68</td>
<td>5,559,523.68</td>
<td>5,559,523.68</td>
<td>N/A</td>
<td>27,797,618.32</td>
<td></td>
</tr>
<tr>
<td>38a Out of which for Article 74 linked to specific objectives in Art 6 (1) points (d), (e) and (f) and, as regards animal welfare, in Art 6 (1), point (i)</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td></td>
</tr>
<tr>
<td>39 Difference as compared to minimum requirement</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>9,553,952.46</td>
</tr>
<tr>
<td>39a To be reserved for young farmers (Annex XII) (Article 95) (if only DP- annual amounts to be respected)</td>
<td>N/A</td>
<td>137,821.00</td>
<td>137,821.00</td>
<td>137,821.00</td>
<td>137,821.00</td>
<td>50,000.47</td>
<td>689,105.00</td>
<td></td>
</tr>
<tr>
<td>39b Reserved for young farmers</td>
<td>306,000.00</td>
<td>356,000.47</td>
<td>356,000.47</td>
<td>356,000.47</td>
<td>356,000.47</td>
<td>50,000.47</td>
<td>1,780,002.35</td>
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</tr>
<tr>
<td>40 Reserved for young farmers - needed to reach minimum requirements</td>
<td>87,820.53</td>
<td>137,821.00</td>
<td>137,821.00</td>
<td>137,821.00</td>
<td>137,821.00</td>
<td>50,000.47</td>
<td>689,105.00</td>
<td></td>
</tr>
<tr>
<td>41 Through Complementary income support for young farmers (under N/A</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>250,002.35</td>
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<tr>
<td></td>
<td>Direct Payments</td>
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<td></td>
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<td>---</td>
<td>---</td>
<td></td>
<td></td>
</tr>
<tr>
<td>42</td>
<td>&quot;of which needed to reach minimum requirement&quot; - basis for reverse ceiling</td>
<td>N/A</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>250,002.35</td>
<td></td>
</tr>
<tr>
<td>43</td>
<td>through investments by young farmers (weighted at 50%) (under Rural Development)</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>44</td>
<td>&quot;of which needed to reach minimum requirement&quot; - basis for reverse ceiling</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45</td>
<td>setting up of young farmers (under Rural Development)</td>
<td>306,000.00</td>
<td>306,000.00</td>
<td>306,000.00</td>
<td>306,000.00</td>
<td>N/A</td>
<td>1,530,000.00</td>
<td></td>
</tr>
<tr>
<td>46</td>
<td>&quot;of which needed to reach minimum requirement&quot; - basis for reverse ceiling</td>
<td>87,820.53</td>
<td>87,820.53</td>
<td>87,820.53</td>
<td>87,820.53</td>
<td>N/A</td>
<td>439,102.65</td>
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<tr>
<td>47</td>
<td>Minimum amount to be reserved for eco-schemes (Article 97)</td>
<td>N/A</td>
<td>2,397,536.31</td>
<td>2,397,536.31</td>
<td>2,397,536.31</td>
<td>2,397,536.31</td>
<td>1,148,505.25</td>
<td>10,738,650.49</td>
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<tr>
<td>48</td>
<td>Rebate (where relevant - optional for MS)</td>
<td>N/A</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>49</td>
<td>Annual amounts reserved for eco-schemes under DP</td>
<td>N/A</td>
<td>1,398,331.76</td>
<td>1,398,331.76</td>
<td>1,398,331.76</td>
<td>1,398,331.76</td>
<td>1,398,331.76</td>
<td>6,991,658.80</td>
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<tr>
<td>50</td>
<td>Total amount for eco-schemes</td>
<td>N/A</td>
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<td>1,398,331.76</td>
<td>1,398,331.76</td>
<td>1,398,331.76</td>
<td>1,398,331.76</td>
<td>6,991,658.80</td>
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<td>51</td>
<td>Rebate from rural development - optional for MS Article 97 (2-4)</td>
<td>N/A</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>52</td>
<td>Amount reserved for redistributive payment (Article 29) - minimum 10% annually applied on row 17, unless derogation applies</td>
<td>N/A</td>
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<td></td>
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### 6.2 Detailed financial information and breakdown per intervention and planning of output (TO BE FINALIZED)

#### 6.2.1 Direct Payments

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<th>Financial Year</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>Total 2024 - 2028</th>
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<tbody>
<tr>
<td><strong>Calendar year N = Financial year N-1</strong></td>
<td>2023</td>
<td>2024</td>
<td>2025</td>
<td>2026</td>
<td>2027</td>
<td>2023 - 2027</td>
</tr>
<tr>
<td>Adjusted direct payments allocation (Annex V)</td>
<td>9,590,145.25</td>
<td>9,590,145.25</td>
<td>9,590,145.25</td>
<td>9,590,145.25</td>
<td>4,594,021.00</td>
<td>42,954,602.00</td>
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<tr>
<td>Cotton (Annex VIII)</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted direct payments excluding cotton before reduction transfer (Annex IX)</td>
<td>9,590,145.25</td>
<td>9,590,145.25</td>
<td>9,590,145.25</td>
<td>9,590,145.25</td>
<td>4,594,021.00</td>
<td>42,954,602.00</td>
</tr>
<tr>
<td>Transfer to EAFRD of the estimated product of reduction, if applicable (Article 17(5))</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>N/A</td>
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<tr>
<td>Maximum of indicative financial allocations (article 87(3))</td>
<td>3,785,889.22</td>
<td>3,785,889.22</td>
<td>3,785,889.22</td>
<td>3,785,889.22</td>
<td>3,785,889.22</td>
<td>18,929,446.10</td>
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**Decoupled interventions (article 16(2))**

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<th><strong>BISS (21)</strong></th>
<th>Basic income support</th>
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<tr>
<td><strong>DP BISS</strong></td>
<td>Direct Payments (Basic Income Support for Sustainability)</td>
</tr>
<tr>
<td>Unit Amount for Basic Income Support for Sustainability (Uniform)</td>
<td>2023</td>
</tr>
<tr>
<td>Planned unit amount</td>
<td>636.27</td>
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<tr>
<td>Minimum Amount for the Planned unit amount</td>
<td>561.47</td>
</tr>
<tr>
<td>Maximum Amount for the Planned unit amount</td>
<td>636.27</td>
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<tr>
<td>O.4 (unit: Hectare)</td>
<td>5,950.13</td>
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<tr>
<td>Planned output * Planned unit amount</td>
<td>3,785,889.22</td>
</tr>
<tr>
<td><strong>Total</strong></td>
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</tr>
<tr>
<td>Annual indicative financial allocation (Union Contribution in EUR)</td>
<td>3,785,889.22</td>
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</table>

<table>
<thead>
<tr>
<th><strong>BISS (21)</strong></th>
<th>Basic income support for Small Farmers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DP BISS SF</strong></td>
<td>Direct Payments (Basic Income Support for Sustainability for Small Farmers)</td>
</tr>
<tr>
<td>Unit Amount for Basic Income Support for Sustainability for Small Farmers (Uniform)</td>
<td>2023</td>
</tr>
<tr>
<td>Planned unit amount</td>
<td>150.00</td>
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<tr>
<td>Minimum Amount for the Planned unit amount</td>
<td>150.00</td>
</tr>
<tr>
<td>Maximum Amount for the Planned unit amount</td>
<td>150.00</td>
</tr>
<tr>
<td>O.5 (unit: Hectare)</td>
<td>2,378.00</td>
</tr>
<tr>
<td>Planned output * Planned unit amount</td>
<td>356,700.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
</tr>
<tr>
<td>Annual indicative financial allocation (Union Contribution in EUR)</td>
<td>356,700.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>CIS-YF (30)</strong></th>
<th>Complementary income support for young farmers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>DP CIS-YF</strong></td>
<td>Direct Payments (Complementary Income Support for Young Farmers)</td>
</tr>
<tr>
<td>Complementary income support for young farmers</td>
<td>2023</td>
</tr>
<tr>
<td>Planned unit amount</td>
<td>159.07</td>
</tr>
<tr>
<td>Minimum Amount for the Planned unit amount</td>
<td>140.37</td>
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<tr>
<td>Maximum Amount for the Planned unit amount</td>
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</tr>
<tr>
<td>O.6 (unit: Hectare)</td>
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</tr>
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<td>Unit Amount (Uniform)</td>
<td>Planned output * Planned unit amount (Uniform)</td>
</tr>
<tr>
<td>----------------------</td>
<td>-----------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Annual indicative financial allocation (Union Contribution in EUR)</td>
</tr>
<tr>
<td>TOTAL</td>
<td>Out of which needed to reach the minimum ringfencing requirement (Annex X) (only under article 27) (Union contribution)</td>
</tr>
<tr>
<td></td>
<td>Out of which needed carried over - expenditure (applicable only to eco-scheme and only with type of payment &quot;compensatory&quot; (article 28(6)(b)) if the intervention contains carry over)</td>
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</table>

### Eco-scheme (31)

#### Schemes for the climate, the environment and animal welfare

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<thead>
<tr>
<th>DP ECO (Stubble)</th>
<th>Direct Payments (Eco-scheme – Soil Cover): Stubble management practices</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>Total 2023 - 2027</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eco-scheme – Soil Cover: Unit Amount (Uniform)</td>
<td>Planned output * Planned unit amount (Uniform)</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
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</tr>
<tr>
<td>TOTAL</td>
<td>Annual indicative financial allocation (Union Contribution in EUR)</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
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</tr>
<tr>
<td>Eco-scheme: Land parcels dedicated for biodiversity purposes Unit Amount (Uniform)</td>
<td>Planned output * Planned unit amount</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>Annual indicative financial allocation (Union Contribution in EUR)</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td></td>
</tr>
<tr>
<td>Eco-scheme (31)</td>
<td>Schemes for the climate, the environment and animal welfare</td>
<td>2023</td>
<td>2024</td>
<td>2025</td>
<td>2026</td>
<td>2027</td>
<td>Total 2023 - 2027</td>
</tr>
<tr>
<td>DP ECO-Biodiversity</td>
<td>Direct Payments (Eco-scheme) Land parcels dedicated for biodiversity purposes</td>
<td>2023</td>
<td>2024</td>
<td>2025</td>
<td>2026</td>
<td>2027</td>
<td>Total 2023 - 2027</td>
</tr>
<tr>
<td>Eco-scheme: Soil Cover: Unit Amount for Stubble management practices (Uniform)</td>
<td>Planned output</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
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</tr>
<tr>
<td>TOTAL</td>
<td>Annual indicative financial allocation (Union Contribution in EUR)</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td></td>
</tr>
<tr>
<td>Eco-scheme: Soil Cover: Encouraging the cultivation of catch crops and/or nitrogen-fixing crops as soil cover Unit Amount for the</td>
<td>Planned output</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
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</tr>
<tr>
<td>TOTAL</td>
<td>Annual indicative financial allocation (Union Contribution in EUR)</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td>50,000.47</td>
<td></td>
</tr>
<tr>
<td>Cultivation of catch crops and/or nitrogen-fixing crops as soil cover (Uniform)</td>
<td>Planned output * Planned unit amount</td>
<td>48,298.00</td>
<td>48,298.00</td>
<td>48,298.00</td>
<td>48,298.00</td>
<td>48,298.00</td>
<td>241,490.00</td>
</tr>
<tr>
<td>---</td>
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<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
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</tr>
<tr>
<td>TOTAL</td>
<td>Annual indicative financial allocation (Union Contribution in EUR)</td>
<td>48,294.19</td>
<td>48,294.19</td>
<td>48,294.19</td>
<td>48,294.19</td>
<td>48,294.19</td>
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</tr>
<tr>
<td></td>
<td>Out of which needed to reach the minimum ringfencing requirement (Annex X) (only under article 27) (Union contribution)</td>
<td>O.8 (unit: Hectare)</td>
<td>345.00</td>
<td>345.00</td>
<td>345.00</td>
<td>345.00</td>
<td>345.00</td>
</tr>
<tr>
<td></td>
<td>Out of which needed carried over - expenditure (applicable only to eco-scheme and only with type of payment &quot;compensatory&quot; (article 28(6)(b)) if the intervention contains carry over)</td>
<td>TOTAL</td>
<td>517,500.00</td>
<td>517,500.00</td>
<td>517,500.00</td>
<td>517,500.00</td>
<td>517,500.00</td>
</tr>
<tr>
<td>Eco-scheme (31)</td>
<td>Schemes for the climate, the environment and animal welfare</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>DP</td>
<td>Direct Payments (Eco-scheme: IPM and SSP for temporary crops)</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Unit Amount for Eco-scheme: IPM and SSP for temporary crops (Uniform)</td>
<td>Planned unit amount</td>
<td>1,500.00</td>
<td>1,500.00</td>
<td>1,500.00</td>
<td>1,500.00</td>
<td>1,500.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Minimum Amount for the Planned unit amount</td>
<td>1,500.00</td>
<td>1,500.00</td>
<td>1,500.00</td>
<td>1,500.00</td>
<td>1,500.00</td>
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<tr>
<td></td>
<td>Maximum Amount for the Planned unit amount</td>
<td>2,000.00</td>
<td>2,000.00</td>
<td>2,000.00</td>
<td>2,000.00</td>
<td>2,000.00</td>
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</tr>
<tr>
<td></td>
<td>O.8 (unit: Hectare)</td>
<td>345.00</td>
<td>345.00</td>
<td>345.00</td>
<td>345.00</td>
<td>345.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Planned output * Planned unit amount</td>
<td>517,500.00</td>
<td>517,500.00</td>
<td>517,500.00</td>
<td>517,500.00</td>
<td>517,500.00</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>Annual indicative financial allocation (Union Contribution in EUR)</td>
<td>517,511.69</td>
<td>517,511.69</td>
<td>517,511.69</td>
<td>517,511.69</td>
<td>517,511.69</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Out of which needed to reach the minimum ringfencing requirement (Annex X) (only under article 27) (Union contribution)</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td></td>
<td>Out of which needed carried over - expenditure (applicable only to eco-scheme and only with type of payment &quot;compensatory&quot; (article 28(6)(b)) if the intervention contains carry over)</td>
<td>TOTAL</td>
<td>5,590,921.45</td>
<td>5,590,921.45</td>
<td>5,590,921.45</td>
<td>5,590,921.45</td>
<td>5,590,921.45</td>
</tr>
<tr>
<td>CIS (32)</td>
<td>Coupled income support (16(3)(a)) - amount - binding ceiling</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>DP</td>
<td>Direct Payments: Coupled Income Support for the Beef Sector</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Unit Amount for Coupled Income Support for the Beef Sector (Uniform)</td>
<td>Planned unit amount</td>
<td>224.38</td>
<td>224.38</td>
<td>224.38</td>
<td>224.38</td>
<td>224.38</td>
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<tr>
<td></td>
<td>Minimum Amount for the Planned unit amount</td>
<td>200.00</td>
<td>200.00</td>
<td>200.00</td>
<td>200.00</td>
<td>200.00</td>
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</tr>
<tr>
<td></td>
<td>Maximum Amount for the Planned unit amount</td>
<td>260.00</td>
<td>260.00</td>
<td>260.00</td>
<td>260.00</td>
<td>260.00</td>
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<tr>
<td></td>
<td>O.11 (unit: Head)</td>
<td>2,055.00</td>
<td>2,055.00</td>
<td>2,055.00</td>
<td>2,055.00</td>
<td>2,055.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Planned output * Planned unit amount</td>
<td>461,100.90</td>
<td>461,100.90</td>
<td>461,100.90</td>
<td>461,100.90</td>
<td>461,100.90</td>
<td>2,305,504.50</td>
</tr>
<tr>
<td>TOTAL</td>
<td>Annual indicative financial allocation (Union Contribution in EUR)</td>
<td>461,100.90</td>
<td>461,100.90</td>
<td>461,100.90</td>
<td>461,100.90</td>
<td>461,100.90</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Out of which needed to reach the minimum ringfencing requirement (Annex X) (only under article 27) (Union contribution)</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td></td>
<td>Out of which needed carried over - expenditure (applicable only to eco-scheme and only with type of payment &quot;compensatory&quot; (article 28(6)(b)) if the intervention contains carry over)</td>
<td>TOTAL</td>
<td>5,590,921.45</td>
<td>5,590,921.45</td>
<td>5,590,921.45</td>
<td>5,590,921.45</td>
<td>5,590,921.45</td>
</tr>
<tr>
<td>CIS (32)</td>
<td>Coupled income support</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>DP</td>
<td>Direct Payments: Coupled Income Support for the Dairy Sector</td>
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<td>---</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Unit Amount for Coupled Income Support for the Dairy Sector (Uniform)</td>
<td>Planned unit amount</td>
<td>405.00</td>
<td>405.00</td>
<td>405.00</td>
<td>405.00</td>
<td>405.00</td>
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</tr>
<tr>
<td></td>
<td>Minimum Amount for the Planned unit amount</td>
<td>380.00</td>
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</table>
### Income Support for the Dairy Sector (Uniform)

<table>
<thead>
<tr>
<th>Maximum Amount for the Planned unit amount</th>
<th>440.00</th>
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</thead>
<tbody>
<tr>
<td>O.11 (unit: Head)</td>
<td>3,849.00</td>
<td>3,849.00</td>
<td>3,849.00</td>
<td>3,849.00</td>
<td>3,849.00</td>
</tr>
<tr>
<td>Planned output * Planned unit amount</td>
<td>1,558,845.00</td>
<td>1,558,845.00</td>
<td>1,558,845.00</td>
<td>1,558,845.00</td>
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</table>

### Income Support for the Sheep Sector (Uniform)

<table>
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<th>Coupled income support</th>
<th>Direct Payments: Coupled Income Support for the Sheep Sector</th>
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<tr>
<td>Planned unit amount</td>
<td>17.30 17.30 17.30 17.30 17.30</td>
</tr>
<tr>
<td>Minimum Amount for the Planned unit amount</td>
<td>16.00 16.00 16.00 16.00 16.00</td>
</tr>
<tr>
<td>Maximum Amount for the Planned unit amount</td>
<td>22.00 22.00 22.00 22.00 22.00</td>
</tr>
<tr>
<td>O.11 (unit: Head)</td>
<td>4,394.00 4,394.00 4,394.00 4,394.00 4,394.00</td>
</tr>
<tr>
<td>Planned output * Planned unit amount</td>
<td>76,016.20 76,016.20 76,016.20 76,016.20 76,016.20</td>
</tr>
</tbody>
</table>

### Income Support for the Tomatoes Sector (Uniform)

| Coupled income support                      | Direct Payments: Coupled Income Support for the Tomatoes Sector |
| Planned unit amount                         | 7,861.19 7,861.19 7,861.19 7,861.19 7,861.19 |
| Minimum Amount for the Planned unit amount  | 7,000.00 7,000.00 7,000.00 7,000.00 7,000.00 |
| Maximum Amount for the Planned unit amount  | 8,500.00 8,500.00 8,500.00 8,500.00 8,500.00 |
| O.10 (unit: Hectare)                        | 115.00 115.00 115.00 115.00 115.00 |
| Planned output * Planned unit amount        | 904,036.85 904,036.85 904,036.85 904,036.85 904,036.85 |

### Coupled income support

| Coupled income support                      | Direct Payments: Coupled Income Support for the Tomatoes Sector |
| Planned unit amount                         | 7,861.19 7,861.19 7,861.19 7,861.19 7,861.19 |
| Minimum Amount for the Planned unit amount  | 7,000.00 7,000.00 7,000.00 7,000.00 7,000.00 |
| Maximum Amount for the Planned unit amount  | 8,500.00 8,500.00 8,500.00 8,500.00 8,500.00 |
| O.10 (unit: Hectare)                        | 115.00 115.00 115.00 115.00 115.00 |
| Planned output * Planned unit amount        | 904,036.85 904,036.85 904,036.85 904,036.85 904,036.85 |

### Total 2023 - 2027

<table>
<thead>
<tr>
<th></th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
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</thead>
<tbody>
<tr>
<td>SUM of all indicative direct payments allocations</td>
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<td>8,590,920.40</td>
<td>8,590,920.40</td>
<td>8,590,920.40</td>
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### 6.2.2 Sectoral Financial Year

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<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>Total financial allocation</th>
</tr>
</thead>
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<td><strong>Apiculture products</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ADVIBEES (55(1)(a)) - advisory services, technical assistance, training, information and exchange of best practices, including through networking, for beekeepers and beekeepers' organisations</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sectoral API T&amp;I - Apiculture - Training, Information and Networks</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unit Amount 1 for Sectoral API T&amp;I (Uniform)</td>
<td>O.37 (unit: Actions)</td>
<td>2.00</td>
<td>2.00</td>
<td>2.00</td>
<td>2.00</td>
<td>2.00</td>
<td>2.00</td>
</tr>
<tr>
<td>Annual indicative financial allocation (Total Union expenditure in EUR)</td>
<td>2,422.81</td>
<td>2,422.81</td>
<td>2,422.81</td>
<td>2,422.81</td>
<td>2,422.81</td>
<td>12,114.05</td>
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</tr>
<tr>
<td>Unit Amount 2 for Sectoral API T&amp;I - Publications (Uniform)</td>
<td>O.37 (unit: Actions)</td>
<td>3.00</td>
<td>3.00</td>
<td>3.00</td>
<td>3.00</td>
<td>3.00</td>
<td>3.00</td>
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<tr>
<td>Annual indicative financial allocation (Total Union expenditure in EUR)</td>
<td>319.91</td>
<td>319.91</td>
<td>319.91</td>
<td>319.91</td>
<td>319.91</td>
<td>1,599.55</td>
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</tr>
<tr>
<td><strong>INVAPI (55(1)(b)) - investments in tangible and intangible assets, as well as other actions</strong></td>
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</tr>
<tr>
<td>Sectoral API Product - Apiculture Products - Varroasis, restocking and transhumance</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unit Amount 1 for Investments &amp; actions for API (Average)</td>
<td>O.37 (unit: Beekeepers)</td>
<td>84.00</td>
<td>84.00</td>
<td>84.00</td>
<td>84.00</td>
<td>84.00</td>
<td>84.00</td>
</tr>
<tr>
<td>Annual indicative financial allocation (Total Union expenditure in EUR)</td>
<td>7,840.82</td>
<td>7,840.82</td>
<td>7,840.82</td>
<td>7,840.82</td>
<td>7,840.82</td>
<td>39,204.10</td>
<td></td>
</tr>
<tr>
<td>Unit Amount 2 for Investments &amp; actions for API (Uniform)</td>
<td>O.37 (unit: Beekeepers)</td>
<td>34.00</td>
<td>34.00</td>
<td>34.00</td>
<td>34.00</td>
<td>34.00</td>
<td>34.00</td>
</tr>
<tr>
<td>Annual indicative financial allocation (Total Union expenditure in EUR)</td>
<td>1,100.85</td>
<td>1,100.85</td>
<td>1,100.85</td>
<td>1,100.85</td>
<td>1,100.85</td>
<td>5,504.25</td>
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</tr>
<tr>
<td>Unit Amount 3 for Investments &amp; Actions for API (Uniform)</td>
<td>O.37 (unit: Beekeepers)</td>
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<td>3.00</td>
<td>3.00</td>
<td>3.00</td>
<td>3.00</td>
<td>3.00</td>
</tr>
<tr>
<td>Annual indicative financial allocation (Total Union expenditure in EUR)</td>
<td>329.31</td>
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<td><strong>ACTLAB (55(1)(c)) - actions to support laboratories for the analysis of apiculture products, bee losses or productivity drops, and substances potentially toxic to bees</strong></td>
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<td>Sum of indicative allocations and outputs for interventions for apiculture products</td>
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### 6.2.3 Rural Development

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<th>Investments, including investments in irrigation</th>
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<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029 (including payments of Q4 2029)</th>
<th>Total 2023 - 2029</th>
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<td><strong>RD OnFarm NP Invest</strong></td>
<td>On-Farm Non-Productive Investments</td>
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<td>Unit Amount for On-Farm Non-Productive Investments (Average)</td>
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<td>50,000.00</td>
<td>50,000.00</td>
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<td>5.00</td>
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<td><strong>TOTAL</strong></td>
<td>Planned output</td>
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<td>3.00</td>
<td>4.00</td>
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<td>Out of which for financial instrument (Union Contribution in EUR)</td>
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<td>Out of which carry-over (Total public Expenditure in EUR)</td>
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<td>Out of which carry-over (Union contribution in EUR)</td>
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<td></td>
<td>Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)</td>
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<tr>
<td></td>
<td>Out of which needed to reach the minimum financial allocation set out in Annex XII (Union contribution in EUR)</td>
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**OUTST (73-74)**

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<tr>
<th>Investments, including investments in irrigation</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029 (including payments of Q4 2029)</th>
<th>Total 2023 - 2029</th>
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<tr>
<td><strong>RD Off Farm NP INVST</strong></td>
<td>Off-farm Non-Productive Investments and Afforestation</td>
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<td>O.23 (unit: Operations)</td>
<td>TOTAL</td>
<td>Annual indicative financial allocation (Total public expenditure in EUR)</td>
<td>Annual indicative financial allocation (Union Contribution in EUR)</td>
<td>Out of which carry-over (Total public Expenditure in EUR)</td>
<td>Out of which carry-over (Union contribution in EUR)</td>
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<td>RD Off-Farm P.INVEST Off-farm Productive Investment</td>
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<td>2026</td>
<td>2027</td>
<td>2028</td>
<td>2029</td>
<td>Total 2023 - 2029</td>
</tr>
<tr>
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<td>333,333.33</td>
<td>333,333.33</td>
<td>333,333.33</td>
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<td>800,000.00</td>
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<td>1,400,000.00</td>
<td>4,000,000.00</td>
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<td>400,000.00</td>
<td>600,000.00</td>
<td>800,000.00</td>
<td>1,000,000.00</td>
<td>1,200,000.00</td>
<td>1,400,000.00</td>
<td>4,000,000.00</td>
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<td>Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)</td>
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<td>400,000.00</td>
<td>600,000.00</td>
<td>800,000.00</td>
<td>1,000,000.00</td>
<td>1,200,000.00</td>
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### INVEST (73-74)

**Investments, including investments in irrigation**

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<th>2028</th>
<th>2029</th>
<th>Total 2023 - 2029</th>
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<td></td>
<td>O.20 (unit: Operations)</td>
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<td>22.00</td>
<td>35.00</td>
<td>37.00</td>
<td>37.00</td>
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<td>37.00</td>
<td>37.00</td>
<td>36.00</td>
<td>217.00</td>
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<td>3,635,875.00</td>
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<td>Out of which for financial instrument (Union Contribution in EUR)</td>
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<td>Out of which carry-over (Total public Expenditure in EUR)</td>
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<td>Out of which carry-over (Union contribution in EUR)</td>
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<td></td>
<td>Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)</td>
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<tr>
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<td>Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)</td>
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### COOP (77)

**Cooperation**

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<th>2025</th>
<th>2026</th>
<th>2027</th>
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<th>2029</th>
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<td>Planned unit amount (Total Public Expenditure in EUR)</td>
<td>39,000.00</td>
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<td>Planned output</td>
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<td>4.00</td>
<td>6.00</td>
<td>7.00</td>
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<td>7.00</td>
<td>7.00</td>
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<td>Annual indicative financial allocation (Total public expenditure in EUR)</td>
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<td>265,200.00</td>
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<td>149,760.00</td>
<td>159,120.00</td>
<td>168,480.00</td>
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<td>159,120.00</td>
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<td>Out of which for financial instrument (Total public Expenditure in EUR)</td>
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### COOP (77) - Cooperation

| RD COOP LEADER | COOPERATION: LEADER | 2023 | 2024 | 2025 | 2027 | 2028 | 2029 | Total 2023 - 2029
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<td>Planned unit amount (Total Public Expenditure in EUR)</td>
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<td>2,000,000.00</td>
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<td>O.31 (unit: Strategies)</td>
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<td>839,224.80</td>
<td>944,127.90</td>
<td>891,676.35</td>
<td>891,676.35</td>
<td>5,245,155.00</td>
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<td>Annual indicative financial allocation (Total public expenditure in EUR)</td>
<td>209,806.20</td>
<td>419,612.40</td>
<td>713,341.08</td>
<td>755,302.32</td>
<td>713,341.08</td>
<td>713,341.08</td>
<td>4,196,124.00</td>
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<tr>
<td>Annual indicative financial allocation (Union Contribution in EUR)</td>
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<td>419,612.40</td>
<td>713,341.08</td>
<td>755,302.32</td>
<td>713,341.08</td>
<td>713,341.08</td>
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<td>Out of which for financial instrument (Total public Expenditure in EUR)</td>
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<td>Out of which for financial instrument (Union Contribution in EUR)</td>
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<td>Out of which carry-over (Total public Expenditure in EUR)</td>
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<td>Out of which carry-over (Union contribution in EUR)</td>
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<tr>
<td>Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)</td>
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<tr>
<td>Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)</td>
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### COOP (77) - Other Cooperation Activities

| RD OTHER COOP ACT | Other Cooperation Activities | 2023 | 2024 | 2025 | 2026 | 2027 | 2028 | 2029 | Total 2023 - 2029
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<td>Planned unit amount (Total Public Expenditure in EUR)</td>
<td>Maximum Amount for the Planned unit amount (EUR)</td>
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<td>2024</td>
<td>2025</td>
<td>2026</td>
<td>2027</td>
<td>2028</td>
<td>2029</td>
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<td>Planned output (unit: Operations)</td>
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<td>3.00</td>
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<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
<td>3.00</td>
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<tr>
<td>Annual indicative financial allocation (Total public expenditure in EUR)</td>
<td>100,000.00</td>
<td>200,000.00</td>
<td>320,000.00</td>
<td>340,000.00</td>
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<td>Annual indicative financial allocation (Union Contribution in EUR)</td>
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<td>Out of which for financial instrument (Union Contribution in EUR)</td>
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<tr>
<td>Out of which carry-over (Total public Expenditure in EUR)</td>
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<tr>
<td>Out of which carry-over (Union contribution in EUR)</td>
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<tr>
<td>Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)</td>
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<tr>
<td>Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)</td>
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**INSTAL (75) Setting up of young farmers and new farmers and rural business start-up**

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<th>Setting up of young farmers</th>
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<th>2025</th>
<th>2026</th>
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<th>2028</th>
<th>2029</th>
<th>Total 2023 - 2029</th>
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<td>100,000.00</td>
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<tr>
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<td>Planned output</td>
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<td>9.00</td>
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<td>Out of which for financial instrument (Union Contribution in EUR)</td>
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<td>ANC (71)</td>
<td>Natural or other area-specific constraints</td>
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<td>2026</td>
<td>2027</td>
<td>2028</td>
<td>2029</td>
<td>Total 2023 - 2029</td>
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<td>Planned unit amount (Total Public Expenditure in EUR)</td>
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<td>1,963,703.00</td>
<td>2,103,967.50</td>
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<td>Maximum Amount for the Planned unit amount (EUR)</td>
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<td>1,963,703.00</td>
<td>1,963,703.00</td>
<td>2,103,967.50</td>
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<td>O.12 (unit: Hectare)</td>
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<td>7,439.11</td>
<td>7,439.11</td>
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<td>7,970.48</td>
<td>7,970.48</td>
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<td>53,136.51</td>
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<td>Annual indicative financial allocation (Total public expenditure in EUR)</td>
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<td>1,963,703.00</td>
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<td>Out of which for financial instrument (Total public Expenditure in EUR)</td>
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<td>Out of which for financial instrument (Union Contribution in EUR)</td>
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<td>Out of which carry-over (Total public Expenditure in EUR)</td>
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<td>Out of which carry-over (Union contribution in EUR)</td>
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<td>Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)</td>
<td>87,820.53</td>
<td>87,820.53</td>
<td>87,820.53</td>
<td>87,820.53</td>
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<th>2023</th>
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<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
<th>2029</th>
<th>Total 2023 - 2029</th>
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<td>Knowledge exchange, training and dissemination of information</td>
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<td>2024</td>
<td>2025</td>
<td>2026</td>
<td>2027</td>
<td>2028</td>
<td>2029</td>
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<td>980.27</td>
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<th>Unit Amount for AECM 5 (Integration and maintenance of autochthonous Maltese species) (Uniform) 91(3)(b) - 70-MT-80.00%</th>
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<td>286,032.60</td>
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<td>Maximum Amount for the Planned unit amount (EUR)</td>
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<td>1,243,158.20</td>
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<td>Annual indicative financial allocation (Total public expenditure in EUR)</td>
<td>748,750.24</td>
<td>833,500.80</td>
<td>892,826.08</td>
<td>952,151.36</td>
<td>994,526.56</td>
<td>377,139.28</td>
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<td>Out of which for financial instrument (Union Contribution in EUR)</td>
<td>935,937.80</td>
<td>1,041,876.00</td>
<td>1,116,032.60</td>
<td>1,190,189.20</td>
<td>1,243,158.20</td>
<td>471,424.10</td>
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<tr>
<td>Out of which for financial instrument (Total public expenditure in EUR)</td>
<td>748,750.24</td>
<td>833,500.80</td>
<td>892,826.08</td>
<td>952,151.36</td>
<td>994,526.56</td>
<td>377,139.28</td>
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<td>Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)</td>
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<td>Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)</td>
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7 Governance and Coordination system
7.1 Identification of governance and coordination bodies + control bodies

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<tr>
<th>Authority type</th>
<th>Institution name</th>
<th>EAGF</th>
<th>EAFRD</th>
<th>Responsible name</th>
<th>Address</th>
<th>Email</th>
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<tr>
<td>Control Body</td>
<td>Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries, Food and Animal Rights (MAFA)</td>
<td>Y</td>
<td>Y</td>
<td>Dr Justin Zahra</td>
<td>Government Farm, Ghammieri Head Office, Marsa, MRS3303</td>
<td><a href="mailto:justin.zahra@gov.mt">justin.zahra@gov.mt</a></td>
</tr>
<tr>
<td>Certification Body</td>
<td>Internal Audit and Investigations Department (IAID), Office of the Prime Minister (OPM),</td>
<td>Y</td>
<td>Y</td>
<td>Mr Stefano Manicolo</td>
<td>Valletta Business Centre, South Street, Valletta</td>
<td><a href="mailto:stefano.manicolo.1@gov.mt">stefano.manicolo.1@gov.mt</a></td>
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<tr>
<td>CAP plan communication officer</td>
<td>Evaluation and Communications Unit</td>
<td>Y</td>
<td>Y</td>
<td>Dr Daniela Grech</td>
<td>31B, Tal-Pilar, Triq Marsamxett, Valletta</td>
<td><a href="mailto:daniela.grech@gov.mt">daniela.grech@gov.mt</a></td>
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<td>Paying Agency</td>
<td>Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries, Food and Animal Rights (MAFA)</td>
<td>Y</td>
<td>Y</td>
<td>Dr Justin Zahra</td>
<td>Government Farm, Ghammieri Head Office, Marsa, MRS3303</td>
<td><a href="mailto:justin.zahra@gov.mt">justin.zahra@gov.mt</a></td>
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<tr>
<td>Competent Authority</td>
<td>Strategy and Implementation Division (SID), Office of the Prime Minister (OPM)</td>
<td>Y</td>
<td>Y</td>
<td>Ms Audrey Anne Callus Randich</td>
<td>31B, House of Catalunya, Triq Marsamxett, Valletta</td>
<td><a href="mailto:audrey-anne.callus-randich@gov.mt">audrey-anne.callus-randich@gov.mt</a></td>
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<tr>
<td>Monitoring Committee</td>
<td>Monitoring Committee</td>
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<td>Y</td>
<td>Mr Paul Zahra</td>
<td>31B, Tal-Pilar, Triq Marsamxett, Valletta</td>
<td><a href="mailto:paul.zahra@gov.mt">paul.zahra@gov.mt</a></td>
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<td>Managing authority</td>
<td>Funds and Programmes Division (FPD), Office of the Prime Minister (OPM)</td>
<td>Y</td>
<td>Y</td>
<td>Ing. Anthony Camilleri</td>
<td>Funds and Programmes Division, Triq il-Kukkanja, Santa Venera SVR1411</td>
<td><a href="mailto:anthony.c.camilleri@gov.mt">anthony.c.camilleri@gov.mt</a></td>
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<tr>
<td>AKIS coordination, including farm advice - Relevant coordination body</td>
<td>Funds and Programmes Division (FPD), Office of the Prime Minister (OPM)</td>
<td>Y</td>
<td>Y</td>
<td>Ing. Anthony Camilleri</td>
<td>Funds and Programmes Division, Triq il-Kukkanja, Santa Venera SVR1411</td>
<td><a href="mailto:anthony.c.camilleri@gov.mt">anthony.c.camilleri@gov.mt</a></td>
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</tbody>
</table>

Brief description of the set up and organisation of the Competent Authority

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7.2 Description of the monitoring and reporting structure

Monitoring, evaluation and reporting functions emanating from the CAP Strategic Plan regulation shall be overseen by the Managing Authority that may be complemented with a team of external technical experts. The Managing Authority will coordinate the monitoring and reporting process and maintain communication with the Commission, in line with Article 110(1) of the CAP Strategic Plan Regulation. The Evaluation and Communications Unit will also be responsible for all communications and evaluations related to the CAP SP which may be delegated to technical experts.

The Managing Authority (MA) shall be tasked to submit the Annual Performance Report (APR) on the implementation of the CAP SP in the previous financial year, including aggregate monitoring tables, referred to in Articles 123 and 134 of the CAP SP Regulation, within the deadline stipulated in Article 8(3)(b) of the Horizontal Regulation. The Managing Authority, in collaboration with ARPA and possibly in collaboration with external technical experts, will also be collecting the necessary data for the calculation of output and result indicators and the presentation of financial data, as defined in Article 134(4) of the CAP SP Regulation.

The MA shall also be in communication with the Agriculture and Rural Payments Agency to ensure that all data required is being captured at application stage and is thereby available on the IT system, for the MA to access and download in real time. The system shall be updated to cater for the requirements of the new Strategic Plans that will now include elements from EAGF and EAFRD as well as new requirements not previously included in the APR (AIR 2014-2020).

The Managing Authority shall also ensure that the annual performance reports, as well as a summary for citizens of their content, are made available to the public in line with Article 134, para. 12 of the CAP SP Regulation.

Evaluation:

An Evaluation Plan shall be drawn up, providing indications of intended evaluation activities during the implementation period in line with Article 140(4) of the CAP SP Regulation. The Evaluation Plan shall be submitted to the Monitoring Committee no later than one year after the adoption of the CAP SP. The MA shall be responsible for implementing and publishing evaluation reports. The Evaluation Plan shall be submitted to the Monitoring Committee no later than one year after the adoption of the CAP SP. The MA shall be responsible for implementing and publishing evaluation reports.

Main bodies involved in Monitoring and Reporting:

External technical experts shall be engaged to support the MA in reporting, monitoring and evaluation
requirements of the CAP SP through implementation. These shall assist in evaluating output, result and impact indicators that will be used for monitoring, evaluation and annual performance reports, as well as monitoring targets and milestones.

*Agriculture and Rural Payments Agency:*

The Agriculture and Rural Payments Agency shall be required to work closely with the Managing Authority, the appointed evaluators and other bodies as may be referred to it by the MA, and provide all the necessary information and data in the format requested by the MA or its evaluators, for both EAFRD and EAGF.

ARPA, through its Front Offices, may be delegated central roles in the scope of all type of dissemination of information related to both pillars, as well as offering a one-stop-shop service equally and identically for both Pillars.

*Monitoring Committee:*

The role of the Monitoring Committee will be to monitor the implementation of the CAP SP, and progress made towards achieving the targets on the basis of the output and result indicators in line with regulatory parameters laid out in the CAP SP Regulation.

*Local Action Groups:*

Local action groups will assist the leading entities involved in monitoring and implementation by providing the necessary information required for reporting and evaluation purposes of the CAP SP.

*Evaluation Steering Group:*

The Managing Authority may consider the setting up of an Evaluation Steering Group to support the monitoring, reporting and evaluation process. This group shall aim to bring together various stakeholders whose contribution is required in the monitoring, reporting and evaluation process. Members of this Steering Group may include members of the Managing Authority, representatives from the Agriculture and Rural Payments Agency, external technical experts, IT experts, representatives from other public entities that hold data required for monitoring, reporting and evaluation, and other stakeholders.

7.3 Information on the control system and penalties
7.3.1 IACS - Integrated Administration and Control System

Is IACS used to manage and control interventions in the wine sector as laid down in Title III of Regulation (EU) ... [CAP Strategic Plan Regulation]? : No

Is IACS used to manage and control conditionality? : Yes

Article 65(4)(d) of the HZR gives the possibility to MS to define the "agricultural parcel". Please provide the definition of "agricultural parcel" in your Member State.

Agricultural Parcel shall be a parcel of at least 0.01Ha of agricultural areal defined by clear boundaries and at the farmers disposal and shall include:

(i) any agricultural area of the holding that, during the year for which support is requested, is used for an agricultural activity or, where the area is also used for non-agricultural activities, predominantly used for agricultural activities.

