

Citizen Summary for Implementation Year 2018

Malta - Rural Development Programme 2014-2020

MT06RDNP001

Introduction

Malta's Rural Development Programme (RDP) 2014-2020 covers the entire territory of the Maltese Islands. It was formally adopted by the European Commission on 24 November 2015, outlining Malta's priorities for using the € 129 million of public money that is available for the 7-year period 2014-2020 (€ 97 million from the EU budget (EAFRD) and € 32 million of national co-funding).

2018 was characterised by the launch of various measures, preparations for the launch of additional measures, adjudication of a number of projects, starting of implementation of investments' projects and consolidation of land-based measures whilst raising awareness with the various stakeholders.

The Agriculture and Rural Payments Agency and the Managing Authority continued accepting payment claims in relation to sub-measures 10.1 (payments for agri-environment-climate commitments) and 13.3 (payments to areas facing natural or other specific constraints) and started accepting payment claims for sub-measures 11.1 and 11.2 (measures on organic farming). As in previous years, applicants registered their interest at the Front Offices in Ta' Qali, Malta and Xewkija, Gozo.

Progress Achieved

MEUSURES LAUNCHED

In 2018, the MA launched the following sub-measures:

Sub-Measure	Title and Objectives	Launch date
1.1	Support for Vocational Training and Skills Acquisition Actions <i>This measure supports training contributing towards fostering innovation and knowledge base in rural areas. The aim is to improve the quality of human capital among rural actors, so that innovative ideas can take root.</i>	December 2018
4.2	Support for investments in processing/marketing and/or development of agricultural products. <i>The Objective of this measure is to support farmers and processors in:</i> <ul style="list-style-type: none"> ▪ adding value to primary products or in developing new products, and/or ▪ opening up new markets. 	November 2018
4.3	Support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry	February 2017 & April 2018

	<p><i>The aim of this measure is to support investment related to:</i></p> <ul style="list-style-type: none"> ▪ <i>necessary infrastructure for the development of agriculture, which will be of benefit to a wider range of rural and agricultural stakeholders</i> ▪ <i>improvement in accessibility to these holdings through the upgrading of farm access roads will improve farm management, and increase farm efficiency.</i> 	
10.1 – AECM 5	<p>Payment for agri-environment-climate commitments: AECM 5 - Measure for the implementation of a soil management and conservation plan on a holding.</p> <p><i>The objective of this measure is to incentivise farmers to prepare and implement a Soil Management Plan on parcels which are part of their holding targeting three primary soil related threats on a parcel level; erosion, compaction and low soil organic matter.</i></p>	February 2018
11.1	<p>Payment to convert to organic farming practices and methods</p> <p><i>This Measure provides financial support for a maximum of 2 years to farmers to convert part or all of their production to organic farming practices.</i></p>	February 2018
11.2	<p>Payment to maintain to organic farming practices and methods</p> <p><i>The measure provides financial support for farmers to maintain organic farming practices for a minimum of 5 years (following the 2 years conversion period described under sub-measure 11.1).</i></p>	February 2018
19.3	<p>Preparation and implementation of co-operation activities of the Local Action Group</p> <p><i>Measure 19.3 supports cooperation initiatives within regions and across different countries by supporting local initiatives and local drive for diversification. It brings together partners with a common interest aiming to lead to the generation of new ideas, the development of innovative approaches and sparks entrepreneurial activity.</i></p>	November 2018

RECEIVED APPLICATIONS

The MA had launched the first RDP measures in **February 2016**, with applications being received using the ‘block procedure’, where a batch of applications received within a respective time block are assessed as one ‘batch’, separately from applications received in subsequent batches. Through this procedure, measures remain open unless otherwise notified by the MA.

