SUSTAINABLE DEVELOPMENT STRATEGY for GOZO
2009 - 2015

LEADER PROGRAMME

11/12/2009
Executive Summary .................................................................5

Chapter 1 Introduction and Background .................................6
1.1. Introduction.........................................................................6
1.2. Submission overview..........................................................8
1.3. Applicant details including company name and number...........8
1.4. Local area..........................................................................9
1.5. Process preparing the application......................................10
1.6. Structure of the application document...............................11

Chapter 2 The partnership ......................................................12
2.1. Description of the partnership members including who they represent........12
2.2. Proposed group staffing and capability...............................14
2.3. Proposed management structures.......................................14
2.4. Proposed financial management system including control and development....16
2.5. Financial status.................................................................16
2.6. IT system capability..........................................................16
2.7. LAG structure and decision committee structure...................17

Chapter 3: Needs Assessment ................................................19
3.1. Description of the territory................................................19
3.2. The consultation process..................................................20
3.2.1. Introduction.................................................................20
3.2.2. Seminar for Mayors and Councillors.............................21
3.2.3. Website and online consultation.................................22
3.2.4. Adverts, articles and TV .............................................23
3.2.5. Direct mailing .............................................................23
3.2.6. Locality and sectoral meetings.....................................24
3.2.7. Closing seminar .........................................................24
3.3. Agricultural and environmental profile.............................31
3.3.1. Land cover..................................................................31
3.3.2. Production..................................................................34
3.3.3. Livestock & waste management....................................36
3.3.4. Other agricultural waste..............................................38
3.3.5. Biodiversity...............................................................39
3.3.6. Protected areas and species.......................................40
3.3.7. Freshwater................................................................44
3.3.8. Groundwater quality...................................................44
3.3.9. Landscape.................................................................48
3.3.10. Cultural heritage......................................................51
Chapter 4: The programme

4.1. Vision ......................................................... 80
4.2. Strategy ....................................................... 80
4.3. Strategic objectives ........................................ 81
4.4. Targeting ..................................................... 82
4.5. Programme structure ....................................... 83
4.6. Strategic actions ........................................... 83
4.6.1. ACTION 1: Studies on Sustainable Development .................................................. 84
4.6.2. ACTION 2: Preparatory Studies for Capital Investments and/or Marketing Actions .................................................. 86
4.6.3. ACTION 3: Training on Sustainability .................................................. 88
4.6.4. ACTION 4: Empowering and Building Local Capacity within the LEADER ................. 90
4.6.5. ACTION 5: Promote Gozo as a Distinct Destination .................................................. 92
4.6.6. ACTION 6: Open calls for Capital Investments, Marketing, Training, Studies for Cluster of excellence, Craft sector, Sports initiatives, band clubs .................................................. 94
4.6.7. ACTION 7: Improve Gozo’s Quality of Life and Accessibility .................................................. 96
4.6.8. ACTION 8: Measure 125 Infrastructure Related to the Development and Adaptation of Agriculture .................................................. 97
4.6.9. ACTION 9: Measure 313 Encouragement of Tourism Activities........................................98
4.6.10. ACTION 10: Promote Gozitan Agricultural and Craft Products..............................99
4.7. Quantitative & qualitative targets, outputs, outcomes & impacts.................................100
4.8. Interaction with other programmes / projects.................................................................102

Chapter 5: Financial plan, monitoring, evaluation and review..............................................103
5.1 Overall Financial Plan........................................................................................................103
5.1.1. Methodology..................................................................................................................103
5.1.2. Budget by Action.............................................................................................................104
5.2 Financial management and indicative resource allocation across measures and on a year by year basis.................................................................105
5.3 Internal Systems for Monitoring, Evaluation, Review and Reporting........................107
5.3.1. Monitoring.......................................................................................................................107
5.3.2. Evaluation.......................................................................................................................108
5.3.3. Review............................................................................................................................108
5.3.4. Reporting.........................................................................................................................108
5.4 Capability and track record, where relevant, in relation to the leverage of funding from other sources including public private and community sources...................108

Chapter 6: Networking and cooperation..............................................................................109
6.1. National networking and cooperation...............................................................................109
6.2. International networking and cooperation........................................................................109
6.3. Cooperation and coordination with other public bodies at local, regional and national level.................................................................................................................................109

Chapter 7: Horizontal principles.........................................................................................111
7.1. Innovation..........................................................................................................................111
7.2. Sustainability......................................................................................................................112
7.3. Economic viability.............................................................................................................113
7.4. Linkages...............................................................................................................................114
Executive Summary


The document presents the main characteristics of the island region of Gozo from an economic, social and environmental perspective.