(ii) any area of the holding:

1. covered by landscape features subject to the retention obligation under GAEC standard 9 listed in Annex III;
2. used to attain the minimum share of arable land devoted to non-productive areas and features, including land laying fallow, under GAEC standards;
3. which, for the duration of the relevant commitment by the farmer, established or maintained as a result of an eco-scheme referred to in Article 31;
4. landscape features that together make less than 15% of the whole eligible area of a parcel

(iii) any area of the holding that gave a right to payment under Subsection 2 of Section 2 of Chapter II of Title III of this Regulation or under the basic payment scheme or the single area payment scheme laid down in Title III of Regulation (EU) No 1307/2013, and which are a non-eligible hectare as determined by sub-points (i) and (ii) of this point:

1. as a result of the application of Directives 92/43/EEC, 2009/147/EC or 2000/60/EC to this area;
2. as a result of area based interventions set out under this Regulation covered by the integrated system referred to in Article 63(2) of Regulation (EU) HZR allowing for the production of products not listed in Annex I TFEU by way of paludiculture provided that those interventions contribute to one or more specific objectives laid down in points (d), (e) and (f) of Article 6 of this Regulation;
3. for the duration of an afforestation commitment by the farmer, pursuant to Article 31 of Regulation (EC) No 1257/1999 or to Article 43 of Regulation (EC) No 1698/2005 or to Article 22 of Regulation (EC) No 1305/2013 or to Article 28 of Regulation (EU) No 1305/2013 or to Article 65 of this Regulation;
4. for the duration of a commitment by the farmer resulting in the set aside of the area, pursuant to Articles 22, 23 or 24 of Regulation (EC) No 1257/1999, to Article 39 of Regulation (EC) No 1698/2005, to Article 28 of Regulation (EU) No 1305/2013 or to Article 65 of this Regulation;
5. Areas used for the production of hemp shall only be eligible hectares if the varieties used have a tetrahydrocannabinol content not exceeding 0,3 %;

(iv) Arable land cultivated for crop production or areas available for crop production but lying fallow; in addition, it shall, for the duration of the commitment, be land cultivated for crop production or areas available for crop production but lying fallow that have been set-aside in accordance with Articles 31 or 70 or GAEC standard 9 listed in Annex III of this Regulation, or with Articles 22, 23 or 24 of Council Regulation (EC) No 1257/1999, or with Article 39 of Council Regulation (EC) No 1698/2005, or with Article 28 of Regulation (EU) No 1305/2013;
Permanent Crops, that is non-rotational crops other than permanent grassland and permanent pasture that occupy the land for five years or more, which yield repeated harvests, including nurseries and short rotation coppice.

7.3.1.1 All elements of the IACS as set out in the Regulation [HZR] are established and operating as from 1 January 2023

All elements of the IACS as set out in the Regulation [HZR] are established and operating as from 1 January 2023: Yes

7.3.1.1.1 Identification system for agricultural parcels (LPIS)

Article 3 par. 2 of the delegated acts supplementing the HZ Reg specifies that a reference parcel shall contain one unique category of agricultural area representing either arable land, permanent crops or permanent grassland. Currently this provision is being opposed by Member States, include Malta, as it implies that certain parcels within the LPIS needs to re-drawn to include the category of land cover only.

Article 2 par. 8 point (e) of the delegated acts supplementing the HZ regulation specifies that each parcel should record whether the parcel is subject to organic farming. This obligation is not agreed and the discussions on how to implement this are still ongoing during the expert groups. Should this obligation enter into force, the LPIS and eventually the GSAA and the BiedjaCam app should be enhanced to serve as a data input for this data.

The LPIS is in line with the rest of the specifications set out in the regulation.

7.3.1.1.2 Geo-spatial (GSA) and an animal-based application system (GSAA)

The crop plan editor of the existing GSA is currently being enhanced to store crop plan data for each reference parcel such as the crop type, its coverage, the planting and the harvesting dates. This crop plan will allow the creation and editing of data from multiple sources namely ARPA, AgriConnect and the farmer. In turn it will be used as an information tool for CAP SP indicators, aid application, nutrient management plans etc.

Article 8 para. 4 of the delegated acts supplementing the HZ regulation requests that the GSA, shall contain information on the use of plant protection products on the area of the holding. Should this obligation enter into force, the LPIS and eventually the GSAA and the BiedjaCam app should be enhanced to serve as a data input for this data.

7.3.1.3 Are you applying an automatic claim system (in the meaning of Article 65(4)(f)) of the HZR?

For area-based interventions? No

For animal-based interventions? Yes

7.3.1.1.4 Area monitoring system (AMS)

Malta will implement the AMS system for the VCS tomatoes which is already operational.

The extension of the AMS system for other interventions is proving challenging. The causes for these challenges are the:

1. Size of the parcels and thus the compatibility with Sentinel satellite images. Alternately commercial satellites are used but the number of vegetation indexes that could be extracted and used for analysis is limited, thus negatively affecting the reliability of identified markers. E.g. the identification of bare soil maker, through such satellite images, that would indirectly infer ploughing events and the dates of such activities did not reach the expected quality levels set out by DG AGRI and the JRC.

2. The farmers that are obliged to declare crops i.e. with Crop Diversification obligation, is low and thus the number of parcels that could be used for training of a machine learning classifier for crop...
identification is also low.

In 2022 ARPA will continue to explore alternative methods/algorithms in an attempt to introduce a fully-fledged monitoring system that covers most of the area-related interventions and some basic aspects of the conditionality.

Notwithstanding that, given that in Malta the LPIS is systematically updated through manual processes on an annual basis, and not every three years (maximum threshold stipulated in the delegated act), it has been proposed to the Commission that this process could constitute an extended form of the AMS. DG AGRI acknowledged this point as it would still enable the agency to fulfill some of the baseline conditions for the performance monitoring of the CAP SP, but is seeking advice from legal partners.

In addition, the use of Geo-tagged photo apps like BiedjaCam is being regarded by DG AGRI as another form of data input to the AMS system. Amongst a myriad of functions, the app developed by ARPA allows farmers to take geo-tagged photos of their agricultural activities thus reducing the need of inspections. In terms of the CAP SP, the interventions that will be drafted could include eligibility conditions, that farmers take geo-tagged photos of the expected activities.

7.3.1.1.6 System for the identification and registration of payment entitlements, where applicable
Are requirements set out in Article 71 of the HZR fulfilled? : No
7.3.1.1.7 System for the identification and registration of animals in the meaning of article 65(4)(c) [Article 66(1)(g) HZR]
Do you have a system for the identification and registration of animals referred to in Article 66(1)(g) of HZR? : Yes
system for the identification and registration of bovine animals laid down by Regulation (EC) No 1760/2000 of the European Parliament and of the Council : No
system for the identification and registration of ovine and caprine animals laid down by Council Regulation (EC) No 21/2004 : No
system for the identification and registration of pigs laid down by Council Directive 2008/71/EC : No

7.3.2 Non-IACS
7.3.2.1 Brief description on the penalty system for non-IACS interventions in line with the principles of effectiveness, proportionality and dissuasiveness
Non-IACS EAGF

Irregularities identified during on-the-spot checks

The number of colonies and nuclei identified during the OTS checks carried out by the Control Unit within ARPA will be used for the payment calculation, depending for which Measure the applicant applied.

If the difference between the total number of colonies and nuclei found during the on-the-spot check and the total number of colonies and nuclei declared in the application is between 0.01% but not higher than 9.99% of the amount declared in the application, then the beneficiary would only be paid on the actual number of colonies and nuclei found.

If the difference between the total number of colonies and nuclei found during the OTS check and the total number of colonies and nuclei declared in the application is equal to 10% but not higher than 19.99% of the amount declared in the application, a penalty of 50% of the total funding value due to the beneficiary applies.

If the difference between the total number of colonies and nuclei found during the OTS check and the total number of colonies and nuclei declared in the application is equal to or higher than 20% of the amount declared in the application, the beneficiary is totally excluded from funding for the current year.
If the number of colonies and nuclei found during the on-the-spot check is bigger than the total number of colonies and nuclei declared in the application, the beneficiary should be paid on the lowest amount, being the number of colonies and nuclei declared in the application.

"Interest added to the amount of undue payments recovered in accordance with Article 54(1), 58(1)(e) or 63(3) of Regulation (EU) No 1306/2013 shall be calculated in accordance with Article 27 of Implementing Regulation (EU) No 908/2014."  

Irregularities due to fraud or negligence

As per Article 9(2) of Commission Implementing Regulation (EU) No 2015/1368 'Undue payments and penalties' shall be subject to the following provisions:

"In case of fraud or serious negligence for which they are responsible, beneficiaries shall, in addition to repaying undue payments received and interest thereon in accordance with Article 63(3) of Regulation (EU) No. 1306/2013 pay an amount equal to the difference between the amount initially paid and the amount they are entitled to."

Non-IACS EAFRD

Verifications performed by the Agency may lead to the identification of ineligible expenditure and/or irregularities.

Where a payment claim includes ineligible expenditure which was clearly included by the Beneficiary with the aim of obtaining payments in an irregular manner, reductions and sanctions are applied unless the beneficiary can provide a justification for the ineligible expenditure claimed.

The reduction applied is calculated in this manner: If the value of the ineligible expenditure amounts to more than 10% of the total value of the payment claim, then a sanction equivalent to the value of the discrepancy is further reduced from the eligible amount determined from the payment claim before the payment is processed for authorisation.

The Agency may also apply deductions in situations which give rise to conflict of interest such as in the case of related suppliers, suppliers who hold a direct relationship with the beneficiary, companies in which the beneficiary or a representative of the beneficiary have direct control or shareholding, etc. lack of observance of procurement regulations, etc. In this regard the Agency makes the necessary deductions in line with the European Commission’s Guidelines for determining financial corrections to be made to expenditure financed by the Union under shared management, for non-compliance with the rules on public procurement.

Deductions may also be applied following findings resulting from on-the-spot controls. In such instances, the Agency evaluates the findings and applies deductions that are proportionate to the irregularity identified.
Should the Agency identify any undue payments issued to a beneficiary or note that irregularities have been made by a beneficiary, the Agency will initiate debt recovery procedures. A beneficiary will be notified of a debt through a formal notification. Such notification 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, s/he 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 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 with 60 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 about the Board’s decision to accept or refuse such an Objection.

Competent control bodies responsible for the checks

1. Planning Authority (provides information regarding approved planning permits and applications);
2. Department of Contracts (provides clarifications and guidance regarding procurement processes undertaken by various contracting authorities);
3. Local Government Division provides clarifications and guidance regarding procurement processes undertaken by various Local Councils); and
4. Environment & Resources Authority (provides information regarding approved environmental permits and applications).

7.3.2.2 Brief description of the control system for non-IACS (control methods, cross-checks, durability of investments and related ex-post checks, etc)

Non-IACS EAGF Controls

The expenditure covered by on-the-spot checks for Apiculture shall represent at least 5% of the total applications received each Calendar Year (Article 8 of Commission Implementing Regulation (EU) No 2015/1368). The sample shall consist of 20%-25% of randomly selected beneficiaries and 75%-80% risk based selected beneficiaries ensuring that all Measures applied for are represented in the sample. It must be ensured that all the Measures applied for in the current year are featured in the sample extracted (random and risk together as one sample). If not, an additional OTS needs to be done in order to select the missing Measure/s, taking into account the next beneficiary with the next highest Risk total that has the missing measure needed. If, when applying such an addition to the Sample the distribution between the Random and the Risk Sample is distorted, then additional beneficiaries will need to be extracted till the ratio of 20%-25% random selection is re-established. This is done by selecting the next beneficiary in line according to the highest Risk total and/or smallest random number (depending on whether the additional beneficiary is required under the Risk or Random selection).

The risk sample is to be determined on the following criteria:

Risk Factor 1: No of Sub Measures applied, in accordance with the amount of financing allocated to the
beneficiaries. The more measures the beneficiaries apply for, the more points they will get. For each Sub Measure they apply for, they will get points according to the respective allocation in the Apiculture Programme.

**Risk Factor 2:** Type of Measures applied, in accordance with the nature of the actions financed under the apiculture measures. Points will be allocated according to which type of Measure the beneficiary applies for and the respective allocation in the Apiculture Programme.

**Risk Factor 3:** Selection for OTS in the previous two years, in accordance with the conclusions of previous on-the-spot checks. If selected for OTS in previous two years, the beneficiary will get points according to the outcome of the OTS. Furthermore, if the beneficiary was selected and findings were identified, further points would be assigned.

**Risk Factor 4:** Not Selected in Previous years for OTS. If not selected for OTS in previous two years, the beneficiary will get points.

**Risk Factor 5:** No of colonies and nuclei. The beneficiary will get points on each of the number of colonies and nuclei declared in the application. The greater the number of colonies and nuclei, the more risk points will be assigned.

**Risk selection Criteria 1:** To select beneficiaries with the highest Total Risk Scores, till the required number of beneficiaries is extracted.

**Risk selection Criteria 2:** In cases where Total Risk Score is equal amongst beneficiaries, the beneficiary with the smallest random number will be chosen.

The identified risk factors shall cover all measures that the applicants may apply for.

The Control Unit C3 receives a list of applications from Unit C2.1 with the total applications for that calendar year. The Control sample is selected from this list. ARPA reserves the right to carry out 100% on-the-spot checks on measures. Furthermore, applicants may be selected over and above the sample extracted through risk/random criteria, as deemed appropriate by ARPA.

Beneficiaries in the Risk Register receive higher points under the respective risk criteria during sample extraction, thus significantly increasing the chances of being extracted in the sample.

**Non-IACS EAFRD**

The Agency’s administrative checks on investment operations include at least one visit to the operation supported or the investment site to verify the realisation of the investment. Furthermore, a sample of interventions are selected for on-the-spot checks.

The expenditure covered by on-the-spot checks shall represent at least 5% of the foreseen expenditure for the calendar year in question.
Risk factors are to be identified on a measure basis. Between 30% and 40% of the extracted sample must be selected randomly and the rest on the basis of risk analysis.

The selection will take place periodically and on the basis of information provided by Unit C2.2 on actual and projected payments to be made per measure throughout the current Calendar Year. ARPA reserves the right to carry out 100% on-the-spot checks on measures. Furthermore projects may be selected over and above the sample extracted through the risk/random criteria, as deemed appropriate by ARPA.

Beneficiaries in the risk register or with issues identified during in-situ visits or during any other checks receive higher points under the respective risk criteria during sample extraction, thus significantly increasing the chances of being extracted in the sample.

7.3.2.3 Public procurement rules?
Brief description how the compliance with public procurement rules is fulfilled.

In respecting the relevant EU Regulations, the Agency requires that any procurement procedures followed as part of the implementation of projects funded through Rural Development funds, including procedures followed by private entities and NGOs, are to be in line with the Public Procurement Regulations. Public entities and Local Councils are required to follow the applicable sections of the Public Procurement Regulations. Private entities are required to follow the principles of transparency and good governance.

In the case of private beneficiaries, where quotations for works, supplies or services are sought in line with the applicable intervention guidelines, all quotations are to be obtained from a minimum of three different and independent suppliers. Quotations should be comparable in model specifications, works to be performed or service to be provided. Quotations should be dated not earlier than six (6) months from the start of works, supply or service. If a quotation was issued by a contractor, supplier or service provider more than six (6) months before the start of works, supply or service, the contractor, supplier or service provider is to issue a declaration indicating that the offer is still valid.

Deductions are applied in situations where the above guidance is not adhered to. Furthermore, non-compliance with the Public Procurement Regulations leads to deductions in line with the European Commission’s Guidelines for determining financial corrections to be made to expenditure financed by the Union under shared management, for non-compliance with the rules on public procurement.

7.4 Conditionality
7.4.1 Control system for conditionality
7.4.1.1 Description of the control system for conditionality

As provided for under Art. 84 (EU) 2021/2116, the following beneficiaries must comply with the obligations laid down in Title III, Chapter I, Section 2 of Regulation (EU) 2021/2115:

a. Beneficiaries receiving direct payments under Title III, Chapter II of Regulation (EU) 2021-2115;

b. Beneficiaries receiving annual payments in accordance with Articles 70, 71 and 72 of Regulation (EU)
c. Beneficiaries receiving support in accordance with Chapter IV of Regulation (EU) 228/2013 or Chapter IV of Regulation (EU) 229/2013.

The control system to verify compliance with conditionality shall be as follows:

Each year, a sample of at least 1% of the total number of the above beneficiaries shall be chosen for an on-the-spot checks. The sample shall consist of 20-25% randomly selected beneficiaries and 75-80% risk-based selected beneficiaries.

The following risk criteria must be taken into consideration:

1. Past non-compliance (+50);
2. Selected in any of the two previous years and no non-compliance was identified (-50);
3. Mixed farms (have livestock) are to be perceived as carrying higher risk (+30);
4. Beneficiaries not exempt from GAEC 8 and 9 (+30);
5. Beneficiaries who availed themselves from Agri-connect services in relation to advice to conditionality are perceived to carry lower risks (-20); and
6. Beneficiaries with holdings of less than 1ha of eligible area shall be considered to carry less risk (-20).

Should it be the case that the error rate for specific requirements (GAEC & SMRs) is high, ARPA reserves the right to extract an additional sample related to that particular GAEC or SMR in addition to the 1% sample referred to above.
7.4.1.2 Types of checks

<table>
<thead>
<tr>
<th>SMR / GAEC</th>
<th>Types of checks</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAEC01 - Maintenance of permanent grassland based on a ratio of permanent grassland in relation to agricultural area at national, regional, sub-regional, group-of-holdings or holding level in comparison to the reference year 2018. Maximum decrease of 5% compared to the reference year.</td>
<td>On-the-spot control</td>
</tr>
<tr>
<td>GAEC02 - Protection of wetland and peatland</td>
<td>On-the-spot control</td>
</tr>
<tr>
<td>GAEC03 - Ban on burning arable stubble, except for plant health reasons</td>
<td>On-the-spot control</td>
</tr>
<tr>
<td>GAEC04 - Establishment of buffer strips along water courses</td>
<td>On-the-spot control</td>
</tr>
<tr>
<td>GAEC05 - Tillage management, reducing the risk of soil degradation and erosion, including consideration of the slope gradient</td>
<td>On-the-spot control</td>
</tr>
<tr>
<td>GAEC06 - Minimum soil cover to avoid bare soil in periods that are most sensitive</td>
<td>On-the-spot control</td>
</tr>
<tr>
<td>GAEC07 - Crop rotation in arable land, except for crops growing under water</td>
<td>On-the-spot control</td>
</tr>
<tr>
<td>GAEC08 - Minimum share of agricultural area devoted to non-productive areas or features, including land lying fallow. Where a farmer commits to devote at least 7% of his/her arable land to non-productive areas and features, including land lying fallow, under an enhanced eco-scheme in accordance with Article 28(5a), the share to be attributed to compliance with this GAEC shall be limited to 3%. Minimum share of at least 7% of arable land at farm level if this includes also catch crops or nitrogen fixing crops, cultivated without the use of plant protection products, of which 3% shall be land lying fallow or non-productive features. Member States should use the weighting factor of 0.3 for catch crops. Retention of landscape features. Ban on cutting hedges and trees during the bird breeding and rearing season. As an option, measures for avoiding invasive plant species</td>
<td>On-the-spot control</td>
</tr>
<tr>
<td>GAEC09 - Ban on converting or ploughing permanent grassland designated as environmentally sensitive permanent grasslands in Natural 2000 sites</td>
<td>On-the-spot control</td>
</tr>
<tr>
<td>SMR01 - Directive 2000/60/EC of 23 October 2000 of the European Parliament and of the Council establishing a framework for Community action in the field of water policy: Article 11(3), point (e), and point (h), as regards mandatory requirements to control diffuse sources of pollution by phosphates</td>
<td>On-the-spot control</td>
</tr>
<tr>
<td>SMR03 - Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds: Article 3(1), Article 3(2), point (b), Article 4(1), (2) and (4)</td>
<td>On-the-spot control</td>
</tr>
<tr>
<td>SMR05 - 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, laying down procedures in matters of food safety: Articles 14 and 15, Article 17(1) and Articles 18, 19 and 20</td>
<td>On-the-spot control</td>
</tr>
<tr>
<td>SMR06 - 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, 84/464/EEC and 88/299/EEC: Article 3, points (a), (b), (d) and (e), and Articles 4, 5 and 7</td>
<td>On-the-spot control</td>
</tr>
</tbody>
</table>

SMR08 - Directive 2009/128/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for Community action to achieve the sustainable use of pesticides: Article 5(2) and Article 8(1) to (5); Article 12 with regard to restrictions on the use of pesticides in protected areas defined on the basis of Directive 2000/60/EC and Natura 2000 legislation; Article 13(1) and (3) on handling and storage of pesticides and disposal of remnants


7.4.2 Penalty system for conditionality
7.4.2.1 Description on the penalty system for conditionality

As provided for under Article 84 of the regulation (EU) 2021/2116 administrative penalties shall only apply where the non-compliance is the result of an act or omission directly attributable to the beneficiary concerned; and where one or both of the following conditions are met:

a. The non-compliance is related to the agricultural activity of the beneficiary;

b. The non-compliance concerns the holding as defined in Article 3, point (2), of Regulation (EU) 2021/2115 or other areas managed by the beneficiary situated within the territory of the same Member State.

With regards to transfers as referred to in paragraph 2a of article 84 of regulation (EU) 2021/2116, unless it is recognised by ARPA as a case of Force Majeure or exceptional circumstances beneficiaries may not transfer agricultural parcels to another beneficiary during the calendar year. ARPA shall provide for a specific request period during which such transfers shall be allowed. However such transfers would apply for the next calendar year.

When the penalty across all land based interventions referred to in Article 84 paragraph 1 does not exceed €100 for the same calendar year ARPA shall not apply the penalty and the beneficiary shall be informed about the finding and the obligation to take remedial action in the future.

No administrative penalty be imposed if:

i. the non-compliance is due to force majeure or exceptional circumstances recognised as such by ARPA; or

ii. the non-compliance is due to an order from a public authority.

In case of negligence ARPA shall apply a penalty of 1%, 3%, 5% depending on the extent, severity and permanence of the finding. In case of non-compliance that has no or only insignificant consequences for the achievement of the objective of the standard or requirement concerned, the beneficiary shall be informed and asked to take remedial action. No administrative penalty shall be applied as long as a remedial action is taken by the beneficiary by the 31st of January following the year of the finding, if not remedied a penalty of 3% shall be applied.

In case of reoccurrence where the beneficiary:

1. Has committed a non-intentional non-compliance with the same requirement or standard more than once within three consecutive calendar years and,
2. Has been informed of the previous determined non-compliance and,
3. Has been sanctioned in line with the previous paragraph.

ARPA shall apply a penalty of 10%, and beneficiary shall be obliged to receive advise from Agriconnect with regards to conditionality and the specific reoccurred non-compliance and must present the certificate of the advice with the following application.

In case of intentionality ARPA shall apply a penalty of 50%, should however the same non-compliant be identified for four times in different consecutive years then a penalty of 100% shall apply.

**Calculation of reductions for several non-compliances in the same calendar year of occurrence:**

6. Where a determined non-compliance with a standard also constitutes a non-compliance with a requirement, the non-compliance shall be considered to be one single non-compliance. For the purpose of the calculation of reductions, the non-compliance shall be considered as part of the area of the requirement. Where "requirement" means each individual statutory management
requirement under Union law referred to in Article 12 of Regulation (EU) 2021/2115 within a given legal act, differing in substance from any other requirements of the same legal act; and each individual standard for the Good Agricultural and Environmental Conditions as referred to in Article 13 of Regulation (EU) 2021/2115.

7. Where more than one determined non-recurring non-intentional non-compliances have occurred in the same calendar year, the procedure for the fixing of the reduction shall be applied individually to each non-compliance and the resulting percentages shall be added together. However the total reduction shall not exceed:

8. 10 % of the total amount resulting from the payments and support indicated in Article 84(1) first subparagraph of Regulation (EU) 2021/2116 where all non-compliances do not have grave consequences for the achievement of the objective of the standard or requirement concerned or constitutes a direct risk to public or animal health, or

9. 15 % of the total amount resulting from the payments and support indicated in Article 84(1) first subparagraph of Regulation (EU) 2021/2116 where at least one non-compliance has grave consequences for the achievement of the objective of the standard or requirement concerned or constitutes a direct risk to public or animal health.

10. Where more than one determined recurring non-intentional non-compliance have occurred in the same calendar year, the procedure for the fixing of the reduction shall be applied individually to each non-compliance and the resulting percentages of reductions shall be added together. However, the reduction shall not exceed 10 % of the total amount resulting from the payments and support referred to in Article 83(1), first subparagraph, points (a) to (c), of Regulation (EU) 2021/2116.

11. Where more than one determined intentional non-compliance have occurred in the same calendar year the procedure for the fixing of the reduction shall be applied individually to each non-compliance and the resulting percentages of reductions shall be added together not exceeding 100 %.

12. Where multiple instances of non-intentional, non-recurring and intentional non-compliance have occurred in the same calendar year, the resulting percentages of reductions, and where relevant after the application of paragraphs 2, 3 and 4 of this Article, shall be added together. However, the reduction shall not exceed 20 % of the total amount resulting from the payments and support referred to in Article 83(1), first subparagraph, points (a) to (c), of Regulation (EU) 2021/2116.

These penalties depend on the outcome of checks entered the control system as regards adherence to obligations and commitments related to conditionality.

Cases where no penalties are to be imposed:

No penalties shall be imposed:

1. Where the non-compliance is due to force majeure or exceptional circumstances as referred to in Article 3 of Regulation (EU) 2021/2116 and if confirmed as such by ARPA; moreover in such case the beneficiary shall retain the right to receive aid in full for applications effected by the force majeure or exceptional circumstance;

2. Where it is determined by ARPA that the non-compliance is due to an error of the competent authority or another authority, and where the error could not reasonably have been detected by the person concerned by the administrative penalty;

3. Where the person concerned can demonstrate to the satisfaction of ARPA that he or she is not at fault for the non-compliance with the obligations referred to in paragraph 1 or if the ARPA is otherwise satisfied that the person concerned is not at fault; and

4. Where the non-compliance is due to an order from a public authority.

Provided that Implementing acts and delegated acts concerning the implementation of the penalty system for conditionality are still not finalised, the above mechanism is subject to change in accordance with the
eventual provisions of such legal text.

7.4.2.2 Definition and application of ‘reoccurrence’ (calculation and time span covered):
If a negligence, even if it has been remedied by the date indicated by ARPA is determined again within three consecutive years then that non-compliance shall be considered as a re-occurrence.

7.4.2.3 Definition and application of ‘intentionality’
When a negligence reoccurs for three times or more then it shall be considered as intentional.

7.4.3 Indication of the application of a simplified control system for small farmers
For beneficiaries benefiting from the small farmers scheme provided in Article 28 of the CAP SP regulation shall be perceived to carry very low risk hence for each calendar year a sample of 1%, the sample shall consist of 20%-25% of randomly selected beneficiaries and 75%-80% risk based selected beneficiaries.

The following risk criteria must be taken into consideration:
1. Past non-compliance (+50);
2. Selected in previous any of the two previous years and non-compliance was identified (-50);
3. Mixed farms (have livestock) are to be perceived as carrying higher risk (+30);
4. Beneficiaries who availed themselves of Agri-connect services in relation to advice to conditionality are perceived to carry lower risk (-20);
5. Beneficiaries with holdings of less than 15 Ha of eligible area shall be considered to carry less risk (-20).

The control shall consist only of an on-the-spot check of the holding (including premises with livestock); hence no farmer inspection shall be required, and records related to conditionality shall not be requested.

The agriculture activity of beneficiaries with less than 1ha of eligible area and who actively decide to benefit from the small farmers scheme foregoing opportunity for higher payment rates and participation in coupled support and/or eco-schemes, have a very simple and small agriculture activity and hence risk of non-compliance is significantly low.

Should it be the case that the error rate for specific requirements (GAEC & SMRs), is high ARPA reserves the right to extract an additional sample related to that particular GAEC or SMR in addition to the 1% sample referred to above.
7.4.4 Competent control bodies responsible for the checks of conditionality practices, statutory management requirements

The competent body responsible for controls on conditionality and SMR is ARPA within the Ministry responsible for Agriculture, Fisheries, Food and Animal Rights. The same control mechanisms will continue to be applied and build on established control bodies, taking into account the CAP SP requirements.

<table>
<thead>
<tr>
<th>SMR / GAEC</th>
<th>Paying Agency Name</th>
<th>Name of the Control body</th>
<th>Name of the responsible for the check</th>
<th>Address</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>GAEC01</td>
<td>Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries, Food and Animal Rights (MAFA)</td>
<td>Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries, Food and Animal Rights (MAFA)</td>
<td>Dr Justin Zahra</td>
<td>Ghammieri Head Office, Marsa, MRS3303</td>
<td><a href="mailto:justin.zahra@gov.mt">justin.zahra@gov.mt</a></td>
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<td>GAEC02</td>
<td>Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries, Food and Animal Rights (MAFA)</td>
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<tr>
<td>GAEC03</td>
<td>Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries, Food and Animal Rights (MAFA)</td>
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<td>Dr Justin Zahra</td>
<td>Government Farm, Ghammieri Head Office, Marsa, MRS3303</td>
<td><a href="mailto:justin.zahra@gov.mt">justin.zahra@gov.mt</a></td>
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<td>SMR08</td>
<td>Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries, Food and Animal Rights (MAFA)</td>
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<td>GAEC04</td>
<td>Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries, Food and Animal Rights (MAFA)</td>
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7.5 Social conditionality

7.5.1 Description of the control system for social conditionality

The control system for the social conditionality shall build upon the existing governance structures aimed at enforcing social and employment legislation and applicable labour standards. Such structures are composed and implemented by the following entities:

1. The Department for Industrial and Employment Relations (DIER) established based on the parameters of the Employment and Industrial Relations Act, aims to protect the interests of parties in employment with a view to promote healthy employment relationships across various sectors. The department provides information relating to the conditions of employment, regulates employment contracts in an equitable manner to safeguard the rights and obligations pertaining to each party in the contact, assists the parties involved in employment relations whose employment relationship has been terminated and promotes good practices in line with existing employment legislation, amongst others.

13. The Jobs Plus Corporation was established by virtue of the Employment and Training Services Act (originally established in 1990 as the Employment and Training Corporation), and acts as Malta’s main employment service provider. The Corporation aims to: facilitate and maintain employment services amongst employers and persons seeking employment, matching persons registering for unemployment with suitable jobs, acquiring skills, providing training and obtaining information on vacancies and requirements from employers. Jobs Plus also collects and analysis information on the labour market situation, including skills forecasting.

Building on established practices, the Managing Authority responsible for the implementation of the CAP SP and the entities outlined above are in the process of outlining arrangements to ensure compliance with the social and employment laws and labour standards in the implementation of the CAP SP. In this regard, a Covenant will be signed between the MA and the Ministries responsible for the said entities to formalise such arrangements by 31 December 2022.

The Covenant will include information on the involvement of the indicated parties at programming, measure design/evaluation/implement stage (as relevant) as well as at reporting stage. A notification mechanism between the Managing Authority and these entities on cases of non-compliance/infringement of beneficiaries supported by the CAP SP will also be established. Furthermore, the Covenant will also outline the scope for possible areas of cooperation between the MA and the said entities throughout the programming period.

7.5.2 Description on the penalty system for social conditionality

As provided for in Article 88 of the regulation (EU) 2021/2116 ARPA shall be notified where non-compliance is identified related to the agriculture activity and on the holding of the concerned beneficiary. Such cases shall be treated as follows:

In case of a negligence ARPA shall apply a penalty of 1%, 3%, 5% depending on the extent, severity and permanence of the finding.

In case of reoccurrence where the beneficiary:

1. Has committed a non-intentional non-compliance with the same requirement or standard more than once within three consecutive calendar years and,
2. Has been informed of the previous determined non-compliance and,
3. Has been sanctioned in line with the previous paragraph;

ARPA shall apply a penalty of 10%.

In case of intentionality ARPA shall apply a penalty of 50%, should however the same non-compliant be identified for four times in different consecutive years than a penalty of 100% shall apply.

**Calculation of reductions for several non-compliances in the same calendar year of occurrence:**

14. Where more than one determined non-recurring non-intentional non-compliances have occurred in the same calendar year, the procedure for the fixing of the reduction shall be applied individually to each non-compliance and the resulting percentages shall be added together. However the total reduction shall not exceed:

15. 10% of the total amount resulting from the payments and support indicated in Article 84(1) first subparagraph of Regulation (EU) 2021/2116 where all non-compliances do not have grave consequences for the achievement of the social conditionality rules;

16. 15% of the total amount resulting from the payments and support indicated in Article 84(1) first subparagraph of Regulation (EU) 2021/2116 where at least one non-compliance has grave consequences for the achievement of the objective of the standard or requirement concerned or constitutes a direct risk to public or animal health.

17. Where more than one determined recurring non-intentional non-compliance have occurred in the same calendar year, the procedure for the fixing of the reduction shall be applied individually to each non-compliance and the resulting percentages of reductions shall be added together. However, the reduction shall not exceed 20% of the total amount resulting from the payments and support referred to in Article 83(1), first subparagraph, points (a) to (c), of Regulation (EU) 2021/2116.

18. Where more than one determined intentional non-compliance have occurred in the same calendar year the procedure for the fixing of the reduction shall be applied individually to each non-compliance and the resulting percentages of reductions shall be added together not exceeding 100%.

19. Where multiple instances of non-intentional, recurring and intentional non-compliance have occurred in the same calendar year, the resulting percentages of reductions, and where relevant after the application of paragraphs 2, 3 and 4 of this Article, shall be added together. However, the reduction shall not exceed 100% of the total amount resulting from the payments and support referred to in Article 83(1), first subparagraph, points (a) to (c), of Regulation (EU) 2021/2116.

The penalties depend on the outcome of checks entered the control system as regards adherence to obligations and commitments related to conditionality.

**Cases where no penalties are to be imposed:**

No administrative penalty be imposed if:

i. the non-compliance is due to force majeure or exceptional circumstances recognised as such by ARPA;

ii. the non-compliance is due to an order from a public authority.

Provided that Implementing acts and delegated acts concerning the implementation of the penalty system for conditionality are still not finalised, the above mechanism is subject to change in accordance with the eventual provisions of such legal text.
8 Modernisation: AKIS and digitalisation

8.1 AKIS

Agricultural Knowledge and Information System (AKIS) aims to create a thriving network through which knowledge can be disseminated between the different actors, while also enhancing the links between researchers and practitioners. The need for training and advice among Malta's farm and rural population is significant, since many farms are managed on a part-time basis and management practices are learned informally from parents or other relatives.

As outlined in the SWOT analysis, significant cross-cutting issues need to be targeted for the agricultural sector to be able to renew itself and further develop the production of high quality, sustainably produced food. Lack of relevant expertise among farmers contributes to limited traceability and lengthy food supply chains that do not benefit the primary producer. Hence, within this context, capacity building measures are required to improve knowledge for better food quality, safety and traceability. Opportunities to strengthen AKIS could also incentivise farmers’ bargaining power through acquired knowledge and enhancement of traditional working practices.

The current knowledge transfer and advisory set-up in Malta requires better consolidation. The CAP SP will aim to ensure a more coordinated approach to knowledge transfer, innovation and digitalisation in Malta among key actors including Malta College for Arts, Science and Technology (MCAST), Malta Council for Science and Technology (MCST), University of Malta, Agriculture Directorate, other private advisors who assist in the drafting of applications, and entities responsible for setting up training courses aimed at supporting arable land farmers and livestock breeders.

Training and advice will play a pivotal role in the CAP Strategic Plan and shall target Specific Objectives 2, 7 and 9. Apart from targeting these Specific Objectives, training and advice aim to contribute towards the achievement of relevant national strategies, plans and policies.

As outlined under interventions contributing towards Specific Objective 2, training and advice shall be targeted towards improving the viability and resilience of farmers, enhancing their market orientation and improving their position in the food supply chain. Such knowledge transfers will also contribute towards adapting to a changing environment. In addition, further development of farmers’ skills is required on possible interventions supporting the use of modernised digital systems, efficient and safe management of manures, soil conservation, operation of efficient irrigation systems including smart techniques, amongst others. Support for young farmers may be necessary to ensure profitable and environmentally sustainable farming. There is also the need to update farmers on hygiene, health and animal welfare issues, in line with Specific Objective 9.

In line with the Regulatory Framework, a national CAP Network will be set up within twelve months after the approval of the Commission of the CAP Strategic Plan, which builds upon the existing National Rural Network. The National CAP Network shall endeavour to foster innovation and support the inclusion of an interaction between stakeholders that are involved in knowledge exchange and building. There is therefore scope for the National CAP Network to also include entities that carry out research and innovation, together with representatives of the sector that could disseminate such information to those active within the sector. Furthermore, operational groups shall disseminate a summary of their plans and of the results of their projects, in particular through the National CAP network.

8.2 Description of how advisory services, research and CAP networks will work together within the framework of the AKIS (Art.114)(a)(ii))

In the RDP 14-20, it was mandatory on MS to have a dedicated Farm Advisory Service. In the CAP 23-27, this obligation is revamped, through an AKIS set-up. The AKIS coordination is led by the CAP SP Managing Authority as outlined under Chapter 7, however the MA may delegate all or parts of the assigned remit to other bodies.
With regards to Farm advisory services, these shall be integrated with other relevant stakeholders, in the Agricultural Knowledge and Innovation System. Amongst other topics, advice shall cover support related to innovation, particularly for the preparation and development of digital technologies.

Furthermore, the Agriculture Directorate has been reorganized to ensure that it continues to function as a regulator of the sector whilst at the same time be able to develop new products for the sector through its research and development arm and offer an efficient service through its advisory and extension services. The Research and Development functions operate under AgriHub whilst the extension and advisory services are operated under AgriConnect.

Through ArgiHub, the Directorate aims at creating the required framework and platform to support the agriculture sector through research, which generates knowledge that may be communicated and disseminated through AgriConnect, while also serving as the basis for a coordinated approach between researchers and farmers to embark on a more sustainable form of food production.

In May 2020, the Ministry responsible for agriculture launched its inhouse, accredited Farm Advisory Service, AgriConnect.[1] This FAS will aim to provide free advice to farmers, that is being funded through the advisory measure of the 2014 â€“ 2020 Rural Development Programme. AgriConnect shall provide advice related to cross compliance, agri-environment climate measures, other rural development measures and the use of new technologies.[2] Agri-Connect already offers other numerous services which are being listed hereunder:

1. Consultancy regarding the adherence to the requirements resulting from Cross Compliance (CC) Requirements. This consists in on-site visits to Land, Livestock and Farm; Provision of reports to farmers on the findings of the visit, development of crop plans and fertiliser plans based on soil testing. Nutrient Management Plans and Assistance for record keeping are also offered.
2. Crop compensation calculations for loss of agricultural land. AgriConnect caters for the issuing of crop compensation losses in cases where agricultural land is lost due to infrastructural projects or in cases where land is expropriated by a Government entity.
3. Advisory service on Soil Management Plans (SMP) AgriConnect caters for the issuing of crop compensation losses in cases where Agricultural land is lost due to infrastructural projects or in cases where land is expropriated by a Government entity.
4. Organisation and delivery of training to farmers on the use of Plant Protection Products (PPP); Use of Nitrates; and obligations linked to the Agri Environmental Climate Measures (AECM).
5. Front office services where farmers have access to all the service and schemes offered and accessible through the Agriculture Directorate.

This will therefore create synergies between advisors and researchers operating within the agricultural sector, which is in line with the AKIS principle.

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 CAP Strategic Plan.

The farm advisory service structures that were set up during the 2014 – 2020 will be strengthened further with the aim of enhancing their effectiveness and outreach. Farm advisory services will provide support and guidance to beneficiaries in order to enhance their economic and environmental performance. This may include, amongst others, advice concerning regulatory requirements related to agri-environment-climate measures, organic farming measures, and support provided for areas facing natural and other specific constraints and other topics, as outlined in Article 13 of the CAP Strategic Plan regulation. 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 local produce, adapt to conditionality obligations, whilst ensuring adherence to eco-scheme and AECM obligations as well as other support that can be accessed through the CAP SP.

The CAP Strategic Plan will build upon the accomplishments of the 2014 - 2020 programming period, and continue to provide advice and information on interventions funded by the CAP Strategic Plan, also taking into account developments within the CAP Network. The provision of advice will be continuously developed throughout the implementation of the CAP Strategic Plan based on ongoing requirements of the sector, conditionality requirements, and relevant EU targets, including those possibly emanating from the European Green Deal and the Farm to Fork Strategy. Such information may be provided through tailor made advice, information seminars, workshops, webinars, class-based training, or through other means, as required.


8.4 Description of how innovation support is provided as referred to in Article 114(a)(ii)

In May 2020, the Ministry responsible for agriculture launched its inhouse, accredited, Farm Advisory Service, AgriConnect, which now operates within the Agriculture Directorate.[1] The Research and Development functions operate under AgriHub, which falls within the Agriculture Directorate, whereby support for innovative agriculture applicable research and implementation of pilot projects using and testing the latest technologies are possible through support to farmers to help with their decision-making process.

Through these projects, the Agriculture Directorate can support farmers through the development of guidance documents and support based on the data and information gathered and generated through the pilot projects. Through the establishment of demonstration sites, farmers can also experience and understand the concepts and benefits of integrated production using precision agriculture and the production of good quality fodder for livestock. Likewise, precision farming is based on the optimized management of inputs in a field according to actual crop needs. It involves data-based technologies, including satellite positioning systems like GPS, remote sensing and the internet, to manage crops and reduce the use of fertilizers, pesticides and water.

To optimize and attain the best quality of results, AgriHub has opted for the use of AI in various forms. Such as but not limited to the monitoring of some of the most notorious pests present in Malta. Farmers constantly monitor to control their population and obtain other parameters which directly and indirectly
affect the pest populations. Such parameters include weather data, such as air temperature and humidity as well as soil parameters such as conductivity, humidity, and temperature. All this information is then channeled into a single platform where the aim is to facilitate decision-making by the user through the data. In the end, all this data through the platform and its incorporation into standards of production will allow for the cultivation of crops within the local agriculture community in a more sustainable and targeted manner.

AgriConnect is operating within the same Directorate as the unit that undertakes research projects within the agriculture ministry. This will therefore create synergies between advisors and researchers operating within the agricultural sector, which is in line with the AKIS principle.

Innovation will continue to be strengthened through the actions proposed through the CAP SP in particular renewable energy generation, management of water and waste on farms, and the identification of potential markets for new products/varieties. Further investment may support livestock farmers to participate in the electronic prescription system which covers the cost of use of the electronic system and technical support and will enable a national inventory of antibiotic use amongst farmed animals, in line with the Strategy and Action Plan for the Prevention and Containment of Antimicrobial Resistance in Malta (2020 – 2028).