Throughout 2018, in total, the MA received applications amounting to circa €83 million, distributed as follows:

Sub Measure (SM)		Objectives	Amount requested	% ¹ of total SM Budget
4.1	Support for investments in agricultural holdings	Supporting investment in: <ul style="list-style-type: none"> ▪ cost-effective and environmentally efficient systems and equipment in relation to soil management, water capture and use, renewable energy, waste management, and improved efficiency of fertiliser and pesticide use and control ▪ improved productivity on holdings or within specific sectors, as long as the adoption of these techniques and farming systems do not cause environmental damage. 	€12,880,754	68%
4.2	Support for investments in processing/marketing and/or development of agricultural products	The Objective of this measure is to support farmers and processors in: <ul style="list-style-type: none"> ▪ adding value to primary products or in developing new products, and/or ▪ opening up new markets. 	€6,354,614	135%
4.3	Support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry	Supporting investment related to: <ul style="list-style-type: none"> ▪ necessary infrastructure for the development of agriculture, which will be of benefit to a wider range of rural and agricultural stakeholders ▪ improvement in accessibility to these holdings through the upgrading of farm access roads will improve farm management, and increase farm efficiency. 	€35,166,558	120%
4.4	Support for non-productive investments linked to the achievement of agri-environment-climate objectives	Support under this Sub-Measure is intended to cater for investment that contributes to the achievement of agri-environment-climate objectives, with particular focus on the restoration of habitats and landscapes, soil conservation and water management.	€19,689,778	88%
6.1	Business start-up aid for young farmers	The aim of this measure is to invest in prospective young farmers to set up in the agricultural sector, focusing on the support for the creation and development of new viable agricultural activities.	€8,050,000 ²	187%

¹ Percentage of amount requested

² Some applications included a group of farmers, whereby the same application covered investments by more than one Beneficiary

COMMITTED AND REALISED AMOUNTS

Meanwhile, the committed and realised expenditure **during 2018** was distributed as follows:

Priority / Focus Area	Committed Expenditure	Realised Expenditure ³
P2/ FA2A	€16,417,992	€9,116,670
P2/FA2B	€1,750,000	€1,120,000
P3/FA3A	€387,766	€0
P4/ FA4A, 4B, 4C	€14,747,337	€7,944,513
P5/FA5A	€10,961,336	€5,515,860
P5/FA5E	€240,182	€245,724
P6/FA6B	€0	€540,320

The above commitments contribute towards a Programme budget commitment rate of approximately 68% as at May 2019.

PROGRESS ACROSS THE MEASURES

As at end 2018, all sub-measures mentioned above except sub-measure 4.3 were still open, receiving applications. Project applications received throughout 2018 are being assessed by two independent Project Selection Committees. As part of its commitments to the Programme, during 2019, the MA proceeded with the launch of M2.1 (support to help benefitting from the use of Advisory Services), M6.4 (support for investments in creation and development of non-agricultural activities), M10.2 (support for conservation & sustainable use & development of genetic resources in agriculture) and M16 (cooperation). M1.1 (support for Vocational Training and Skills Acquisition Actions) (re-launching of measure), M1.2 (support for Demonstration Activities and Information Actions), M1.3 (support for Short-term Farm and Forest Management Exchange as well as Farm and Forest Visits) and M8.5 (support for investments improving the resilience & environmental value of forest ecosystems) are earmarked for launching in 2019.

Under LEADER, following their setting up, the LAGs started launching their first measures under M19.2 as from October 2018. GAL Xlokk Foundation launched Action 4 'Development of Green Infrastructure' in September 2018. Beneficiaries under this action were also selected and awarded during 2018 and the GAL Xlokk foundation also launched Action 2 'Strengthening a Healthy Cultural Identity' in December 2018. Beneficiaries under this action have been contracted during 2019.

In December 2018, the Gozo Action Group Foundation pre-launched an action entitled *Develop an ICT media platform for the valorisation of Gozitan lifestyle concept*. Applications under this action were received from January 2019. Overall, the Leader measure gained considerable momentum during the first half of 2019, with the Majjistral Action Group Foundation also launching its first Action.

The measures that were not launched in 2018 are sub-measures 1.2 and 1.3, Measure 2, sub-measure 3.2, sub-measure 6.4, Measure 8, sub-measure 10.2, and all sub-measures under Measure 16. Most of these sub-measures have now been launched, exceeding over 85% of RDP measures which have now been launched.

³ This expenditure comprises expenditure realized in 2018 as well as expenditure realized in 2019 that related to operations undertaken in 2019.

Performance Framework

Overall the Rural Development Programme registered considerable progress on a number of important elements and has achieved a number of set milestones for the programme, including most of the Performance Framework (PF) targets under Priorities 2, 4, 5 and 6. However, for a number of Performance Framework indicators, despite all efforts made by the MA, reaching all of the milestones for two Priorities (P3 and P5) out of the five could not materialize. The MA is nonetheless focusing its efforts on successfully implementing measures that contribute towards these priorities and monitoring progress to ensure that the momentum during 2018 and 2019 is maintained. The MA will carry on with its rigorous assessment on the performance of the programme to ensure that it is on track in terms of the achievement of the 2023 targets set, as well implementation progress in general. Corrective action will be taken whenever necessary and possible, to address issues in relation to underperforming measures.