Chapter 1 and 2 present the partnership and the eligible territory for the LDS.

Chapter 3 of the LDS presents socio-economic statistics which describe Gozo and its main sectors. On the base of the data available and on the outcome of the consultation process a SWOT analysis, together with the main priorities for local rural development have been produced at the end of the Chapter.

Chapter 4 explains the vision and the strategic objectives of the LDS, together with a description of the ten actions that the LDS caters for.

The financial plan and the per year budget allocation for the LDS are illustrated in Chapter 5.

Chapter 6 describes the networking initiatives that the Gozo Action Group is undertaking and their development during the implementation of the Strategy.

Finally, Chapter 7 deepens how the cross cutting principles of Innovation, Sustainability, Economic Viability and Linkages are tackled in the Gozo Sustainable Development Strategy.
Chapter 1 Introduction and Background

1.1. Introduction

Malta is experiencing rapid changes since EU accession in many sectors of its economy and an increasing attention is paid to rural areas, both in terms of their needs as well as in terms of contribution that they can give to the sustainable development of the Country. Gozo’s peripherality to Malta’s main commercial infrastructure gives rise to its double insularity problems which in turn lead to constraints on the movement of persons, goods and services to and from Malta’s sister island. Double insularity constraints result in additional transaction costs to Gozo’s business sector and act as a burden to Gozitan citizens and visitors. Tourism is the mainstay of the Gozo economy and is a provider for a wide array of employment activity in the island. Tourism in Gozo depends on both foreign as well as internal tourism. Besides its own history culture and archaeology, Gozo has to date avoided the scars of development that have occurred in the larger island. This strength gives it a competitive edge over Malta in terms of beauty, peace, tranquillity and ambience, which are the basis for the development of a rural destination. The island of Gozo has seen in the last few years the development of activities that go towards the development of a multifunctional role of rural areas. Local products, local craft, Maltese traditions in general have better resisted in Gozo to the market dynamics and to the evolution of the society. All villages have maintained their particular features and identity while the urban sprawl has had a minor negative impact than in Malta. Rural tourism initiatives have been undertaken by individual companies or local councils, and an effort to promote local traditional production has been made. This has allowed Gozo to build its own image and communicate its peculiarity in the Maltese context.

The role of agriculture is also crucial in Gozo and the presence of farmers has a strong impact on the territory. Farming activity represents an important segment of the Gozitan economy but above all it has a key role in the shaping of the landscape and the stewardship of land. Difficult access to farms and fields is therefore an important issue in Gozo not only from a productive point of view, but also on the role that farmers can have in the preservation and conservation of the delicate environment of the island.

The Gozo Action Group Foundation represents the whole territory of Gozo and all the economic sectors of the island. Gozo is considered as a regional island, where apart from the Ministry for Gozo, a number of other entities operate with a regional approach. The main economic sectors like SMEs, Tourism and agriculture are grouped in organizations that have a wide representation in terms of areas and of operators.

The LEADER approach is strongly based on cooperation amongst regional actors both representing public and private interests. As soon as the LEADER approach was presented in Gozo, besides the local councils, organizations representing regional interests took up the initiative. The first presentation on the LEADER project and its development in Malta was made in 2006 by the Ministry of Rural Affairs and Environment. Gozitan operators and local councils attended a seminar where an expert from Luxembourg illustrated the main elements of LEADER and its evolution in the EU. It was during that occasion that Local Councils and the private sectors there represented had a first exchange of ideas and decided to get together and work towards the preparation of the Gozo Action Group.
A number of meetings were subsequently held during 2007 so as to further deepen the functioning of the LEADER and its implementation in Malta. During 2008 the interested stakeholders were provided with more information thanks to the information campaign on CAP that the Ministry of Resources and Rural Affairs carried out. A Statute for the Gozo Action Group Foundation was then drafted and approved by all the members of the group. The Gozo Action Group Foundation was officially launched on the 8th August 2008.