[1] Press release by the Ministry for Agriculture, Fisheries and Animal Rights, Launch of AgriConnect, available at:

8.5 Digitalisation strategy (Art. 114(b))

Fostering a digital and resilient economy is one of the national objectives of the Recovery and Resilience Plan, which will aim to fast track digital transformation. This is no exception to the environment sector, whereby measures targeting waste management, water and energy are prioritized. The importance of innovation in these fields stems from the need for tailor-made solutions to enable Malta to fulfil the legal obligations that it has in this field and its commitment to fulfilling international agreements such as the European Green Deal, Paris Agreement and UN’s Sustainable Development Goals. The present and future challenges associated with the sector will require Malta to build on the country’s existing capacity and investments to further improve its design and management of resource and energy-efficient systems.

The CAP SP will aim to contribute towards these objectives while building on actions that were developed during the 2014 – 2020 RDP, with the aim of streamlining processes in management and control systems of EU funds, and to further reduce the administrative burden for beneficiaries. Among the interventions defined in the CAP SP that may facilitate digitalisation there are farm advisory services in relation to organic production, improved pesticide management, smart and precision farming, smart irrigation techniques, innovative technological processes and the electronic prescription system to support livestock farmers amongst others.

Other simplification actions include measures at application stage, project selection phase, procurement phase, horizontal simplification measures and measures related to the IT systems.

Pre-application and application stage

In order to send out generic notices, such as dates of information sessions or the launch of funding schemes/measures, a text message is sent out to all those registered on the IACS farmers registry. Short-message-service has proven to be the most effective way of communication with farmers, at least during the 2014 – 2020 programming period. Further communication methods may be considered by the Managing Authority throughout the 2023 – 2027 programming period. The Managing Authority will
provide assistance to prospective applicants through information sessions held prior to the new launch of respective measures, aimed at providing information about such measures and answering questions of prospective applicants. The Managing Authority may assign such tasks to third parties to carry out such roles. Whenever required, the Managing Authority may compile a list of ‘Frequently Asked Questions’ that will also be published on the MA website. This will provide prospective applicants with further clarifications regarding the different measures, providing guidance based on user needs.

The MA may delegate all or some of the tasks/roles outlined above to third parties, including but not limited to the Front Offices operating within ARPA. Other tasks/roles covering, inter alia, information and promotion activities, can also be delegated to third parties, including but not limited to the Front Offices operating within ARPA.

The MA shall endeavour to develop a common approach in the issuing of measure application forms, ensuring a consistent approach to the layout of guidance notes and application forms. The use of a common language and definitions will benefit applicants applying for funding through various measures. Following the past experience of the 2014 – 2020 programming period, the possibility of ongoing open calls will be considered, where appropriate.

The Managing Authority shall consider the possibility of consolidating applications through Integrated Project Proposals for projects that tap funds from different measures. A single application form may be considered in cases where there is compatibility between the interventions where such approaches are considered, the MC would have to approve the eligibility & selection criteria as per above. The use of Simplified Cost Options is beneficial to both beneficiaries and to the Managing Authority as well as ARPA since their use will bring about a reduction in administrative burden.

Reasonableness of costs and cost effectiveness would have been performed at programming stage.

The MA shall endeavour to find a balance between simplification of the application form and collection of information required for monitoring and reporting purposes.

Project selection stage

The use of SCOs should help accelerate project selection, since vetting of reasonableness of costs and cost effectiveness would no longer need to be carried out during the project selection process. The MA shall endeavour to streamline the Project Selection Committee processes established during the 2014 – 2020, and identify and finetune such best practices.

IT system

In order to simplify the vetting process and to move towards a paperless environment, the aim is to roll out an online system through which an application can be submitted without the need to submit a physical application form at one of the Front Offices. This will reduce the time between submission of applications and adjudication, since the application will no longer require manual input by the MA.

Streamlining of the Penalty System

During the 2014-2020 programming period, different computation of penalties for different measures were used. This system shall be streamlined to provide the same penalty for the same type of infringement, making it simpler for beneficiaries to understand such penalties.

Monitoring/mobile apps

As part of the Commission’s vision for the digitalization of Europe, new technologies may be introduced.
In agriculture to improve the sustainability and competitiveness of the sector, while simplifying the daily work of farmers.

In order to reduce the number of on-the-spot checks that require field visits, a remote monitoring method will be applied to all aid applications. In cases where the monitoring system yields uncertain results, farmers will be asked to provide evidence from the field through geo-tagged photos. Through this process, farmers will be able to correct aid applications. This process can be carried out through the BiedjaCam app or similar, that can act as a communication and information tool for farmers.
Annexes
Annex I on the ex-ante evaluation and the strategic environmental assessment (SEA) referred to in Directive 2001/42/EC

1. Summary of ex-ante evaluation process and results

*Summary of the Ex ante Evaluation Process on the CAP Strategic Plan*

The Ex-ante Evaluation process on the CAP SP has been ongoing since 2020 and is foreseen to be finalized by 2022 to take into account the final CAP SP as well as the parameters of the CAP SP regulatory framework, including secondary legislation. The evaluation is being prepared in line with the guidelines provided by the European Commission, primarily through the European Evaluation helpdesk and Agrihub set-up. In early 2022, a consultation exercise is foreseen to be carried out on the main preliminary findings of the evaluation with a view to finalizing the ex-ante assessment, including recommendations. The CAP SP shall be reviewed to take into consideration such recommendations.
2. Recommendations of the ex-ante evaluation and SEA and how they have been addressed

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<td><strong>Annex IV on the crop-specific payment for cotton (where relevant)</strong></td>
<td>See the intervention(s) for crop-specific payment for cotton (if relevant) encoded in chapter 5</td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>
### Annex V on the additional national financing provided within the scope of the CAP Strategic Plan

<table>
<thead>
<tr>
<th>Basis</th>
<th>Intervention</th>
<th>Budget</th>
<th>higher number of beneficiaries</th>
<th>a higher aid intensity</th>
<th>providing financing to a certain operation within the intervention</th>
<th>Additional information</th>
</tr>
</thead>
</table>

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*DRAFT*
The annual estimated amount of national financial assistance in the Fruits & Vegetables sector per region concerned and the total for the Member State

Annex VI on transitional national aid (where relevant)
No document attached

Other annex: Consistency with and contribution to the Union targets for 2030
National contribution to the EU 2030 target of 50% reduction of nutrient losses, while ensuring no deterioration in soil fertility

Malta's indicative target for reducing the use of fertilisers by 2030 is 2.5%.

Due to the specific conditions of Malta’s agricultural sector, including the small size of the holdings, relatively immature and shallow soils, and intensity of cropping, actions that are aimed at reducing fertiliser use often cause a deterioration in soil fertility. Within this context, Malta is proposing a realistic target for reduction of fertiliser use and at the same time proposing a number of initiatives that will target nutrient losses.

National contribution to the EU 2030 target of 10% of agricultural area under high-diversity landscape features.

Malta's indicative target for agricultural area under high-diversity landscape features by 2030 is 9.5%.

Presently, the reference value for land under high-diversity landscape features for Malta is based upon the area of fallow land. With the availability of more precise information, this could be adjusted to include also other features such as terrace walls that support biodiversity and other linear features such as boundary trees. Malta's indicative target aims to take into account the small size of holdings and landscape features which continue to pose inherent limitations for achieving high-diversity landscape features.

National contribution to the EU 2030 target of 25% of the EU’s agricultural land under organic farming

Malta's preliminary and indicative target for agricultural land under organic farming by 2030 is 5%. The actual target will be determined by the National Organic Action Plan which is foreseen to be finalised by mid-2023.

Malta currently has the lowest share of agricultural land under organic farming among EU Member States. In this context, Malta’s aims to preliminarily target around 5% of its agricultural land (500 ha) under organic farming by 2030. This ambitious approach, which is subject to the outcomes of Malta’s National Organic Action Plan, aims to foster a shift in agricultural production primarily due to the benefits of this type of production across the entire food system. The success of this strategy depends on the extent to which Malta has the flexibility to support organic operators in a tailored manner under the CAP SP with financial incentives that accurately reflect national realities, as is being proposed under section 5.3 of this plan.

National contribution to the EU 2030 targets of 50% reduction of the overall use and risk of chemical pesticides, and use of more hazardous pesticides

Malta's indicative target for the reduction of overall use and risk of chemical pesticides by 2030 is 5%.

Malta's climate and characteristics together with an extremely small market, a wide variety of pests, especially insect pests due to climatic conditions and high-density of cropping, limit the abrupt shift towards reduction of pesticides. Within this context, any reduction in pesticides use needs to be gradual and without the imposing drastic measures that would further disrupt the market and exacerbate the crisis.

The reduction in pesticides use and risk, including that related to hazardous pesticides that are candidates
for substitution, will be achieved through actions including those targeting support for organic farming.

### National contribution to the EU 2030 target of 50% reduction of sales of antimicrobials for farmed animals and in aquaculture

Malta's indicative target for reducing sales of antimicrobials for farmed animals by 2030 is 15%.

In January 2020, Malta launched the "Strategy and Action Plan for the Prevention and Containment of Antimicrobial Resistance in Malta (2020 – 2028)" with the overall target of bringing about an increase in the prudent use of antimicrobials. This aims to achieve a 15% reduction in the sales of antimicrobials, principally by limiting the use of antimicrobials only to those situations where they are necessary and in so doing delaying or mitigating the adverse effects of antimicrobial resistance (AMR). The total amount of antimicrobials sold in 2020 was 1773 kg (data submitted to OIE in 1-03-21).

### National contribution to the EU 2025 target to roll-out of fast broadband internet in rural areas to achieve the objective of 100% access

According to the Digital Economy and Society Index (DESI) of 2021 Malta ranks 6th out of 27 EU Member States. Already since 2019, all Maltese households are reached by Very High Capacity Networks offering speeds of up to 1Gbps. Regarding wireless networks, in 2021 4G coverage was near-universal across the Maltese islands whilst Malta’s first nationwide 5G network was also launched. Within this context, and considering that there is no differentiation between urban and rural areas in terms of broadband penetration or use, Malta is deemed to already have achieved its full contribution to this European target.
Annex I on the Strategic Environmental Assessment (SEA) referred to in Directive 2001/42/EC

Summary of the SEA process on the CAP Strategic Plan

In 2021 the SEA assessment of the CAP SP was initiated. By the end of 2021, both the screening and scoping exercises were finalised. On the basis of these assessments, the CAP Strategic Plan is expected to result in overall positive effects on the environment because the planned interventions largely seek to reward sustainable practices, improved management, and encourage participation in quality schemes and cooperation activities, amongst others. Since the plan is prepared for agriculture, Regulation 4(2) requires that an SEA be carried out. Within this context, a full SEA environmental report is being developed in line with the SEA Directive. In 2022, a consultation exercise is foreseen to be carried out on the main preliminary findings of the SEA assessment. The CAP SP shall be reviewed to take into consideration such recommendations.
Annex II – Swot Analysis by Specific Objective

Strategic Objective 1: Support viable farm income and resilience of the agricultural sector across the Union in order to enhance long-term food security and agricultural diversity as well as to ensure the economic sustainability of agricultural production in the Union

Context and evidence
Malta’s approximately 9,000 land-based farms are mostly much smaller than the EU average: 75 per cent of agricultural holdings have a Utilised Agricultural Area (UAA) of less than 1.0 hectare. The average size of a holding in Malta was 0.9 ha (2013). Estimates from the 2010 agricultural census indicate a total UAA of 12,466 hectares but by 2020 early estimations suggest this area had declined by more than ten per cent, and was used by almost 10,000 holdings (2020 census, in press). The micro-farming nature of Maltese farms is a result of land scarcity, topography, an extremely dense population and inheritance regulations that result in land fragmentation. Many farms (more than three-quarters) are managed on a part-time basis by family members whose main employment is not in agriculture. Eurostat figures for 2016 suggest that around a quarter of farms could be characterised as ‘semi-subsistence’, in that more than 50% of their production was consumed by the farm household, rather than sold on the market.

In the Maltese Islands, 65.8% of total holdings had a standard output below €2,000 while only 5.7% exceeded a standard output of €15,000 (2010).

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1 Data referred in this Annex is referenced as at January 2021.
2 NSO, Agriculture and Fisheries, 2014
3 NSO, Agriculture and Fisheries, 2005
4 Eurostat Farm Structures Survey data, accessed February 2020, based upon Malta’s most recent FSS in 2013 and subsequent NSO outputs.
5 The standard output (SO), of an agricultural product is the average monetary value of the agricultural output at farm-gate price. The SO excludes direct payments, value added tax and taxes on products.
Table 1.1 Agriculture Census, 2010: Agricultural holdings by district and size class\(^6\) of SO (€)

<table>
<thead>
<tr>
<th>District</th>
<th>Total</th>
<th>I</th>
<th>II</th>
<th>III</th>
<th>IV</th>
<th>V</th>
<th>VI</th>
<th>VII</th>
<th>VIII</th>
<th>IX</th>
<th>X</th>
<th>XI</th>
<th>XII</th>
<th>XIII</th>
</tr>
</thead>
<tbody>
<tr>
<td>MALTA</td>
<td>12,529</td>
<td>8,247</td>
<td>1,209</td>
<td>1,199</td>
<td>744</td>
<td>413</td>
<td>345</td>
<td>182</td>
<td>139</td>
<td>45</td>
<td>3</td>
<td>2</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Malta</td>
<td>9,737</td>
<td>6,340</td>
<td>936</td>
<td>936</td>
<td>603</td>
<td>346</td>
<td>276</td>
<td>153</td>
<td>109</td>
<td>33</td>
<td>3</td>
<td>2</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Southern Harbour</td>
<td>1,022</td>
<td>707</td>
<td>90</td>
<td>88</td>
<td>59</td>
<td>25</td>
<td>19</td>
<td>19</td>
<td>11</td>
<td>4</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Northern Harbour</td>
<td>817</td>
<td>544</td>
<td>71</td>
<td>80</td>
<td>39</td>
<td>19</td>
<td>22</td>
<td>17</td>
<td>22</td>
<td>2</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>South Eastern</td>
<td>2,823</td>
<td>1,877</td>
<td>255</td>
<td>223</td>
<td>105</td>
<td>60</td>
<td>45</td>
<td>30</td>
<td>22</td>
<td>5</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Western</td>
<td>2,975</td>
<td>1,841</td>
<td>291</td>
<td>313</td>
<td>219</td>
<td>133</td>
<td>90</td>
<td>44</td>
<td>30</td>
<td>13</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Northern</td>
<td>2,300</td>
<td>1,371</td>
<td>229</td>
<td>232</td>
<td>181</td>
<td>109</td>
<td>100</td>
<td>43</td>
<td>24</td>
<td>9</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gozo and Comino</td>
<td>2,792</td>
<td>1,907</td>
<td>273</td>
<td>283</td>
<td>141</td>
<td>67</td>
<td>69</td>
<td>29</td>
<td>30</td>
<td>12</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

\(^6\) Economic size classes: I (less than €2,000), II (€2,000 to less than €4,000), III (€4,000 to less than €8,000), IV (€8,000 to less than €15,000), V (€15,000 to less than €25,000), VI (€25,000 to less than €50,000), VII (€50,000 to less than €100,000), VIII (€100,000 to less than €250,000), IX (€250,000 to less than €500,000), X (€500,000 to less than €750,000), XI (€750,000 to less than €1,000,000), XII (€1,000,000 to less than €1,500,000), XIII (€1,500,000 to less than €3,000,000), XIV (>€3,000,000).

Table 1.2 Agriculture Census, Malta 2010: Total number of holdings by type and size class SO(€)

| Typology code | Typology | Total | Total | I  | II | III | IV  | V   | VI  | VII | VIII | IX  | X  | XI | XII | XIII |
|---------------|----------|-------|-------|----|----|-----|-----|-----|-----|------|------|----|----|-----|-------|
| 16            | General field cropping | 3,896|3,338|258|123|32|7|71|15|21|16|2|-|-|- |
| 21            | Specialist horticulture indoor | 45|4|6|4|7|3|2|4|1|-|-|-|- |
| 22            | Specialist horticulture outdoor | 1,382|45|271|464|76|158|118|11|5|4|-|-|- |
| 23            | Other horticulture | 88|9|-|16|16|14|4|2|1|-|-|-|- |
| 35            | Specialist vineyards | 294|196|55|33|13|3|2|2|-|-|-|- |
| 36            | Specialist fruit and citrus fruit | 410|262|102|13|7|5|-|-|-|-|-|-|
| 37            | Specialist olive | 65|62|3|7|2|-|-|-|-|-|-|-|
| 38            | Various permanent crops combined | 99|45|26|16|9|3|2|-|-|-|-|-|
| 45            | Specialist dairying | 123|23|9|28|49|19|1|1|-|-|-|-|
| 46            | Specialist cattle - rearing and fattening | 41|12|10|8|3|2|-|-|-|-|-|-|
| 47            | Cattle - dairying, rearing and fattening combined | 18|8|3|8|-|-|-|-|-|-|-|-|
| 48            | Sheep, goats and other grazing livestock | 1,019|514|145|89|48|27|9|1|-|-|-|-|
| 51            | Specialist pig | 42|1|2|2|5|12|24|25|22|5|1|2|-|
| 52            | Specialist poultry | 76|3|5|8|21|14|24|6|6|-|-|-|-|
| 53            | Various grains combined | 70|16|8|3|7|1|7|-|-|-|-|-|
| 61            | Mixed cropping | 846|160|248|185|71|47|9|1|-|-|-|-|
| 73            | Mixed livestock, mainly grazing livestock | 67|20|17|22|3|1|-|3|-|-|-|-|
| 74            | Mixed livestock: grains and non-grazing livestock | 47|23|9|6|1|3|2|2|-|-|-|-|
| 80            | Mixed crops - grazing livestock combined | 52|6|8|5|1|2|-|-|-|-|-|-|
| 84            | Various crops and livestock combined | 289|116|45|44|38|10|13|8|4|1|-|-| |
Table 1.3. Main indicators for EU farm holdings, by physical size of farm, 2013

<table>
<thead>
<tr>
<th>Number of farm holdings (thousands)</th>
<th>Utilised agricultural area (thousands hectares)</th>
<th>Standard output (million EUR)</th>
<th>Farm labour force directly working on the farm (thousand AVF)</th>
<th>Livestock units on holdings with livestock (thousand LSU)</th>
</tr>
</thead>
<tbody>
<tr>
<td>All farms</td>
<td>All farms</td>
<td>All farms</td>
<td>All farms</td>
<td>All farms</td>
</tr>
<tr>
<td>Very small and small</td>
<td>Large farms</td>
<td>Very small and small</td>
<td>Large farms</td>
<td>Very small and small</td>
</tr>
<tr>
<td>Large farms</td>
<td></td>
<td>Large farms</td>
<td></td>
<td>Large farms</td>
</tr>
</tbody>
</table>

Note: very small and small farms are defined by a utilised agricultural area < 20 hectares; large farms are defined by a utilised agricultural area > 100 hectares.

Source: Eurostat 2016, based on Farm Structure Survey.

At the same time, some sectors, particularly the indoor-housed livestock, are characterised by larger farms which tend to be full-time businesses and generate a higher standard output as can be seen from Table 1.2. This is especially the case for its approximately 100 dairy farms7 (NSO statistics in 2014 indicated 120 farms8, although early suggestions in 2020 indicate a significant decline since then). Also, there are some larger Maltese vineyards and, to a lesser extent, Maltese pig units which numbered about 100 farms in 20149. Among the main fruit and vegetable and rabbit, poultry and olive producers, are a small number of larger farms (e.g. those focused on specialist cropping such as greenhouse tomatoes), which are managed on a full-time basis, and some businesses also use non-family labour.

Table 1.4 Farm Structure Survey for Malta, agricultural holdings by class size

<table>
<thead>
<tr>
<th>Size class of UAA (ha)</th>
<th>MALTA</th>
<th>% of total Malta</th>
<th>% of total Gozo and Comino</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total agricultural holdings</td>
<td>12,466</td>
<td>100.0</td>
<td>9,684</td>
</tr>
<tr>
<td>of which:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0</td>
<td>359</td>
<td>2.9</td>
<td>345</td>
</tr>
<tr>
<td>&gt;0 - &lt;0.5</td>
<td>6,097</td>
<td>48.9</td>
<td>4,613</td>
</tr>
<tr>
<td>0.5 - &lt;1</td>
<td>2,971</td>
<td>23.8</td>
<td>2,381</td>
</tr>
<tr>
<td>1 - &lt;2</td>
<td>1,607</td>
<td>12.9</td>
<td>1,321</td>
</tr>
<tr>
<td>2 - &lt;5</td>
<td>1,129</td>
<td>9.1</td>
<td>807</td>
</tr>
<tr>
<td>5 and over</td>
<td>302</td>
<td>2.4</td>
<td>218</td>
</tr>
<tr>
<td>Utilised agricultural area</td>
<td>11,689</td>
<td>89.9</td>
<td>8,801</td>
</tr>
</tbody>
</table>

7 KPH dairy co-operative membership confirmed January 2020
8 Cattle census 2014 (latest available): 
9 NSO, Pig Census. 2014 
## Average size of holdings (in ha)

<table>
<thead>
<tr>
<th></th>
<th>0.94</th>
<th>0.91</th>
<th>1.04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Full time farmers (number)</td>
<td>1,372</td>
<td>7.2</td>
<td></td>
</tr>
<tr>
<td>Part-time farmers (number)</td>
<td>17,693</td>
<td>92.8</td>
<td></td>
</tr>
</tbody>
</table>

Source: Farm Structure Survey, 2013

Figure 1.1. Share of UAA on very small and small farms in ESU, by crop, 2013 (% of total)

Source: Eurostat 2016

A very small number of farms in Malta comprise diversified enterprises which add value in various ways (e.g. direct sales, processed products, agro-tourism facilities). Farm structure survey data suggests that around 270 farms were diversified in this way in 2010.10

These structural characteristics are unusual among Member States of the EU and are influenced by Malta’s topographical, climatic, geographic and socio-economic characteristics. Most agricultural land in Malta is government-owned but leased long-term to sitting tenants, often for very low rents known as ‘qbiela’. Through inheritance patterns, holdings are often split between heirs when the sitting tenant dies, fragmenting the tenancy. The resulting pattern and tradition of land tenure is complex and this restricts opportunities for new entrants (Malta Agricultural Policy, 2017). EC calculations based on FADN data suggest that Malta’s farms have a relatively low ratio of liabilities to assets (below 5%), suggesting low capitalisation and low debts.11

Malta’s farm labour force is almost entirely composed of sole farmers and family members (Figure 1.2). Early figures from the 2020 census suggest this pattern persists.

Figure 1.2. Labour force working on very small and small farms in ESU by type of labour, 2013 (% of total labour force in AWU)

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10 This definition does not include farms where the household has non-farm income from other businesses or employment, which are likely more common, but on which data is lacking.

11 DG Agriculture and Rural Development (2020) CAP Specific Objectives Brief 1 – Ensuring viable farm income. European Commission, Brussels. NOTE that Maltese farms may not have formal loans but could still be reliant on family/non-farm and informal sources of finance to support their development.
For Malta's full-time farms, the aim to ensure viable farm income implies that each farm should generate an income capable to support its workforce and, for family businesses, make a significant contribution to household income. For part-time farms, which are much more numerous in Malta, viable farm income can mean that the farmer gets a reasonable financial return from time spent farming; a return which is more or less comparable to what they might get if working in other primary or secondary sector occupations, for the same proportion of their time. The rationale for this is that without such a level of return, the sector would be considered non-viable because people will choose to devote their time to other, more productive and remunerative occupations instead of farming and farms, and agricultural land would be gradually abandoned. In this regard, Malta's recent economic performance as well as high employment rates\(^\text{12}\), has placed pressure on the farming sector in terms of ensuring capacity and resources. In the period since Malta joined the EU, agricultural income per AWU has seen a fairly steady and significant decline (figure 1.6). Compared to other Member States, evidence shows that Maltese farm incomes (measured in both Farm Family Income and Farm Net Value Added per AWU) were significantly lower than the EU-27 average in 2010-2012, and particularly low in sectors including field crops, horticulture and ruminant livestock, although for dairy cows, incomes were close to the EU average. Uniquely, in all sectors, incomes had declined over the previous 10 years (EP, 2015)\(^\text{13}\). Paid wages in agriculture were also lower than the EU average, at 5 Euros/hour, compared to the EU-27 average rate of 7 Euros/hour (EP, ibid). These factors indicate that the sector is vulnerable to ongoing shrinkage and decline.

**Table 1.5** – Total employment (number of persons) in agriculture by type of employment, NSO, Agriculture and Fisheries (2014)

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\(^{12}\) The economic situation is still rather fluid and unemployment rates have somewhat increased following the outbreak of the COVID-19 pandemic in March 2020. The unemployment rate reached 4.2% in June 2020, compared to 3.4% in June 2019 (NSO).

Table 1.6 Total employment (number of persons) in agriculture by AWU

<table>
<thead>
<tr>
<th>Year</th>
<th>Total</th>
<th>0 - 25% AWU</th>
<th>25 - 50% AWU</th>
<th>50 - 75% AWU</th>
<th>75 - 100% AWU</th>
<th>&gt;100% AWU</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>17,968</td>
<td>13,624</td>
<td>1,788</td>
<td>578</td>
<td>432</td>
<td>1,546</td>
</tr>
<tr>
<td>2007</td>
<td>17,148</td>
<td>12,591</td>
<td>1,635</td>
<td>672</td>
<td>486</td>
<td>1,764</td>
</tr>
<tr>
<td>2010</td>
<td>18,539</td>
<td>12,658</td>
<td>2,694</td>
<td>1,041</td>
<td>850</td>
<td>1,301</td>
</tr>
<tr>
<td>2013</td>
<td>19,066</td>
<td>13,395</td>
<td>1,959</td>
<td>1,311</td>
<td>1,017</td>
<td>1,372</td>
</tr>
</tbody>
</table>

Source: Agriculture and Fisheries 2014, NSO, 2016

Figure 1.6 Agricultural income per AWU, Malta


The challenging market conditions faced by producers on such small islands as Malta, Gozo and Comino, who face increased costs compared to those in mainland Europe because of high reliance upon importation of inputs; combined with geophysical and natural limitations, mean that Maltese farmers are at a comparative cost and income disadvantage relative to farmers in most other EU Member States. This disadvantage is structural and cannot easily be overcome.

The small size of most Maltese farms means they gain few economies of scale in production – for example, being unable to use large-scale, time-saving equipment for planting, treatments and harvesting either due to the small physical size of holdings or due to the fact that the cost of purchasing equipment would be disproportionate when compared to the output of the holding. There are therefore intrinsic limitations that impinge on the agriculture sector, limiting its income generation.

The Agricultural Policy for Malta (2017)\textsuperscript{14} notes that the various economic constraints faced by farmers limit generational renewal; the sector is not attracting enough young farmers willing to work on farms, mainly due to low incomes and lack of capital for investment in machinery and equipment. These factors mean there is a rationale and need for income support, as well as support for investments and other efforts to help enhance market conditions and promote competitiveness in the agricultural sector as a whole\textsuperscript{15}.

As regards the role of the CAP in supporting farm incomes, FADN data for the past decade for Maltese

\begin{footnotesize}\	extsuperscript{14} Parliamentary Secretary for Agriculture, Fisheries and Animal rights (2017) National Agricultural Policy for the Maltese Islands 2018 – 2028.\	extsuperscript{15} Ibid.\end{footnotesize}
farms is summarised in table 1.7. This shows the level of income dipped seriously following the global recession and has since grown, but only to around two-thirds of that seen at the time of EU accession. Farm incomes in 2018 were only around 52% of the national average earnings per capita of €18,207 in Malta (EC analytical factsheet 2019), showing that they fail to match incomes in many other sectors. The figures also indicate the importance of CAP support as a proportion of farm income, in the agricultural sectors to which it currently applies, typically making up about one-quarter of net farm income for a full-time farm in 2016 and 2017, although this share has declined fairly consistently from double that level since 2007.  

Table 1.7: FADN data for full-time farms in Malta (sourced from Eurostat, March 2020)

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Output (€ per farm)</th>
<th>Growth in output</th>
<th>Net income (€ per farm)</th>
<th>Growth in net income</th>
<th>Total subsidies17 (€ per farm)</th>
<th>Growth in total subsidies</th>
<th>Subsidies as % net income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007</td>
<td>40,877</td>
<td>13.00%</td>
<td>17,232</td>
<td>22.77%</td>
<td>8,716</td>
<td>23.04%</td>
<td>50.58%</td>
</tr>
<tr>
<td>2008</td>
<td>43,626</td>
<td>6.73%</td>
<td>15,503</td>
<td>-10.03%</td>
<td>9,605</td>
<td>10.20%</td>
<td>61.96%</td>
</tr>
<tr>
<td>2009</td>
<td>35,989</td>
<td>-17.51%</td>
<td>8,341</td>
<td>-46.20%</td>
<td>3,876</td>
<td>-59.65%</td>
<td>46.47%</td>
</tr>
<tr>
<td>2010</td>
<td>33,240</td>
<td>-7.64%</td>
<td>9,680</td>
<td>16.05%</td>
<td>5,530</td>
<td>42.67%</td>
<td>57.13%</td>
</tr>
<tr>
<td>2011</td>
<td>32,619</td>
<td>-1.87%</td>
<td>7,411</td>
<td>-23.44%</td>
<td>4,214</td>
<td>-23.80%</td>
<td>56.86%</td>
</tr>
<tr>
<td>2012</td>
<td>39,600</td>
<td>21.40%</td>
<td>9,614</td>
<td>29.73%</td>
<td>3,705</td>
<td>-10.18%</td>
<td>39.37%</td>
</tr>
<tr>
<td>2013</td>
<td>42,180</td>
<td>6.52%</td>
<td>11,426</td>
<td>18.85%</td>
<td>4,541</td>
<td>-6.45%</td>
<td>30.99%</td>
</tr>
<tr>
<td>2014</td>
<td>41,770</td>
<td>-0.97%</td>
<td>11,868</td>
<td>3.87%</td>
<td>3,813</td>
<td>7.68%</td>
<td>32.13%</td>
</tr>
<tr>
<td>2015</td>
<td>42,797</td>
<td>2.46%</td>
<td>12,718</td>
<td>7.16%</td>
<td>4,196</td>
<td>10.04%</td>
<td>32.99%</td>
</tr>
<tr>
<td>2016</td>
<td>43,710</td>
<td>2.13%</td>
<td>11,215</td>
<td>-11.82%</td>
<td>2,723</td>
<td>-35.10%</td>
<td>24.28%</td>
</tr>
<tr>
<td>2017</td>
<td>42,444</td>
<td>-2.90%</td>
<td>11,331</td>
<td>1.03%</td>
<td>2,783</td>
<td>2.20%</td>
<td>24.56%</td>
</tr>
</tbody>
</table>

Figure 1.3: Agricultural entrepreneurial income and wages, Malta, compared to EU-28

Source: DG AGRI Eurostat

16 This figure shows that farmers are relying less heavily on subsidies, but this figure may also be showing that less investment is taking place. No grants for investments were available in 2016 and 2017. New project funds were awarded late 2017-early 2018; those from the 2007-13 RDP were used by 2015.

17 Includes both EAGF and EAFRD CAP interventions, including investment aids, other EAFRD interventions, decoupled payments and other direct payments under EAGF interventions (voluntary coupled support or VCS). Altogether, VCS is much the largest single component of subsidy per farm, accounting for around 60% of total subsidies in 2016 and 2017. This is paid to farms in the dairy, beef/veal, milking sheep/goats and processed tomato sectors only.
The average agricultural factor income per worker in Malta has declined steadily since EU accession and reached its lowest level of €9,560 in 2018 (Figure 1.3). In 2017, direct payments represented 9% of agricultural factor income per worker in Malta, while rural development payments accounted for about 10%\(^{18}\).

Income per worker decreased in particular in the pig and poultry sector. The agricultural income per worker is above average for granivores, dairy cattle and horticultural farms. It is below average for sheep and goat farming and mixed crops\(^{19}\). There are no large-scale farms in Malta. Smaller farms receive lower incomes per worker. FADN data suggests that the most productive farms in Malta (expressed as income per AWU) are those of 5 to 10 hectares – i.e. much larger than the 0.9ha average.

**Figure 1.4: Farm net value by sector**

![Farm net value by sector](image)

**Source:** DG AGRI- FADN

In Malta the Small Farmers Scheme was claimed on 42% of the total Utilised Agricultural Area in 2018, while the Basic Payment scheme was paid on 22% - implying that 36% of farmland area did not receive EAGF payments, largely because the holding size was too small to qualify. Because all agricultural land is considered to face natural constraints in Malta, 9.25% of its Rural Development envelope (total public expenditure) was programmed for Areas of Natural Constraint. This aid is paid on areas as small as 0.1124 hectare, meaning that it reaches a larger share of farm holdings than interventions under EAGF.

**Figure 1.5 Agricultural factor income/ worker in Areas with Natural Constraints, Malta**

![Agricultural factor income/ worker in Areas with Natural Constraints, Malta](image)


EU food security
With a high resident population of 493,559 at the end of 2018 and a total territory of only 316 km², Malta has one of the highest population densities in the EU, as well as a visitor population over 2.5 million per annum reaching 2.8 Million in 2019, it is unrealistic for Malta to aim to be self-sufficient in all temperate products, and significant food importation is, and will remain, necessary. Nevertheless, the country can reach fairly high levels of self-sufficiency for permanent residents in some products. To contribute to enhanced EU food security, farms should most appropriately aim to make a significant contribution to domestic consumption in those products for which they are best suited, in respect of geo-climatic conditions and market opportunities.

The relative importance of domestic versus imported agricultural produce can be seen from the total agricultural product value of €125.3 million in 2014, as detailed in Table 1.8 (Final Agricultural Production), of which animal output was €71.2 million, including livestock and animal products. In contrast to this, in 2015, the total value of food imports to Malta was more than four times greater, at €531.1 million.

Table 1.8 Value of Malta’s Agricultural Production (€’000), at producer prices

<table>
<thead>
<tr>
<th></th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total final agricultural production, Malta</td>
<td>125,338</td>
<td>125,338</td>
<td>125,338</td>
</tr>
<tr>
<td>Total agricultural output</td>
<td>118,332</td>
<td>118,332</td>
<td>118,332</td>
</tr>
<tr>
<td>Total crop output</td>
<td>47,172</td>
<td>47,172</td>
<td>47,172</td>
</tr>
<tr>
<td>Forage crops</td>
<td>4,529</td>
<td>4,529</td>
<td>4,529</td>
</tr>
<tr>
<td>Vegetables and horticultural products</td>
<td>28,331</td>
<td>28,331</td>
<td>28,331</td>
</tr>
<tr>
<td>Potatoes</td>
<td>5,910</td>
<td>5,910</td>
<td>5,910</td>
</tr>
<tr>
<td>Fruit</td>
<td>6,728</td>
<td>6,728</td>
<td>6,728</td>
</tr>
<tr>
<td>Other crop products</td>
<td>1,674</td>
<td>1,674</td>
<td>1,674</td>
</tr>
<tr>
<td>Total animal output</td>
<td>71,160</td>
<td>71,160</td>
<td>71,160</td>
</tr>
<tr>
<td>Cattle</td>
<td>3,191</td>
<td>3,191</td>
<td>3,191</td>
</tr>
<tr>
<td>Pigs</td>
<td>14,583</td>
<td>14,583</td>
<td>14,583</td>
</tr>
<tr>
<td>Sheep and goats</td>
<td>349</td>
<td>349</td>
<td>349</td>
</tr>
<tr>
<td>Poultry</td>
<td>6,874</td>
<td>6,874</td>
<td>6,874</td>
</tr>
<tr>
<td>Other animals (rabbits)</td>
<td>18,451</td>
<td>18,451</td>
<td>18,451</td>
</tr>
<tr>
<td>Milk</td>
<td>20,131</td>
<td>20,131</td>
<td>20,131</td>
</tr>
<tr>
<td>Eggs</td>
<td>7,371</td>
<td>7,371</td>
<td>7,371</td>
</tr>
<tr>
<td>Other animal products</td>
<td>210</td>
<td>210</td>
<td>210</td>
</tr>
<tr>
<td>Processing – Wine</td>
<td>2,590</td>
<td>2,590</td>
<td>2,590</td>
</tr>
<tr>
<td>Processing – Milk</td>
<td>4,416</td>
<td>4,416</td>
<td>4,416</td>
</tr>
</tbody>
</table>

20 NSO, News Release, World Population Day: 2019

21 NSO, News Release, Inbound Tourism: December 2019

22 NSO, Agriculture and Fisheries, 2014

23 NSO, News Release, International Trade: December 2018
Looking ahead, the most significant market opportunities for Maltese agricultural produce are:

1. In those sectors and products which are perishable and heavy and thus costly to transport across the sea or by air. These include fresh vegetables and some fruit; and notably, fresh, liquid milk for which Maltese people have a particular consumer preference. In recent years, Maltese dairy cows produced 85% of domestic consumption of fresh milk in Malta (National Statistics Office, 2016).

2. In sectors and products where Malta has a particular specialist knowledge and cultural traditions. This range of products includes traditional goat and sheep milk cheezelets ‘Gbejna’; some endemic varieties of olives (bidni) and vines (Gellewża (red) and Girgentina (white)); small and very sweet tomatoes most suited to tomato paste ‘Kunserva’ production; rabbits bred for meat; and Maltese honey produced from the distinct and diverse flowers of the garigue.

Because of the relatively high proportion of Malta’s farms that are part-time, as well as the significant share that can be considered semi-subsistence, volatility in markets is perhaps less of a threat to the continuation of farming than it would be if all Malta’s agricultural land were managed by full-time farms, with no other sources of income. Despite this, local producers also supply the tourism and catering industry, two sectors that in 2020 have been heavily impacted by the COVID-19 pandemic. As a consequence, many farmers lost their main clients, resulting in excess produce and plummeting prices. Other external factors, such as import bans of certain products by third countries, resulted in excess produce within the EU market, outcompeting domestic products produced at much higher cost.

The National Agricultural Policy identifies the need for a risk insurance that supports farmers in the event of damage to livestock or crops. The consultation process that led to the drafting of the RDP 2014 – 2020 also identified the need for this tool and such a measure was then programmed. Its intention was to provide access to insurance covering losses caused by an adverse climatic event; an animal or plant disease; a pest infestation or an environmental incident, with the aim of providing some financial stability to farmers. In the context of climate change and anticipated increase in extreme weather events, such a tool could prove valuable in helping to sustain agriculture. Despite the programming of the respective measure in the RDP 2014-2020, no such products have been made available on the local market and limited availability of data has discouraged service providers from bidding to provide such a service. Government will commission more work to better understand the necessary steps required for such insurance schemes to be created.

**Strengths**

Malta has a diverse range of products and production skills, and large proximal market offering significant advantages for local farmers. The demands of both domestic consumers and visitors ensure that a wide range of food products is purchased and consumed within Malta, on a consistent basis.

Some consumer loyalty to buying local and fresh can be seen in higher and/or more stable farm gate prices for certain products e.g. fresh milk, compared to those in other EU MS. Table 1.8 compares producer prices for Milk across the EU in the most recent years for which data is available (Eurostat, 2020), showing that Malta’s farm gate milk prices are consistently among the highest of all Member States and significantly above the EU average. Despite this, the consumer is still provided with a fresh product at a competitive price.

In other sectors, consumer loyalty is less easy to prove because product provenance is not always evident or guaranteed at the point of sale. Nevertheless, typically Maltese products such as rabbit

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24 NSO, Agriculture and Fisheries, 2014

25 Ibid
meat, fresh chicken, traditional cheeselets and fresh fruit and vegetables are widely accepted to have a loyal consumer base in Malta, among the resident population.

Another strength arising from Malta’s island status and small size is comparatively low transportation costs and short supply chains for domestic produce, with relatively few intermediaries which should mean that consumers are offered produce at prices similar to those at the farm gate. Nevertheless, food prices in Malta are overall comparable to those in other EU Member states\(^\text{26}\), reflecting higher production costs and meaning that Maltese producers must compete with imports on the basis of product quality and potential consumer loyalty (to choose Maltese food).

The pluri-activity of many of Malta’s farmers is both a strength but also a potential weakness. As a strength, having a diversity of income sources can give some resilience, helping Malta’s farm households to better cope with fluctuating market conditions for agricultural inputs and outputs, or extreme and unforeseen weather events which may damage crops and infrastructure, because they have other income sources upon which to draw more heavily, when these things happen.

Weaknesses

Malta’s small and fragmented farm structures are a challenge to those seeking to make a living only from farming, and also to many part-time farmers for whom agriculture provides a supplementary income, due to the additional costs and complexity of managing such holdings. Furthermore, they act as a disincentive to young people coming into the sector and this is linked to a relative lack of generational renewal in farming.

Whilst multiple income sources can be a strength for pluri-active Maltese farm families, for semi-subsistence farmers whose household incomes depend upon a variety of sources, the time and effort that they devote to agricultural production is limited by their need to spend time earning income from other activities. This means that the sector suffers from a lower level of strategic planning, investment, knowledge exchange and research and development, than would be the case if most farming were full-time. The pluri-activity of many of Malta’s farmers is a potential weakness since being occupied in other employment may be a reason why farms are not optimally managed, because farmers cannot give them sufficient time and attention.

In common with other EU island economies, farmers in Malta face higher costs of production for all outputs which require intermediate inputs (such as fertilisers, pesticides and feed) that must be imported, than producers in countries that manufacture or produce their own inputs. FADN data indicates relatively higher costs of production in Malta for all of its major farm sectors for which data is available, including field crops, horticulture and milk production, as well as pigs and poultry. In Farm Economics brief N°2 EU production costs overview, (EC Agriculture and Rural Development, 2011), Malta is among the few countries with the highest operating and total economic costs, for agriculture.