Challenges

IMPLEMENTATION DELAYS

The programme has experienced some implementation delays with the underlying issues may also be in part attributed to staff turnover experienced by the MA throughout 2016, 2017 and the first half of 2018. In order to mitigate this situation and enhance the MA's human capacity, in November 2017, and June and November 2018, dedicated public calls for the recruitment of staff were issued. Training for MA staff was also undertaken covering both general (management) and technical training (such as AIR follow up, cross compliance and Leader Evaluation). Moving forward, the MA aims to have staff members involved in a shadowing experience with two MAs in Italy.

RURAL DEVELOPMENT PROGRAMME - STRATEGIC MODIFICATIONS

In 2018, the MA proposed a strategic modification to the RDP which was approved in December 2018. Mid-way through the implementation of the programme, Malta has carried out an assessment to reflect experiences on the ground with a view to the implementation of the RDP in future. Particular importance was given to the challenges that have been highlighted in the ex post evaluation of the 2007-2013 RDP, which has provided significant new insights. Amongst others, the general lack of participation in quality schemes and the limited scope for cooperation between farmers were highlighted. The evaluation also outlined the added value of investment measures, amongst others, and the spill over effect of such investments on the Maltese economy and community at large.

This strategic modification addressed issues relating to the implementation of certain measures as well as the withdrawal of Measure 17 (Risk Management) from the Programme. The latter was undertaken following extensive discussions with the main stakeholders in Malta on the possibility of introducing a risk management scheme for holdings where it emerged that setting up the necessary system is posing a formidable challenge.

Some modifications related to shifting of budget under different Focus Areas. For example, under Measure 3 Quality Schemes for Agricultural Products & Foodstuffs the budget was revised downwards due to poor take up. Under Measure 16 (Cooperation) there was a reduction of budget under all sub-measures as the RDP acknowledged that taking into consideration the fact that 98% of all holdings are run by sole owners, the possibility of diverting limited resources away from their core activity for research and innovation purposes is very limited. As a result of these budgetary changes there were also some modifications to the indicators and an additional performance framework

indicator was added: Number of operations supported under M4.2 contributing to FA3A (M4.2). Budget increases were made to FA 5A through an increased contribution by M4.3 through €11.44M, under the envisaged project for use of treated sewage effluent water for irrigation proposes. This change brought the total allocation to €18.34M.

Communication and Evaluation

As in previous years, the MA also held several information sessions concerning different RDP measures that were launched or were in the process of being launched throughout the year. These sessions, held in both Malta and Gozo, are carried out to ensure awareness amongst potential applicants and are attended by numerous farmers, farmers' representatives, land managers, and public and other private entities.

In terms of the evaluation of the Programme, the MA engaged the evaluators in May 2019. The Evaluation acknowledged that certain questions could only be addressed to a limited extent because of the limited progress registered by beneficiaries on the ground arising from the late adoption of the RDP as well as the current economic climate, where as a result of the booming economy beneficiaries are finding it extremely difficult to find contractors to implement projects. Overall, progress was mainly registered under Priority Areas 4 and 5 where a number of result indicators had been reached and, in some cases, surpassed. Furthermore, progress was also registered under Priority Area 2 mainly through the considerable progress registered under M4.3. Subject to the availability of data, evaluators sought to map the location of the interventions under specific measures such as M4.3, M10 and M13 in relation to relevant variables such as agricultural land and Natura 2000 sites.

Way Forward

Overall, the MA remains committed towards the successful implementation of the RDP. As part of its monitoring obligations, as well as from results of ongoing evaluation exercises that will be undertaken, the MA will steer the programme to achieve the targets set, through:

- enhancement of the data evaluation processes to measure contributions of the RDP towards different Focus Areas
- consolidation of data collection and project reporting (including through project progress/closure reports for large projects)
- consolidate publicity and communication channels with the aim of improving uptake on underperforming measures
- consideration of possible budget shifts, where necessary, for the best interest of the programme and the territory it covers, in terms of achieving the targets of the programme strategy.