The territory covered by the Gozo Action Group Foundation is the whole island of Gozo, including Comino. The Rural Development Programme 2007 – 2013 designs a mix of actions that can be carried out to enhance the quality of life as well as to boost their competitiveness. In this context the active role of local stakeholders is a very important aspect that will determine the effectiveness of the policies designed. The Local Development Strategy will be an important instrument to involve more operators in the sustainable development of the island as well as to adopt common approaches and actions. The LDS will therefore be coordinated with the communication actions so as to maximize the active participation and involvement of local stakeholders and thus allow more effective interventions. The Strategy will be based on the main strengths of the island and try to address the main challenges so as to improve the quality of life and competitiveness of Gozo.
1.2. Submission overview

This section provides general information on the eligible territory as well as information on the approaches adopted for the preparation of the Gozo Sustainable Development Strategy.

1.3. Applicant details including company name and number

The legal form of the Gozo Action Group, once the strategy is approved will be that of a Public Private Partnership. The Foundation will change its legal framework following guidelines and indications provided by the Managing Authority for the implementation of the LEADER programme in Malta.

<table>
<thead>
<tr>
<th>Name of the Entity</th>
<th>Gozo Action Group Foundation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Address</strong></td>
<td></td>
</tr>
<tr>
<td>Legal Address:</td>
<td>Gozitano Buildings</td>
</tr>
<tr>
<td></td>
<td>Mgarr Road, Xewkija</td>
</tr>
<tr>
<td>Operating Address:</td>
<td>27 Republic Street,</td>
</tr>
<tr>
<td></td>
<td>Victoria, Gozo</td>
</tr>
<tr>
<td><strong>Telephone Number</strong></td>
<td>+356 2155 0822</td>
</tr>
<tr>
<td></td>
<td>+356 2155 0305</td>
</tr>
<tr>
<td><strong>Email</strong></td>
<td><a href="mailto:info@leadergozo.eu">info@leadergozo.eu</a>;</td>
</tr>
<tr>
<td></td>
<td><a href="mailto:chairman@leadergozo.eu">chairman@leadergozo.eu</a>;</td>
</tr>
<tr>
<td></td>
<td><a href="mailto:secretary@leadergozo.eu">secretary@leadergozo.eu</a></td>
</tr>
<tr>
<td><strong>Website</strong></td>
<td><a href="http://www.leadergozo.eu">www.leadergozo.eu</a></td>
</tr>
<tr>
<td><strong>VAT Number</strong></td>
<td>MT 1932 6029</td>
</tr>
</tbody>
</table>
1.4. Local area

The territory covered by the Gozo Action Group Foundation is the whole island of Gozo, including Comino. The islands of Gozo and Comino are 67sq km and 2.7 sq km respectively. They are located in the Mediterranean Sea, about 100 kilometres south of Sicily and 300 kilometres east of Tunis.

The localities forming the eligible territory of the Gozo Action Group are:

1. Victoria
2. Nadur
3. Xaghra
4. Zebbug
5. Ghasri
6. Qala
7. St. Lawrenz
8. Gharb
9. Kercem
10. Sannat
11. Xewkija
12. Ghajnsielem
13. Fontana
14. Munxar
1.5. Process preparing the application

For the preparation of the Gozo Sustainable Development Strategy, Gozo Action Group Foundation was assisted by a team of experts. The team was coordinated by Dott. Daniele Fantechi of BEurope Ltd., in partnership with ECubed Consultants Ltd. and ADI Environmental Consultants Ltd. The experts produced a specific needs analysis, a SWOT analysis for the territory and took care of the preparation of the present document. The team also led the consultation process and assisted the Gozo Action Group during the whole period of preparation of the strategy.

The process for the preparation of the application was composed by 3 phases:

- **Needs analysis and prioritisation**

  The team of experts worked on the identification on characteristics of the regions in order to identify the local needs and priorities. The analysis was based on National Statistic Office data as well as other official documents.