The need to import a wide range of foodstuffs to cater for the local and visitor population means that there is always a risk of low-cost imports, particularly from locations where living and labour costs are lower, undermining the viability of Maltese products. Producers also note that the dominance of food supply chains by the tourism and hospitality market, which has until recently been unconcerned to promote Maltese produce, has worked against the interests of Malta’s farmers in maintaining domestic market share.28

Poor quality products due to dated production methods (for example. high reliance upon pesticides

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28 Stakeholder interviews, rabbit and sheep and goat sectors, 2020
and chemical fertilisers, inefficient use of irrigation in crops, or inconsistent or poorly presented livestock products) may threaten consumers' perception of the value of Maltese agricultural production.

Opportunities

As identified in Malta’s Agricultural policy, investment in adding value to various Maltese traditional products like ġbejna and kunsera, and targeting the tourist market for such products, can help to improve farm viability for smaller producers in diverse sectors. Sector-wide approaches to quality schemes (necessary for sectors with many disparate producers and/or supply outlets), or quality marks for Maltese traditional products (favoured for sectors with a smaller number of producers who already collaborate for processing and marketing), could enable the sectors to widen Maltese product exposure in local and European markets, as outlined in Malta’s National Agricultural Policy. However, in view of the high costs of achieving sector-wide quality marks, alternative models linked to direct branding may offer similar benefits to some sectors with a high proportion of co-operative membership, and therefore this should also be supported.

In the pigmeat sector, investing in processing facilities to enable the production of a range of typical Maltese pork products including the famous Maltese sausage, offers opportunity to add value and increase returns to producers on Malta.

Investing in training and support to young farmers in the many sectors with potential to grow their market share through more professional operations, offers a clear opportunity to benefit incomes and sector viability in the longer-term.

Threats

Low-cost competition from producers in other countries that can benefit from economies of scale can erode the competitiveness of Maltese farmers if consumers are not aware of the benefit of seeking out and buying local produce. In view of limited labelling and traceability, consumers may not able to distinguish Maltese produce from imported goods.

Long summer droughts and extreme storms in winter and changing weather patterns impose harsh conditions on farm production. These extreme conditions pose an important and increasing risks of significant damage to crops and livestock, particularly those in highly exposed areas and those crops produced in polytunnels and greenhouses. Furthermore, extreme weather conditions brought about by climate change can lead to soil erosion and desertification of arable land. These pose an increasing risk to farm incomes and farm family resilience and a threat to the continued viability and resilience of Malta’s farms and farmers.

Pressure for continued built development on land, to cater for residential properties, holiday accommodation and luxury living, leads to very high agricultural land prices, despite a clear and relatively strict spatial planning regime. These pressures limit the opportunities for Malta’s farm sector to restructure in ways which could boost sector incomes and returns.
Implications for needs and the case for intervention

The elements identified in the SWOT indicate a clear need, both in absolute and relative terms, for efforts to sustain viable farm incomes in Malta, in all sectors which are considered important for the future of Maltese agriculture and rural areas.

CAP EAGF and EAFRD interventions can help to support farm incomes and mitigate against the higher costs faced by Maltese farmers, as follows.

- Coupled income support helps to compensate for high feed costs in the dairy and beef sector, the sheep sector, and higher input costs in the specialist tomatoes for processing sector, which are of particular significance to Maltese agricultural GVA. The pig sector, also poultry and rabbits may face similar high feed costs but are not eligible for coupled income support; however, it could be valuable to offer these private storage aid when prices are low.

- EAFRD interventions for ANC areas under natural or other area specific constraints help to compensate fruit and vegetable and arable producers for the high costs arising from the very fragmented and small-scale nature of many holdings on Malta. These aids, along with the Basic Income Support for Sustainable farming (BISS and Small Farmers Scheme) under EAGF, help to encourage the good maintenance of farmland and prevent its abandonment.

In addition, the SWOT highlights areas of opportunity that can be developed by appropriate application of funding through CAP EAFRD interventions and by reference to the provisions under elements of CAP EAGF interventions, to add value and thus enhance the viability of different sectors in Maltese agriculture. Key measures and interventions should include: further investment in key infrastructure (e.g. to extend access to treated effluent water to more farms, and enable updating of equipment and facilities for sheep and goat producers); new livestock rearing and feeding systems with lower environmental and higher animal welfare impacts, and investing in human and social capital to underpin enhanced farm business performance and effective valorisation of Maltese farm products. Many of these actions are also promoted under other SOs, including SOs 2, 3 and 5.

Finally, the SWOT highlights a need to consider better mechanisms for risk management among Maltese farm businesses. A cost-effective viable option is yet to be identified, as experience from the 2014-2020 programming period has shown. It is recognised that further work is needed to assess the scope for provision by new sources or via alternative financial means, drawing from experience and innovation in other Member States and internationally.

The needs identified under this Specific Objective, are as follows:

1.1 Sustain a viable farm income for farmers in Malta, across all sectors;
1.2 Improve risk management in Maltese agriculture and make farmers more financially resilient;
1.3 Add value to Maltese agricultural produce by improving quality and environment standards;
1.4 Ensure efficient and effective marketing of local produce;
1.5 Reform land tenure laws and develop institutions and incentives to ease access to new entrants.

Among these needs, numbers 1.1 to 1.4 have possibilities to be addressed through CAP measures and instruments but 1.3 and 1.4 are more pertinent to SO2. Number 1.5 requires legislative change in Malta, as recognised in the Malta Agricultural Policy, and is therefore not a target for CAP policy.
Strategic Objective 2: Enhance market orientation and increase farm competitiveness both in the short and long term, including greater focus on research, technology and digitalisation.

Context and evidence

‘Increasing agricultural productivity in a sustainable way is essential to meet the challenges of higher demand in a resource-constrained and climate uncertain world. A number of drivers and policy tools are available to trigger productivity gains in EU agriculture, such as research and innovation programmes, new technologies, rural development and infrastructure, efficient advisory systems and continuous training for farm managers. (EC, 2020).

In line with the negative income trends as discussed under SO1, agriculture’s total factor productivity (TFP) has decreased in Malta since EU accession. All components of partial productivity decreased with a particular drop for capital, possibly explained by major investment by dairy farmers to meet new EU environmental standards. Production has fallen more than costs, while labour input increased 23%, between 2005 and 2017. These trends show the negative impact on the farm sector in Malta following EU accession which required the removal of import protection, as well as increased reliance on part-time farm work for low-income families practising semi-subsistence farming (around 25% of total farms in 2011) resulting from the impact of the global recession of 2008 on other sectors.

Figure 2.1 TFP in Agriculture, Malta

![Figure 2.1 TFP in Agriculture, Malta](image)

Source: EUROSTAT for TFP and DG AGRI for partial productivity

Labour productivity in agriculture in 2018 in Malta was 11.92 Euros per full time equivalent worker, significantly below the EU average of EUR 18.59. Figure 2.2 shows the structure of farm incomes, illustrating the high costs associated with dependence upon imported feedstuffs and other inputs (e.g. machinery, energy), and the cumulative impact of increased price competition from lower-cost imports on domestic food markets which has reduced Maltese farmers’ market shares in key sectors such as livestock products.

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Malta’s agriculture is market-focused, producing a wide range of food products to meet both domestic and/or export demand, in different sectors. Nevertheless, it faces challenges:

- in respect of competitiveness and the need continuously to adapt to changing market expectations and consumer demand; also
- in respect of better recognising the need to produce sustainably, in the face of significant resource constraints and emerging impacts of climate change.

As explored already in SO1, Maltese producers are unlikely to be able to compete with those from other countries on the basis simply of costs of production and currently, transportation costs are sufficiently low that imports can easily compete with local products in commodity markets (e.g., UHT milk in cartons, basic processed or packaged meats, fresh vegetables and fruit). As regards fresh liquid milk, demand by Maltese consumers and visitors remains significant. The overall agri-food trade balance in Malta is strongly negative, but there is a modest positive trade balance with non-EU countries (Figure 2.3).
Maltese products should compete more effectively against imports in those distinct market segments where provenance, cultural heritage and tradition are valued by today’s consumers. However, this market advantage is not always realised because of other barriers to effective marketing. As is evident in the case of fresh milk (see SO1 for data), Maltese products may also have potential to compete effectively in markets where product perishability or a clear consumer preference for ‘freshness’, is strong (e.g. for eggs, fresh cheeses and some specialty vegetables or soft fruits). This is notwithstanding the recognition that very regular importation of fresh produce from neighbouring Sicily is also an established phenomenon.

Malta’s Agricultural Policy (2017) proposes a transition from sole dependence on quantitative production to farm households generating greater value from rural tourism with its potential for diversification of income and short supply chains involving direct sales to tourists (e.g. agri-tourism and farm shops). Although tourism can be a volatile sector, for example the current situation with COVID-19 has negatively impacted tourism globally, the infrastructure and climate of Malta are likely to provide reasonably stable conditions to continue to support tourism into the future.

In addition, this aim also places emphasis upon securing better market opportunities for enhanced competitiveness in the domestic food market. Early consumer research identified that Maltese people like to buy Maltese products, and Malta’s Food and Nutrition Policy and Action Plan 2015-2020 (2014) highlights the importance of collaboration between agriculture and health sectors, to increase the knowledge base of local food producers in nutrition. The Plan calls for better food labelling and affordable pricing of fresh produce, in order to increase the interest of consumers in such products, leading to increased consumption and enhanced access for Maltese products to retail, hospitality and catering outlets is also key. The Plan also highlights a key role for research and technology in the development of healthier fresh local produce through enhanced breeding and improved management techniques.

The National Research and Innovation Strategy 2020 identified Malta’s Rural Development Programme as the instrument that should promote value-added and innovation in agriculture, in order to help offset the impact of the inherent constraints of the agricultural sector.

Meanwhile, the National Agricultural Policy identifies the importance of research and innovation in the agricultural sector for the development and promotion of improved production methods that increase productivity and also for the development of new practices, processes and technologies that address new challenges faced by the agricultural sector. This requires both funding and the commitment of highly qualified staff. Farmers should also participate in this process by identifying relevant research topics and becoming involved in co-innovation, for example through the EIP Agri.

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30 Cited in an interview with a relevant official, conducted by Dwyer et al (2014) during the preparation of the RDP, 2013 – we have not been able to trace the source of this survey information.
According to the National Agricultural Policy (2017), research and development Malta, particularly in agriculture, is lacking since the benefits of research are not widely understood by economic operators. Apart from lacking a strong research culture in Malta, most businesses are small and do not generate funding for research. This has led to the adaptation of international research findings to the local scenario, commonly when the process or technology of interest has already been on the market for a long time. The persistence of key data gaps for the agri-food sector hinder the identification of where research and development can bring the best returns. Most production and management decisions taken by the agricultural community are thus based on tradition and accumulated experience and often do not embrace external advice or new ideas which could generate long-term benefits.

The National Agricultural Policy identifies a number of sectors that could benefit from research and innovation, including:

- Rural tourism and the preservation of the rural environment;
- Identification of new plant varieties and livestock to better withstand the climate;
- Novel or niche sectors that may hold potential for exports and/or processing including snail farming, insect farming, aquaponics; and the production of bio-control agents for use in Integrated Pest Management.

The creation of a thriving knowledge-exchange, advice and innovation ecosystem for agri-food in Malta is needed. During the last programme, funding was able to establish two new relevant institutions, AGRIHUB and AGRICONNECT (Malta’s farm advisory service), to help meet this key need.

The National Agriculture Policy identifies a need to integrate information and communication technology more fully into the agricultural sector for the development of smart agricultural practices and precision farming. Current data indicate increasing uptake and deployment of water-saving irrigation technologies in the fruit and vegetable sector in Malta (see annex on SO5, for data). Through wider digital literacy in agronomic knowledge exchange, communication channels and information sharing can be improved while the efficient use of inputs and quality of farm management can be enhanced. Technology can be used by farmers to communicate with advice and extension services. Resources are needed to enable farmers to make use of this technology, given the excellent level of high-speed broadband accessibility in Malta’s rural areas (see SO8), via necessary training and advice.

Malta’s Agricultural Policy (2017) makes several points about the need to improve producer-consumer understanding concerning Maltese produce:

1. It cites a lack of recent surveys or detailed information about food consumer preferences and trends in Malta and calls for new research on this topic;
2. It affirms the value of investment to raise consumer awareness about Maltese products and their distinctive qualities;
3. It calls for producers to work to enhance the quality and reliability of their offer to Maltese consumers, meeting consumer demand and national policy goals to enhance the health attributes of domestic produce.

In an effort to address some of these needs, the new Malta Food Agency was established in 2021.

Much of Maltese agricultural activity focuses on high-value primary outputs, including fruit and vegetables, wine and meats. However, the largest proportion of the farmland area is devoted to forage wheat, which is used for fodder but has been widely regarded as of poor nutritional quality. In addition, especially for ruminant livestock, feeding too much a diet of grains is not good for their health and well-being. These points are also developed in the Malta Agricultural Policy (2017) which notes that Malta’s climate regime cannot sustain pastures and produce high quality fodder crops. More than half of Malta’s UAA is dedicated to the cultivation of fodder, mostly wheat, and is almost exclusively

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35 Diet and Disease In Cattle: High-Grain Feed May Promote Illness And Harmful Bacteria, American Association For The Advancement Of Science, https://www.sciencedaily.com/releases/2001/05/010511074623.htm
dependent on rainfall that is becoming more and more erratic. The quality of soil also limits the quality of unirrigated cereals. More information about soil can be found in Specific Objective 5. This means that there is scope to consider more cost-effective and drought-tolerant forage cropping, in future.

There is a need to continue investing in the upgrade of rural roads to improve accessibility to holdings with the aim of increasing farm utilisation, improving farm management and increasing farm efficiency. As outlined in the Malta’s National Transport Master Plan which presents evidence of the poor state of rural roads, the impact of climate change on the rural road network is identified as a threat. Road infrastructure remains necessary to increase competitiveness and accessibility, as well as mitigate risks from adverse weather conditions.

**Strengths**

As with Specific Objective 1, Malta’s large resident population and even larger visitor population offer a significant opportunity for local producers to sell to local consumers. Many food products, however, are predominantly imported.

As an island nation and economy, Malta’s farmers could benefit from focusing upon producing for the domestic market. Proximity to markets enable freshness, authenticity and reduced food miles, as well as better communication along short food supply chains, and potential for enhanced customer loyalty.

The Maltese climate creates good conditions for particular ‘unique’ local products like low-water and high-sugar-content tomatoes for *kunserva*, and endemic varieties of olives and grape vines. Historically, certain other products successfully exploited niche export markets, such as early potatoes for the Dutch market, which depend upon specific supply chain relationships and can be vulnerable to sudden market fluctuations. Other under-supplied and niche market opportunities could exist for Malta, if it had both adequate market intelligence and closely co-ordinated production and supply chains.

Some notable promotional links exist, for example between specific Maltese types or brands of food and popular Maltese chefs and restaurants, where locals and visitors eat while learning about the provenance and cultural significance of what they are eating.

**Weaknesses**

Lack of product traceability leads to a low level of supply chain integrity and weakens consumer confidence in buying local. It has also provided a disincentive for producers to take quality seriously, as a central element in their approach to farming. A common complaint is that because the hotels and restaurants catering to the dominant tourist market in food have little or no interest in authentic Maltese produce, there are few benefits from developing higher quality products.

Some sectors, particularly fruit and vegetables, lack significant and co-ordinated representation and thus have little bargaining power in food chains, leaving producers vulnerable to potential unfair practices among middle-men, food processors and retailers. Fruit and vegetable producers using the central wholesale market in particular have described how this gives them little confidence that they can ensure a good return, for their product.

The farmers markets which have been successfully established in Malta and Gozo in the past decade have offered some producers an important and valued close connection with local consumers, but their sectoral reach is limited. Producers affirm that there is a lack of good quality market research and other relevant up to date information and analysis to help them to be more customer focused.

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36 National Transport Master Plan 2025, page 45.
37 Diet and Disease In Cattle: High-Grain Feed May Promote Illness And Harmful Bacteria, American Association For The Advancement Of Science, https://www.sciencedaily.com/releases/2001/05/010511074623.htm
38 Interviews with rabbit, sheep and goat, pigmeat and dairy producer representatives, 2020
39 Dwyer et al, 2014 ibid.
40 In the Malta Agricultural Policy (2017)
The part-time and small-scale nature of most land-based farming in Malta means that relative incomes from agriculture are low. This could mean that farmers are unwilling to invest in improved productivity and technologies that could make them more competitive.

**Opportunities**

Identified opportunities cluster strongly around the benefits of building stronger human and social capital and the capacity to better organise and develop, in the sector. Data on the low level of human capital is presented in the evidence for SO1 and that on social capital is explored under SO3. Areas of greatest potential include enhanced advice, learning and communications, business confidence and governance, and co-ordinated and strategic market and supply chain development, including research.

Co-ordination among producers in the main livestock sectors in Malta has been relatively strong, which provides scope to encourage increased focus upon product quality, market orientation, and adding value: by upskilling farmers in enhanced sustainable production methods; and investing in research and development along similar lines.

More targeted market research and intelligence designed to help producers understand and better meet consumers’ needs would help improve market orientation and market share for farmers. In the EU, today’s consumers are asking for produce with higher environmental credentials such as lower use of pesticides and production that does not pollute water sources: this could be a challenge for current Maltese production methods, but also an opportunity to improve. Climate mitigation and adaptation measures, as well as sustainable production as mentioned in the EU’s Green deal and Farm to Fork Strategies 41, offer opportunities to help re-orientate Malta’s production systems along more sustainable lines.

Experience of CAP funding to date suggests that demand for new knowledge and innovation among Malta’s farmers is limited by their individual circumstances and the lack of collective or strategic institutions or organisations that could make such initiatives forward. This suggests that there are important opportunities to identify, foster and/or newly create initiatives or bodies who are dedicated to act on behalf of small and independent producers.

Another key aspect of improving competitiveness relates to ensuring that Malta’s agriculture is climate-resilient, in view of existing and expected climate change impacts. Investing in more effective environmental management and water-conserving practices present an opportunity to promote this strategic objective – these actions will be addressed under SOs 4 and 5.

Increased processing of primary produce to create higher value outputs is also an area of potential enhanced competitiveness for some Maltese farmers. In pig meat, rabbit and poultry sectors, it may enable producers to strengthen their domestic market orientation and identity, enhancing their competitiveness against imported products.

Enhanced use of land to sustainably grow more suitable and higher quality fodder for livestock, especially dairy cattle, sheep and goats, could help to improve competitiveness in these sectors by improving animal health and welfare, reducing costs and enhancing the profitability of businesses able to access and purchase this kind of feed.

There is an opportunity for the farming sector to increase its use of technology, in order to improve communication, dissemination of information, remote monitoring of crops or livestock and improve general farm management.

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41 European Union, Farm to Fork strategy for sustainable food, 2019  [https://ec.europa.eu/food/farm2fork_en](https://ec.europa.eu/food/farm2fork_en)
Threats

Climate change can be considered as an increasing threat for the competitiveness of the Maltese agricultural sector, in view of soil and coastal erosion, desertification, floods, drought and water scarcity.

Because agriculture is a relatively small sector for Malta in respect of its contribution to national GDP, it is possible that it receives a relatively minor share of attention in national research and development policy.

The continuing pressure upon rural land in Malta, arising from a growing population and a buoyant economy and significant tourism sector, may lead to reduced confidence among Maltese businesses to invest in primary production, on the basis that the land has much higher monetary value when used for other purposes. If farm incomes do not increase sufficiently enough to provide suitable returns on investment, young people will seek employment elsewhere and food production in Malta will continue to decline.

Implications for needs and the case for intervention

The elements identified in the SWOT indicate areas of opportunity that can be developed through funding under the CAP Strategic Plan. The strategy should be to add value and to increase the distinctive branding, qualities and market identity for Maltese farm products in the domestic market, among both residents and visitors. This can enhance the viability of various sectors in Maltese agriculture. However, the evidence, as discussed in SO1 and SO3, suggests that in order to achieve such development, building human and social capital and strengthening organisational capacity across the sector, will be essential.

Malta’s Agricultural Strategy (2017) notes that EAFRD funding is required to improve presentation, labelling, branding and marketing through innovative ways. The more effective targeting of the tourism offer for food and drink products, as well as more direct sales to local consumers, can all be supported via appropriate EAFRD measures.

Uptake of many measures among Malta’s farmers has been limited (figure 2.4), however the investment measure (Measure 4) that provides funding for capital investments producers has been most successful. The measure supporting start up aid for young farmers (measure 6.1) also registered significant uptake. However, the greater number of small and part-time producers in Malta, particularly in fresh fruit and vegetable sectors, has lacked the organisational capacity and impetus to tap into effective EAFRD resources (see SO1 for quantitative data on this point). Also, the minimum Standard Output funding threshold has likely acted as a barrier to accessing investment aid among smaller businesses.

Figure 2.4 Selected information on Uptake of RDP measures, EIR 2019 (EMCS et al, 2020).

| Focus Area 1A | As at end of 2019, no realised expenditure was recorded in any of the measures programmed under this FA. |
| Focus Area 1B | As at end of 2019, no realised expenditure was recorded under any of the relevant measures. |
| Focus Area 1C | As at end of 2019, no realised expenditure was recorded under the relevant measures. |
| Focus Area 2A | Progress has been achieved in terms of the result target indicator on the % of agriculture holdings with RDP support for investment in restructuring or modernisation (R1/T4). The value as at end of 2019 amounted 65 holdings compared to a target value of 116 holdings to be attained by 2023. |
| Focus Area 2B | Good progress has been recorded for result target T5: % of agriculture holdings with RDP supported business development plan/investments for young farmers (Focus Area 2B) whereby with a progress value of 53 holdings linked to M6.1, the result target value, as at end of 2019 was 0.42% compared to a target value of 0.48% to be attained by 2023. |
Focus Area 3A: By the end of 2019, the target on the % of agricultural holdings supported under quality schemes, local markets and short supply circuits, and producer groups/organisations was nil. However, progress was registered on the Nr of operations supported under M4.2 (Programme Specific Target Indicator) contributing to FA3A with 15 operations selected in 2019 compared to a target of 25 to be attained by 2023.

There are therefore significant opportunities to improve the design of relevant measures and capacity-building processes in order to increase the accessibility and attraction of CAP rural development funding to many in Malta’s farming community. New or stronger intermediary organisations or public-private partnerships could be important vehicles for identifying and meeting smaller farmers’ needs for training, advice and business development planning in a cost-effective and appropriately scaled way.

Under the 2014 - 2020 RDP, support through the cooperation measure enabled the setting up of several new partnership institutions promoting enhanced knowledge, skills and innovation in product quality. Nevertheless, there is scope for more such activity and supporting forms of cooperation is still relevant to the local scenario.

Physical investment and investment in research and development will also be needed, to complement enhanced skills and business proficiency among farmers who opt to improve quality and add value to their products. Again, intermediary bodies acting on behalf of specific types or networks of producers with common goals, appear a critical ingredient in making such initiatives successful. Physical investments will build on state-aid schemes provided for farmers and producers, aimed at mitigating the impact of COVID-19 on the agricultural sector.

Marketing and promotion assistance can also be important as part of a strategic and collective approach by producers and processors. This can be tackled through cooperation, knowledge transfer as well as investment measures. More up to date market research, also working alongside Malta’s policies to tackle obesity and encourage a healthy diet, as explained under Specific Objective 9, is also needed.

Among the dairy, pig and processed tomato sectors in Malta which are already well-organised via collective bodies or integrated supply chains (see SO3 for more details), there is scope for considering whole-sector strategic productivity enhancement programmes, to aid competitiveness, enhance market orientation and improve the sustainability of production methods simultaneously. A whole supply-chain programme for particular sectors could be devised to enable targeted and cost-effective investment to meet strategic needs rather than relying upon individual farm-level applications to the EAFRD, which may have less ability to build the sector’s longer-term resilience.

Other areas for worthwhile investment of CAP funds include climate resilient measures that can equip the agricultural sector with mitigation measures to address climate change – these are outlined under SO4.

Thus, the needs identified under this Specific Objective are as follows:

2.1 Build human, social and institutional capital through investment in knowledge, training, advice;
2.2 More co-ordinated and strategic market approaches in the sectors which currently lack this;
2.3 Increase direct selling, adding value, improving processing, marketing facilities and skills;
2.4 Increased understanding of Maltese consumer demand and better tapping of the tourism market;
2.5 Identify and support the investment needs of the sector to increase its market competitiveness.
Strategic Objective 3: Improve farmers' position in the value chain

Context and evidence

There are many agricultural co-operatives in Malta, with membership ranging from just a few farmers to more than 100. The largest membership is found among the livestock sector co-ops, with nation-wide pig and dairy co-ops each having more than 100 members, in 2020, and representing the vast majority of producers in these sectors.

The co-ops in the fruit and vegetable sectors are more numerous and largely organised by geography, covering farmers members in different groups of municipalities. Representing the fruit and vegetable sector, one central co-operative has the largest single share (26%) of all products sold through the central wholesale Ptilkali market, annually; and combines more than 100 farmer members from seven smaller primary co-ops. There are also cooperatives for specialist wine growers, for tomato growers, for potatoes for export, and one with a broader remit promoting rural action, generally.\(^{42}\)

Bijman et al.'s study in 2012\(^ {43}\) for the European Commission estimated that co-operatives accounted for approximately 53% of market share in Malta, which was the seventh highest share among the 27 EU member states, at that time. Bijman et al. (2012) also noted that the cooperative sector in Malta is relatively young. The Colonial Government promoted the formation of such structures, following the end of the Second World War, with the aim of addressing poverty. Bijman et al. (2012) indicate that co-operation in the livestock sectors, mainly the milk producers and the pig breeders, is rather strong, while on the other hand, the fruit and vegetable sector is made up of smaller co-operatives that have a much smaller market share of approximately 20%.\(^ {44}\) Membership of a co-operative thus does not necessarily imply more efficient production of marketing of produce, or stronger bargaining power, in all sectors.

As outlined in the National Agricultural Policy (2018), the fruit and vegetable sector is fragmented with limited producer bargaining power. Most co-operatives provide basic services to farmers, including the supply of products such as seeds, vaccines and other consumables, some representation with authorities, and training courses. Their organisational structure remains minimal and lacks professional resources, strategic direction and innovative approaches. There is an urgent need for upgrading the role and set-up of existing co-operatives and for further organisation, such as the development of inter-branch organisations, to co-ordinate better across the sector in line with present needs.

The value of total agricultural production in Malta at producer prices, in 2014, was €132.5 million Euros. Around 19,000 people are employed in the agriculture sector, but many more are employed in the wider food and drink sector. Eighty percent of Malta’s food and drink companies are Maltese-owned and managed; the industry predominantly consists of Maltese-owned companies. The majority of these companies are focused on the local market, with very limited export volumes.\(^ {45}\) According to the NSO (2020) 11,300 people worked in food manufacturing or food services in 2017: it is not known what share of the c.14,000 people working in retail are working in food retailing as the data from the National Statistics Office does not differentiate types of retailer. Compared to other manufacturing sectors across the EU, the food and drink industry is a key job provider and a relatively stable

\(^{42}\) Koperattivi Malta, [https://cooperatives-malta.coop/](https://cooperatives-malta.coop/)


Generally speaking, bargaining power asymmetries are prevalent in the food chain in Malta. Primary producers only participate in the supply chain to a limited extent, for example in processing, wholesale and direct sales, which can increase their market power. The pie-chart and table (Fig. 3.1) give an overview of the importance of different sectors, based on output value. Horticulture and dairy were the most important sectors in terms of production value in Malta in 2017, but the generally low overall level of output by share of the total EU market is a notable feature of all sectors.\footnote{EC (2019) Analytical factsheet for Malta: Nine objectives for a future Common Agricultural Policy, p.8} Price transmission along the chain is also asymmetric, due to these and other issues.\footnote{Key Policy Objectives of the Future CAP, \url{https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/future-cap/key-policy-objectives-future-cap_en}} The share of value added of primary producers in the food chain has decreased over time in Malta, in favour of food and beverage consumer services (Fig 3.2). The share of value added that returns to agriculture is significantly lower in Malta (14.1% in 2016) than the EU-average (23.2% in 2016)\footnote{EC (2019) Analytical factsheet for Malta: Nine objectives for a future Common Agricultural Policy}, indicating a relatively weak bargaining power by primary producers.

\textbf{Figure 3.1} Agricultural output value, Malta (2017)

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure3_1.png}
\caption{Agricultural output value, Malta (2017)}
\end{figure}

\textit{Source: Eurostat, from EC Analytical Factsheet for Malta 2019}

\textbf{Figure 3.2.} Value Added of Maltese agricultural produce in the food chain (EUR m)

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure3_2.png}
\caption{Value Added of Maltese agricultural produce in the food chain (EUR m)}
\end{figure}

\textit{Source: EUROSTAT}
All the evidence indicates that because of their small scale, whether operating as individual producers, small family-oriented producer groups or small co-operatives, most of Malta’s fruit and vegetable farmers are price-takers with relatively little influence upon markets.

Bringing together these groups into larger-scale collective organisations (e.g. establishing larger Producer Organisations or adopting an ‘interbranch’ approach), could help primary producers protect their interests, but there are barriers to overcome. These include lack of trust, insufficient knowledge of the potential benefits of such forms of co-operation, farmers perceiving other farmer groups as competitors, or wishing to have sole control of their individual production and investment decisions, for historical and/or cultural reasons. There are some examples of successful small-scale collaboration in Malta (e.g. in relation to shared irrigation systems), but these do not translate into supply chain collaborative action.

Increased awareness of the operation of supply chains and alternative forms of organisation would assist farmers and other stakeholders to develop new arrangements.

In recent years the development of two farmers’ markets in Malta has been a success story, shortening the supply chain and improving farmers’ position within it, for a relatively small number of producers. Direct selling of produce from primary producer to final consumer is the shortest supply chain. The share of farms involved in direct selling in Malta is less than 5%, which is comparatively low for an EU Member State. The National Agricultural Policy (2017) states that the farmers’ market was set up to provide consumers with fresh seasonal produce at a more convenient price that avoids the commission paid to the Pitkalija middlemen. Farmers’ markets also consolidate relationships between consumers and producers, providing farmers with the possibility to adjust their supply according to consumers’ needs.

Although participation at the farmers market provides a number of advantages, many farmers do not have adequate human resources to cultivate the land while also hosting a retail stall; this would require either additional salespersons to sell produce or farmhands to cultivate fields. Engaging such additional personnel might not make economic sense for small, part-time farms. Farmers participating in farmers markets are generally family run farming units; some face challenges to cope with the demand generated at the markets, because of their time constraints.

A more co-ordinated approach between groups of farmers to their crop choices and market outlets could maximise the returns of each farmer and improve efficiency in resource use and time management. The formation of cropping clusters would allow each farmer to specialise in a smaller variety of crops, creating a joint approach to the production of fresh produce with other farmers in their cluster. However, to date, no such initiatives have been established successfully.

As regards governance and farmers’ position in the value chain for the rabbit and poultry sectors in Malta, the situation is varied. Rabbit meat is a distinctive market in Malta, and Malta has the highest per-capita consumption of rabbit meat in the EU, with an average annual consumption of 3 kilos of rabbit per person (DG Health and Food Safety, 2017). This market is a much less significant sector in most other EU Member States. Rearing of rabbits is considered mainly as a cottage industry that has taken place in Malta for decades, with many small rabbit farms directly supplying butcher shops and restaurants. A few enterprises have also been established in recent years, where much larger, modern farms deliver a more substantial output. The opportunities to attract young people into the sector are

50 National Agriculture Policy for Malta, 2018 – 2028 (pg. 110)
51 National Agriculture Policy for Malta, 2018 – 2028 (pg. 111)
52 National Agriculture Policy for Malta, 2018 – 2028 (pg. 111)
53 National Agriculture Policy for Malta, 2018 – 2028 (pg. 111)
limited by low returns and a lack of investment funding to enable set-ups, although two larger businesses were established with support from the EAFRD young farmer installation measure, in the programming period 2014-2020.

The National Agricultural Policy notes that rabbit breeders have a competitive disadvantage, given that feed is imported at high costs and therefore locally produced rabbit cannot compete with imported meat solely on price. Retailers and restaurants may not necessarily be interested in the provenance of the product they are selling and may therefore resort to purchasing imported meat, if this increases their profit margins. Local breeders have lost a considerable share of their market since import barriers were reduced on EU accession. Traceability issues need to be addressed, especially to increase consumer trust, but there is little confidence in co-operation between producers to help address these issues, at present.55

A similar set of challenges also affects the poultry meat sector in Malta, where just four processors slaughter Maltese chicken compared to nine, a decade ago. However, during the recent COVID 19 lockdown, one processor saw demand increase via online direct sales to Maltese consumers seeking a fresh and authentic Maltese product.56

Vineyards and wine producers face competition from wines imported from other EU and international producers, and the relative bargaining power of domestic vine growers is low, also due to limited co-operation in the sector. Malta’s largest wineries have no land of their own and buy grapes from a large number of very small producers dispersed across the islands, as well as making wine from imported grapes. Viticulture is therefore a sector that could benefit from more co-operation and better strategic planning but is hindered by low levels of trust between producers and processors. A number of dry winters have negatively impacted the health of vines, with many having to be uprooted. This has led to vine scarcity, as noted in the National Agriculture Policy, and in view of this a vine replanting effort is required so as to respond to demand for Maltese wines among Maltese consumers and tourists.

In recent years, both established and some small wineries started investing in the production of estate wines. Small ‘boutique’ wineries have an interest to produce limited volumes of wine that are of exceptional quality, produced from grapes cultivated in their own vineyards using strict quality parameters (Green Paper on Maltese Wine Sector, MRRA, 2012). In such ventures, wineries have full control over the cultivation process and to the finished wine product. This trend reflects the need to focus on quality wines, in view of the micro-farming nature of vineyards in Malta. Estate wineries produce wines based on a limited yield per hectare so that the production is controlled, and grapes can achieve the required quality parameters.57

Most Maltese olive oil production is undertaken by recreational farmers on very small parts of their land. Olive pressing starts after the maturation period, with most olive oil producers pressing their olives at one of the registered presses, producing oil for their own consumption. Olive oil production was recently regulated through LN 66 of 2014 that is directed mainly at olive oil presses with the aim of controlling the modus operandi for commercial olive oil production in Malta and its placement on the market. Larger operators generally operate their own olive presses and supply a considerable amount of olive oil to the local market and for export. (Malta Agricultural Policy, 2017).

Both olive and sheep and goat sectors have a relatively undeveloped market position with production currently under ad-hoc arrangements and not generally well-co-ordinated. Goats and sheep in Malta are primarily reared for milking, and very often farmed together.

- The total goat population in the Maltese Islands at the end of December 201458 amounted to

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55 Interview with rabbit sector representative, May 2020.
56 Interview with poultry processor, July 2020.
57 National Agricultural Policy for Malta 2028-2028, p.47
58 Agriculture and Fisheries 2014 – Valletta: NSO, 2016
4,627 heads. The largest concentration of goats is found in Gozo with 25% of the population, followed by the South-eastern district at 23% and the Western district with 19%. A large percentage of goats bred in Malta (43%) are held on small farms with fewer than 10 heads. The number of farms with a herd size between 10 and 49 goats represent 36% of the population in Malta and 15% in Gozo. 23% of goats in the Maltese Islands are bred on farms with herd sizes larger than 50.

- In respect of sheep, total population in the Maltese Islands at the end of December 2014 amounted to 10,526 head. The largest concentration of sheep is found in Gozo with 27% of the population, followed by the South-eastern district at 23% and the Western district with 22%. The number of farms with a flock size between 10 and 49 sheep represents 46% of the sheep population in Malta and 42% in Gozo. 22% of sheep in the Maltese Islands are on farms with flock sizes greater than 50 heads.

Sheep and goats’ milk is used mainly for the production of traditional cheeselents, known as ġbejna or ġbejniet that are sold fresh on the same day of production. Dried, pickled cheeselents, whether plain or seasoned, are also popular and have a longer shelf life than fresh ones.

Vertical integration is quite common between producers and cheese processing and much cheese is produced by the farmers themselves, as noted by Attard et al., 2018, but links to retail and hospitality sectors are less well-established: marketing is often informal and by word of mouth. There was an initiative in 2013 by producers in the sector to seek a PDO designation for their cheeses and a detailed case was assembled, however, no further progress has been registered to date.

Many producers in the sector continue to use premises which are in need of improvement for, but there is a lack of access to small-scale capital with which to invest. Another problem faced by the sector is a lack of grazing opportunity; Malta has no pastureland and its semi-natural vegetation is largely designated as non-agricultural and protected due to its high biodiversity value, meaning that graziers must instead purchase feed for their stock and keep them indoors. All these factors currently limit the opportunities for sector expansion despite the distinctive and valued attributes of its main cheese products. An organisation representing the sector has been formed in recent years and is keen to build a stronger strategic approach, for the future.

Honey is a production sector with some evidence of producer co-operation and developing market visibility and strength, particularly in respect of tourism. According to the Malta Agricultural Policy (2017), the demand for honey is larger than the current supply, and beekeeping also supports pollination to Malta’s unique flora. These factors suggest that action to strengthen the market position of Maltese honey would bring benefits.

In summary, in relation to this Specific Objective, the National Agricultural Policy makes reference to a number of issues, all indicative of poorly developed supply chain co-ordination, with implications for producer bargaining power. These indicate a need to consider the basic building blocks for enhanced co-operation and governance structures, which must begin with human and social capital development and capacity-building.

Experience from the previous period of the Rural Development Programme (RDP AIR 2018, MEAE) has demonstrated that simply promoting further co-operation through direct funding is difficult to accomplish unless farmers, farm families and small co-operatives are given the information, skills and confidence to engage in such activities, as well as an enhanced awareness of the financial and other

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59 National Agriculture Policy for Malta, 2018 – 2028, p.78
60 Agriculture and Fisheries 2014 – Valletta: NSO, 2016
61 National Agriculture Policy for Malta 2028-2028
64 Interview with sheep and goat sector representative, June 2020
benefits that could ensue from a stronger engagement in collaborative supply chain actions. New institutional and multi-actor initiatives may be needed in order to provide such impetus for change. As mentioned also in SO2, the recent applications for funding under Malta’s RDP for the co-operation measure give some evidence to demonstrate that certain groups of farmers, farm organisations, government institutions and researchers have identified the potential benefit of joining together in collective action to seek to address various strategic challenges.

**Strengths**

As also noted in Specific Objective 2, Maltese farmers produce a diversity of fresh produce, with 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.

Maltese products include some with a strong brand image, such as the Maltese *gbejna*, *kunserva*, honey, and wine, some of which have specific rules governing product ingredients, methods of manufacture and/or other local speciality features which help to maintain a distinctive market offer. The volume of these products is low in comparison to the potential market within Malta and for export, meaning little risk of market saturation.

With a specific range of quality Maltese products already known by many consumers, farmers have the advantage of freshness and proximity to domestic markets.

In the dairy and pig sectors, established co-operative structures that can manage both production and processing facilitate systems from which producers should gain bargaining power. In Malta’s other agricultural sectors including sheep and goats and honey, recent creation of informal networks between groups of producers indicates an interest in better organisation with a view to strengthening their bargaining power and improving returns.

**Weaknesses**

Maltese farmers have low levels of co-operation and weak bargaining power in those sectors where consumers have little awareness of the provenance of food ingredients, and/or competition from low-cost producers in other countries is fierce. This applies to many fruit and vegetable products both fresh and processed, also to poultry and rabbit meat, many wines and some olive oils.

In the pig meat sector, Maltese processors source their raw materials from Maltese producers and also from imports, whenever costs dictate. This means that the sector in Malta has a very weak bargaining position vis-à-vis added value meat products.

A general weakness applying to several sectors is a lack of control on the quality and origin of imports; with a propensity of processors and retailers to use or sell imported products as local produce, as noted in the Malta Agricultural Policy. This pattern is linked to lack of transparency and traceability in the sale and marketing of fresh produce, in Malta. Poor traceability, inconsistent quality and supply as well as profiteering are significant issues for all fresh produce sectors, and for some farm inputs, with significant scope for supply chain improvements.

Existing supply chain arrangements can be a barrier to increasing producer influence over the prices that they receive and the conditions under which they work. A more open dialogue concerning the issues and uncertainties in marketing routes and conditions for fruit and vegetables, wine and small livestock products and sectors is needed, to overcome this weakness. Inter-sectoral competition may also be holding back beneficial developments in some sectors, such as a stronger quality mark and recognition for the traditional Maltese sheep and goats’ milk cheeselets; which should be addressed.
Limited cooperation is the result of numerous barriers, including lack of trust, insufficient knowledge of the potential benefits of co-operation, farmers perceiving other farmer groups as competitors, or wishing to control their individual production and investment decisions, for historical or cultural reasons.

Opportunities

More significant cooperation between farmer groups (Producer Organisations and co-operatives), and in the framework of the farmers’ market, could enhance the strategic organisation of producers and the way in which they manage their products. For example, it would be possible for individual producers to come together in clusters which each focus on a small variety of crops in a co-ordinated way, which would lead to better economies of scale and more efficiency.

The good quality of broadband coverage and infrastructure in Malta mean that rural communities across the islands have access to the internet. There are therefore increasing possibilities for direct selling to consumers via online ordering and home deliveries – such methods are currently being successfully employed by some producers during the current COVID pandemic.

Other measures that could strengthen local value chains include increased consumer awareness and promotional campaigns about local and seasonal produce, building consumers’ understanding of the importance of contributing toward the local agricultural community and its role in maintaining and enhancing the rural landscape.

Expanding the number of quality schemes and promoting the benefits of choosing seasonal local produce can also provide farmers with the necessary incentive to increasing number of consumers that may be willing to purchase local produce, even at a premium price.

Facilitating strategic investment and quality standards (e.g. PDO) in the sheep and goat sector could help to maintain this distinctive Maltese product by strengthening producers’ ability to seek a good return from more professional product marketing.

Threats

Various imported primary products will be inherently cheaper than local produce, due to current low shipping costs and better economies of scale in other countries. As a result of this, local produce cannot compete simply on the basis of cost. Low levels of inter-sectoral trust and a lack of identification of common interests in promoting Maltese products threaten the diversity of Malta’s product base and the future for producers in some smaller sectors.

Low levels of consumer / buyer awareness and interest in quality produce that is home-sourced, especially among caterers and those in the tourism and hospitality sectors, threaten the ability of Maltese farmers to pursue a strategy of quality over quantity and to seek a reasonable return on their investment of time and resources in agriculture.

Implications for needs and the case for intervention

The SWOT highlights the urgent need to enhance farmers’ position in most Maltese supply chains through an increased strategic emphasis upon Maltese Quality Products and specific branding and market development. However, there is a need to consider the relative state of development of these options in each sector, in order to prioritise actions for the 2021-2027 period that can best lay the foundations for positive developments in the medium to longer term. Different strategies are likely to be optimal for different agricultural sectors, and each must be tailored to the specificities of the challenges faced and resources available, in each sector.
More generally, there is an important need to raise consumer and buyer awareness of the value and wider societal benefits of home-grown agricultural produce that is produced in sustainable ways and to a high-quality specification. Information campaigns on the importance of supporting the local sector and seasonal produce have been shown as potentially valuable through recent NGO activities\(^{66}\). These can help to increase demand for Maltese produce which will in turn increase the bargaining power of Maltese farmers \textit{vis à vis} competitors from other countries. The new Malta Food Agency should be key, in pursuing these goals by helping producers improve quality and helping consumers to identify and support quality local produce.

The provisions under the CAP can be used to help farmers in Malta to co-operate and to seek better market niches for their products, emphasising quality over quantity. Opportunities for development can be found in investments to strengthen Malta’s Agricultural Knowledge and Innovation System (AKIS), that could increase farmers’ bargaining power through acquired knowledge and enhancement of traditional working methods.

Fostering enhanced strategic-level co-operation in fruit and vegetable sectors may require new partnerships between farm families, existing small co-ops, appropriate advisory or KE brokers and those with research and innovation skills as well as market research capability, to provide a strong enough grouping of actors to achieve increased bargaining power in the supply chain. These partnerships are unlikely to happen quickly or without some kind of independent facilitation or incentive to bring people together in this way. The role of government agencies and local governance and enterprise structures, including Local Action Groups, could be very important, in this regard.

Rural development measures including aid for processing and marketing and support for promotion and adding value can be utilised in pursuit of these ends, so long as producers themselves recognise the gains to be made from these activities. Evidence from previous evaluations at EU level suggest that offering such aid in strategic packages, linked to multi-actor plans drawn up at sector level and, where possible, delivered via trusted intermediaries (co-operatives or sector representative bodies, perhaps working in partnership with advisory or training providers), can ensure that funding reaches those with the greatest need and potential for benefit. Physical investments will build on state-aid schemes provided for farmers and producers, aimed at mitigating the impact of COVID-19 on the agricultural sector.

Where awareness of such opportunities is low, support for advice, capacity-building and/or training to help raise awareness can be an important first step to increasing farmers’ bargaining power in value chains. Actions in which government-sponsored actors and agencies such as AGRIHUB and AGRICONNECT can take the role of enabler, working closely with sector representatives and potential innovators to stimulate new collective action, are likely to be important in all those sectors where current levels of trust and organisation are quite low – e.g. sheep and goats, vines, fruit and vegetables, olives.

Improved co-ordination in the fruit and vegetables sector offers much scope for producer and consumer benefits but this is unlikely to happen without some involvement of actors beyond the sector itself.

\(^{66}\) Friends of the Earth, Food, Agriculture and biodiversity. [https://foemalta.org/our-campaigns/food-agriculture-biodiversity/](https://foemalta.org/our-campaigns/food-agriculture-biodiversity/)
Specific Objective 4: Contribute to climate change mitigation and adaptation, including by reducing greenhouse gas emissions and enhancing carbon sequestration, as well as to promote sustainable energy

Context and evidence

The Energy sector is the highest overall contributor to greenhouse gas emissions in Malta, by a significant margin over other sectors. The Energy sector is strongly influenced by emissions from the two main category contributors, energy generation and transport – see figure 4.1 (Malta NIR, 2019). By contrast, total emissions from agriculture are comparatively modest and have not increased in share, in the last 30 years – indeed the NIR reports a 15% decline from 76.6 to 65.1 Gg CO2 eq. between 1990 and 2017. Also important and unusual is Malta’s almost nil contribution to emissions from LULUCF, reflecting its lack of forests and relatively stable patterns of land use over the period.

Figure 4.1 GHG emissions, Malta, by source (NIR 2019)

Agriculture contributes to GHG emissions largely in the forms of methane and N2O from manures and fertilisers, respectively, but whereas agriculture is a minor contributor to methane emissions, it is the major source of emissions of nitrous oxides, in Malta (NIR, 2019) – see figures 4.2. and 4.3. Methane emissions result from enteric fermentation of ruminants such as cattle, sheep and goats and also from manure decomposition, that also produces nitrous oxide emissions. Additionally, soil nitrification and denitrification produce nitrous oxide emissions, and the manufacture and application of nitrogenous fertilizer releases significant amounts of carbon dioxide and nitrous oxides into the atmosphere.
Looking at the composition of emissions from agriculture, the three largest sources are enteric fermentation, manure management and managed soils, respectively. Energy use in agriculture is not large enough to figure on the graph (figure 4.4). Managed soils refers to cropped areas on which nitrogen fertilisers and manures from poultry, rabbits and sheep and goats are applied. Manures from pigs and dairy cattle are mainly stored as slurry, then collected and disposed of as waste through Malta’s central waste treatment facilities.

Among all sources of greenhouse gas emissions, only the manufacture of N-fertilizer, energy and fuel consumption and the clearance of permanent vegetation involve the release of GHG from long-term reserves; other sources come from current cycles (such that they release only what is locked up within plants within a short timeframe). However, the share of agriculture in Malta’s total net emissions is comparatively low, and ammonia emissions negligible, when compared to the EU-28, even though the intensity of emissions per hectare is comparatively high (Fig. 4.5). This reflects the predominance of intensive forms of production (e.g. horticulture, dairy) but the still marginal nature of agriculture as a sector within the Maltese economy.

The NIR reports that ‘the rate of Nitrogen fertilizer application to Maltese fields is not available.

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However, a new methodology has been drawn up to estimate the fertilizer application rates, which is based on consumption and application data, but dependant on the yearly variation in the UAA. Efforts keep being made to improve the data and to get access to country-specific values for more accurate reporting, particularly data on animal numbers, animal characterisation, animal waste management systems, fertiliser use, cropping systems and agricultural land area (Malta NIR, 2019).

**Figure 4.4** Emission trends for Agriculture – total and by category (NIR, 2019)

![Emission trends for Agriculture – total and by category](image)

**Table 4.1** estimated Nitrogen application to Maltese farm fields, trends over time (NIR, 2019)

<table>
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<tbody>
<tr>
<td>N application rate</td>
<td>kg N/ha</td>
<td>36.31</td>
<td>80.82</td>
<td>80.09</td>
<td>57.7</td>
<td>48.19</td>
<td>46.78</td>
<td>49.06</td>
<td>49.08</td>
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<tr>
<td>Annual amount of synthetic fertilizer N applied to soils</td>
<td>kg Nyr⁻¹</td>
<td>466143</td>
<td>780228</td>
<td>714983</td>
<td>5892</td>
<td>58925</td>
<td>617749</td>
<td>568151</td>
<td>585487</td>
</tr>
<tr>
<td>Annual amount of animal manure N applied to soils</td>
<td>kg Nyr⁻¹</td>
<td>2081353</td>
<td>2047544</td>
<td>2016599</td>
<td>1916204</td>
<td>1715073</td>
<td>1646161</td>
<td>1573478</td>
<td>1568117</td>
</tr>
<tr>
<td>Annual amount of N in crop residue returned to soils</td>
<td>kg Nyr⁻¹</td>
<td>878682</td>
<td>9003181</td>
<td>553358</td>
<td>728056</td>
<td>773171</td>
<td>787398</td>
<td>826428</td>
<td>816572</td>
</tr>
<tr>
<td>Annual amount of N mineralization associated with loss of soil</td>
<td>kg Nyr⁻¹</td>
<td>758</td>
<td>744</td>
<td>2541</td>
<td>18672</td>
<td>39002</td>
<td>57309</td>
<td>60725</td>
<td>64560</td>
</tr>
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Source: EEA

Agriculture is more vulnerable to climate change than most other sectors of the economy since it affects both the natural cycle of crop growth and the physical infrastructure required to support agriculture.
Agriculture has important potential to contribute to climate change mitigation by removing greenhouse gases from the atmosphere through plant growth and good soil management. Soil organic matter (SOM) is a vital carbon store which can be increased with appropriate agricultural management; and permanent crops and tree cover in farmed landscapes also help to act as carbon stores or sinks. Current data on C-content in Maltese soils suggests scope for improvement. As reported in SO6, the ESDAC database estimates topsoil organic matter content for Malta of less than 0.1 peta-grams in total, or well below 1%. However, empirical surveys in recent years suggest higher figures: The average soil organic carbon content for sample sites across Malta that were assessed in both 2003 and 2013 (70 sites in total) was 2.11% for 2003 and 2.30% for 2013. 59% of locations assessed in 2013 had higher organic carbon content than the same locations in 2003. The Rural Development Programmes for Malta 2007-2013 and 2014-2020 supported a number of measures to combat soil degradation and reverse decline of organic matter. The SoER 2018 suggests that ‘the observed increase in soil organic matter may in part be the result of such initiatives.’
It is important for farms in Malta to increase soil organic carbon, which is the major component of soil organic matter, and is extremely important in all soil processes. It is important for the soil’s ability to bind water and thus cope with large fluctuations in precipitation, which is a key concern for Malta in terms of climate adaptation. The annual rate of loss of soil organic matter can vary greatly, depending on cultivation practices, the type of plant/crop cover, drainage status of the soil and weather conditions.

Given these factors, it is important to improve the resilience of agricultural systems, in order to better withstand climate change impacts (adaptation). Sustainable agriculture needs to be designed to cope with the changing climate, which in Malta means higher summer temperatures, a much reduced annual rainfall with longer dry summers, and more extreme weather events such as storms, gales and hailstones, which occur most often in autumn, winter and spring.

At the same time, it is also important to reduce the negative impacts of Malta’s agriculture upon GHG accumulation, and to seek to increase the positive impacts whereby agriculture can lock up more carbon through enhanced soil management and appropriate land use choices, and also contribute to the generation of renewable energy (mitigation). This would imply reducing use of manufactured...
chemical N-fertilizers and reducing methane emissions from livestock wastes through more efficient management; also considering a shift in land use from annual cropping to permanent tree crops or other vegetation, and the planting of more trees in the farmed landscape, especially indigenous species that are well-adapted to Malta’s dry climate. Better soil husbandry to increase the carbon content of Maltese soils, would also be beneficial for climate mitigation, and Maltese rural areas can also make an important contribution to renewable energy and enhanced energy efficiency which will reduce the country’s energy dependence upon fossil fuels.

Climate change adaptation

The positive and negative effects of climate change are mainly driven by changes in rainfall patterns, changes in temperature, frequency and severity of extreme events, also rise in sea level, which make the cultivation of certain crops more difficult in southern regions (see SOS for more details). In Malta, the likelihood is that rainfall will reduce, summer temperatures and drought will be higher and longer respectively, and winter crop growth will be more threatened by severe damage from extreme weather events. The National Adaptation Strategy (2012) adopts a holistic approach to Climate Change Adaptation in Malta, identifying climate change impacts with particular reference to health and socio-economic policy, water and flooding as well as biodiversity, agriculture and fisheries.

Climate change will increase water scarcity and extreme weather events in Malta including flash flooding, severe storms and heatwaves. Rainfall is seasonal, with 70% of the annual precipitation occurring from October to March. During the short winters sufficient rain falls for crop irrigation but soil retention does not provide sufficient storage for the relatively warm and dry spring seasons. There are no perennial surface streams in Malta and rainwater only flows along the bed of major valleys for a few days after heavy downpours, with about 6% of the total precipitation finding its way directly into the sea via this surface runoff.

Malta is amongst the world’s top ten water scarce countries with only 60m³ of naturally occurring freshwater per capita from groundwater, 120m³ including harvestable rainfall. The limited water resource makes the country dependent on desalinated water for around 57% of its potable water production (Malta Natcom, 2014). Desertification, soil and coastal erosion are all significant effects of climate change on soil, which may lead to soil depletion and increase pressures on the agricultural sector, since soil is a scarce resource.

Figure 4.5 Trends in maximum annual temperature and in heatwaves, Malta, 1967-2014

Many of Malta’s more valuable and currently competitive agricultural sectors are climate-vulnerable. Indoor livestock and horticulture rely upon inputs that must be currently imported using fossil fuels, and the infrastructure of glasshouse production sectors suffer damage due to extreme weather events. A continued supply of suitable quality water for crop irrigation and to meet the needs of livestock producers is essential and at present, this is vulnerable to the imminent risk of aquifer exhaustion and degradation, although alternative water sources are being actively developed and rolled out across the islands. Malta’s 2nd Water Catchment Management Plan (WCMP) has taken considerable water demand management measures to mitigate water scarcity, such as reducing water leakages, harvesting of rainwater, recycling and reuse of water resources. Plans are underway for Malta’s 3rd Water catchment Management Plan that will include further measures for improved water management.

Further adaptation in Maltese agriculture thus implies some shift of cropping and husbandry systems towards more drought-tolerant and less fragile options, which could include a range of possibilities such as permanent crops (citrus fruit, vines and other drought-tolerant fruit trees/bushes, olives, nuts, carob and niche options such as herbs and spices); also more robust indoor or closed agricultural systems such as hydroponic activity and vegetable production; more extensive and low-impact livestock systems such as low-density sheep and goat production with outdoor grazing, rather than more intensive indoor systems dependent upon bought-in feed, which has a much higher carbon footprint than semi-natural vegetation. Some of these options have been considered and planned for through Malta’s Agricultural Policy for the Maltese Islands 2018-2028 whereby policy measures encourage agricultural practices that use new technologies that have a lower impact on the environment and significantly reduce GHG emissions.

Climate change mitigation

With the adoption of the Doha amendments to the Kyoto Protocol, an overall quantified GHG emission reduction target of 20% compared to 1990 levels has been inscribed for Malta for the second commitment period. Malta faces considerable challenges in respect of this reduction target: national emissions have grown by 52% between 1990 and 2012, with the main sources being energy generation and transport (Aquilina et al, 2014).

Maltese agriculture, like many other sectors, is heavily reliant upon processes and inputs generated through fossil fuel use which contributes to climate change. Also, as described in more detail for SO 5, Maltese soils are relatively low in carbon and the landscape consists of various habitats including steppe, garigue and maquis that include low lying shrubs, small trees and sparse vegetation that is typical of Mediterranean countries (Figure 4.6), so its inherent ability to absorb carbon dioxide is limited.
Malta planned to have 6% of its UAA under Agri-environment and climate measures in 2017, the physical area in 2017 (9.6%) was above the target as illustrated in Figure 4.8. However, only 5% of the agricultural land was under contracts to improve soils in 2018.

Malta’s Low Carbon Development Strategy highlights the importance of sustainable development and its importance in achieving economic, social and environmental goals. In view of Malta’s limited land space, Government aims to ensure that land space can be used to generate renewable sources of energy, as enshrined in Malta’s National Renewable Energy Action Plan, however such scope within the agricultural sector remains limited.

Wind is an ever-present feature, but its temporal variability renders it a difficult source for renewable energy except at micro-scale, and Malta’s tidal variation is too limited for this to be a viable source. Bioenergy from cropping is not favoured due to the high population/low availability of land and low compatibility of climate for such crops.

The Agriculture Policy also tackles the issue of farm waste, ensuring adequate manure management to reduce its greenhouse gas emissions while at the same time, generating revenue that can offset the costs that are required for combatting pollution. On the other hand, the National Inventory Report (2018) notes that greenhouse gas emissions from agricultural waste are not considered to be a significant source in Malta, by comparison with other much larger sources.

**Strengths**

Malta has an abundance of sunshine especially in the summer months when the islands are most populated by residents and tourists, enabling effective generation of solar power and renewable clean energy when it is most needed, to support hospitality and productivity.

As a small island, co-ordinated action across sectors to mitigate climate change is potentially more feasible than in other, larger Member States.

Some indigenous and potentially high-value and distinctive agricultural products are already well-adapted to Malta’s dry climate and extreme weather conditions; permanent crops including olives, vines and carob, and there are market opportunities to expand production in these sectors.

Co-operation in the large livestock sectors (pigs and cattle) should facilitate the co-ordinated collection and treatment of manure in ways which can reduce their contribution to global warming and maximise their value for renewable energy generation, through anaerobic digestion plants, or incineration of dry matter once separated from the liquid component.

An increase in the relative share of horticultural production that takes place in glasshouses and polytunnels, as compared to open fields, provides increased scope to manage environmental impacts more efficiently (e.g. through more efficient water and nutrient use and temperature regulation), although consideration should also be given to ensuring efficient use of plastics and minimising single-use plastic constructions. At present, Malta has met its targets for plastic recovery from wastes, and this material is exported for recycling, an activity which generates modest income for Maltese waste authorities (Malta Waste Management Plan 2014-2020). Significant expansion of production under plastic or glass is subject to strict planning controls which seek to minimise the impact of such development upon the landscape and natural environment.

**Weaknesses**

Malta has several sources of weakness relating to water, fossil fuel consumption, and impacts on climate change. Malta’s infrastructure is currently not well-designed to encourage water efficiency in urban or rural settings: the former effective rainwater harvesting infrastructure is derelict and damaged in most of the rural areas, and insufficient in urban locations. There is a nationally funded scheme aimed at restoring wells/cisterns in residential dwellings. This scheme provides a grant of 50% of the eligible costs up to €1000, and the RDP has supported the construction of various underground reservoirs. As water scarcity is set to increase due to climate change, this remains a significant
weakness for the future.

Malta’s agriculture in some sectors is heavily dependent upon fossil fuels – e.g. for imported feedstuffs, chemical fertilisers, plant protection products and veterinary medicines, for the extraction of water from underground sources and for heating or cooling indoor livestock facilities which leads to further greenhouse gas emissions. Only 0.9% of total energy use in Malta is used in agriculture – this is one of the lowest shares of all EU Member States. 80

Some kinds of intensive glasshouse production use inputs with a very high carbon footprint (e.g. soil sterilisation). High nitrate loading in soils and water increases the likelihood of N-containing gaseous releases from agricultural practices, and nitrous oxides which are particularly strong contributors to climate change in Maltese agriculture.

The safe and effective management of manures from small livestock (rabbits, poultry, sheep and goats) in Malta is not guaranteed, as use of these wastes is largely informal and rarely subject to nutrient monitoring and planning. On the other hand, management of manures from indoor dairy herds and pigs is largely controlled through centralised collection and treatment at waste management plants.

Knowledge concerning best practice for adaptation and mitigation to climate change in agriculture is not well-embedded across the farming community in Malta. There is a lack of accessible research and knowledge exchange on the topic of how best Maltese producers can switch to more climate-friendly production methods, including reduced reliance on chemical fertilisers and pesticides, water-saving practices, and alternatives to the use of fossil fuels (e.g. for groundwater abstraction, transport of goods to market, cooling.)

Poor knowledge and understanding of the scope and significance of climate-mitigating measures and strategies in Maltese agriculture threatens the viability and extension of climate proofing in this sector. Soil erosion leading to desertification as a result of climate change can have substantial challenges on the natural environment and agriculture, and mitigation measures have been included in Malta’s National Agricultural Policy 2018–2028. 81

Opportunities

Opportunities in developing Malta’s AKIS could contribute to Climate Change mitigation as well as circular economy measures, as proposed by the EU’s Green Deal and Farm to Fork Strategies. 82 Supply chain co-ordination and planning in pig meat and dairy sectors could be used to help producers to switch away from high fossil-fuel demanding feedstuffs and other inputs, towards more sustainable and low-carbon alternatives.

More research is necessary to help producers consider switching to less climate-vulnerable production systems, e.g. moving from dairy cattle to buffalo or goat dairying; switching choice of vegetables to drought-tolerant species and varieties and moving into various forms of permanent cropping.

The lack of formal and effective treatment and use of manures from poultry and rabbit sectors to supply land-based production sectors with lower carbon inputs provides an important opportunity to invest in market research, product development and promotion on this topic.

82 European Union, Farm to Fork strategy for sustainable food, 2020; https://ec.europa.eu/food/farm2fork_en
The short distances between farms in some areas could facilitate sharing of climate-friendly technologies such as rainwater harvesting capacity and renewable energy generation.

Training and awareness raising will be an essential element alongside more concrete actions to assist appropriate investment and market development, to avoid the situation where Malta’s farms become too climate-costly to be supported in future, leading to abandonment and decline in food security.

**Threats**

The Maltese Islands are particularly susceptible to the effects of climate change including flooding, desertification, coastal erosion leading to soil erosion, water scarcity, drought, the impacts of more intense storms, rise in sea levels, and other climate changes. 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. This threat was also identified in the RDP 2014 – 2020 and remains very relevant.

Small farms with limited access to capital, but also larger, well managed farms, 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. Due to limited risk prevention measures in place, as well as the absence of suitable insurance schemes that could support the farming community when required, Maltese farmers will be more exposed to financial disaster in the coming years. Understanding the risks faced, mitigation measures, and provision of suitable agricultural insurance, are all required. However it is also important to learn the lessons of the most recent RDP period, in which risk management schemes were an option offered for funding within the Programme but they failed to attract any response to calls by financial providers in Malta, due to the small-scale and low level of financial revenue generation of Maltese agriculture compared to other sectors of the economy. New instruments and approaches, possibly designed in partnership with farmers, farm cooperatives, main food chain actors and/or non-Maltese financial sector actors, might prove feasible in future.

**Implications for needs and the case for intervention**

There is a continued need for urgent intervention to encourage decarbonisation in Malta’s farm sector alongside action across the wider economy. Renewable energy, reduced reliance on imported inputs and greater re-use and recycling of basic resources and agricultural wastes continue to merit investment in infrastructure and farm level actions alike.

Already, producers have shown themselves willing to support on-farm diversification into renewable energy options via a good uptake of the appropriate measures (including investments and training) under the 2014-2020 RDP. Although the AIR 2019 reports the result indicator (T15) on the total investment in energy efficiency (€) (focus area 5B) as nil, and progress under result indicator T16: Total investment in renewable energy production (€) (focus area 5C) as nil at end of 2019, these values are misleading since reporting structures require the allocation of these commitments towards the FA to which the predominant allocation contributes. In these cases, investments will also be contributing to FAs 2A and 2B to enhance the competitiveness of farms and generational renewal through restructuring and investment activities, each of which reported good progress (restructuring of 65 holdings, and 55 holdings benefiting from Young Farmer installation and business plans).

Both roof-mounted solar PV, and anaerobic digestion plants generating energy from agricultural wastes and crop residues, have potential for further expansion. For solar investments, individual producers may be able to contemplate them whereas for anaerobic digestion it is more likely that collective proposals will be needed. Such physical investments can build upon state-aid schemes

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provided for farmers and producers, aimed at mitigating the impact of COVID-19 on the agricultural sector – although of course they need to focus on the longer-term resource needs of the sector, beyond COVID recovery.

Malta’s agricultural sector may stand to gain from increased participation with research platforms, such as the Partnership for Research and Innovation in the Mediterranean Area (PRIMA), which is a joint programme focusing on the development and applications of solutions for more sustainable management of water and agro-food systems, and reduction of waste losses in the Mediterranean basin.\(^{84}\)

Support for innovation to encourage farmers to consider new systems which are more climate-friendly and resilient, would be particularly valuable. In order for such support to be effective, prior promotion and education of farmers in climate change issues and scenarios for Malta will also be essential. Training and advice will play an essential role here, not just in raising awareness about risks faced, but also potential strategies and technologies for decreasing risk and adapting to change. Training will also be required in partnership working and collaborative actions, as well as working with the existing co-operatives across the farm sector to encourage them to develop more climate-proof strategies. The AGRICONNECT and AGRIHUB services could potentially be relevant in this context.

Additionally, there is also scope for intervention through the programming of EAFRD agri-environment-climate measures and/or eco-schemes under EAGF that can contribute to climate adaption or mitigation.

Strategic Objective 5: Foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency

Context and evidence

The efficient management of water and air is fostered at EU level by the Water Framework Directive (2000/60/EC) and the Ambient Air Quality Directive (2008/50/EC) which set targets and dates for achieving more sustainable natural resources management. Their provisions are also linked to legislation on emissions in the context of air quality and climate change (NEC Directive (EU) 2016/2284), and sustainable use of pesticides (SUD Directive 2009/128/EC). These form a framework against which Maltese policies and action on water, air and the impacts of agriculture on natural resources must all be considered. They are incorporated within the Malta Environment Protection Act (Cap 549).

In Malta the spatial pattern of soil types is very intricate, both in semi-natural and agricultural areas and different soil types often occur within a single field or within a distance of few metres (SoER, 2018). The first comprehensive soil survey of the Maltese islands was carried out by Lang, in 1960. The findings of Lang (1960) on the Maltese soils which are still valid\(^1\) were that soils are largely artificial, being man-made or altered; highly calcareous, with some soils of the ‘Terra’ group relics, dating back to periods of wetter climate; and where soil differences are dominated by variation of the parent material. Natural profiles show scant differentiation below the ‘very thin humus horizon’ as noted in the Soil Baseline Survey held in 2013.\(^{85}\) The ESDAC database estimates topsoil organic matter content for Malta of less than 0.1 peta-grams in total, or well below 1%\(^{86}\). However, empirical surveys in recent years suggest higher figures: The average soil organic carbon content for sample sites across

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Malta that were assessed in both 2003 and 2013 (70 sites in total) was 2.11% for 2003 and 2.30% for 2013. 59% of locations assessed in 2013 had higher organic carbon content than the same locations in 2003. The Rural Development Programmes for Malta 2007-2013 and 2014-2020 supported a number of measures to combat soil degradation and reverse decline of organic matter. The SoER 2018 suggests that ‘the observed increase in soil organic matter may in part be the result of such initiatives.’

Terracore (2013) concluded that in Malta, the pressures on land have increased, as a consequence of increasing urbanisation, development and intensification of agricultural systems. In Malta, the main threats to soil are erosion, decline in organic matter, soil contamination, and salinization. Moreover, Maltese soils are susceptible to desertification as a direct effect of climate change which poses a major threat to the natural environment in view of the importance of soil as a habitat to support ecosystems as well as to sustain agricultural activity.

Malta’s soil is naturally low in soil organic matter (SOM), as result of the local climatic conditions. The State of the Environment Report (2018) notes that this situation is similar to that of other countries in Southern Europe. The majority of Maltese soils, 58%, have a low or very low soil organic carbon content (< 20 g/kg). Most Maltese soil also has a clay texture with frequent stones, an alkaline pH arising from the calcareous geology, and moderate fertility with some quite high levels of minerals such as lead, copper and arsenic.

Soil erosion is exacerbated by various factors, including land fragmentation and abandonment, unsustainable agricultural practices and rapid urbanisation and is triggered by both natural and anthropogenic factors, including steep gradients, intense precipitation, low vegetation cover and inappropriate land use. Loss of topsoil, that is the most fertile part of the soil profile, causes most concern. The estimated proportion of the UAA at risk of soil erosion in 2018 in Malta was 19.3%, higher than the EU average, and the estimated proportion at risk from erosion by water in 2012 was 10% (Figure 5.1).

The calculated total soil volume eroded annually in National agricultural areas amounts to 766,278 m³, a significant cause of which is identified as land abandonment leading to a lack of maintenance of traditional terraces with rubble walls, that contain the soil on sloping land. The yearly cost incurred by the average agricultural farmer to replace eroded soils and artificially maintain soil quality in erosion affected areas amounts to over 65% of the average yearly economic revenue from Maltese Utilised Agricultural Area.

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87 State of the Environment Report, Malta, 2018 – Land and coast, p.37
91 Ibid.

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Apart from marking boundaries, traditionally built rubble walls, consisting of random stone walls and traditional rubble walls built using traditional methods and techniques using random rubble (sejjieħ), without cement or mortar, have important environmental roles. Rubble walls enable slopes to be modified to terraced fields, aid soil retention in fields, shelter crops in exposed areas and serve as habitats for local flora and fauna. Rubble walls also form an integral part of the rural landscape of the Maltese Islands.

Horticultural cropping has led to high levels of use of chemical fertilisers in recent decades: in 2007, the gross nitrogen balance of Maltese soils was estimated to be 2.5 times higher than the median value for the EU-27 (NSO, 2007) and by estimated gross nitrogen balance in Malta amounted to 147, by comparison to the EU average of 47, which was the third highest value per Member State, after Cyprus and the Netherlands.

Figure 5.2 Estimated gross nutrient balance (Kg N/ha/year), 2017

Soils on Malta are vulnerable to erosion by rain and wind and also to salination linked to the continued use of irrigation water from boreholes tapping into the diminished groundwater aquifers which are slowly drawing in saline water from the surrounding sea. Maltese aquifers are subject to seawater intrusion that results in high levels of chloride concentrations in aquifers. Thirteen of the fifteen aquifers have also been reported as being heavily polluted by nitrates, sourced primarily from the excessive use of natural and artificial fertilisers in arable agricultural practices. (SoER, 2018)

While certain agricultural practices lead to a negative impact on soil quality and increased soil erosion,

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adequate soil quality is required for agriculture, in order to provide farmers with a significant income. Actions aimed at improving soil quality and preventing irreversible degradation are of utmost importance, not only to ensure optimum soil status but also a soil that can support productive agriculture. Only 0.4% of the agricultural land is organically farmed and this has only been established in recent years. Livestock numbers in Malta have been declining over the past decade in all sectors except poultry, but it should be noted that all livestock are currently housed – there is no outdoor grazing livestock in Malta. Whilst overall livestock density in Malta in 2016 is relatively high, at 2.9 LU/ha overall, the change in livestock density for Malta, from 2013 to 2016, shows one of the sharpest declines of all Member States - of over 8% (Eurostat note 14882, 2017).

Domestic use and agriculture pose the highest demand on groundwater. Approximately 43 – 46% of the total potable water produced is extracted from ground water, with the remaining 54 – 57% consisting of desalinated water produced by the three desalination plants located in Cirkewwa, Pembroke and limits of Siggiewi.67 Mixing with water produced from desalination plants is necessary to ensure good quality potable water.

Malta’s water resources are scarce and highly seasonal, and threatened by climate change, as already discussed in Specific objective 4. Sourcing of water is constrained by the fact that permanent above-ground freshwater bodies are absent, and rainfall is limited. Most of the naturally occurring freshwater is found in underground aquifers, accessible by extraction via pumping stations and boreholes. In the early 1980’s desalination of seawater was introduced, through large investment in reverse osmosis plants, now accounting for more than half of the production of potable water in the country.68

Effective rainwater harvesting of Malta’s infrequent but heavy rainfall during the winter months was lost as a regular practice in recent decades, but now policies are encouraging reinstatement across the islands’ territory, via the restoration of infrastructure such as rubble walls, channels reservoirs, and the cleaning of valley beds, within the farmed landscape. Malta’s 2nd WCMP acknowledges the sector’s current reliance on ground water for irrigation and provides measures to address water scarcity and over-abstraction of ground water through the restoration of over-drawn aquifers and investment in smart irrigation technology.69 The agricultural sector remains very highly dependent on ground water, with almost half of its water coming from this source.100 Water abstraction by farms in Malta showed an upward trend since 2000 but with some levelling off after 2013 (Fig. 5.3); 31.4% of the total UAA was irrigated in 2016.

Figure 5.3 Water abstraction by agriculture, Malta (in ‘000 cubic metres)

Source: Eurostat

Groundwater in Malta is also high in nitrates, with 12 out of 15 groundwater bodies showing nitrates

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100
levels that exceed the 50mg/L threshold set by the EU Nitrates Directive. As shown in Figure 5.4 water quality in Malta is of major concern, with 50% rated poor quality, and the remaining 50% only moderate.

Under the 2014-2020 MFF period, Malta invested in the production of recycled water from sewage (so-called ‘new water’), using ERDF and EAFRD funding to produce the water and distribute it from waste treatment plants back into some of the agricultural areas closest to these plants. This has reduced local pressure on groundwater reserves. It is planned to extend the roll-out of ‘new water’ across more farmed areas of Malta and Gozo, in future, subject to the necessary investment in infrastructure.

**Figure 5.4. Water Quality- Nitrates in groundwater (2017)**

![Image of Figure 5.4]

Source: CAP Indicators- Water quality and availability

In addition to nitrogen, phosphate surpluses in Malta are also relatively high (Fig. 5.5). However, there has been a significant decrease between 2007 and 2011 and since then, the surpluses have remained stable, although still at a high level compared to the EU average.

**Figure 5.5 Estimated surplus of nitrogen and phosphate on agricultural land, Malta**

![Image of Figure 5.5]

Source: EEA

Furthermore, chloride levels, which provide an indication of the extent of seawater intrusion, are high.

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101EC Water Quality and Availability (EU 27) European 27
in five water bodies out of fifteen.\textsuperscript{102} According to the Nitrates Action Programme, nitrates in groundwater originate from the over-use of fertilizers in arable agricultural practices. Nitrate contamination is expected to persist, due to the long response time of the aquifer systems in Malta. Despite this, the implementation of the Nitrate Action Programme is expected to have a positive effect on aquifers, reducing nitrate loading over the long term.\textsuperscript{103}

According to the Nitrates Action Programme, nitrates in groundwater originate from the over-use of fertilizers in arable farming and horticulture. Nitrate contamination is expected to persist due to the long response time of the aquifer systems in Malta. Only 4\% of agricultural land is under contracts to improve water management (Fig. 5.6). Despite this, the implementation of the Nitrate Action Programme is expected to have a positive effect on aquifers, reducing nitrate loading over the long term.\textsuperscript{104}

Approximately 43 – 46\% of Malta’s total potable water is extracted from ground water, with the remaining 54 – 57\% consisting of desalinised water produced by desalination plants located in Ċirkewwa, Pembroke and the limits of Siggiewi.\textsuperscript{105} Mixing with water produced from desalination plants is necessary, to ensure good quality potable water.

\textbf{Figure 5.6} \% of UAA under contracts to improve water management, EU28, 2018\textsuperscript{106}

Agriculture and rural sector impacts upon air quality are not a significant source of current concern, other than in respect of the siting of indoor livestock facilities and in the specific case of ammonia. As presented in SO4, agricultural contribution to GHG emissions in Malta are comparatively minor. The Agricultural sector shows a gradual decrease in total greenhouse gas emissions over the period 1990 – 2007. Enteric Fermentation accounts for almost half of total sector emissions (as presented in Figure 5.7), with Managed Soils and Manure Management accounting for the remainder. The sector has never been a major contributor to overall national emissions.\textsuperscript{107}

\begin{footnotes}
\item[107] The Fourth Biennial Report of Malta under the United Nations Framework Convention on Climate Change (2020); https://unfccc.int/documents/230617.
\end{footnotes}
In respect of ammonia emissions; the agricultural sector is the main source of these emissions. Between 2005 and 2017, ammonia emissions decreased by 22.5% which can be mainly attributed to a decrease in animal heads. The main agricultural sources were the animal manure as applied to soils, and manure management of dairy cattle, laying hens, non-dairy cattle, broilers, pigs and other housed livestock. In 2017, Malta was in compliance with the 2020 (1.5kt) and 2030 (1.3kt) emission reduction commitments as set out in the NEC Directive; projections for 2020 and 2030 made from the 2017 baseline year are well within these ceilings (1.19 and 1.18kt, respectively).

There is a continuing need to educate land-based farming sectors in order to reduce the levels of nitrate fertilizer and pesticide usage, and to invest in research and extension services to encourage more agro-ecological practices. Under the Nitrates Action Plan for Malta, the Agriculture Directorate has appointed a list of technical experts who can provide farmers with advice concerning their obligations under the Plan, which include a rational use of N-fertilisers. The Agriculture Directorate also organises courses concerning the use of fertilizers. This support is complementary to support provided under the CAP Strategic Plan, which can be used to encourage agro-ecological practices going beyond the regulatory baseline established in the Nitrates Action Plan.

It could also be suggested, on the basis of scientific evidence from across the EU, that Malta’s current intensive indoor livestock systems do not encourage nutrient cycling, because large livestock waste from dairy and pig farms is collected in liquid form and thus is highly toxic and too hazardous to use directly as a fertiliser on land; while small livestock waste is often disposed of, or used as fertiliser, but without testing to reflect its full nutrient value and enable efficient application without over-use (Dwyer et al, 2014). The waste from large livestock installations currently goes for treatment in municipal plants, alongside human sewage. Malta’s 2nd WCMP highlights the need for an agriculture...
waste management plan to tackle agricultural waste.\textsuperscript{113}

Farming systems which are based upon fertilisation of crops using appropriately treated and analysed solid manures should be possible as a planned development under Malta’s Waste Management Plan 2014-2020. This would enable crop farmers in Malta to reduce their continued importation and application of chemical fertilisers. Unlike organic manure usage, a reliance upon chemical fertilisation does nothing to improve soil structure, and in Malta there is evidence that it contributes directly to nitrate contamination of both soils and water.

As outlined in Malta’s Low Carbon Development Strategy, more efficient water resource management is necessary, including in rural areas. Such improvements may be achieved through investment in valleys which are an important ecological and geological source. In this regard, building on the investments carried out through the RDP 2014-2020, Government shall aim to continue supporting valley management practises in order to reduce rainwater loss and to regenerate Malta’s hydrological capital.

As also outlined in Malta’s Low Carbon Development Strategy, investment in wastewater polishing plants has improved the quality of treated sewage effluent, securing a considerable addition to Malta’s water resource budget. This so-called ‘new water’ shall replace non-potable uses of water, particularly in industry and agriculture. The aim is to maximise the use of this water to address water scarcity, reduce over abstraction and therefore restore the aquifers’ qualitative and quantitative status as identified in Malta’s 2nd Water Management Plan. Government shall therefore aim to support an agricultural sector underpinned by crop choices which both satisfy the potential for socio-economic growth of the sector but also moderate the demand for water.

\textbf{Strengths}

Malta has already begun to invest significantly in enhanced treatment and re-use of urban waste water to provide treated waste water that can be used in agriculture, and measures to mitigate water and waste management have been identified in Malta’s 2\textsuperscript{nd} WCMP and Malta’s Waste Management Plan 2014-2020 \textsuperscript{114}. In addition, the cost of desalinisation of seawater is anticipated to reduce significantly in the coming decade, increasing its potential cost-efficient use across the Maltese islands, including in some kinds of agriculture.

With all actors in the production and re-use sectors located in close proximity, it should facilitate better co-ordinated action to revise how nutrients cycle through agriculture in order to improve efficiency and reduce damage to soils and water.

Many producers of fruit and vegetables now have efficient drip-irrigation equipment installed on their holdings, and more efficient technologies (e.g. IT soil moisture monitoring and management systems) are available to encourage continuous improvement in this respect.

European and Maltese legislation in recent decades has helped to establish a baseline of enhanced standards of water management among the Maltese farm sectors.

\textbf{Weaknesses}

Relatively low levels of technical awareness and capacity or motivation to act among part-time land-based farmers is a key obstacle to more efficient use of basic resources of water and soils in Malta. In


the Agricultural policy (2017), the SWOT analysis concerning water resources describes how a lack of confidence in the acceptability of New Water by ‘a conservative farming community’, along with unwillingness to invest in new technologies due to both poor returns to producers, and lack of technical awareness, hinder the achievement of more efficiency in agricultural water use in Malta. Anecdotally, it is widely believed that many farmers continue to over-apply fertilisers to soil as an ‘insurance’ practice to avoid under-nourishment, without sufficient consideration of the longer-term negative environmental impacts.  

A lack of interest and/or imperative to invest in more efficient water, farm input and wastes infrastructure, among processors and distributors, will also hinder the capacity of farmers to act alone or with only limited public support, in these domains.

**Opportunities**

At a collective or industry-wide level, there is scope for government to work actively with the main sectors producing the highest sources of threat to water and soil – notably livestock manures, and chemical fertilisers in vegetable farming – on action plans which identify and develop proposals for the whole supply chain, to assist in more efficient use of water and farm inputs and enhanced soil management.

Farmers can be encouraged to go further in learning about and applying new techniques to reduce input use without compromising output value or quality, if those who buy or market their products also confirm that these practices are important to ensure a strong and successful market profile and performance. This represents a key marketing opportunity for Maltese food sector actors.

Possible opportunities to enhance efficiency also include agricultural waste streams that can be treated and utilised as waste to energy, in line with the circular economy, climate and environmental measures as mentioned in the EU’s Green Deal and Farm to Fork strategies.

There is also an important opportunity to undertake new research to better connect evidence on agriculture’s existing and potential future roles, in better protecting and enhancing Malta’s water resources.

There are also opportunities to shift towards innovative and more environmentally friendly technologies, and an increasing awareness to innovate and learn the latest techniques and farming methods, particularly among young farmers. There is therefore scope to establish demonstration sites and farms, to help improve practices, demonstrate innovative technologies and disseminate best practices.

**Threats**

The effects of climate change may lead to increased constraints on the natural environment such as desertification, storm water runoff, over use of pesticides and soil erosion that may lead to depletion of soil nutrients and lower the quality of soil, whilst pressures on scarce water resources may continue to become more acute in view of drought.

The possibility of more stringent future regulations on nitrates and contaminants in water could mean that certain current agricultural systems become unsustainable, in Malta – particularly those which use significant quantities of water and those which represent the greatest sources or risks of water pollution. However, such new regulations can also become an opportunity for the sector to shift to more sustainable practices, with the support of training, advice and investment opportunities.