- **Consultation with local stakeholder**

  The Consultation process was based on the draft needs analysis and prioritization resulting from phase one. The consultation contributed substantially to shape the strategy and to adapt it to the needs emerged at grassroots level. Specific meetings were held in all localities and with all the different stakeholders. In order to guarantee a coherence between communication and strategy the company BEurope Ltd. has coordinated information and promotional activities. Thanks to the communication campaign all residents and stakeholders have been informed and had the chance to actively participate to the consultation process.

- **Synthesis and final document**

  After the consultation process, a process of synthesis was used to integrate all of the information gathered in the preceding phases.

  The outcome of this process consists in the proposed Gozo Sustainable Development Strategy to be delivered under the measures of the Rural Development Programme for Malta 2007-2013. The proposed Programme has been developed with the identification of appropriate actions based on the needs and priorities of the area concerned.
1.6. Structure of the application document

This document conforms to the template issued by the Ministry for Resources and Rural Affairs and contains the following sections:

1) Introduction and Background
2) The Group
3) Needs Assessment
4) The Programme
5) Financial Plan, Monitoring, Evaluation and Review
6) Networking and Co-operation
7) Horizontal Principles
Chapter 2 The partnership

2.1. Description of the partnership members including who they represent

With regards to the composition of the Decision Committee, the Local Councils held elections of their representatives and all the 14 Gozitan Local Councils nominated 3 representatives of the public sector within the board. With regards to the private sector, every intermediate organization held meetings with their members and one person per sector was elected to sit on the board. During the second part of 2008 then, the board composed by 7 members, 3 representing Local Councils and 4 representing the private sector, met a number of times so as to follow up the development of the LEADER and prepare the necessary documentation to be eligible for the 341 measure and thus be able to start the LEADER process in Gozo.

**Gozo NGOs Association** supports and coordinates the activity by the voluntary sector in Gozo. It is composed of three Groups: Culture, Philanthropy and Sports. Its Council is chosen by the member organizations. At the moment nearly all the NGOs in Gozo adhere to the Association, which has also an important role in the consultation process within MEUSAC and MCESD – Gozo Regional Committee. The organisation has an important experience in the NGO sector, with particular reference to Gozo. It represents the key structure to disseminate information amongst Gozo NGOs and represents also a forum for discussions on main issues related to NGOs activities. With regards to the involvement in the preparation of the Strategy, Gozo NGOs Association will be in charge of coordinating the dissemination and promotional activities addressed to the NGO sector. It will also play an important role in the definition of the measures to be implemented under Axis IV addressed to local NGOs.

**Gozitano Agri Co-Op./Maltese Island Agri Federation**, Gozitano Agri Co-Op has been set up in the sixties and operates in Fruit and Vegetables sector. Since 2004 Gozitano Agri Co-Op has become the first Producers Organisation in Malta for the Fruit and Vegetables sector. Moreover it has implemented since 2006 several actions related to European Funding Programmes and Legislation. It has applied for the recognition of Gozo Sweet Oranges as a PDO under the EC Quality Schemes. Gozitano Agri Co-Op. has also set up, together with other individual farmers and organisations, the Maltese Island Agri Federation (MIAF), which is the Maltese entity recognised by COPA COGECA [the Organisation of European Farmers Organisations]. Apart from representing farmers interests at EU levels, MIAF is also implementing specific projects. It is the coordinator of a Leonardo Mobility Project which will allow farmers mobility and exchange of experiences with other colleagues in other Member States. Both organisation group over the 95% of farmers in the Island of Gozo. With regards to the involvement in the preparation of the Strategy, Gozitano Agri Co-Op and MIAF will be in charge of coordinating the dissemination and promotional activities addressed to the farming community. It will also play an important role in the definition of the measures to be implemented under Axis IV addressed to farmers, in particular measure 125.
**Gozo Tourism Association** aims to foster all sectors forming the tourism industry in Gozo, addressing the island’s specific needs and circumstances. It is a regional based organisation that represents its members interests and also an important vehicle to disseminate information within the tourism sector. With regards to the involvement in the preparation of the Strategy, GTA will be in charge of coordinating the dissemination and promotional activities addressed to the tourism sector. It will also play an important role in the definition of the measures to be implemented under Axis IV addressed to local tourism operators.