**Implications for needs and the case for intervention**

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116 As reported in Dwyer et al, 2015 (Towards a new agricultural strategy for Malta), based on extensive stakeholder interviews.

117 European Union, Farm to Fork strategy for sustainable food, 2019;  [https://ec.europa.eu/food/farm2fork_en](https://ec.europa.eu/food/farm2fork_en)
In recent years, much has been achieved in respect of new policies and commitments in this domain, but there remains a need for significant intervention to enhance and restore Malta’s water resources and improve the quality, protection and nutrient status of its soils.

Malta’s CAP can help to support the essential shift away from inefficient fossil fuel-based farming systems and towards more efficient harnessing and use or re-use, of soil and water resources. The EC Strategic Objectives briefing note on soils highlights three specific types of ‘gap’ (in respect of adopting more precision agriculture to improve soil protection and efficiency) that the policy can address, all of which are relevant, in Malta:

- **Knowledge gap**: farmers lack the tools or the context to analyse their own data and are mostly unaware of the extent to which their data could be stored, traded and analysed for future use.
- **Application gap**: small or less educated farmers may be unable to keep up with new technologies. Therefore, having independent advisory services in place with sufficient digital knowledge and access to the data is very important. There is a need to develop adapted solutions for small farms. There is still a high need for incentivising innovation, to better tailor precision agriculture technologies to farmers’ needs.
- **Perception gap**: the high start-up costs with a risk of insufficient return on investments pose challenges with accessibility and affordability. According to the 2017 Europe’s Digital Progress Report, 44% of the EU population and 37% of the workforce had ‘insufficient’ digital skills in 2016. Malta is relatively advanced in its digital connectivity and economy, but the agriculture sector is anticipated to be less digitally literate than many other sectors.

Key measures to address these gaps and achieve enhanced practice will include both EAGF and EAFRD opportunities, such as:

- Continued use of conditionalities to encourage farmers to undertake soil and water audits and assessments on a regular basis, among all farmers who produce crops for sale or processing;
- Training and advice to raise farmers’ awareness and capacity to act effectively to reduce water use and minimise water pollution by nutrients, wastes and pesticides;
- Investment aids to fund conversion to organic farming and shifts to lower input systems of production (adapting agrotechnology principles and technical innovations);
- Agri-environment-climate aids to promote integrated crop management and enhanced soil and water management practices that go beyond the regulatory baseline, as part of regular farm management activities.

In pursuit of a strengthening of the AKIS in Malta, training, advice and demonstration are likely to be key elements in support, which can be required under EAGF measures under conditionalities obligations and supported through the implementation of eco-schemes, and also supported via the Farm Advisory System and funded via EARDF measures related to training, advice and cooperation in a wide variety of creative ways, tailored carefully to the particular needs and capacities of Malta’s different farm sectors.

A holistic approach which strengthens the whole AKIS in Malta, will be an important feature of the CAP strategy. This needs to ensure that all farmers have ready access to qualified advisers (using the advisory measure of the EAFRD where necessary), who are skilled in soil and water protection techniques and assessment; also the strategy should offer targeted training (under the training measure of the EAFRD and planned with farmers’ organisations wherever possible), to encourage adoption of precision techniques to help enhance soil and water conservation and reduce or re-use wastes. It should also establish examples on Maltese farms to demonstrate (using the knowledge transfer measure) the improved impacts on business performance of enhanced efficiency in resource
use; and it should support farmers and researchers to experiment together in order to identify how best to apply efficiency techniques and approaches in the Maltese context (using the cooperation measure and EIP Agri Operational Groups, in particular).

Key intermediary bodies including education bodies and the Farm Advisory Service in Malta should be closely involved in developing this holistic approach, in partnership with government, independent researchers and farmers’ organisations in the different production sectors.

In addition, new investment to raise standards of rural water infrastructure provision, particularly to reach as-yet inaccessible farmland areas with New Water supplies, also to enable greater efficiency and re-use of water on-farm and in food processing and manufacture, will continue to be an important feature of CAP policies in Malta. At a holding level, there is still scope for investments in rainwater capture infrastructure, such as water reservoirs. Physical investments will build on state-aid schemes provided for farmers and producers, aimed at mitigating the impact of COVID-19 on the agricultural sector.
Strategic Objective 6: Contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes.

Context and evidence

Malta has a unique landscape which is characterised by its small size and limited natural resources as well as a high degree of urbanisation and the highest population density of any member state in the EU, making some of the country’s environmental challenges resemble those of an urbanised setting. Malta’s biodiversity is threatened by a variety of pressures including high population (multiplied by large numbers of tourists), development, pollution, exploitation, water scarcity and climate change with very limited grassland, woodland and lack of forestation.

Figure 6.1 Land use and land cover in Malta, Gozo and Comino

Source: CORINE Land Cover inventory 2018

The National Biodiversity Strategy and Action Plan to 2030 builds upon Malta’s first National Biodiversity Strategy and Action Plan (2012-2020). The plan was opened for public consultation from July to August 2020, however the final version has not yet been published. Malta’s National Biodiversity Action Plan (NBSAP) (2012 – 2020) defined nineteen national targets to be achieved by 2020.118 These nineteen targets aimed to progress five policy areas, namely:

− Addressing the underlying causes of biodiversity loss;
− Reducing the direct pressures on biodiversity;
− Improving the status of biodiversity;
− Enhancing the benefits from biodiversity and ecosystem services; and

Enhancing implementation.

The 2018 State of the Environment Report notes that Malta’s biodiversity continues to experience numerous threats and pressures from natural biotic and abiotic processes, invasive and other problematic species, human interference, geological events, and natural catastrophes. On the conservation status of habitats and species of Community importance, Malta has reported that 40% of the species and 43% of habitats have good conservation status, showing an improvement over previous years that can be attributed to new knowledge and improved interpretation. However, 44% of species and 64% of habitats do not have a favourable conservation status, and hence require enhanced conservation action.

Malta’s National Biodiversity Strategy and Action Plan has targets that will eventually contribute towards the fulfilment of the EU and global targets to reduce pressures on biodiversity. The first review of the progress and status of implementation of Malta’s NBSAP towards achieving the Aichi targets covered the period up to 2014.

Local biodiversity can be found in both rural and urban environments – numerous species exist in farmland and villages, including mammals, birds, reptiles, and invertebrates. Biodiversity and agriculture are closely linked, for example, soil organisms are very important for the maintenance of good soil structure and fertility and wild pollinating insects are essential for the development of crops through the provision of high-quality sustainable pollination services. Certain species rely on agriculture to provide food (e.g. farmland birds), whereas others species rely on agricultural landscape features, such as rubble walls, as their habitat.

Despite covering a small share of local agriculture, beekeeping in the Maltese Islands has always had an invaluable role within the Maltese agricultural community. Promoting biodiversity and supporting local ecosystems and the species which reside within these systems, while focusing also at bee health have been the main aim of Malta’s Apiculture programme and support offered via RDP measures. According to the National Agricultural Policy (2018), “the geographical insularity of Malta in the centre of the Mediterranean has isolated the local bee species from other bee populations around the Mediterranean littoral with the result that there is the endemic sub-species Apis mellifera ruttneri (Sheppard WS et al, 1997) that over the years developed resistance and resilience to the particular climatic conditions prevalent in these islands. This endemic sub-species of honeybee is known to have inhabited the Maltese Islands for centuries. It is a sub-species of the Western honeybee or European honeybee (Apis mellifera), but is different from other Mediterranean bees. Up to recent times, it was the sole honeybee species in the Maltese Islands (Attard E. and Bugeja Douglass A., 2010)” Bees are important pollinators of mainstream crops and orchard fruits as well as colonisers of many garigue areas. These beneficial aspects of garigue landscapes act as a persuasive motive for protecting and conserving this unique and vastly biodiverse habitat.

The State of the Environment Report suggests that the pressures and threats that most often affect habitats are human intrusions and disturbances, invasive and other problematic species, geological events and natural catastrophes. On pressures and threats affecting species, the main categories are natural biotic and abiotic processes, invasive and other problematic species and their genes, and natural system modifications. Although agriculture poses a pressure and a threat to both habitats and species, its impact is not as significant as other categories; nevertheless, steps should be taken to reduce this source of impacts.

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123 National Agricultural Policy for the Maltese Islands 2018-2028
Malta’s National Strategy on Invasive Alien Species (IAS) highlights the detrimental effects of invasive alien species on Malta’s biodiversity, that can also have adverse implications for agriculture. Agriculture may be one pathway through which invasive species are introduced, either intentionally if the species are used as a crop or an ornamental plant, or unintentionally, for example through trade. Deliberate introduction generally occurs without good knowledge of the long-term consequences. The Strategy introduces measures that encourage the eradication of IAS pathways as well as good agricultural practices that can avoid the accidental spread of IAS\textsuperscript{124}.

Improved countryside management has been pursued through the designation of protected areas and the establishment of Natura 2000 site management plans for all terrestrial Natura 2000 sites, in line with the Habitats Directive, whose drafting was funded through the 2007 – 2013 Rural Development Programme. Also, there were ongoing afforestation initiatives and other initiatives to promote rare indigenous, endemic and other tree species that are well adapted to the local climate, identifying 30 tree protection areas and seeking to improve Malta’s tree and woodlands protection regulations. In 2018, 13% of agricultural land was under relevant agri-environment contracts (Figure 6.4), which is just under the EU27 average share.
To date, Malta has four proposed Sites of Community Importance (pSCIs), six Sites of Community Importance (SCIs) and 27 Special Areas of Conservation (SACs) declared under the EC Habitats Directive (92/43/EEC), together with 21 Special Protection Areas (SPAs) declared under the EC Birds Directive (2009/147/EC), that include both terrestrial and marine sites. Over 41km$^2$ (13.1%) of the land is covered by Natura 2000 sites while marine sites cover 4,138km$^2$ (35.5% of Maltese waters).\textsuperscript{126}

Five Natura 2000 sites are managed by NGOs to tackle management issues in line with the respective Natura 2000 plan, in relation to, for example, the control or removal of invasive alien species and habitat restoration. NGOs are also increasing public awareness through various activities.\textsuperscript{127}

The Environment and Resources Authority (ERA) set out in December 2016\textsuperscript{128} the ecological priorities for the management of all Malta’s land-based Natura 2000 sites; 22 management plans and 8 conservation orders have been prepared, which cover a variety of sites including coastal cliffs in Malta and Gozo, sand dunes such as Ramla, saline marshlands such as il-Ballut ta’ Marsaxlokk, woodland areas like Buskett and other islands, including Filfla and Kemmuna and their surrounding islets.

These policy documents outline the need to safeguard the ecological qualities of each area, such as ecological restoration, regulation of certain activities, visitor management and site interpretation, sustainable rural tourism and recreation, public awareness initiatives, patrolling and monitoring.\textsuperscript{129} In this regard and building upon the investment made under the 2014-20 programming period,
Government aims to continue supporting investment in Natura 2000 sites by increasing conservation measures, habitat restoration, planting of indigenous plant and tree species, introducing climate mitigation actions to counteract soil erosion, drought and flooding as well as coastal erosion, and monitoring the pathways of invasive alien species, amongst other actions.

Agricultural practices have a substantial impact on Natura 2000 sites and countryside management in Malta, although only 8% of agricultural land in Malta is designated under Natura 2000, compared to the EU27 figure of 11%.

The Management Plans for the terrestrial Natura 2000 sites indicate some of the main threats to these areas, include farmers’ limited knowledge about the significance of Natura 2000 sites. There is scope for training and advice to ensure better coexistence of agricultural practices within N2000 sites. The management plans identify practices that are harmful to ecosystems, providing clear indications for government action to reduce or eliminate such practices and support better management of such areas.\(^\text{130}\)

In relation to Ecosystem Services, some of Malta’s most vulnerable regulating services are those provided by water and soils – namely hydrological cycling and carbon storage, which are also considered in Strategic Objectives 4 and 5. Other important services include pollination, supported by actions to preserve Malta’s floristic diversity and insect life, including wild bees; and cultural services which relate to the protection and enhancement of the historic and scenic features of the Maltese rural landscape.

Malta’s Low Carbon Development Strategy\(^\text{131}\) favours further incentives for the development of organic farming that will reduce emissions related to pesticides and fertilisers and will lead to the reduction of emissions. The European Commission’s Farm to Fork Strategy sets ambitious targets for an increase in agricultural area under organic practices and a reduction in the use of pesticides and artificial fertilizers.\(^\text{132}\) There is scope for continued support to organic producers and the promotion of such practices, with the aim of increasing the percentage of land being managed through organic practices. Maltese agricultural land reform needs to be tackled to make parcels of land more productive and efficient at lowest possible carbon cost.

Malta’s second National Action Plan (NAP) for the sustainable use of pesticides has six main objectives\(^\text{133}\):

- Training, information and awareness-raising for farmers;
- Controls on pesticide application equipment;
- Controls on handling, storage and disposal;
- Controls on pesticide usage in specified areas;
- IPM and alternative low pesticide management; and
- Risk indicators and data gathering.

In 2010 Malta was recorded as having a total of 12,940 ha of agricultural land, of which 88.5% was Utilized Agricultural Area (UAA), while unutilised agricultural area and other areas made up the remaining 9.5%. Arable land accounted for 79.3% of the total UAA, while permanent crops and kitchen gardens made up the remaining 10.9 and 9.8 per cent respectively. There is no recent data and information on agricultural pesticide use in Malta, with the most recent information reported in the 2007 and 2010 NSO surveys. From these, it appears that:

- The majority of Malta’s utilised agricultural area (5,077.6 hectares or 62.7% of the area

\(^{130}\) ERA, Natura 2000 Management Planning for Terrestrial Sites in Malta & Gozo

\(^{131}\) Malta’s Low Carbon Development Strategy 2017

\(^{132}\) EURACTIV, LEAK: EU’s Farm to Fork Strategy will be based on five key targets,

surveyed in the 2010 land cover survey) is regularly treated with pesticides (NSO, 2010)\textsuperscript{134}, most commonly fungicides;

- At the time of the most recent detailed survey of usage, these are mainly applied using knapsack sprayers (NSO, 2007)\textsuperscript{135};
- The quantities of pesticides applied per hectare are high (NSO, 2007 – on average, 5.6 Kg/ha; by crop type, Table 6.1).

Pesticide sales in Malta show substantial variation, being highest for fungicides and bactericides and other plant protection products as presented in Table 6.2.

All distributors and professional users of pesticides are required to undertake training, and use is restricted in sensitive sites including Natura 2000 areas and buffer zones (Malta NAP for Sustainable Use of Pesticides 2013 – 2018).

**Table 6.1** Amounts of main types of pesticides used on UAA in Malta, 2007

<table>
<thead>
<tr>
<th>Pesticide Type</th>
<th>Amount (kg/ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Herbicides</td>
<td>1.2</td>
</tr>
<tr>
<td>Insecticides</td>
<td>0.3</td>
</tr>
<tr>
<td>Fungicides</td>
<td>28.7</td>
</tr>
</tbody>
</table>

**Source:** NSO Plant Protection Products usage on crops in Malta (2007)

**Table 6.2:** Pesticide sales Malta (kg)

<table>
<thead>
<tr>
<th>Year</th>
<th>Fungicides and Bactericides</th>
<th>Herbicides, haulm destructors, mollusc killers</th>
<th>Insecticides and acaricides</th>
<th>Molluscicides</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011</td>
<td>95,040</td>
<td>6,221</td>
<td>4,377</td>
<td>911</td>
</tr>
<tr>
<td>2012</td>
<td>124,625</td>
<td>7,959</td>
<td>4,710</td>
<td>400</td>
</tr>
<tr>
<td>2013</td>
<td>122,070</td>
<td>7,006</td>
<td>5,131</td>
<td>515</td>
</tr>
<tr>
<td>2014</td>
<td>97,370</td>
<td>7,632</td>
<td>4,406</td>
<td>480</td>
</tr>
<tr>
<td>2015</td>
<td>118,644</td>
<td>4,748</td>
<td>4,449</td>
<td>699</td>
</tr>
<tr>
<td>2016</td>
<td>83,523</td>
<td>5,609</td>
<td>4,972</td>
<td>412</td>
</tr>
<tr>
<td>2017</td>
<td>101,943</td>
<td>2,244</td>
<td>3,078</td>
<td>235</td>
</tr>
<tr>
<td>2018</td>
<td>82,509</td>
<td>3,247</td>
<td>3,492</td>
<td>753</td>
</tr>
</tbody>
</table>

**Source:** Eurostat [https://appsso.eurostat.ec.europa.eu/nui/submitViewTableViewAction.do](https://appsso.eurostat.ec.europa.eu/nui/submitViewTableViewAction.do)

The NAP highlights the importance of providing advice on ways to reduce dependence upon pesticides and support to encourage conversion to organic farming. The farmed area with low input intensity increased between 2004 and 2016 from 15% to 19%, whereas the area with high input intensity


decreased from 67% to 61%, where intensity is defined as the level of farm inputs used per hectare of land.

**Figure 6.6** UAA managed by farms according to input intensity per hectare

![Image](image.png)

Source: DG AGRI - FADN and EUROSTAT

However, at present, only around 20% of Malta’s approximately 10,000 farms are registered as organic or in conversion to organic production. Whereas the trend in the EU is upwards, the number of organic hectares in Malta remains very low (Figure 6.7). Nevertheless, the fact that there are some such producers now, represents a significant growth in this sector since the previous programming period.*

**Figure 6.7** Total area under organic farming 2017

![Image](image.png)

Source: EUROSTAT

The area under organic practices in Malta grew from 26.1ha in 2010, to 34ha in 2014 and then reaching a total of 47ha in 2018 (of which 37ha are fully converted to organic agriculture, 10ha were under conversion in 2018).* Despite this, Malta still has the lowest share of total organic area in total Utilised Agricultural Area (UAA) across the EU, at 0.4%.*

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137 MCCAA, Organic Farming Certification, [https://mccaa.org.mt/Section/Content?contentId=1252](https://mccaa.org.mt/Section/Content?contentId=1252)


The National Agricultural Policy identifies the perceived ‘strict, complex and long process for obtaining organic status’ as a deterrent to farmers considering organic farming.

The National Agricultural Policy also lists a number of difficulties that are encountered by organic farmers including land fragmentation, proximity to conventional farmers, windy conditions leading to pesticide drift, and poor soil conditions. Organic farming demands a shift in production and a customer-oriented approach and does not simply involve replacing chemical substances with biological methods – it should imply a change in farm management that needs to take place over a period of time. Organic farming certification, although perceived as complex, follows a well-organised process from registration, controls and testing carried out by the MCCAA to market surveillance by the Agriculture Directorate, that acts as the competent authority. Organic products are therefore backed by a regulatory framework that is well monitored and enforced.

Malta’s food and nutrition policy seeks to educate Maltese consumers in order to increase knowledge about and demand for healthy food products, and the demand for organic produce in Malta is slowly growing, and there is therefore room for this sector to develop further.

**Strengths**

The Maltese Islands host a variety of indigenous and endemic species, and a range of priority habitats distributed widely across the islands. Malta’s historic landscape is considered an important cultural asset, showing the traces of many centuries of habitation, diverse uses and customs and a particularly rich archaeology.

The garrigue and maquis represent terrestrial habitats of national and international importance for biodiversity. Given the small size of the Maltese islands there is a particularly high diversity of terrestrial plants and animals present.

Significant progress in recent years has enabled Malta to achieve comprehensive management planning for its highest value protected sites and this is just starting to show results in the form of enhanced levels of favourable conservation status for designated sites under the Natura 2000 network.

There is a growing interest from consumers for organic products and the respective authorities are in the process of carrying out a study concerning this matter.

**Weaknesses**

\[\text{Organic Production - (EU27)} - \text{European Union 27 [excluding UK];} \]
Low levels of awareness of the existing and potential value of Malta’s farmed landscape for biodiversity and the designated terrestrial Natura 2000 sites, among both the farming and non-farming population, is a significant obstacle to stimulating sufficient remedial actions in the sector. In the majority of N2K site Management Plans, educating farmers and local people about the importance and value of these sites is listed as a priority for action.

More generally, fragmented landholdings and a lack of upkeep of landscape features and management infrastructure for natural resources mean that the biodiversity status of farmland is vulnerable and in decline, in many places.

Small and part-time farms often lack the training and financial incentive to engage in biodiversity management, when their main income is earned off the farm and the time that they can devote to their holdings is limited. Meanwhile, self-employed farmers running large holdings with restricted manpower may also have little incentive to engage in biodiversity measures since they have little time to dedicate to such measures.

The high average age of the farming population may hinder the sector from moving forward towards a more sustainable future due to the conservative nature of the older generation. This may therefore slow down the regeneration of the sector and its move towards more agroecological and more sustainable practices.

Biodiversity management is not considered as an integral part of farm management.

**Opportunities**

The growing interest of consumers in organic products could help to increase farmers’ interest in Malta to adopt more biodiversity-friendly production methods via conversion to organic farming; so long as cultural barriers to this shift can be overcome.

Malta’s tourism economy will increasingly emphasise the value of the natural environment for various kinds of eco-tourism, providing opportunities to raise awareness of Malta’s distinctive biodiversity and encourage activities to protect and valorise its semi-natural habitats.

In view of the need to move towards agricultural systems which are less dependent upon significant use of water, there could be opportunities to encourage expansion of permanent cropping (e.g. of tree crops like olives and almonds, or other drought-tolerant fruits), which could benefit biodiversity by enhancing soils, encouraging a more humid microclimate and providing more diverse habitat for wildlife.

Among the most frequently mentioned priority actions of the Natura 2000 site management plans for Malta, are monitoring and engaging farmers to raise their awareness of the environmental value of these sites and encourage them to protect and enhance it. This represents an untapped opportunity.

**Threats**

Apathy, unwillingness to engage with CAP support and low levels of awareness of their impact upon biodiversity are all commonly cited tendencies among very small and part-time farmers in Malta (Dwyer et al, 2015)\(^{141}\), which have threatened the achievement of Malta’s goals for protection and enhancement of biodiversity, particularly in the farmed landscape. Intensification of agricultural practices and lack of knowledge on Malta’s biodiversity and protected areas can diminish the desired favourable status of Natura 2000 sites and their ecosystems.

Other threats include involuntary spreading of invasive alien species in the Maltese countryside through agricultural practices that can have adverse repercussions on both the agricultural sector and biodiversity. Also, increasing population density, urbanisation and the need for additional

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infrastructure, including for residential or tourism purposes, pose a further threat to biodiversity.

From the previous Malta RDP (2014-2020), specific threats are noted which remain relevant to Malta in the new CAP period, 2020-2027:

- **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.
- **Degradation of rural areas including natural and cultural heritage:** The degradation of rural areas through abandonment and over-exploitation and the decline of associated 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.

Changing climate patterns may also lead to an increase in the number and variety of pests: in warmer winters pests are likely to remain dormant for shorter periods of time while an increase in average temperature over the year may be ideal for the proliferation of new pests that are imported through trade but which would have otherwise died out since the local climate is not suitable. This may lead to an increasing reluctance to switch to less pesticide intensive agronomic practices. Additionally, with higher temperatures and changing rainfall patterns, endemic species may also be affected since there is not enough time for them to adapt.

**Implications for needs and the case for intervention**

Malta's biodiversity remains a priority for policy actions within and beyond agriculture, in view of its continuing vulnerability and its international importance.

A very high level of promotional activity linked to the uptake of EAGF CAP aids, also conditionality awareness, training and advice, and finally facilitation to assist farmers to come forward and sign up to EAFRD aids, are likely all to be necessary, to overcome the weaknesses and avoid the threats identified here.

Agri-Environment Climate Measures (AECMs) have registered considerable uptake during the 2014-2020 RDP. During 2018, approximately 2,000 beneficiaries benefited from one of the schemes, which represents about 10% of registered farms. The draft EAIR 2019 will report that commitment of planned RDP funds under both measure 10.1 and 10.2 is above 100%. In this regard, opportunities for further support in this area are deemed important.

The funded measures for environmental actions included some investment measures which were very popular, such as the restoration of rubble walls and planting of native tree species; whilst other annual payments initially struggled to attract uptake. Eventually, uptake was noted for every programmed AECM, to different extents.

The new eco-scheme under CAP EAGF aids could also prove significant for Malta, which was only minimally affected by previous ‘greening’ measures due to the small size of most Maltese land-based farms. There is scope to use the new instrument to promote a much broader awareness and buy-in to basic biodiversity protection and enhancement, notably through adoption of lower-input or less chemically dependent modes of production.

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143 Values can be updated once AIR has been completed.
Strategic Objective 7: Attract and sustain young farmers and new farmers and facilitate sustainable business development in rural areas

Context and evidence

As was discussed under Strategic Objective 1, the average land holding size in Malta is very small when compared with the European average. This micro-farming aspect is a result of land scarcity, topography, dense population as well as inheritance patterns that result in land fragmentation.

According to the Regional_Statistics_Malta-2020 Edition (2020) employment (employed persons comprise of full-time and part time [primary only] employment), in Agriculture forestry and fishing has been increasing slightly from 2016 to 2018. Employment in agriculture is heavily dominated by males.

Figure 7.1 Total employed persons by industry place of residence, sex and year (NUTS3)


The most recent data (Eurostat 2016) suggests that, on average, around 30% of farms across the EU are managed by a woman, however in Malta the share is only 6%. Thematic Evaluation (2021) noted that around 82% beneficiaries of M6.1 are male while 18% are female. The proportion of female beneficiaries is higher than the ratio of total female farmers observed in 2016, implying that the measure is particularly successful in attracting young female farmers.
Malta has a low and declining share of young farmers as a percentage of total farm managers (3.8% in 2016, compared to 5.1% at EU level). Among these young farmers the share of women, as noted above is among the lowest in the EU. 

**Figure 7.3** Share of farm managers below 35 years old by gender

Source: DG Agriculture and Rural Development, based on Eurostat data 2016

Due to the economic constraints faced by the agricultural community as discussed under Strategic Objective 1, farmers increasingly represent an ageing population. This is demonstrated by context
indicator for the Common Agricultural Policy (CAP) which refers to the ratio of young farmers (younger than 40) to every older farmer (older than 65). Based on the data from 2016, in the EU, for every 10 older farmers (over the age of 65), there were 3 young farmers (a ratio of 0.3 young to elderly farmers). In Malta, there are only 2 young farmers for every 10 older farmers.

**Figure 7.4 Young to elderly farmer ratio**

![Graph showing the ratio of young to elderly farmers across different countries.]

Source: Thematic Evaluation YF RDP 2014-2020 based on Context indicator 3 - Age Structure of Farm Managers data

The majority of farmers in Malta fall into the 40-64 and over 65 years bracket, with an average age of 55. For Malta, whereas generally 44.5% of the national workforce is aged between 40 and 64, the value for agriculture is much higher, at 73.7%. It is also evident that young people form a much lower percentage of the agricultural workforce, when compared to the general workforce (Eurostat, 2016).

Eurostat figures show that in 2016, out of the 10.3 million people working as farm managers across the EU, one third (32%) of farm managers were 65 years of age or older while only 11% of farm managers were under the age of 40. Figure 7.5 shows the percentage of young farmers among Member States, with Malta at the lower end of the spectrum with around 7% of farm managers aged under 40 years, well below the EU average.

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In terms of the farm area managed by young farmers, this amounted to 8% of the total Utilised Agricultural Area (UAA) in 2016. The majority of the land managed by young farmers, around 76%, is less than two hectares (ha) and only 3% of young farmers have a farm area between 5ha and 9.9ha. As depicted in Figure 7.6, the majority of land is owned by the older generation of farmers and land which is greater than 10 hectares is managed solely by relatively older farmers.

Figure 7.6 Distribution of land between young farmers and other age category of farmers - Malta
Around 43% of the farms in Malta are engaged in general cropping, of which only 3% are managed by young farmers, yet this represents the highest proportion of farming activity by young farmers. Indeed 48% of the farms managed by young farmers focus on general cropping followed by 18% on horticulture. (Figure 7.7)

**Figure 7.7** : Type of farms by farmers categories (2016) - Malta

Average economic farm size in Malta is the highest for farmers up to 44 years old, as noted in Figure 7.8.

**Figure 7.8** Average economic farm size measured as Standard Output, in Eur

Young farmers contribute to about 15% of the total standard output produced by the sector. The standard output per farmer is higher for young farmers than it is for the older farmers potentially due to more efficient techniques of production. This is also common across Europe where young farmers tend to have larger farms. The share of farm managers below 35 years of age with at least a basic level of agricultural training in Malta (at 54% in 2016) is above the EU average for this age bracket (Figure 7.9). This share is also much higher than the total share of farm managers with at least a basic agricultural training in Malta (31%). These data show how the younger generation of Maltese farmers have a higher level of knowledge and are much more likely to manage a full-time business, than their older compatriots, but they represent only a very small proportion of total farmers.

**Figure 7.9** Agricultural training of farm managers

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147 In this analysis, young farmers are considered up to the age of 45 years as Eurostat data prior to 2016 is not being captured for the bracket 35 to 39 years


149 CAP Strategic Objective Brief No. 7
Often, the conservative mentality of elder farmers restricts opportunity for new entrants in the sector by denying them the opportunity to transfer land or hand over production capital. In many cases, young farmers are incentivised to search for more secure jobs to supplement their farming income or replace it completely.\footnote{National Agricultural Policy for the Maltese Islands 2018 – 2028, pg.166}

More than the physical hardships of working in this sector or the natural constraints, young farmers claim that the most significant push factors for them to leave farming are the irregularity of income and the lack of capital to invest in modern machinery and equipment.\footnote{Ibid, pg.170} Young farmers also face other barriers before they can start agricultural activity in the form of:

- difficulties in accessing land due to the high costs of purchasing or renting, unless they inherit it;
- fragmentation of land meaning that it is difficult to acquire and manage a sufficient area for a viable business;
- difficulties in obtaining loans for business investment through regular commercial channels mainly due to lack of collateral (Thematic Evaluation YF, 2021);
- resistance from older farmers, often those from whom they will eventually inherit but first they must work with, who are not open to new ideas, innovation in production or marketing; and
- limited opportunities for continuous professional development related to both technical matters and business development skills and knowledge.

The National Agricultural Policy outlines a basic farming package of requirements that includes skills, knowledge, working capital and an agricultural holding; such assets are mostly available only to young farmers from farming families. To those coming from outside the sector the barriers to entry are therefore sizeable.\footnote{Ibid p.33} Existing young farmers that have been active within the sector for some time do not require start-up aid but may still face strong incentives to switch occupations. Such farmers need to be supported to ensure that they remain active within the sector and can continue to expand and modernise their businesses.

The National Agricultural Policy has identified four critical targets, one of which is to facilitate the entry of young farmers by creating a cost-effective agri-business sector. In view of the small and fragmented nature of many farms on Malta, increased strength from co-operation and innovation are needed, as are a better skills base and greater provision for continuous professional development in the sector. These challenges are discussed further in Specific Objective 3.

According to Malta’s Agricultural Policy\footnote{Ibid, p.170} an effective cooperative approach would alleviate most of the economy of scale issues faced by farmers, thus providing them with scope to invest and diversify
their operations. The creation of functional cooperatives or farmer clusters is essential so that the sector can be re-organised to plan production according to demand, strengthen representation with authorities, increase efficiency and reduce production costs, as well as carry out research and promotion campaigns.

The previous RDP (2014-2020) elicited limited interest in the cooperation measure; in fact, only a small number of applications for funding through measure 16 were received by the Managing Authority by March 2020. As noted in Specific Objective 2, these applications are indicative of potential for this kind of activity among certain agricultural actors in Malta. Therefore, supporting forms of cooperation is still relevant in the local scenario. Limited interest in the formation of Producer Organisations is a consequence of the high perceived administrative burden.

According to the National Agricultural Policy, consolidation of farmland must be pursued and should prioritise active farmers, farm-entrepreneurs and young agribusiness graduates who have a clear business direction in the sector. Land consolidation is seen as an important element to provide the means for motivated young farmers and entrepreneurs so that they secure a healthy farming future in the Maltese Islands.\(^\text{154}\)

The Maltese government supports young farmers through its land lease legislation. As noted in the National Agricultural Policy, land transfer regulations were amended in 2017 to permit land transfer of agricultural parcels to bona fide farmers and also providing agriculture students with leased land at a favourable rate for five years. These changes have the potential to create new opportunities for young farmers, going beyond what CAP measures can provide.

The existing Young Farmer installation measure in the Malta RDP 2014-2020 has been successful, and a cohort of young farmers has been established through this aid.

The Thematic Evaluation\(^\text{155}\) (2021) reported that the measure was initially launched in April 2017 and in 2019, with the eighth call leading to a full absorption of the budget. Up to 2018, there were 25 beneficiaries. In the final call, 36 beneficiaries were approved, such that a total of 61 beneficiaries are supported, resulting in an attainment of the result target. The committed expenditure by the end of 2019 amounted to €4.2 million, with realised expenditure amounting to €3.3 million. It is also interesting to note that 11 beneficiaries of Measure 6.1 have benefited from other measures in the Programme. A majority have also benefitted from Measures 4.1, although there are individual beneficiaries who have also benefitted from Measures 4.4, 6.4 and 19.2.

**Strengths**

Malta’s agricultural policy seeks to address the major obstacle of poor land structures, to provide better opportunities to encourage young people into agriculture and offer them viable-scale holdings.

As also highlighted in the RDP 2014 – 2020, there is an increasing awareness to innovate and learn the latest techniques and farming methods, particularly among young farmers. Young farmers have high IT literacy and digital skills, supported by high level of next generation broadband coverage in Malta.

Because of the close proximity of Malta’s rural land and settlements to its larger conurbations, business diversity in rural areas is already quite high and non-farming market opportunities are many. Nevertheless, diversification of some sectors such as tourism so as to offer more rural-oriented and environmentally focused business options could be beneficial to rural development.

**Weaknesses**

\(^{154}\) National Agricultural Policy for the Maltese Islands 2018 – 2028, pp.134

Compared to the EU average, the percentage of Maltese farm managers below the age of 40 is low and early results from the Census of Agriculture 2020 indicate that the situation has not significantly improved, with majority of farmers still falling into 55-64 and over 65 years old age bracket.

Amongst the most pressing challenge is the availability of land for farming which tends to be scarce and costly for either purchasing or renting purposes. Fragmentation of land, difficulties in obtaining loans for business investments, problems in accessing markets and resistance from older farmers are also problems which young farmers have to deal with.

Training facilities in Malta may not be best suited to support the needs of a young generation of farmers whose general levels of education tend to be lower than young workers in other sectors. The Census of Agriculture\textsuperscript{156} indicated that around 90.15\% of the 11,713 sole holder managers declared that they had agricultural training only from practical experience. 8.6\% of these sole holder managers, equivalent to 1,004, had basic training and only 1.3\% or 149 had full training in agriculture. Sole holder holdings make up 90.7\% of the total annual work units in agriculture: the rest are limited liability companies and partnerships.

Access to new and useful knowledge and the access to useful training/ workshops/ networks was listed as the second most pressing need identified by young farmers in Malta in the EKORYS study (2015) and it has been reiterated by recent survey among young farmers conducted as part of the Thematic evaluation\textsuperscript{157} (2021).

Lack of access to subsidies and credit- while this has been to some extent addressed through RDP Measure 6.1 in 2014-2020, the financial resources required to set up a farm and maintain a sustainable livelihood through it are high, particularly for a young farmer and tailored support is needed for new entrants to farming.

There are also skills mis-match issues, where agriculture students graduating from higher educational institutions are not always taken on by entities or sectors directly related to agriculture\textsuperscript{158}, perhaps because they foresee that returns in the farm sector will be lower than those available to them in other occupations.

The image of farming in Malta still implies low returns, low value and little opportunity for entrepreneurial growth and development, in all sectors. This requires addressing if more young people are to be successfully attracted to the sector in both full and part-time businesses.

**Opportunities**

Young farmers require professional, tailor-made training and upskilling in order to become more efficient, however, this expertise may not be available locally. There is an opportunity for AKIS development in order to build a pool of experts better trained to transfer such knowledge, on both horticulture and veterinary services, to the local farming population and to young farmers in particular.\textsuperscript{159} There is a need to tailor knowledge exchange and advice better to actual conditions – offering informal, frequent and easy-access options rather than long and formal training options which require many hours spent in class.

An improved and meaningful access to education and research could assist entrepreneurship and innovation in agriculture that lead to improved profitability and sustainability for small farms. Improving skills related to management, marketing, food safety, handling of food, processing, quality, and even more specialised skills in relation to each sector (e.g. meat, apiculture, etc.) would help young farmers rely less on the middlemen and sell directly to the market\textsuperscript{160}.

Certification related to educational courses should be provided and used to consolidate farmer and

\textsuperscript{156} The Census of Agriculture, NSO 2010
\textsuperscript{157} E-Cubed Consultants, EMCS, Adi Associates 2021: THEMATIC EVALUATION YOUNG FARMERS RDP 2014-2020 (February 2021)
\textsuperscript{158} National Agricultural Policy for the Maltese Islands 2018 – 2028
\textsuperscript{159} National Agricultural Policy for the Maltese Islands 2018 – 2028, p. 32
livestock breeder classification systems through recognition of educational level and skills.\textsuperscript{161}

The cohort of young farmers assisted by the current RDP 2014-2020 can be seen as potential ambassadors to recruit more young people into this career.

Developing niche markets and business diversification (e.g. eco-tourism) could offer additional income and support networking and collaboration activities among younger generation of farmers.

The establishment of Malta’s strategy for land consolidation under the new Agricultural Policy should create more opportunities for re-parcelling land when it is released by a previous generation, to enable better installation by successors and new entrants.

Further opportunities can be developed through AKIS such as networks that train and support the introduction of young farmers through capacity building and transfer of relevant knowledge between generations.

Threats

Generational renewal in agriculture and rural areas ultimately relies upon the extent to which farming and other rural occupations offer a secure and valued source of future livelihood.

Therefore, to the extent that Maltese agriculture is vulnerable to external threats which undermine its market share and its competitiveness in supplying Maltese consumers, then generational renewal in Maltese agriculture and related rural occupations is also under threat.

At present farming is not offering adequate income, also due to the limited support offered in previous programming periods under EAGF. Therefore young people tend to choose employment opportunities outside of agriculture, which offer greater financial security and opportunity for full time employment. At the same time there is poor perception of agriculture and it is not viewed as a desirable career path. Land succession practices and unwillingness of old farmers to retire act as additional barriers for young farmers.

The acquired cultural and practical knowledge gained through experience of longstanding generations of farmers may be lost if not transferred to an emerging generation of farmers or if the uptake of new farming roles is relatively weak.

Implications for needs and the case for intervention

The ageing of Malta’s farm population means that CAP policies should continue to offer support to encourage installation and successful development of young farmers. Consideration should be given to the need to promote both full time and part-time farming as an attractive and viable business option for young people in Malta.

In the tourism and cultural sector, CAP policies can be used to encourage smaller-scale, added value and more diverse and rural-sensitive forms of tourist business that can be feasible to supplement a farm’s income or to run as a full-time occupation in its own right.

The evidence discussed in the SWOT provides a good case for continuing the existing start-up aid for young farmers and also support for suitable ‘added value’, sustainable and innovative forms of rural business, notably including rural tourism, supported through EAFRD measures. According to survey of young farmers and evidence from interviews and FG, conducted as part of the Thematic Evaluation Young Farmers (2021) “young farmers are typically interested in digitalisation and technology and they are working towards moving away from traditional methods and incorporating new methods and technologies in their production”\textsuperscript{162}.

Through EAGF interventions, there is support through complementary income aid for young farmers which provides an annual premium that can contribute towards the enhanced economic performance

\textsuperscript{161} National Agricultural Policy for the Maltese Islands 2018 – 2028, p. 32

\textsuperscript{162} E-Cubed Consultants, EMCS, Adi Associates 2021: THEMATIC EVALUATION YOUNG FARMERS RDP 2014-2020 (February 2021)
Specific Objective 8: - Promote employment, growth, gender equality, including the participation of women in farming, social inclusion and local development in rural areas, including the circular bio-economy and sustainable forestry

Context and evidence

Rural development policy can play a role in promoting a more inclusive society and making rural areas a better place to live. Keeping people, and notably the young ones, in rural areas and addressing other social challenges require enabling conditions, such as access to business opportunities, knowledge, and basic services.

Malta’s rural areas are not remote, so the opportunities for rural and urban communities to interact and be interdependent are significant. This is also evidenced in the high Broadband penetration across the islands. Disadvantage is more associated with the agricultural sector than with rural location alone, and basic services are fairly universal across the Maltese Islands although the infrastructure provision in Gozo is slightly less advanced than the rest of the country, with Gozo also having a more seasonal labour market. The role of agriculture and population density is significantly different between the islands.

NUTS 3 divides MALTA into two regions: the first is comprised of the largest island – Malta, while the second region is comprised of the other two inhabited islands – Gozo and Comino. Both are defined as “predominantly urban” regions according to the NUTS 3 classification. For the purposes of the CAP SP, rural areas are defined under Chapter 4, definitions.

As of January 2018, Gozo had 32,723 inhabitants, which represent around 6.9% of the Maltese population. The population density of Gozo in 2018 was of 474.5 inhabitants per km², roughly one quarter of the density on the island of Malta (1,793.8 inhabitants per km² in the same year). In absolute terms, the population in Gozo has increased from 2006 to 2018 by around 1,700 inhabitants. However, in relative terms, Gozo’s population has increased by an average rate of 0.4% per year over this period, compared to a growth rate of 1.4% (leading to a population increase of 69,000) for the population resident on the island of Malta, also fuelled by a significant increase in migration from 2012 onwards. The share of Maltese population living in Gozo fell from 7.7% in 2006 to 6.9% in 2018. One factor is the ageing population. The share of population aged 65 and above in Gozo increased by 8% between 2006 to 2018, compared to 2% for the island of Malta. The share of working age population (age 15-64) for the island of Malta is 2% higher than for Gozo (Figure 8.3).

Figure 8.3. Share of working age population in Malta, Gozo and Comino, 2006-2018

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In 2017, GDP per capita in Gozo, in Purchasing Power Standards (PPS), corresponded to 60% of the EU-28 average, a level significantly lower than in Malta which is roughly at the EU-28 average. The gap in relative economic development between the two islands widened from 2000 to 2017, from 26% to 41%. However, the relative proximity between the two islands allows workers to commute to the island of Malta while living in Gozo. In fact, more than 20% of the Gozo resident workforce works on the island of Malta.

Figure 8.4. Evolution of GDP per capita in Purchasing Power Standards in the regions of Malta, Gozo and Comino, 2000-2017 (EU-28 = 100)

Regarding the sectoral composition of Gross Value Added between two regions, the economy of Gozo relies more on agriculture and fishing and construction sectors than the island of Malta, and less on financial, insurance, real estate and other services (Figure 8.5).

Figure 8.5 Composition of Gross Value Added in the regions of Malta, Gozo and Comino
The composition of the workforce on the two islands is very similar to the composition of Gross Value Added. Gozo employs 4% more people in agriculture and fishing, and 3% more in construction than Malta, but 7% less in the financial, insurance, real estate and other services.

The employment rate in Malta increased from 57% in 2000 to 73% in 2017. The employment rate in predominantly rural areas tracked this increase, reaching 75.3% in 2017. The employment rate for women has increased significantly since 2005 but remains relatively low by comparison with other Member States (Figure 8.6).

**Figure 8.6 Evolution of the employment rate in predominantly rural areas (2017)**

Farming in Malta is characterised by relatively low incomes and low levels of formal education and training, compared to employment in other sectors. As presented in Specific Objective 1, FADN data suggests that average income per Annual Work Unit (AWU) in agriculture in Malta is about 60% of the average income per AWU across all sectors. As presented in Specific Objective 7 the Census of Agriculture indicated that around 90.15% of the 11,713 sole holder managers declared agricultural training only from practical experience. Thus, to some extent it can be said that agriculture is a sector that faces a degree of disadvantage and social exclusion, which merits action to address.

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168 Eurostat 2016  
170 The Census of Agriculture, NSO 2010  
171 Agricultural and farm income, DG Agriculture and Rural Development, Unit Farm Economics  
The distribution of direct payments reflects the specific characteristics of Maltese agriculture with many small farms, but also the targeting of the (indoor) dairy farming sector through coupled payments to relatively large but entirely landless farms. The 20% largest beneficiaries concentrate 72% of the direct payments, which is higher than the concentration of land. (Figure 8.8)\(^{172}\).

Figure 8.8 Distribution of direct payments (2017)

To address the relative disadvantage of farming communities, education/training and skills development, adding value to farm produce and agri-food-tourism are all promising options.

Vertical integration with the food sector, as well as linking producers to consumers in hospitality, tourism and related roles – offers opportunities to enhance the status and level of skills in the sector, although enhanced co-operation could also increase the reach and scale of such developments.

The COVID 19 pandemic has had an unprecedented negative impact on the Maltese economy, with the hospitality and agricultural sectors hit hard. Malta’s economy relies heavily on the tourism sector and international trade; thus, it was severely affected by the outbreak of the COVID-19 pandemic and the restrictions that followed. According to estimates from the IMF, the country’s GDP contracted by 7% in 2020 (Table 8.1); and it should rebound to growth of 4.7% this year [2021] and 5.6% in 2022, mostly driven by domestic demand, although much of the outlook remains tied to the evolution of the pandemic and the economic performance of the country’s main trading partners\(^{173}\).

Table 8.1 IMF outlook Malta 2018-2022

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\(^{173}\) IMF – World Economic Outlook Database, April 2021
According to a recent study on Analysis of the Impact of COVID-19 on the Economic Activity of the Agricultural Sector in Malta (2020) in the first two months of the year 2020, Malta experienced a growth in tourist arrivals of 17% over the same period in the year 2019 reaching a total of 295,918. Then the number of visitors in March 2020 is estimated to have dropped by 31% compared to the same month in 2019, thus standing at 119,350. In the absence of the pandemic, Malta would have experienced a predicted growth in inbound tourism of 3% in March 2020 increasing to 10% by the end of 2020 and reaching a growth of 12% by the end of 2021, when compared to 2019.

<table>
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<th>Main Indicators</th>
<th>2018</th>
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<th>2020 (e)</th>
<th>2021 (e)</th>
<th>2022 (e)</th>
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<tr>
<td>GDP (billions USD)</td>
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<td>15.22</td>
<td>14.56</td>
<td>16.48</td>
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<td>GDP (Constant Prices; Annual % Change)</td>
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<td>5.6</td>
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<tr>
<td>GDP per Capita (USD)</td>
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<td>30</td>
<td>28</td>
<td>31</td>
<td>33</td>
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<tr>
<td>General Government Balance (in % of GDP)</td>
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<td>-1.9</td>
<td>-2.4</td>
<td>-1.7</td>
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<td>General Government Gross Debt (in % of GDP)</td>
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<td>56.6</td>
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<tr>
<td>Inflation Rate (%)</td>
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<td>1.5</td>
<td>0.8</td>
<td>1.1</td>
<td>1.4</td>
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<tr>
<td>Unemployment Rate (% of the Labour Force)</td>
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<td>3.6</td>
<td>4.3</td>
<td>4.3</td>
<td>4.1</td>
</tr>
<tr>
<td>Current Account (billions USD)</td>
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<td>0.03</td>
<td>0.21</td>
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<tr>
<td>Current Account (in % of GDP)</td>
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<td>4.6</td>
<td>-0.6</td>
<td>0.2</td>
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</tr>
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</table>

Source: IMF – World Economic Outlook Database, April 2021

Note 1: (e) Estimated Data

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Table 8.2 COVID 19 Impact on inbound tourism

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<tbody>
<tr>
<td>Loss in airline seat capacity</td>
<td>7,663,380</td>
<td>2,834,976</td>
<td>(4,828,404)</td>
<td>-63.0%</td>
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<tr>
<td>Loss in passenger movements</td>
<td>6,339,609</td>
<td>1,661,418</td>
<td>(4,678,191)</td>
<td>-73.8%</td>
</tr>
<tr>
<td>Loss in the number of flights</td>
<td>43,206</td>
<td>15,775</td>
<td>(27,431)</td>
<td>-63.5%</td>
</tr>
<tr>
<td>Loss in load factor</td>
<td>82.70%</td>
<td>58.60%</td>
<td>-24.1 pct. pts.</td>
<td></td>
</tr>
</tbody>
</table>

Source: Malta Tourism Authority (2021)

Figure 8.9 Inbound tourist numbers 1959-2020

The study on Analysis of the Impact of COVID-19 on the Economic Activity of the Agricultural Sector in Malta (2020) noted that “when compared to the baseline scenario, wherein COVID-19 would not have been an issue, the loss in tourism expenditure by inbound tourists excluding airfare is estimated at -€1.3 billion and -€484.2 million by the end of 2020 and 2021, respectively. As a result of this loss in tourism expenditure, the change in the direct and indirect economic value added when compared to a baseline scenario is estimated at -€820.2 million and -€300.1 million by the end of 2020 and 2021, respectively. Furthermore, the loss in the economic value added of the agricultural and fisheries sector is estimated at -€12.2 million in 2020 and -€4.5 million in 2021. The loss in value added when compared

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175 Malta Tourism Authority (2021) Malta Tourism Strategy 2021-2030 - Recover, Rethink, Revitalise Stakeholders & Public Consultation, p.6
to the baseline scenario during the peak season between April and September is estimated at -€10.2 million”.

Table 8.3 Change in Tourism Expenditure and Sectoral Economic Value Added Over the Baseline Scenario176

<table>
<thead>
<tr>
<th>Change from Baseline</th>
<th>2020</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effect on expenditure (excl. airfare) by inbound tourists (€m)</td>
<td>-1323.5</td>
<td>-484.2</td>
</tr>
<tr>
<td>Effect (direct and indirect) on economic value added (€m)</td>
<td>-820.2</td>
<td>-300.1</td>
</tr>
</tbody>
</table>

Agriculture and Fisheries                                   -12.2       -4.5
Production                                                   -60.7       -22.2
Construction                                                 -12.7       -4.6
Distribution                                                 -126.5      -46.3
Transport                                                    -167.5      -61.3
Hotels and Restaurants                                       -268.4      -98.2
Arts, Entertainment and Recreation                          -71.9       -26.3
All Other                                                    -100.2      -36.7

Source: E-Cubed Consultants estimates based on NSO data

The Maltese agricultural sector is expected to experience a notable loss in its economic value added as a result of the global pandemic. International tourism demand is considered as the main channel of the COVID-19 shock which is in turn affecting all the sectors in the economy including the agricultural sector. The Maltese government has therefore paid emergency support to its various agricultural sectors to help them to cope with the impacts of the pandemic.177

Malta Tourism Strategy 2021-2030 is based on the three-pronged approach of Recovering, Rethinking and Revitalising this important pillar of Maltese economic activity. Thirteen Strategic Challenges listed below have been identified as the ones that drive and affect the destination’s future competitive position178:

- Integrating quality at all levels of the value chain
- Increasing per capita spend
- Reviving sector profitability
- Rebuilding airline route network
- Managing demand as a result of accommodation sector expansion
- Recovering under sluggish conditions
- Addressing the HR dimension and supply side requirements
- Enhancing the Visitor Experience
- Improving the Country’s General Appearance
- Minimising downward price spiral potential with resulting drop in rates
- Fostering cross collaboration across various digital tourism initiatives through the consolidation and better use of data
- Re-directing investment in bed stock into other key areas
- Stronger integration of Sustainable Development Goals and the EU Green Deal

Malta’s rural areas have an important role to play in the economic recovery, especially in relation to agriculture and tourism.

Malta’s rural areas have untapped potential for enhanced quality of life through the restoration and extension of natural, heritage and socio-cultural features (including traditional and novel arts and

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177 E-cubed consultants (2020), ibid.

178 Malta Tourism Authority (2021) Malta Tourism Strategy 2021-2030 - Recover, Rethink, Revitalise Stakeholders & Public Consultation, p.32
crafts), providing benefits for residents and also offering scope for a greatly extended quality of rural and ecological/green tourism provision. Green infrastructure and the creation of more climate-proof and water-conserving facilities within this, is also an important area for small-scale innovative actions. Malta’s unique cultural heritage in rural areas has tended to receive less attention than its most famous urban sites and monuments, over the years. For these reasons, rural development per se in Malta tends to coalesce around sustainable agricultural development and the restoration and valorisation of social, cultural and natural heritage assets in rural areas, as a means both to enhance quality of life in rural areas, and to enhance quality and sustainability in rural tourism.

LEADER in Malta has played the central role in broader rural development beyond agriculture, but this role has tended to be rather limited, as demonstrated by the level of spending and scope of supported actions to date. Challenges have included a lack of institutional experience, as well as limited engagement of the local municipalities and other rural actors with Local Action Groups (LAGs), in some instances. LEADER has nonetheless successfully supported NGO/VOs in tapping into funding sources for small projects, providing resources for smaller initiatives that would not be eligible for funding under mainstream programmes. LEADER therefore serves as an opportunity for local communities to develop and implement strategies that are specifically elaborated to reflect the needs of their territories.

Three Local Action Groups (LAGs) were selected to continue implementation of LEADER during the 2014 – 2020 programming period. The main focus of the LAGs in Malta is on continued cultural and social development of rural areas, and promotion of the cultural heritage; investment in environmental and sensible landscaping of the rural areas; and fostering development of skills, knowledge base and transfer, with a focus on crafts. In Gozo the LDS is focused on developing an ICT media platform as a tourism product; support for local food and gastronomy as well as sustaining young people on the island.

LEADER will be an important tool for the delivery of this Specific Objective, by supporting the sustainability of rural communities through adding value to the social, environmental economic aspects of the territory through investment in key infrastructure, training and development projects in rural areas.

The specific support provided by LEADER will depend on the Local Development Strategies that will be drafted by the respective Local Action Groups using a bottom up approach and inclusive local participation. Through these LDSS, LEADER may support cultural, touristic and artisanal interventions, as well as promoting social inclusion and reducing poverty in rural areas, also based on the particular socio-economic status prevalent in the region. Interventions may also encourage economic growth, jobs and innovation, cooperation and knowledge transfer. The Local Development Strategies should therefore be complementary to the goals of the CAP Strategic Plan, other Operational Programmes and relevant national policies and strategies.

The National Strategic Policy for Poverty Reduction and for Social Inclusion, launched in 2014, represents a comprehensive approach to address poverty and social exclusion. The focus is on Malta’s population in general and four target populations in particular, namely children, elderly persons, unemployed people and the working poor. It addresses poverty from six dimensions which include social services, health and environment, culture, income and social benefits, education and employment.179

In 2019, 92.4 million people in the EU-27 were at risk of poverty or social exclusion; this was equivalent to 21.1 % of the EU-27 population. According to EU-SILC, in 2019 the at-risk-of-poverty or social exclusion rate was estimated at 20.1 per cent of the population living in private households in Malta.

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slightly below the EU average (Figure 8.10).

**Figure 8.10** People at risk of poverty or social exclusion 2019

The at-risk-of-poverty threshold is set at 60 per cent of the national equivalised income which proportion, in 2019, was calculated at €9,212. The largest share was registered among the elderly persons aged 65 and over – nearly 28 per cent of this age cohort.180

At a district level, the distribution of persons under the at risk of poverty rate (ARP) threshold was uneven across the Maltese Islands, with the Northern Harbour district having the largest share of ARP persons followed by the Southern Harbour district. On the other hand, the Western district registered the lowest ARP rate.

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81
The At-Risk-Of Poverty or Social Exclusion (AROPE) indicator is used to monitor the EU 2020 Strategy poverty target. Table 8.4 shows how the AROPE rate for Malta exhibited a substantial decrease between the base year 2013 (24.6%) and 2019 (20.1%). This decrease is mainly attributed to a number of factors, including robust economic performance leading to low unemployment rates. Malta has generally experienced a lower AROPE rate in comparison to the EU average, in recent years. However, at 20.1%, the at-risk-of-poverty or social exclusion rate (AROPE) increased by 1.1% when compared to EU-SILC 2018. The increase can be noted across all age groups, with the highest increase experienced among persons aged 65 and over, with 2.4%, thus reaching a rate of 29.1% for this cohort (Table 8.4).

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81 The AROPE indicator refers to people in a household who are either at risk of poverty, are severely materially deprived or in a household with a very low work intensity.
Table 8.4 At-Risk-of-Poverty or Social Exclusion in Malta and EU by Sex, 2013-2019\textsuperscript{182}

<table>
<thead>
<tr>
<th>At-Risk-of-Poverty or Social Exclusion</th>
<th>2013</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>EU</td>
<td>24.6%</td>
<td>23.5%</td>
<td>22.4%</td>
<td>21.8%</td>
<td>:</td>
</tr>
<tr>
<td>Malta</td>
<td>24.6%</td>
<td>20.3%</td>
<td>19.3%</td>
<td>19.0%</td>
<td>20.1%</td>
</tr>
<tr>
<td>Malta: At-Risk-of-Poverty or Social Exclusion</td>
<td>102,000</td>
<td>90,000</td>
<td>87,000</td>
<td>89,000</td>
<td>97,000</td>
</tr>
<tr>
<td>Malta: Not At-Risk-of-Poverty or Social Exclusion</td>
<td>312,000</td>
<td>353,000</td>
<td>365,000</td>
<td>378,000</td>
<td>388,000</td>
</tr>
<tr>
<td>EU: Males</td>
<td>23.7%</td>
<td>22.6%</td>
<td>21.5%</td>
<td>20.8%</td>
<td>:</td>
</tr>
<tr>
<td>Malta: % Males</td>
<td>23.8%</td>
<td>20.2%</td>
<td>18.5%</td>
<td>17.4%</td>
<td>18.8%</td>
</tr>
<tr>
<td>Malta: Males</td>
<td>49,000</td>
<td>45,000</td>
<td>42,000</td>
<td>42,000</td>
<td>46,000</td>
</tr>
<tr>
<td>EU: Females</td>
<td>25.5%</td>
<td>24.4%</td>
<td>23.3%</td>
<td>22.8%</td>
<td>:</td>
</tr>
<tr>
<td>Malta: % Females</td>
<td>25.5%</td>
<td>20.4%</td>
<td>20.2%</td>
<td>19.6%</td>
<td>21.4%</td>
</tr>
<tr>
<td>Malta: Females</td>
<td>53,000</td>
<td>45,000</td>
<td>45,000</td>
<td>47,000</td>
<td>51,000</td>
</tr>
</tbody>
</table>

Table 8.5 Number and share of persons at-risk-of-poverty or social exclusion (AROPE) by various socio-demographic characteristics

<table>
<thead>
<tr>
<th>Characteristics</th>
<th>2013</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sex</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>37,79</td>
<td>22.2</td>
<td>45,006</td>
<td>20.2</td>
<td>42,163</td>
</tr>
<tr>
<td>Female</td>
<td>51,000</td>
<td>23.8</td>
<td>44,777</td>
<td>20.4</td>
<td>45,291</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Under 18</td>
<td>22,148</td>
<td>28.4</td>
<td>18,808</td>
<td>24.0</td>
<td>18,209</td>
</tr>
<tr>
<td>18-64</td>
<td>58,851</td>
<td>21.3</td>
<td>50,565</td>
<td>17.7</td>
<td>47,771</td>
</tr>
<tr>
<td>65 and over</td>
<td>18,200</td>
<td>24.3</td>
<td>20,410</td>
<td>26.0</td>
<td>21,383</td>
</tr>
<tr>
<td>Most frequent activity status\textsuperscript{1}</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At work</td>
<td>17,545</td>
<td>9.8</td>
<td>14,689</td>
<td>7.7</td>
<td>13,414</td>
</tr>
<tr>
<td>Unemployed</td>
<td>6,807</td>
<td>73.8</td>
<td>5,469</td>
<td>64.1</td>
<td>4,230</td>
</tr>
<tr>
<td>Retired</td>
<td>13,354</td>
<td>22.1</td>
<td>14,367</td>
<td>23.2</td>
<td>16,719</td>
</tr>
<tr>
<td>Other inactive</td>
<td>39,650</td>
<td>37.5</td>
<td>34,061</td>
<td>35.5</td>
<td>33,410</td>
</tr>
<tr>
<td>Highest level of education achieved\textsuperscript{2}</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low</td>
<td>68,681</td>
<td>31.3</td>
<td>50,789</td>
<td>28.6</td>
<td>55,461</td>
</tr>
<tr>
<td>Medium</td>
<td>10,835</td>
<td>12.4</td>
<td>11,121</td>
<td>11.7</td>
<td>13,398</td>
</tr>
<tr>
<td>High</td>
<td>2,804</td>
<td>4.4</td>
<td>2,497</td>
<td>3.7</td>
<td>2,627</td>
</tr>
<tr>
<td>Tenure status of the household</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outright owner</td>
<td>52,172</td>
<td>20.3</td>
<td>45,849</td>
<td>17.7</td>
<td>47,840</td>
</tr>
<tr>
<td>Owner paying mortgage</td>
<td>13,228</td>
<td>14.7</td>
<td>10,946</td>
<td>11.4</td>
<td>6,640</td>
</tr>
<tr>
<td>Tenant or subtenant paying rent</td>
<td>27,839</td>
<td>42.4</td>
<td>27,482</td>
<td>42.9</td>
<td>27,119</td>
</tr>
<tr>
<td>Accommodation is provided free</td>
<td>3,970</td>
<td>31.1</td>
<td>4,159</td>
<td>24.9</td>
<td>3,950</td>
</tr>
</tbody>
</table>

\textsuperscript{1}Includes persons aged 18 years or more. For more information refer to methodological note 4.

\textsuperscript{2}Includes persons aged 16 years or more. For more information refer to methodological note 4.

Around two fifths (40.3 %) of the EU-27 population living in single adult households with dependent children was at risk of poverty or social exclusion in 2019. According to Eurostat data people living in single-parent households constitute a particularly vulnerable group, with Malta being no exception. In fact, this category is by far the highest in comparison to other groups (Table 8.6).

Table 8.6: At-risk-of-poverty or social exclusion rate (AROPE) by age group, sex and household type: EU-SILC 2018-2019

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184 Eurostat [2019] Living conditions in Europe - poverty and social exclusion
The AROPE rate for elderly people over 65 years of age in Malta tends to be much higher than the EU average. As shown in Table 8, the AROPE rate among the elderly increased from 26.7% in 2018 to 29.1% in 2019. While pensions in Malta have been increasing annually over the last few years, wages have increased at a higher rate, thus pushing up the poverty threshold. It is worth noting that another contributing factor is that social transfers in kind, such as free health care and free medical aid which are more likely to be accessed by older persons, are not captured in the data. Moreover, in contrast to the EU most pensioner households in Malta depend on just one pension, as many Maltese women did not accrue pension entitlements. The persistent at-risk-of-poverty rate shows the proportion of people with a level of income below the poverty threshold in both the reference year as well as at least two out of the three preceding years. In 2018, there was a higher persistent risk of poverty among the population living in single person households. On average, more than one fifth (21.9%) of the EU-28 population living in single-parent households was at persistent risk of poverty, while 18.2% of the population living in single person households faced similar risks of persistent poverty (Table 8.7); both of these figures were considerably higher than the risk of persistent poverty recorded for people living in households with two or more adults (irrespective of whether or not they had children). Figures for Malta were well above EU average.

Source: NSO Malta EU-SILC 2019 (2020)
Malta’s social inclusion policies have no specific focus on rural areas and their population; however, there could be scope for LEADER to target this issue in rural areas and among farming communities, learning from other best practices that good examples of such actions in other Member States.

Animation and exchange have been weak among and between Malta’s LAGs and the EU-wide LEADER networks, which has constrained capacity among LAG actors and in the development of LDSs.

Malta, including its rural areas, is rich in cultural heritage, with a dense concentration of artefacts ranging from Neolithic monuments, remains of Phoenician and Roman civilizations, rare examples of early Christian and medieval architectural, imposing constructions by the Order of St. John and nineteenth century examples of British military and civil architecture.

A number of sites are of world heritage importance, but there are other less imposing but still valuable structures that reflect the past agrarian society. Despite the fact that a number of sites and areas have been designated as of archaeological importance, some structures still suffered various degrees of degradation due to natural deterioration, sometimes compounded by human acts, intentional or otherwise. There is therefore scope for further intervention in rural areas in order to restore such

Table 8.7 Persistent at-risk-of-poverty rate, 2018, EU-28

<table>
<thead>
<tr>
<th></th>
<th>Single adult</th>
<th></th>
<th>Two or more adults</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Without</td>
<td>With</td>
<td>Without</td>
<td>With</td>
</tr>
<tr>
<td></td>
<td>dependent</td>
<td>children</td>
<td>dependent</td>
<td>children</td>
</tr>
<tr>
<td>EU-28 (1)</td>
<td>18.2</td>
<td>21.9</td>
<td>3.7</td>
<td>6.3</td>
</tr>
<tr>
<td>EA-19 (1)</td>
<td>18.5</td>
<td>22.1</td>
<td>3.6</td>
<td>6.5</td>
</tr>
<tr>
<td>Lithuania (1)</td>
<td>32.1</td>
<td>59.1</td>
<td>27.0</td>
<td>7.6</td>
</tr>
<tr>
<td>Malta</td>
<td>15.5</td>
<td>41.2</td>
<td>25.7</td>
<td>8.3</td>
</tr>
<tr>
<td>Spain</td>
<td>9.0</td>
<td>27.3</td>
<td>18.3</td>
<td>7.7</td>
</tr>
<tr>
<td>Luxembourg (1)</td>
<td>15.7</td>
<td>29.7</td>
<td>14.0</td>
<td>3.4</td>
</tr>
<tr>
<td>Portugal (1)</td>
<td>15.7</td>
<td>29.3</td>
<td>13.6</td>
<td>10.4</td>
</tr>
<tr>
<td>France</td>
<td>9.1</td>
<td>22.5</td>
<td>13.4</td>
<td>2.9</td>
</tr>
<tr>
<td>Belgium</td>
<td>14.0</td>
<td>27.4</td>
<td>13.4</td>
<td>5.0</td>
</tr>
<tr>
<td>Italy</td>
<td>18.7</td>
<td>33.0</td>
<td>13.3</td>
<td>9.7</td>
</tr>
<tr>
<td>Greece</td>
<td>11.0</td>
<td>21.0</td>
<td>9.4</td>
<td>8.2</td>
</tr>
<tr>
<td>Czechia</td>
<td>15.0</td>
<td>23.8</td>
<td>8.8</td>
<td>1.0</td>
</tr>
<tr>
<td>Austria</td>
<td>14.2</td>
<td>22.9</td>
<td>8.7</td>
<td>7.6</td>
</tr>
<tr>
<td>United Kingdom (1)</td>
<td>15.2</td>
<td>23.8</td>
<td>8.6</td>
<td>5.2</td>
</tr>
<tr>
<td>Ireland (1)</td>
<td>24.4</td>
<td>30.9</td>
<td>6.5</td>
<td>4.3</td>
</tr>
<tr>
<td>Sweden</td>
<td>13.8</td>
<td>20.2</td>
<td>6.4</td>
<td>2.9</td>
</tr>
<tr>
<td>Romania</td>
<td>21.9</td>
<td>25.7</td>
<td>10.0</td>
<td>27.2</td>
</tr>
<tr>
<td>Slovakia (1)</td>
<td>8.6</td>
<td>10.6</td>
<td>2.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Netherlands</td>
<td>22.7</td>
<td>23.6</td>
<td>0.9</td>
<td>1.0</td>
</tr>
<tr>
<td>Hungary</td>
<td>12.4</td>
<td>8.9</td>
<td>-3.5</td>
<td>3.0</td>
</tr>
<tr>
<td>Poland</td>
<td>21.7</td>
<td>18.7</td>
<td>-5.0</td>
<td>6.6</td>
</tr>
<tr>
<td>Cyprus</td>
<td>16.2</td>
<td>8.9</td>
<td>7.4</td>
<td>5.5</td>
</tr>
<tr>
<td>Denmark</td>
<td>13.3</td>
<td>2.9</td>
<td>-9.4</td>
<td>5.1</td>
</tr>
<tr>
<td>Germany</td>
<td>24.9</td>
<td>14.0</td>
<td>-10.1</td>
<td>6.2</td>
</tr>
<tr>
<td>Finland</td>
<td>19.8</td>
<td>8.9</td>
<td>-10.9</td>
<td>5.2</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>33.1</td>
<td>19.6</td>
<td>-13.5</td>
<td>10.6</td>
</tr>
<tr>
<td>Croatia</td>
<td>38.3</td>
<td>18.4</td>
<td>-19.9</td>
<td>11.0</td>
</tr>
<tr>
<td>Slovenia</td>
<td>33.0</td>
<td>12.2</td>
<td>-20.8</td>
<td>5.7</td>
</tr>
<tr>
<td>Estonia</td>
<td>48.1</td>
<td>24.6</td>
<td>-23.5</td>
<td>7.8</td>
</tr>
<tr>
<td>Latvia</td>
<td>44.1</td>
<td>25.3</td>
<td>-18.8</td>
<td>13.4</td>
</tr>
<tr>
<td>Norway</td>
<td>12.3</td>
<td>13.7</td>
<td>1.4</td>
<td>2.4</td>
</tr>
<tr>
<td>Iceland (1)</td>
<td>5.2</td>
<td>3.4</td>
<td>-1.8</td>
<td>1.2</td>
</tr>
<tr>
<td>Switzerland</td>
<td>11.0</td>
<td>3.2</td>
<td>-7.8</td>
<td>0.5</td>
</tr>
<tr>
<td>North Macedonia (1)</td>
<td>27.2</td>
<td>17.4</td>
<td>9.8</td>
<td>6.0</td>
</tr>
<tr>
<td>Turkey (1)</td>
<td>11.0</td>
<td>14.6</td>
<td>3.6</td>
<td>4.1</td>
</tr>
<tr>
<td>Serbia (1)</td>
<td>20.0</td>
<td>7.8</td>
<td>-12.2</td>
<td>14.8</td>
</tr>
</tbody>
</table>

(1) 2018 estimated data.
(2) 2017 data.
(3) 2016 data.
Source: Eurostat (online data code: ilc_l23).
heritage structures, in order to conserve the history of Maltese rural areas and improve the attractiveness of such areas for the benefit of the rural communities. In order to improve the quality of life in rural areas, there is also the need for better recreation, cultural and tourism infrastructure.

The total number of bed places in Malta increased by 10.3%, between 2012 and 2017. The highest increase in relative terms was registered in intermediate areas, however, Gozo and Comino have the most significant share. According to Regional Statistics Malta (2019) self-catering accommodation accounted for 72.3 per cent of total bed-stock in Gozo and Comino, and farmhouses accounted for more than half of the total active holiday furnished premises in this region. With the close proximity between urban and rural areas in Malta, there is a potential to tap into the (eco)-tourism sector more widely, offering area-based activities, supporting soft infrastructure projects and eco-trails (green cycle-routes, heritage and treasure hunt routes, etc.), especially on Gozo.

**Figure 8.13** Total number of bed places by type of region, Malta (2017)

![Figure 8.13](image)

Source: EC (2019) Analytical factsheet for Malta

Additionally, some rural areas still lack open recreational spaces, therefore, there is a need to create such open spaces through the conversion, afforestation and upgrade of abandoned or degraded land, both for environmental purposes but also for the benefit of locals and visitors. Increased awareness of local rural resources and the need for their conservation, for future generations are important, to improve the quality of life for all. Conversion may include amenity tree-planting; while commercial afforestation is judged to be impractical on the Maltese islands due to the necessary micro-scale of any such operations.

**Strengths**

Favourable economic conditions and low unemployment rates have brought about a decrease in the number of people that are at risk of poverty or social exclusion along the years. Therefore, the LEADER programme can be used to further support and strengthen communities within the respective territories.

Currently, Malta’s three LAGs cover all of its rural territory and have a good level of institutional support. Maltese community groups appreciate many aspects of social and cultural heritage and there is enthusiasm to maintain local culture and traditional events such as football clubs and annual fetes. Local Action Groups have now been established since the 2007–2013 programming period, becoming reference points within their respective region, supporting and consulting with numerous regional actors. The 2007–2013 and 2014–2020 RDPs financed numerous projects that have improved life in rural areas, from the restoration of historical artefacts to the rehabilitation of open spaces and the resurfacing of rural roads. Rural areas on the main island of Malta remain popular for residential and touristic purposes, though depopulation remains a concern for Gozo.

**Weaknesses**
Higher seasonality element in Gozo’s economic activity (dependence on agriculture and tourism) and lack of diversification as well as emigration of young, highly skilled people from the island, represent relative weaknesses for Gozo. Number of women taking part in rural development activities remain low across Maltese islands.

There is a general limitation in the number of open spaces that can be used for recreational purposes by both residents and tourists. As a consequence, people tend to coalesce in a small number of locations, resulting in overcrowding, traffic, waste management problems and general environmental degradation.

The underutilisation of historical and natural heritage and failure to conserve and invest in natural and historical assets and local cultural and historical knowledge has a direct impact on the level of diversification which can be undertaken in rural areas. In this regard, LEADER initiatives may prove critical for development in this regard.

**Opportunities**

A younger generation of Maltese rural people is keen to encourage more innovative and creative enterprise in rural areas, drawing upon wider Maltese arts, crafts, technology and entrepreneurship to stimulate and help develop a new and broader vision for local action.

A greater investment in learning from best practice in other Member States could help to rejuvenate the actions of institutions offering knowledge exchange, mentoring and advice and support to farm households and socially disadvantaged groups. Further opportunities for growth can be created through AKIS, such as digital reskilling and training, environmental and climate orientated goals that can take the sector forward and contribute to economic and social growth.

There are opportunities to stimulate new business activity and help support rural incomes and standard of living, including interventions such as farm diversification, gastro tourism, local food labelling, investment in cultural and natural heritage, and social inclusion, co-operation and knowledge transfer.

Malta has a rich rural heritage with opportunities to further develop sensitive restoration and interpretation. Restoration of local rural heritage sites and rural structures is key to increasing the value of the localities and their attractiveness. This is therefore also an opportunity to diversify the tourism product and improve life in rural areas.

Creating an informal educational system to pass on the knowledge in respect of traditional trades, customs and culture is an important opportunity for Malta. Also, there is scope to create an accreditation system to ensure that Maltese produce is recognised and promoted. Major opportunities exist in the form of a large visitor population to the island and short travel distances between rural and urban centres creating a large potential for marketing local produce.

Feasibility studies on renewable energy using waste and development of bio-economy sectors on the islands, should create an opportunity to investigate wider use of renewable energy sources in the future.

**Threats**

Without an increase in the scale and pace of restoration and creation of enhanced socio-cultural and environmental facilities and infrastructure in the most rural parts of Malta, these areas will suffer from continued disadvantage in respect of quality of life and opportunity to benefit from sustainable tourism and hospitality.

Without sustained effort to help Maltese farm families to enhance the quality, profitability and range
of products offered, disadvantage and low incomes will continue to hinder the long-term survival of agriculture in Malta.

Growing population with some areas experiencing a high percentage of older people and high dependency ratios is resulting in higher pressure on resources such as water, air and land as well as on local infrastructure.

**Implications for needs and the case for intervention**

There appear to be clear needs to improve the scope and scale of actions under this SO through new local development strategies which are tailored to today’s needs and the needs of rural communities.

The focus of current LEADER activity on works for environmental enhancement needs to be enhanced so it can better address rural socio-cultural and environmental quality of life.

It would be possible to reinvigorate the LEADER agenda in this direction, with enhanced allocation to multisectoral and business-oriented projects and initiatives designed to reverse negative stereotypes concerning rural and agricultural conditions and opportunities. However, there may also be important roles to be played by non-agricultural policies, especially those focusing on social, health and regional development meaning that careful demarcation and coherence need to be assured.

There is also scope for more investment in rural areas, restoration of existing heritage, improvement of open spaces, afforestation and general amelioration of public recreational amenities in rural areas, especially given the increase in population being experienced across the Maltese Islands.

**Specific Objective 9: Improve the response of Union Agriculture to societal demands on food and health, including high-quality, safe and nutritious food produced in a sustainable way, to reduce food waste, as well as to improve animal welfare and to combat antimicrobial resistance**

**Context and evidence**

Antimicrobials play a crucial role in the treatment of diseases of farm animals and plants and safeguard food security both in terms of quality and ensuring adequate supply. Consequently, farmers recognise the cost-effectiveness of investment in antimicrobials for livestock and plant health. Nevertheless, Malta is not immune to the significant challenge of Antimicrobial Resistance (AMR); in common with most Mediterranean countries, several drug-bug resistance combinations are locally prevalent in significantly greater proportions than other EU regions. A Strategy and Action Plan for the Prevention and Containment of Antimicrobial Resistance in Malta (2020 – 2028) has been published as a cross-sectoral response to the threat of AMR in Malta with the aim of controlling and possibly reversing these current AMR trends.

Recent European reports cited in the Strategy have provided new evidence on the burden of AMR in Malta. A 2019 ECDC publication estimates that 25 to 35 Maltese die every year from infections caused by AMR organisms (Cassini, et. al., 2019). OECD has recently reported that AMR is resulting in direct costs of more than €3,000,000 a year to the Maltese economy. It estimates that, in a worst-case scenario, in which no antimicrobial treatment is effective, AMR infection could cause healthcare losses of more than 6000 hospital days, and almost 20 million euros, a year. Figure 9.1 demonstrates

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188 Ibid
estimated average annual health care expenditure associated with AMR across OECD modelled countries. Malta is estimated to have the highest healthcare expenditure as a consequence of a 100% resistance scenario (OECD, 2018).89

Figure 9.1. Average annual healthcare expenditure associated with AMR under 100% resistance scenario (OECD, 2018)

AMR in animals is also significant problem. The level of resistance to ciprofloxacin in Salmonella in local broiler flocks tested in 2016 was 50%, while 48.8% of the isolates were resistant to nalidixic acid.

Despite the fact that EU guidelines have been adopted and adapted there is lack of legislation covering prescription, distribution, marketing, dispensing and recall of all veterinary medicinal products including antibiotics for animals. This is a barrier that is considered a central issue by both veterinary regulators and practitioners. In addition, tools to enforce the current Veterinary Services Act are either lacking or not sufficiently robust.

AMR surveillance in animals is carried out by the National Veterinary Laboratory on resistance of Salmonella species in poultry (layers and broilers) and swine as well as for E. coli under Decision 2013/652. Surveillance on bovine species reared in Malta is not compulsory because calves are not slaughtered. Other species such as ruminants and caprine are not targeted as this is not an EU requirement. National legislation allows for the slaughtering of small numbers of rabbits on farms without the presence of the official veterinarian on site. However, it does except the farm from being monitored if they are registered with the Food Safety Commission.

As identified in the latter strategy, innovative technological solutions and research initiatives can be successful if they reach out to practitioners in the field and include experts from different disciplines and backgrounds. It is important to motivate stakeholders such as farmers, advisors and veterinarians to adopt better biosecurity, management and other practices that help reduce the need for antibiotic treatments.

The strategy outlines plans for a surveillance system to monitor antibiotic usage in agriculture and other sectors, and calls for improved hygiene standards on farms to prevent cross-transmission of animal pathogens. It also proposes to expand educational Animal Health campaigns aimed specifically at farmers, animal and pet owners emphasising the risks of non-prescribed use of antibiotics or acquisition of antibiotics from unlicensed sources, as well as the benefits and cost-effectiveness of greater hygiene.

89 ibid
90 ibid
The Veterinary Medicine Antimicrobial 2017 (Figure 9.2) summary report presents data on the sales of veterinary antimicrobial agents for the year 2017 and places emphasis on food-producing animals. According to the report, the sales of antimicrobial veterinary medicinal products in Malta, expressed as mg sold per population correction unit (PCU), was 121mg/PCU for 2017. The EU average, as stipulated in 2016 ESVAC Report, was 124.6mg/PCU with a range from 2.9 mg/PCU to 453.4 mg/PCU across the 31 countries.

**Figure 9.2** Total sales for food-producing animals, in mg/PCU, of the various veterinary antimicrobial classes for 31 European countries (Malta Data 2017 vs EU Data 2016)

Source: Antimicrobial Consumption and Resistance in Malta 2019

The data collected includes antibiotics used for the following animals: Cattle, Pigs, Poultry, Sheep, Goats, Rabbits and Horses (Figure 9.3).

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191 National Antibiotic Committee: Antimicrobial Consumption and Resistance in Malta Annual Report 2019
Figure 9.3: Estimated PCU (in 1,000 tonnes) of the population of food-producing animals, for 2017

Source: Antimicrobial Consumption and Resistance in Malta 2019

In 2018, the total sales of antimicrobial VMPs in Malta were 150.9 mg/PCU (Figure 9.4). Pleuromutilins, tetracyclines and other antibacterials were the most-sold classes, accounting for 29%, 26% and 18%, respectively, of the total sales of antimicrobials (mg/PCU) for food-producing species, including horses. In Malta, sales (mg/PCU) of 3rd- and 4th-generation cephalosporins, fluoroquinolones, other quinolones and polymyxins represented 0.1%, 3%, 0.02% and 1.2%, respectively, of total sales in 2018. In the same year, sales of 3rd- and 4th-generation cephalosporins were 0.19 mg/PCU and sales of polymyxins were 1.85 mg/PCU.

Figure 9.4 Sales of veterinary antimicrobial agents marketed mainly for food-producing animals in Malta.
In 2018, sales of veterinary antimicrobial agents were reported to the ESVAC for the second time. Data were provided by 23 wholesalers. A 25% increase in sales (mg/PCU) was observed in Malta from 2017 to 2018 (Figure 9.5). This increase should be interpreted with caution as it was the result of this being the first two years of collecting data using the ESVAC template, bearing in mind that the overall sales, in tonnes, can fluctuate from year to year.

**Figure 9.5:** Changes in sales (MG/PCU) across years

![Figure 9.5: Changes in sales (MG/PCU) across years](source)

Source: EMA Malta-trends-sales-veterinary-antibiotics-between-2010-2018

Dietary and health issues in Malta are targeted through other, non-CAP policies, a brief overview is included. Malta has high prevalence of overweight and obesity. In Malta, the prevalence of overweight was 70% in adults aged 18-70 years in 2014-65, and 37% of men and 31% of women were obese (Cuschieri et al, 2016). This shows a clear need for the promotion of healthy eating and healthy ageing habits amongst the Maltese population.

Malta recognises many ways in which farming and agricultural policy can and should promote a better relationship between Maltese agriculture and the provision of safe, nutritious and healthy food for consumers, as well as a more sustainable food system with less waste and greater resource protection. The welfare of farm animals is an important consideration in the relatively intensive systems which characterise much of Maltese livestock production, and there is scope for continuous improvement in this respect.

According to the European Commission, European consumers are becoming increasingly interested in information on how animals are treated on farms and in livestock facilities. However, while voluntary welfare labelling schemes exist across the EU, there is no harmonised system of animal welfare

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standards for labelling purposes. Across the EU, the only existing system of compulsory labelling concerns table eggs, that are regulated through EU legislation for laying hens, based on the different production methods, such as cage and free range. Such classification does not exist for other types of animal and animal products.\(^{195}\)

Because of this, few products currently provide information to the Maltese consumer on welfare standards and there is very little motivation for producers to improve animal welfare above the regulatory minimum and market their products accordingly.

The Malta Agricultural Policy mentions the importance of certain food issues including food presentation, labelling and traceability. This highlights the positive aspiration but still low level of development of a clear strategy for quality products with links to improving the diet of Maltese consumers. Thus, in the medium-term, one key focus for intervention should probably be enhancing understanding of these interlinkages, and building capacity to act, among all farmers, supply chain actors (processors, packers, distributors, retail and hospitality) and Maltese consumers.