**Gozo Business Chamber** was founded to promote the common interests of business operators in Gozo. It is administered by a Council elected from its sectoral committees. GBC is also an active actor of the consultation process both at MCESD and MEUSAC levels. It provides services of communication and information to its members and represents Gozo SMEs interests nationally. With regards to the involvement in the preparation of the Strategy GBC will be in charge of coordinating the dissemination and promotion activities addressed to the business sector. It will also play an important role in the definition of the measures to be implemented under Axis IV addressed to local SMEs and Hand Craft Sector.

All the organisations are represented in the board. The Board members will supervise all the communication activities as well as the correct implementation of the strategy building process. Members of the board will attend also one to one meetings. Finally they will participate to skills acquisition activities as a specific training will be provided and a study visit will be organised.

**Local Councils** in Gozo were set up in the early nineties as part of the establishment of Local Government System in Malta. The total number of Gozitan local councils is 14, namely Qala, Nadur, Xaghra, Zebbug, Ghasri, Gharb, St. Lawrenz, Kercem, Munxar, Victoria, Fontana, Sannat, Xewkija, Ghajnsielem. It has to be noted that the territory of Ghajnsielem Local Council comprises the island of Comino. All the Local Councils contributed to the setting up of the Gozo Action Group Foundation and participated in the elections to choose their representatives on the Decision Committee.
2.2. Proposed group staffing and capability

The Decision Committee will start the selection process for the recruitment of staff upon approval of the Local Development Strategy by competent Authorities.

The staff will have a pivotal role for the implementation of the strategy and it is very important that the Gozo Action Group makes the right choice, considering that the budget is limited.

The Gozo Action Group in the first period, will have to issue a number of tenders, therefore a specialised assistant on this subject will be required. The expert on tenders, administration and public procurement will support the CEO in the implementation of the strategy. In particular, the assistant will be of important support to the Decision Committee in the starting up of the implementation of the strategy. As indicated in Chapter 4, the programme will consist in a mix of actions that will be carried out both by the same Gozo Action Group and by local stakeholders. With regards to the actions that the Gozo Action Group will carry out, most of them are of preparatory nature and shall be done as soon as the strategy is approved. The support given by the specialised assistant on tenders is very important to correctly and efficiently start up the operations.

In the same period the selection procedure for the CEO will be launched. It is important that Gozo Action Group selects the right profile as from the quality, capacity and commitment of the CEO, the success of the strategy will be determined. The CEO will have to have competence in many fields: EU Affairs, Project Management, Local Government System, NGO legislation etc. (the terms of reference will be detailed in the call that will be issued). For this reason, the Gozo Action Group has envisaged that, during the first two years, training and technical assistance for the running of the LAG and the implementation of the Strategy will be provided to all staff members as well as to the Decision Committee members.

The financial administration of the Gozo Action Group will be subcontracted as per Public Procurement Procedures.

If required, Legal Assistance will be subcontracted as per Public Procurement Procedures.

2.3. Proposed management structures

The Decision Committee is the heart of LAGs operations; it will be in charge of supervising the correct implementation of the Local Development Strategy; it will be in charge of the selection process and it will have to play an important political and institutional role, especially by establishing fruitful relationship with local stakeholders and organisations. The Decision Committee will have regular monthly meetings. The operational procedures of the Gozo Action Group are those detailed in the Statute constituting the Foundation. For the implementation of the local development strategy the Foundation will become a Public Private Partnership and the related Statute will be approved once the proposed strategy receives the green light from the Managing Authority.
The Evaluation Committee will be appointed by the Decision Committee and will be in charge of evaluating both the project proposals and the tender proposals received by Gozo Action Group.

The Chief Administrative Officer will be responsible for the overall management and implementation of the Local Development Strategy. The CEO will be responsible for updating the Decision Committee on the implementation of the Strategy as well as on the management of the Gozo Action Group on a monthly basis.

The Assistant CEO supports the management and implementation of the Local Development Strategy in particular from an administrative point of view. The assistant will have an important role in the tendering process.

Accountancy services will be subcontracted for the whole period of implementation of the strategy. The services subcontracted will be limited to those required for the correct running of the Public Private Partnership and its compliance with National Legislation.

Legal Assistance can be subcontracted.