On this theme, Malta’s National Food and Nutrition Policy and Action Plan 2015-2020\(^{196}\) states that future agricultural programmes should include nutrition objectives and need to take into account changing food and nutritional demands to ensure that the synergies between agriculture and nutrition are successful, and lead to better development outcomes.

Complementarity can be noted between this Specific Objective and the school fruit, vegetables and milk scheme that supports the distribution of these products in schools, with a specific focus also on health, educational and information measures. These schemes aim to increase the consumption of fresh fruit, vegetables and milk products among children, therefore promoting the consumption of healthy food. In addition, The ‘Healthy Plate’ guide targets Maltese adults aged 19-65 years who are encouraged to modify their daily diet to reflect the proportions indicated by the graphical ‘healthy plate’ guide\(^{197}\).

Malta’s Health Ministry in 2020 undertook a nationwide survey of consumption patterns in Malta, which highlights the seriousness of the obesity problem in the country and indicates a strong link to poor diet, in particular high levels of sugar consumption in processed foods and drinks. The Ministry will use the publication of the findings of the survey to promote a range of new policies encouraging Maltese people to choose a Mediterranean diet with a higher proportion of fresh fruit and vegetables and a lower consumption of highly processed foods. This publication will coincide with the development of a new food and nutrition action plan.

The promotion of animal welfare standards coupled with the introduction of animal welfare labelling or guarantees, in Malta’s main livestock sectors could also enable a shift towards higher animal welfare standards to benefit livestock, farmers and consumers on the Maltese Islands alike.

The idea of the circular economy and the need to reduce food waste is also particularly relevant to Malta, given its island status, high population density, high import dependency, and limited, precious and fragile natural resource base. Malta’s Waste Management Plan (2021) describes the significant challenges facing the Maltese economy in seeking to reduce, re-use and recycle more of its waste, and the agri-food sector can play its part in this process. Whilst food wastes arising from producers and supply chain actors are considered as commercial wastes, their safe recycling might best be co-ordinated with the proposed ‘community composting’ for municipal biowastes, in areas around


Malta. Such activities could also create opportunities to produce soil enhancers and organic fertilisers, to be made available to farmers in order to reduce their reliance upon imported and chemical fertilisers, as already discussed under Specific Objective 4 and Specific Objective 5.

Pesticide usage (more on pesticides under SO 6) in Malta follows the typical pattern of the Mediterranean climate. Herbicide applications are mainly used in the beginning of the rainy season, which starts in September, when the weed seeds begin to sprout. Treatment with herbicides reached its peak in January whereas dry conditions in the April/September season retard weed growth. Fungicide use occurred throughout the whole season, with the main period of application occurring April to July, reaching a peak in June.

In 2014, according to the Pesticides Use Survey, carried out by the National Statistics Office (NSO), the area treated with plant protection products amounted to 4 071.8 hectares or 44.4% of the area surveyed. With higher shares of area treated for vegetables and potatoes (above 90%), vines (86%), stone fruit (78%) and citrus (45%) 119. Harmonised risk indicator 1 (HRI1) (Figure 9.6) shows a 19 % decrease in risks linked to pesticide use in 2018, compared to the baseline period 2011-2013. Although this reduction of risk was slightly higher than the EU average of 17 %, the use of more hazardous pesticides (candidates for substitution) was high and increasing as a percentage of total pesticide sales.

Figure 9.6 Harmonised Risk Indicator 1 for pesticides in Malta (2011-2013=100)

Source: European Commission. Harmonised Risk Indicator for pesticides (HRI 1), by group of active substance. EUROSTAT [SDG_02_51]

Malta’s first National Action Plan (NAP) for Sustainable Use of Pesticides199 covering the period 2013-2018, set out a national strategy and established objectives, targets, measures, and timelines to reduce risks and impacts of pesticide use on human health and the environment, whilst encouraging Integrated pest management and alternative approaches or techniques to reduce pesticide-use dependency. This plan was updated in 2019200. However, based on the Commission’s assessment of the SUD implementation, Malta lacks enforcement of the general principle for integrated pest management at farm level.

Strengths

As mentioned also under Specific Objective 2, consumer awareness of Maltese products has been

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199 Malta’s National Action Plan for Sustainable Use of Pesticides 2013 – 2018
200 Malta’s National Action Plan for the Sustainable Use of Pesticides 2019-2023
enhanced in recent years by the development of a range of Maltese restaurants by chefs enthused to create and promote their national and regional specialities. Also, both the Ministry for Agriculture, Fisheries and Animal Rights and local NGOs are trying to create more awareness about the benefits of supporting the local agricultural sector through seasonal consumption of fresh Maltese produce.\textsuperscript{201}

Efforts have also been made within the Agriculture Directorate to establish a national register of traditional Maltese Agro-Food products through Subsidiary Legislation 427.89; Establishment of the National Register of Traditional Agro-Food Products Of Malta Regulations \textsuperscript{202}, as well as a national committee that acknowledges the culinary and cultural significance of local products such as the ‘Gbejna’. The register shall aim at officially recognising agricultural products and traditional recipes as Maltese cultural heritage. A public consultation was launched regarding this matter; and its outcome awaits publication.\textsuperscript{203}

Good producer organisation in both dairy and pig meat sectors could enable them to investigate and develop higher animal welfare standards as a marketing strategy, by learning from successful examples in other countries.

Strong antibiotic stewardship programmes (including guideline development) in hospital care, especially at the main hospital in Malta- MDH and extensive surveillance data on antimicrobial resistance in governmental hospitals.

**Weaknesses**

Low consumer awareness of how the food is produced, particularly in Malta’s large hospitality sector, is likely to weaken the prospects for developing and maintaining a market advantage through an explicit link to quality and higher standards. This weakness would need to be addressed by much stronger promotion and education of the public and of the main hospitality sector providers, in tandem with action along the agri-food chain.

Legislation directly related to AMR is limited. Current legislation requires that all antibiotics used for human patients (including topical formulations) as well as food animals, should be Prescription Only Medicines.\textsuperscript{204} In animal health there are no regulations to cover antibiotic formulations that consider AMR. Detailed information on antibiotic use in animals in Malta is significantly limited. Malta started providing sales data of antimicrobials to the European Medicines Authority’s European Surveillance of Veterinary Antimicrobial Consumption (ESVAC) network only in 2018. Information on AMR in isolates of animal origin remains extremely sparse and restricted to a limited set of isolates tested annually at the National Veterinary Laboratory in compliance with Commission Implementing Decision 652/2013 (EU). There are currently no laboratories in Malta that can provide a suitable service for performing routine diagnostic and susceptibility tests, hence scope for development in this area remains important.

**Opportunities**

Ongoing development of the Malta Food and Nutrition Policy and Action Plan for Malta beyond the...
current phase (2015-2020) should assist in raising awareness and increasing opportunities to strengthen links between Malta’s agriculture and its population’s dietary health. The wider promotion of ‘the healthy plate: dietary guidelines for Maltese adults’ (2016) should also raise consumer awareness of the potential benefits of consuming good quality local and fresh produce.

The current marketing campaigns by the tourism sector emphasise the islands as a quality destination rich in culture and heritage with a range of distinctive and particular products and venues for hospitality and leisure. This creates useful scope for the pursuit of this final CAP strategic objective in Malta, Gozo and Comino.

Further educational programmes on agriculture and good nutrition, could help to enhance product knowledge and encourage the maintenance of higher quality and more environmentally-friendly production systems for Maltese produce, in order to be able to convince a new generation of consumers about the health, welfare and sustainability benefits of choosing local products over imports. There is therefore an opportunity to enhance existing schemes, improving the focus on sustainability, short supply chain and low carbon footprint. National certification schemes that reward producers achieving higher standards would strengthen consumer confidence and trust and benefit promotion of high quality food products.

There is a significant opportunity for new research to more carefully examine Maltese consumer perceptions, habits and expectations in respect of food safety, quality and dietary choices. This could enable policies to target identified gaps or misconceptions and to tailor agri-food policy to address key consumer and/or public health concerns. Encouraging cooperatives or the farmers’ markets to come together to create sector-wide ‘inter-branch’ organisations could offer opportunities to strengthen Maltese producers’ quality food credentials and images among consumers.

In livestock sectors there is an opportunity to enhance the five freedoms, (namely freedom from hunger and thirst; freedom from discomfort; freedom from pain, injury and disease; freedom to express normal behaviour and freedom from fear and distress) for all housed livestock in Malta, also to develop new welfare standards and certification in partnership with key supply chain actors.

Development of a new holistic food policy that targets the entire food ecosystem and fosters the enabling conditions for more robust and resilient food systems will aim to influence the behaviour of producers and consumers in the food chain and address a number of needs linked to higher environmental and animal welfare standards, enhancing quality, traceability of local produce and raising consumer awareness.

Campaigns as part of the Waste Management Plan for the Maltese Islands, A Resource Management Approach 2014-2020, on food waste awareness provide an opportunity to focus on the importance of consumption in a sustainable manner, both for the environment and people’s well-being. Food wastage accounts for 52.1% of municipal solid waste in the Maltese Islands.

There is a scope to enhance knowledge and awareness on AMR among veterinary professionals by ensuring the availability of continuing professional education activities on AMR and prudent use of antibiotics in line with the Strategy and Action Plan for the Prevention and Containment of Antimicrobial Resistance in Malta 2020 – 2028.

**Threats**

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207 Vella, D.2016 Analysing household food waste in the Maltese islands; bachelor Thesis, University of Malta

As discussed also under SO2, a lack of transparency and trust in Maltese food supply chains threatens the viability of initiatives focused upon quality local products produced to high standards, as it fundamentally undermines consumer confidence in the claims of sellers. Limited traceability, inconsistent quality and supply 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.

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.

Lack of consumer awareness and lack of recognition towards the value of Maltese products is a continuing threat that must be tackled by promotion and education. Coupled with this is the threat arising from low environmental awareness among the Maltese population, especially in respect of how it treats agricultural and organic waste.

There is an absence of appropriate legislation in Animal Health providing tools for effective intervention and regulation, especially in food animal husbandry. In addition, there is anecdotal evidence of acquisition of antibiotics from unlicensed sources and direct medication of animals by farmers209.

Implications for needs and the case for intervention

Other areas of Maltese policy and other government Ministries play specific roles in respect of promoting food and health connections, as outlined in the Malta Food and Nutrition Policy.

Training and advice for farmers and supply chain actors to promote higher standards in these areas would seem to be an essential element, but equally important is to consider how to create a strong incentive for farmers to take up such training, in offering persuasion via the key co-operatives is one important means to achieve this, but conditions for broader farm support and/or stronger strategic action planning between Government and with all key farm sectors could also be valuable, in this regard. As demonstrated effectively via the experience of other Member States, when governments partner with industry lead organisations it can be possible to achieve sector-wide transformation of production standards more rapidly and effectively than if either public or private sector actors were to try to do this alone.

For the fruit and vegetable sectors, alternative tactics will need to be developed in order to encourage smaller co-operatives and producer organisations to recognise their mutual interests in promoting fresh and high-quality produce to Maltese consumers acting under a common banner.

To make an effective link consumer loyalty to local products, dietary health and animal welfare benefits, agricultural producers need to be more engaged in developing and promoting higher standards in production, including lower input and more agro-ecological practices, in particular, including those which can avoid or reduce the use of antibiotics in farming. Key to achieving this will be stronger education and awareness raising among the farming community, as well as capacity-building to promote innovation in these directions. There is also scope for investment support for equipment that improves animal welfare on the farm.

Availability of analytical and diagnostic tools would allow introduction of effective vaccination programmes and targeted use of antimicrobials. Supporting investments to set up an electronic prescription system enabling the monitoring and collection of quality data on the prescription, use, consumption and trends of antibiotics in Malta would be an important step towards fulfilling specific action in Strategy and Action Plan for the Prevention and Containment of Antimicrobial Resistance in

209 Ibid
Malta (2020 – 2028). The data would be used to carry out risk assessments and to complete the picture and assist in implementing the strategy in Malta. Support may also include upgrades to the AMR laboratory.

SO 10: Cross-cutting objective related to modernising agriculture and rural areas by fostering and sharing knowledge, innovation and digitalisation in agriculture and rural areas and by encouraging their uptake by farmers, through improved access to research, innovation, knowledge exchange and training.

Context and evidence

Agricultural Knowledge and Information Systems (AKIS) is the management of people, entities and institutions that use and generate knowledge and innovation for the sector. The main players are farmers, farmers organisations, researchers, advisors, public entities, processors and retailers, amongst others. AKIS aims to create a thriving network through which knowledge can be disseminated between the different actors, while also enhancing the links between researchers and practitioners. The PRO-AKIS study (2015) classified the Maltese Agricultural Knowledge and Innovation system as fragmented.

Maltese agriculture comprises a very large number of individual actors managing often very small agricultural holdings with relatively low levels of formal qualification. The current knowledge transfer and advisory set-up in Malta comprises different actors that are involved in some cooperation projects together but whose efforts need to be better coordinated. These include:

- Malta College for Arts, Science and Technology (MCAST)
- Malta Council for Science and Technology (MCST)
- University of Malta (UM)
- The Diversification and Competitiveness Directorate (DCD) in the Ministry for Agriculture, Fisheries and Animal Rights (MAFA) Farm Extension Services
- MAFA’s in-house, accredited Farm Advisory Service, AgriConnect.
- numerous private advisors.

AgriConnect and AgriHub have both been set up recently and are an example of coordinated approach to linking more closely research and advisory service provision in Malta. While AgriHub’s focus is on Research and Development, the extension and advisory services are operated under AgriConnect. AgriConnect was established in 2020, as one-stop-shop advisory service for farmers. The AgriConnect has been established to act as the government’s Farm Advisory Service provider for Malta to provide a free and holistic advisory service which ensures that farmers in Malta and Gozo have access to the qualitative technical support which they need. AgriConnect offers a number of services:

- Consultancy regarding the adherence to the requirements resulting from Cross Compliance (CC) Requirements. This consists in on-site visits to Land, Livestock and Farm, provision of reports to farmers on the findings of the visit and development of crop plans and fertiliser plans based on soil testing. Nutrient Management Plans and Assistance for record keeping are also offered.


• Crop compensation calculations for loss of agricultural land. AgriConnect caters for the issuing of crop compensation losses in cases where Agricultural land is lost due to infrastructural projects or in cases where land is expropriated by a Government entity.
• Advisory service on Soil Management Plans (SMP): AgriConnect caters for the issuing of crop compensation losses in cases where Agricultural land is lost due to infrastructural projects or in cases where land is expropriated by a Government entity.
• Organisation and delivery of training to farmers on the use of Plant Protection Products (PPP), use of Nitrates, and obligations linked to the Agri Environmental Climate Measures (AECM).
• Front office services where farmers have access to all the service and schemes offered and accessible through the Agriculture Directorate.

AgriHub, supports innovative agriculture applicative research and implement pilot projects using the latest technology to test technologies that can provide support to farmers to help with their decision-making process. ArgiHub activities aim at creating the required framework and platform to support Malta agriculture sector through research, which generated knowledge can be communicated and disseminated through.

The support to farmers will be provided through the development of guidance documents from the data and information gathered through the pilot projects but also through the establishment of demonstration sites for farmers on integrated production using precision agriculture and the production of good quality fodder for livestock. AgriHub is a collaboration between the International Center for Advanced Mediterranean Agronomic Studies (CIHEAM), the Malta College for Arts, Science and Technology (MCAST) and the Ministry for Agriculture, Fisheries, Food and Animal Rights in Malta.

Training and advice needs among Malta’s farm and rural population are significant. Many farmers lack formal technical training in agronomy or agricultural business management: many farms are managed on a part-time basis and management practices are learned informally from parents or other relatives.

Continuous professional development opportunities related to both technical matters and business development skills and knowledge need to be improved. Around 90.15% of the 11,713 sole holder managers identified in the 2010 Farm Census, only received agricultural training in the form of practical experience. Additionally, 8.6% of these sole holder managers, equivalent to 1,004, had received basic training and only 1.3% or 149 had full training in agriculture. Sole holder holdings made up 90.7% of the total annual work units in agriculture. There is therefore a need for improved and continuous training opportunities for farmers.

Throughout the years, Rural Development Programmes have provided training courses and advice for farmers, especially in relation to cross compliance and other environmental obligations, farm management, on-farm hygiene and health and safety. Training and advice focusing on the implementation of specific agri-environment-climate measures have also been provided. Therefore, sporadic training activities have been held throughout the years, complemented by training on the use of pesticides and fertilizers organised and delivered by the respective competent authorities. By supporting AgriHub and AgriConnect Agriculture Directorate aims at providing “one-stop-shop” for farmers in respect of technical advice.

Meanwhile, the Malta College for Arts, Science and Technology runs a number of courses, including degrees, related to horticulture and animal husbandry, amongst others. These courses are complemented by a number of evening courses on topics such as beekeeping, organic farming and viticulture. There is therefore opportunity for these efforts to be consolidated and enhanced, also through lessons learnt from the previous programming periods.

Opportunities for growth can be created through AKIS, through for example, digital reskilling and training, widening participation, engaging groups of people in rural areas who are still educationally excluded and socially disadvantaged through training, lifelong learning activities, and creating local
knowledge hubs. There are therefore opportunities for complementarities with other funding streams, such as the European Social Fund.

The new programming period, therefore, offers a valuable opportunity to strengthen the farm sector’s awareness of the need to plan, deliver and then demonstrate to Maltese consumers that local produce can better meet their concerns for dietary health, environmental protection and animal welfare. Training and advice for farmers and supply chain actors to promote higher standards in these areas is important, but equally important is to consider how to create a strong incentive for farmers to take up such training, if offered.

Training and information needs are relevant to all the Specific Objectives of the CAP Strategic Plan, as covered in the respective SWOTs. AKIS is therefore a cross cutting issue that needs to target the economic and environmental sustainability of the farming sector. Training, advice, research, innovation and cooperation need to be enhanced in order to ensure viability of the farming sector, enhanced cooperation, improved quality standards, adaptation and mitigation to a changing climate, more sustainable use of natural resources, protection of biodiversity and enhanced farm hygiene and animal welfare, as also explained in Section 8 of the CAP Strategic Plan.

**Strengths**

The small size of the Maltese islands and the proximity of urban and rural areas logistically allows for farmers to attend training sessions and receive advice, without having to leave holdings unattended for extended periods of time.

The small size of the agricultural community, in principle, should also be advantageous since information can be better disseminated among farmers.

Some standards of knowledge are already in place, for example, all distributors and professional users of pesticides in Malta are required to undertake training, and use is restricted in sensitive sites. Similarly, training concerning the use of organic and inorganic fertilizer is also available. Establishment of bodies like AgriHub and AgriConnect is going to offer farmers a wider range of technical advice, while effectively combing research and development with up-to date advisory and extension services.

The share of farm managers below 35 years of age with at least a basic level of agricultural training in Malta (at 54% in 2016) is above the EU average for this age bracket. This share is also much higher than the total share of farm managers with at least a basic agricultural training in Malta (31%). These data show how the younger generation of Maltese farmers have a higher level of knowledge than their older compatriots.

**Weaknesses**

For semi-subsistence farmers whose household incomes depend upon a variety of sources, the time and effort that they can devote to agricultural production is limited by their need to spend time earning income from other activities. This means that the sector suffers from a lower level of knowledge exchange and research and development.

Small and part-time farms often lack the training and financial incentive to engage in biodiversity management, when their main income is earned off the farm and the time that they can devote to their holdings is limited.

Experience of CAP funding to date suggests that demand for new knowledge and innovation among Malta’s farmers is limited by their individual circumstances and the lack of collective or strategic institutions or organisations that could take such initiatives forward.

Many farmers in Malta have insufficient knowledge of the potential benefits of co-operation, with
farmers perceiving other farmers and farmer groups as competitors, or wishing to have sole control of their individual production and investment decisions, for historical and/or cultural reasons.

There is a lack of accessible research and knowledge exchange on the topic of how best Maltese producers can switch to more climate-friendly production methods, including reduced reliance on chemical fertilisers and pesticides, water-saving practices, and alternatives to the use of fossil fuels (e.g. for groundwater abstraction, transport of goods to market, cooling.)

In Malta farmers lack the tools or the context to analyse their own soils data and are mostly unaware of the extent to which their data could be stored, traded and analysed for future use.

Small, elderly or less educated farmers lack sufficient digital knowledge and access to data to develop adapted solutions for small farms. They lack sufficient incentives for innovation, to better tailor precision agriculture technologies to their needs.

Young farmers face limited opportunities for continuous professional development related to both technical matters and business development skills and knowledge.

Training, advice and outreach to members of farm family households is limited.

**Opportunities**

There is an important opportunity to adopt a strategic and holistic approach to strengthen the AKIS in Malta, to ensure that all farmers can access appropriate training and advice on sustainable practices and understand its long-term benefits for maintaining the sector.

Investing in training and support to young farmers in the sectors with potential to grow market share offers a clear opportunity to benefit incomes and sector viability in the longer-term.

Malta’s Food and Nutrition Policy and Action Plan 2015-2020 (2014) highlights the importance of collaboration between the agriculture and health sectors, to increase the knowledge base of local food producers in nutrition.

There are significant opportunities to improve the design of relevant measures and capacity-building processes in order to increase the accessibility and attraction of CAP rural development funding to Malta’s farming community. New or stronger intermediary organisations or public-private partnerships could be important vehicles for identifying and meeting smaller farmers’ needs for training, advice and business development planning in a cost-effective and appropriately-scaled way.

The National Agricultural Policy identifies a number of sectors that could benefit from research and innovation, including rural tourism and the preservation of the rural environment; identification of new plant varieties and livestock to better withstand the climate; and novel or niche sectors that may hold potential for exports and/or processing including snail farming, insect farming, aquaponics; and the production of bio-control agents for use in Integrated Pest Management.

Increased awareness of the operation of supply chains and alternative forms of organisation would assist farmers and other stakeholders to develop new arrangements. Training to help raise awareness can be an important first step to increasing farmers’ bargaining power in value chains.

Training and awareness raising will be an essential element alongside more concrete actions to assist appropriate investment and market development, to avoid the situation where Malta’s farms become too climate-costly to be supported in future, leading to abandonment and decline in food security.

Training and advice will play an essential role, not just in raising awareness about risks faced by climate change, but also potential strategies and technologies for decreasing risk and adapting. Training will
also be required in partnership working and collaborative actions, as well as working with existing co-operatives across the farm sector to encourage them to develop more climate-proof strategies.

Maltese agriculture would benefit from advice to raise farmers’ awareness and capacity to act effectively to reduce water use and minimise water pollution by nutrients, wastes and pesticides.

There is an opportunity for AKIS development in order to build a pool of experts better trained to transfer knowledge to the farming population.

Looking ahead, new ways are needed to encourage collaborative working and social learning among farmers, which go beyond the provisions of existing measures and delivery approaches. A slow and steady building of confidence and social capital is warranted, which might best be fostered initially using measures such as training and advice.

Creating an informal educational system to pass on the knowledge in respect of traditional trades, customs and culture is an important opportunity.

**Threats**

Poor knowledge and understanding of the scope and significance of climate-mitigating measures and strategies in Maltese agriculture threatens the viability and expansion of climate proofing in this sector.

Limited knowledge among farmers concerning the scope and importance of terrestrial Natura 2000 sites may threaten the adequate management of such areas.

The acquired cultural and practical knowledge gained through the experience of longstanding generations of farmers may be lost if not transferred to an emerging generation of farmers.

**Implications for needs and the case for intervention**

The SWOT analysis identifies significant cross-cutting issues that need to be targeted for the agricultural sector to be able to renew itself and further develop the production of high quality, sustainably produced food. The lack of relevant expertise among farmers and others in the food sector, leads to limited traceability and lengthy food supply chains that do not benefit the primary producer. Given that knowledge regarding marketing, quality assurance and branding are very limited, capacity building needs to take place to improve knowledge concerning better food quality, safety and traceability that is in line with consumer demand and produced sustainably, while also ensuring the viability of the holding.

On the other hand, limited environmental knowledge and recognition of its importance for sustaining agriculture in the longer term is a key challenge for Malta’s farming population. Better farmer knowledge concerning climate change adaptation and mitigation; sustainable energy production; effective management of water, soil and air; and the protection of biodiversity, ecosystems and habitats are important to ensure environmental sustainability and reduce the impact of farming on the environment.

Improved technical agronomic and agri-business skills among Maltese farmers could enable the sector to be more productive and more profitable. There is also a need to update farmers on hygiene, health and welfare issues for all types of livestock; improved nutrition for rabbit, poultry, pig, bovine, ovine and caprine sectors; business development for producers, with the aim of improving market orientation of the sector; principles of quality schemes that add value to agricultural produce, their operation and advantages; production planning, better marketing and promotion of a wide range of products; 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; assuring quality through traceability and record keeping.

Young farmers, the future of the agricultural sector, need to be equipped with the necessary knowledge that ensures profitable and environmentally sustainable farming. Young farmers, whether coming from a farming family or from an unrelated sector, require specific intensive training to deal with the many challenges faced by Malta’s agricultural sector, in order to ensure its future sustainability.

The needs identified for this cross-cutting objective are therefore very broad and central to the whole CAP strategy.
Annex III Consultation with Partners of the
Common Agricultural Policy
2023-2027
Consultation Process

Malta is committed to ensuring that the principles of partnership and multi-level governance are adhered to. In this regard, various key stakeholders within Government and non-governmental organisations were involved in the consultation process leading to the formulation of the CAP SP to ensure the participation of social partners and civil society organisations in the identification of needs and priorities as well as the delivery of measures to be supported by this Plan.

In 2019, a high-level, cross-ministerial, CAP Post-2020 Task Force was established to provide inputs for the development of the Plan. This task force included representatives from the Managing Authority, Paying Agency, the Ministry responsible for Environment, the Economic Policy Division and the Ministry responsible for EU Funds. Other experts were also brought onboard on an ad hoc basis, whilst the EAFRD Monitoring Committee was also kept abreast as necessary with developments on the formulation of the Plan. The outcomes of these meetings were taken into consideration in the drafting of the CAP SP.

A series of consultative meetings were held between 2019 and 2021 with various stakeholders including farmers’ cooperatives and NGOs active within different sub-sectors, Local Action Groups, environmental entities and agricultural regulatory authorities, amongst others. Experts discussed their research findings on the development challenges and investment needs in the different thematic areas, and a technical overview on EU funding and the regulatory framework. This was followed by discussions and other follow-up engagements as necessary with a view to soliciting feedback, insights and opinions of participants on the different themes. A wider consultation exercise was carried out with the Malta Council for Economic and Social Development which is the formally established structure in Malta representing the main employer bodies, trade unions and civil society as well as the Government. The outcome of these meetings was taken into consideration in the finalisation of a public consultation document on the CAP SP which was launched in Quarter 4 of 2021 and which served as the basis for the finalisation of this CAP SP.

Summary of Results and Main Outcomes of the Consultation with Partners

Following the closure of the consultation process, a thorough analysis of the feedback provided was undertaken in the finalisation of the CAP SP. The main challenges identified which may be mitigated through CAP SP support relate to difficulties encountered by young farmers to enter or remain within the sector, limited promotion of local agricultural produce, loss of knowledge transfer and limited knowledge on the shift to new technologies, low basic income support measures, administrative burden in applying for funding, limited focus on the needs of agricultural sectors which may require more tailored approaches and support mechanisms and limited access to new water in some areas, amongst others. To this end, the new CAP SP upholds a new thrust towards balancing Pillar I and Pillar II initiatives, with a focus on generational renewal, fostering competitiveness and knowledge, promoting local products through targeted measures, enhancing conservation and biodiversity and promoting environmental schemes, amongst others.
Control System

The delegated acts referred to in Article 72 of HZR regulation are yet to be published.

For all land-based interventions, a sample of at least 3% should be extracted annually, the sample shall consist of 20%-25% of randomly selected beneficiaries and 75%-80% risk based selected beneficiaries. ARPA reserves the right to implement a cascading sampling system, however the minimum of 3% sample must be adhered for each intervention.

The following general risk criteria must be taken into consideration:

- Past non-compliance under that intervention (+50)
- Selected in previous any of the two previous years for that intervention and no non-compliance was identified (-50)
- Beneficiaries who availed themselves from Agri-connect services in relation to advice to that particular intervention (-20)
- Beneficiaries with holdings of less than 1Ha of eligible area shall be considered to carry less risk (-20) (if applicable)
- If intervention concerns livestock than if the farmer has also land as a part of their holding (+30)

ARPA reserves to right to adopt additional risk criteria, based on the intervention and findings from previous years. In addition, should ARPA determines through its controls (including administrative controls) on a particular intervention any non-compliance under conditionality, then the appropriate sanctions shall apply accordingly for conditionality as well.

Based on the eligibility criteria and commitments a checklist shall be compiled in the digital control system for each intervention, whereby any non-compliances identified shall carry a penalty depending on the severity, extent and duration in relation to a particular commitment and/or eligibility criteria for that particular intervention.

Where the severity of the non-compliance shall depend in particular on the importance of the consequence of the non-compliance, taking into account the objectives of the commitment or obligations that were not met.

The extent of the non-compliance shall depend in particular on its effect on the operation as a whole

The duration shall depend, in particular, on the length of time for which the effect lasts or the possibility of terminating this effect by reasonable means.

ARPA shall be controlling the above-mentioned sample through a combination of classical on-the-spot checks, administratively, Area monitoring systems and remote sensing. The type/s of
control for each intervention shall depend on the eligibility criteria, commitments and obligations set under that intervention.

**Corrections of aid applications and Payment Claims**

ARPA shall include the possibility for aid applications and payment claims to be corrected after submission without an effect on the right to receive aid, provided that it is determined that the elements or omissions to be corrected were made in good faith as recognised by ARPA; such corrections may only be made either before the applicant is informed of being selected for an on-the-spot check or ARPA has taken its decision in respect of the application.

**Penalties**

**Calculation of Area for payments**

For all area-linked payments, if the area determined exceeds the area declared, the area declared shall be used for payment. If the area declared, exceeds the area determined then the area determined shall be used for payment.

**Calculation of Aid Penalties**

If relevant penalties shall be calculated in the following order:

- (a) Late submission of applications
- (b) Non-declaration of all penalties
- (c) Over-declaration penalties
- (d) Penalties related to lack of adherence to specific commitments/obligations (Checklist penalties)
- (e) Penalties related to conditionality for that CY
- (f) Penalties related to conditionality affecting previous claim years
- (g) Penalties related to social conditionality

**Late Submission of Payment Claims**

Payment claims shall be submitted prior the date to be set by ARPA each year after which a 1% reduction per working day for late submissions shall apply up to a maximum of 10 working days. No applications submitted after this point shall be accepted. Both the penalty and the deadline for submission shall not apply in cases of force majeure and exceptional circumstances.
Non-Declaration of areas

If during and OTSC, administrative checks or cross checks ARPA determines that the farmer did not declare all the agricultural parcels related to the areas under his management and the difference between the overall holding area declared and the area of the holding, together with the area not declared is more than 3% of the area declared, then the farmer shall receive a penalty of 3%.

Calculation of area related outcomes

If a beneficiary is found to have under declared, payment shall be affected on the area declared. However, if the farmer is found to have overdeclared the amount of agriculture area eligible for funding the following mechanism shall apply:

- If the outcome of the controls results in an over declaration between 0% and 10% or the area discrepancy is equal or less than 0.1ha the payment shall be calculated on the area found.
- When the area over declared is more than 10% and the area discrepancy is more than 0.1ha the payment area shall be the area found reduced by 1.5 the area not found to a maximum penalty of 100% of the area determined.

Calculation of checklist penalties

These penalties depend on the outcome of checks entered into the control system as regards adherence to obligations and commitments that are intervention specific and are not related to measurements of eligible areas.

The penalty is expressed in the form of a percentage reduction on the potential payment of that intervention. Checklists entered in the control system are based on a penalty matrix that shall produce the overall penalty to be applied. That penalty is than reflected in the payment calculation under the applications module.

Management of multiannual commitments

The beneficiaries who enter multi annual commitment, under the AECM or eco-scheme, are obliged to follow the obligations indicated throughout the whole period of the commitment.

All commitments are registered in the commitment register module in IACS. The commitment register serves as a database to register the link between the farmer, the parcels and equivalent area committed, the AECM/ eco-scheme chosen and the duration of the commitment. Once
commitment is moved at contract stage the data stored in the commitment is used for the generation of the pre-filled payment claims. Each commitment registered in the commitment register has a unique identification code. Changes resulting from On-the-Spot controls or LPIS refresh are reflected in the commitment register.

Transfers/breaches of commitments have to be registered in the commitment register.

Although such multi annual commitments in the commitment register may be composed of more than one parcel each parcel is considered as a commitment per se. This means that a farmer may transfer/drop one parcel and the commitment is not considered as in breach on all of the committed parcels as long as the minimum requirements are maintained.

The parcel which is removed from the commitment is to be considered as in breach (unless the commitment is transferred to the transfferee along with the parcel), at this point ARPA shall carry out an assessment and recover payments from the beneficiary in accordance with the following criteria:

1. If the intervention in question is a result-based intervention that requires the retention of the whole period of the commitment to achieve, then all funds issued to that beneficiary throughout the commitment in relation to the breached parcels must be recovered from the beneficiary unless the beneficiary may prove that the scope of the intervention has already been achieved at the time of such a request.

2. If the intervention is commitment based, that is, obligations and commitments are based on specific actions and the scope of the interventions is achieved through the adherence to those specific actions, then funds shall be only recovered for the parcels in breach for Claim years affected by that breach.

3. Irrelevant of points one and two if the breach of commitment is identified as a result of an OTSC or any other administrative checks carried out by ARPA than all funds issued throughout the commitment for the breached parcels must be recovered.

A farmer may submit a request to increase the amount of eligible area under committed parcel at any-time during the commitment. Likewise requests to reduce the amount of total eligible area of a committed parcel may be accepted if the minimum eligibility conditions are still adhered to.

Beneficiaries must submit a payment claim for each claim year, those who fail to submit the first payment claim will have their commitment closed and considered as breached. No refunds will be required as no payments will be issued under that commitment.

If the beneficiary fails to submit a payment claim in the second year or following years, the farmer will be considered to have breached his/her commitment and all funds issued throughout the commitment for the breached parcels must be recovered.

**Cases where no penalties are to be imposed**
No penalties shall be imposed:

(a) where the non-compliance is due to force majeure or exceptional circumstances as referred to in Article 3 of HZR and if confirmed as such by ARPA; moreover in such cases the beneficiary shall retain the right to receive aid in full for applications effected by the force majeure or exceptional circumstance.

(b) where it is determined by ARPA that the non-compliance is due to an error of the competent authority or another authority, and where the error could not reasonably have been detected by the person concerned by the administrative penalty;

(c) where the person concerned can demonstrate to the satisfaction of ARPA that he or she is not at fault for the non-compliance with the obligations referred to in paragraph 1 or if the ARPA is otherwise satisfied that the person concerned is not at fault; and

(d) the non-compliance is due to an order from a public authority.

**Calculation of Payments livestock**

**Calculation of livestock for payments**

In no case aid or support shall be granted for several animals greater than that shown in the aid application or as determined from the National livestock Database in the case of automatic claim system depending on the intervention.

Animals present on the holding shall only be considered as determined if they are identified in the aid application or in the payment claim. Identified animals may be replaced without the loss of the right to payment of the aid or support provided that the beneficiary has not yet been informed by the competent authority of a non-compliance in the application or claim or has not yet been given notice of the authority’s intention to carry out an on-the-spot check.

If the number of animals declared in an aid application or payment claim exceeds that determined as a result of administrative checks or on-the-spot checks, the aid or support shall be calculated on the basis of the animals determined.

For interventions making use of a claimless system, there must be no doubts as to which animals are covered by the beneficiaries’ applications or claims.

Where cases of non-compliances with regard to the system for the identification and registration for bovine, ovine and caprine animals are found, the following shall apply:

(a) a bovine animal present on the holding which has lost one of the two means of identification shall be considered as determined provided that it is clearly and individually identified by the other elements of the system for the identification and registration of bovine animals referred to in points (b), (c) and (d) of the first paragraph of Article 3 of Regulation (EC) No 1760/2000;

(b) an ovine or caprine animal present on the holding which has lost one of the two means of identification means shall be considered as determined provided that the animal can
still be identified by a first means of identification in accordance with Article 4(2)(a) of Regulation (EC) No 21/2004 and provided that all other requirements of the system for the identification and registration of ovine and caprine animals are fulfilled;

(c) where one single bovine, ovine or caprine animal present on the holding has lost two means of identification, it shall be considered as determined provided that the animal can still be individually identified by the register, animal passport, where relevant, database or other means laid down in Regulation (EC) No 1760/2000 or Regulation (EC) No 21/2004, respectively, and provided that the animal keeper can provide evidence that he has already taken action to remedy the situation before the announcement of the on-the-spot check;

(d) where the non-compliances found relate to incorrect entries in the register, the animal passports or the computerised database for animals, but are not of relevance for the verification of the respect of the eligibility conditions the animal concerned shall only be considered as not determined if such incorrect entries are found during at least two checks within a period of 6 months. In all other cases the animals concerned shall be considered as not determined after the first finding.

(e) where the non-compliances found relate to late notifications of animal events to the computerised database, the animal concerned shall be considered as determined if the notification has taken place before the start of the retention period or before the reference date established in accordance with rules in relation to VCS set out under section xx of the CAP strategic plan.

The entries in, and notifications to, the system for the identification and registration of bovine, ovine and caprine animals may be adjusted at any time in cases of obvious errors recognised by the competent authority.

**Calculation of Aid Penalties**

If relevant penalties shall be calculated in the following order:

(a) Late submission of applications;
(b) Non-declaration of all penalties;
(c) Over-declaration penalties;
(d) Penalties related to lack of adherence to specific commitments/ obligations (Checklist penalties);
(e) Penalties related to conditionality for that CY;
(f) Penalties related to conditionality affecting previous claim years; and
(g) Penalties related to social conditionality.

**Late Submission of Payment Claims**
Payment claims shall be submitted prior the date to be set by ARPA each year after which a 1% reduction per working day for late submissions shall apply up to a maximum of 10 working days. No applications submitted after this point shall be accepted.

Both the penalty and the deadline for submission shall not apply in cases of force majeure and exceptional circumstances.

**Calculation of livestock declaration outcomes**

1. The total amount of aid or support to which the beneficiary is entitled under an animal aid scheme or animal-related support measure or type of operation under such support measure for the claim year concerned shall be paid based on the number of animals determined in accordance with the above logic, provided that following administrative checks or on the spot checks:
   a. no more than three animals are found non-determined; and
   b. non-determined animals can be individually identified by any means laid down in Regulation (EC) No 1760/2000 or (EC) No 21/2004.

2. If more than three animals are non-determined, the total amount of aid or support to which the beneficiary is entitled under the aid scheme or support measure or type of operation under such support measure referred to in paragraph 1 for the claim year concerned shall be reduced by:
   a. the percentage to be established in accordance with paragraph 3, if it is not more than 20%;
   b. twice the percentage to be established in accordance with paragraph 3, if it is more than 20 % but not more than 40%.

If the percentage established in accordance with paragraph 3 is more than 40 %, no aid or support to which the beneficiary would have been entitled under the aid scheme or support measure or type of operation under such support measure for the claim year concerned.

3. In order to establish the percentages referred to in paragraph 2, the number of animals of an aid scheme or support measure or type of operation found to be non-determined shall be divided by the number of animals determined for that aid scheme or support measure or type of operation under such support measure for the claim year concerned.

**Calculation of checklist penalties**

These penalties depend on the outcome of checks entered into the control system as regards adherence to obligations and commitments that are intervention specific and are not related to measurements of eligible areas.
The penalty is expressed in the form of a percentage reduction on the potential payment of that intervention. Checklists entered in the control system are based on a penalty matrix that shall produce the overall penalty to be applied. That penalty is then reflected in the payment calculation under the applications module.

**Cases where no penalties are to be imposed:**

No penalties shall be imposed:

(a) where the non-compliance is due to force majeure or exceptional circumstances as referred to in Article 3 of HZR and if confirmed as such by ARPA; moreover in such cases the beneficiary shall retain the right to receive aid in full for applications effected by the force majeure or exceptional circumstance;

(b) where it is determined by ARPA that the non-compliance is due to an error of the competent authority or another authority, and where such error could not reasonably have been detected by the person concerned by the administrative penalty;

(c) where the person concerned can demonstrate to the satisfaction of ARPA that he or she is not at fault for the non-compliance with the obligations referred to in paragraph 1 or if the ARPA is otherwise satisfied that the person concerned is not at fault; and

(d) the non-compliance is due to an order from a public authority.

**Recovery of undue payments plus interest**

Any undue payment following the occurrence of irregularity or negligence, ARPA shall request recovery from the beneficiary. The corresponding amounts shall be recorded at the time of the recovery request in the debtors' ledger of the paying agency.

ARPA shall adopt all legislative, regulatory and administrative provisions and take any other measures necessary to ensure effective protection of the financial interests of the Community in particular to:

- Prevent and pursue irregularities;
- Recover undue payments plus interest, and bring legal proceedings to that effect as necessary.

The recognition of debts shall take place within the stipulated time frames mentioned in the respective Commission Regulations. Following the recognition of debts, ARPA is obliged to recover the amounts due: either through Set-Offs or Payment at bank. ARPA shall off-set any still outstanding debt of a beneficiary which has been established in accordance with national law against any future payment to be made by the paying agency responsible for the recovery of the debt to the same beneficiary. Payments at Bank can be made when the debtor pays
directly his debt at ARPA’s Irregularity bank account. A receipt is issued for any amount recovered. If the debt is not recovered within the stipulated timeframe from the First Notification Letter, then ARPA would apply the interest rates as stipulated in the Commission Regulation and Laws of Malta.

Provided that Implementing acts and delegated acts concerning the implementation of the penalty system for conditionality are still not finalised, the above mechanism is subject to change in accordance with the eventual provisions of such legal text.