It has to be considered that, due to limited budget allocated to LEADER under Axis IV, running costs will have to be kept at minimum. In this context, the quality of the CEO and its commitment to the successful implementation of the Gozo Sustainable Development Strategy are crucial factors. The CEO will have to be able to tackle situations that require flexibility and deep knowledge of European Project Management, Local Government System, NGO Legislation, Public Procurement etc.

The CEO, the assistant, as well as the Decision Committee, the members of the LAG and other stakeholders will be supported by external experts through the training actions identified with the Gozo Sustainable Development Strategy as defined in Chapter 4.
2.4. Proposed financial management system including control and development

All programme budgets and project commitments are evaluated by the Evaluation Committee, that will provide the Decision Committee with evaluation reports and will recommend approval or rejection of the proposals. The Decision Committee will take the final decision both in the selection of tender proposals as well as in the selection of project proposals.

The Decision Committee will closely monitor progress of programme activities by reviewing and approving monthly financial reports, which are presented at each monthly Decision Committee meeting.

The company will report to the Ministry for Resources and Rural Affairs, it will cooperate with all requests for information required and will carry out checks and audits as indicated by the National Authority.

Gozo Action Group will comply with EU Regulations and National Legislation where appropriate and will make available records and information for any national or EU auditors.

2.5. Financial status

Gozo Action Group is in its start up phase. In order to implement Measure 341, the organisation has contracted a loan with a local bank.

2.6. IT system capability

Gozo Action group will set up the office with all required IT systems. N. 1 computer per officer will be available, together with other office equipment like printer, fax, photocopier, projector, etc.

The offices will be endowed with a Local Area Network (LAN) where all computer records will be stored.
2.7. LAG structure and decision committee structure

With regards to the Decision Committee it was established in the Gozo Action Group Foundation Statute, that the Committee should have been composed by n.7 representatives. The Public Sector (Local Councils) is represented by 3 members while the private partners are represented by 4 members, covering the most important sectors of Gozo. As the LEADER programme will start operating in Gozo, it is envisaged that a number of organisations will be able to take an active role. It is expected that, thanks to the involvement of new organisations and thanks to the implementation of the strategy, more people will become active members of the Gozo Action Group. With regards to the composition of the Committee, the group will encourage female participation and representation so as to be able to reach the target of 40% of female representation in the Decision Committee.

Dr. Joseph Grech, Chairman
A Lawyer by profession, is the manager of Gozitano Agri Coop, a key player for Gozo agriculture. Since 2007 Dr. Grech is the Chairman of La Stella Band Club, a popular and well established organisation. Recently Dr. Grech has been appointed as Chairman of Gozo Channel Ltd., the company that operates the ferry service between Malta and Gozo.

Mr. Antoine Vassallo, Secretary
An educator by profession (specializing in the commercial area), is active in the media and has long been involved within a wide range of voluntary organizations. Among other roles, he is the founder-president of the Gozo NGOs Association, a nominated member of the Malta Council for the Voluntary Sector and on the Voluntary Organizations Fund board, the Executive Secretary of the Regional Projects Committee (Ministry for Gozo) and the founder-Secretary of the Gozo Regional Committee (MCESD). Mr. Vassallo represents the NGOs Sector within the Decision Committee of the Gozo Action Group Foundation.

Mr. David Apap, Vice-Chairman
David Apap has been appointed Mayor of the Gharb Local Council since July, 1997. During these years he has been able to manage various projects concerning the locality one the most ambitious being that of the Rehabilitation and Restoration of Wied il-Mielah Valley where a large number of EU Funds have been awarded to the Council in two different phases. Mr. Apap also contributes in helping the local committees in the organization of various events. Apart from his duties as Mayor of Gharb Mr. Apap is also the tourism zone officer for Gozo working with the Malta Tourism Authority.

Mr. Joe Cordina, Treasurer

Mr. Paul Scicluna, Committee Member
Paul Scicluna is the Chairman of the Gozo Tourism Association and represents this association on the board of the Gozo Action Group. Mr. Scicluna was one of the founder members of the Gozo Tourism Association way back in 1999 and over the years has served on the executive council as Treasurer and Chairman. Mr. Scicluna has been involved in the tourism sector for the last 30 years, starting his career as representative of a British Tour Operator and for the last 25 years has been General Manager of Gozo
Farmhouses Ltd., a company involved in the renovation and renting of farmhouses and incoming tourism. Mr. Scicluna served as President of St. Joseph Band Club and is involved in Cultural and Sports associations.

**Mr. Paul Buttigieg, Committee Member**
Mr. Buttigieg has been serving as Mayor of Qala for the past 13 years; he works as Manager of Nursing Services at the Gozo General Hospital. Mr. Buttigieg is also a member of the board of Directors of Enemalta Corporation, Vice President of the KKPN and also President of Qala St Joseph Football Club.

**Joseph G Grech, Committee Member**
Mr Grech has been appointed as CEO of the Gozo Business Cham,ber since April 2001. He has attended several international and local conferences related to the position and his job is to oversee the running of the Chamber on a daily basis, represent the Chamber at meetings with the authorities and liaise with other constituted bodies. Before taking up the post of the Chamber's CEO, Mr Grech was involved in the Educational field as well as in the voluntary youth service.
Chapter 3: Needs Assessment

3.1. Description of the territory

The islands of Gozo and Comino, which make up part of the Maltese Archipelago, are 67 sq km and 2.7 sq km respectively. They are located in the Mediterranean Sea, about 100 kilometres south of Sicily and 300 kilometers east of Tunis. The islands of Gozo and Comino are made up of fourteen territories as listed in the table below with a total population of 31,053 (RDP 2007-2013, 2008) representing approximately 8% of the entire national population. According to the Census (2005), there are 754 immigrants in the region of Gozo, the majority of which are over the age of 40.

Table 1: Indicators - Gozo and Comino

<table>
<thead>
<tr>
<th>Territory</th>
<th>Surface Area in Km²</th>
<th>Population</th>
<th>Population Density in persons/km²</th>
<th>Agriculture Area in ha</th>
<th>% Agriculture Area</th>
<th>% ODZ Area</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rabat</td>
<td>2.9</td>
<td>6414</td>
<td>2212</td>
<td>172.2</td>
<td>59.4</td>
<td>52.5</td>
</tr>
<tr>
<td>Fontana</td>
<td>0.39</td>
<td>846</td>
<td>2169</td>
<td>7.7</td>
<td>19.7</td>
<td>78.7</td>
</tr>
<tr>
<td>Ghajnsielem and Comino</td>
<td>7.28</td>
<td>2580</td>
<td>354</td>
<td>129</td>
<td>17.7</td>
<td>89.4</td>
</tr>
<tr>
<td>Gharb</td>
<td>4.63</td>
<td>160</td>
<td>251</td>
<td>127.9</td>
<td>27.9</td>
<td>91</td>
</tr>
<tr>
<td>Ghasri</td>
<td>4.72</td>
<td>417</td>
<td>88</td>
<td>127.2</td>
<td>27</td>
<td>102.4</td>
</tr>
<tr>
<td>Kercem</td>
<td>5.51</td>
<td>1654</td>
<td>300</td>
<td>249.4</td>
<td>45.3</td>
<td>93.2</td>
</tr>
<tr>
<td>Munxar</td>
<td>2.87</td>
<td>1019</td>
<td>355</td>
<td>87.4</td>
<td>30.4</td>
<td>87.5</td>
</tr>
<tr>
<td>Mnadur</td>
<td>7.06</td>
<td>4181</td>
<td>592</td>
<td>283.4</td>
<td>40.1</td>
<td>87.5</td>
</tr>
<tr>
<td>Qala</td>
<td>5.87</td>
<td>1609</td>
<td>274</td>
<td>80.3</td>
<td>13.7</td>
<td>90.5</td>
</tr>
<tr>
<td>San Lawrenz</td>
<td>3.57</td>
<td>599</td>
<td>168</td>
<td>89.8</td>
<td>25.2</td>
<td>95.1</td>
</tr>
<tr>
<td>Sannat</td>
<td>3.85</td>
<td>1729</td>
<td>449</td>
<td>259.9</td>
<td>67.5</td>
<td>88.8</td>
</tr>
<tr>
<td>Xaghra</td>
<td>6.63</td>
<td>3960</td>
<td>597</td>
<td>246.3</td>
<td>37.1</td>
<td>98.5</td>
</tr>
<tr>
<td>Xewkija</td>
<td>4.55</td>
<td>3115</td>
<td>685</td>
<td>135.6</td>
<td>29.8</td>
<td>73.9</td>
</tr>
<tr>
<td>Zebbug</td>
<td>8.88</td>
<td>1770</td>
<td>199</td>
<td>230.3</td>
<td>25.9</td>
<td>78.8</td>
</tr>
<tr>
<td>Total</td>
<td>68.67</td>
<td>31053</td>
<td>452</td>
<td>2226.4</td>
<td>32.4</td>
<td>87.7</td>
</tr>
</tbody>
</table>

Source: RDP 2007-2013

On a national level, population density in the main island of Malta is more than three times greater that of Gozo with the density ratio in Gozo and Comino registered at 452 persons per square kilometre. It is however important to note that while the density ratio in the territory of Gozo and Comino is significantly lower compared to the main island, it is still considered one of the highest compared to other EU Member States as well as to EU Island Regions.

The inherent characteristics of the Island Region of Gozo include its smallness and double insularity which render the economy highly vulnerable to shocks which are beyond the control of the regional economy. On the other hand, Gozo possesses distinctive environmental and cultural assets whose sustainable exploitation could be productively used for the development of the Island Region as well as the national economy.
3.2. The consultation process

3.2.1. Introduction

The consultation process designed by the Gozo Action Group Foundation was aimed at communicating the LEADER project and its characteristics to the general public and at the same time to encourage all local stakeholders to take an active role in the definition of the Local Development Strategy. The approach adopted was based on the use of different communication channels and means to deliver the two main messages consisting in:

- LEADER is a locally based project where the stakeholders of the territory can have an active role in the design and implementation of concrete actions that suit the specific needs of the area

- there are several means for local stakeholders to take an active role and give their input in the definition of the Local Development Strategy as well as in its implementation

The main communication channels used were: seminars, locality meetings and sectoral meetings, website and online consultation tools, promotion through newspapers and TV, delivery of flyers to all households of the territory.

The online consultation tool which was made available through the website as well as the organisation of specific meetings involving the localities of the areas as well as the main sectors of Gozo, were the pillars of the consultation strategy.

The communication therefore, apart from providing with information on LEADER and its functioning, wanted to foster local stakeholders participation. The web facility for consultation consisted in a questionnaire that has been produced to know local stakeholders’ opinion on the needs and priorities as well as the necessary measures to be undertaken so as to guarantee a sustainable local development. The web consultation was carried out by n. 35 users Apart from the online consultation tool, locality and sectoral meetings were the second pillar of the consultation strategy. Locality meetings were organised with the active involvement of Local Councils, their premises were used, while sectoral meetings were planned with the help of sectoral organisations that are partners of the Gozo Action Group.

All the activities brought to a satisfactory participation of the Gozo community, above all in terms of quality of suggestions and inputs. The consultation process has been very helpful to define the main priorities of the area. This has allowed the Gozo Action Group to fine tune the actions and the priority areas.

The Consultation process in Gozo started in September 2009 and lasted until the end of October 2009. The following activities were held:

- Seminar for Mayors and Councillors
- Website and online consultation
- Adverts, Articles and TV
- Locality and Sectoral Meetings
- Closing Seminar
3.2.2. Seminar for Mayors and Councillors

In the consultation process, Local Council play an important role and their active involvement in the LEADER process is crucial to achieve successful results. The Decision Committee believed that a specific seminar addressed to Councillors and Mayors would have facilitated the process and would have helped to increase familiarity with the LEADER. In the implementation phase Local Councils will not only be able to present proposals under the different actions of the Gozo Sustainable Development Strategy, but they have to be able to inform their residents on the LEADER and its role in the development of Gozo.

Xaghra Local Council was the venue selected where Mayors and representatives of the 14 localities of Gozo attended the seminar. The general participation and feedback was positive and the meeting, which was held before the launching of the consultation phase, was considered useful and interesting by those who attended.
3.2.3. Website and online consultation

A website of the Gozo Action Group Foundation has been realised. The website was designed to provide information on the LEADER project, the territory concerned and the local actors involved. Furthermore it has been enriched with interactive tools such as the online consultation facility, the news and events section and the download section in order to make it more attractive and complete.

The following questionnaire was submitted to public consultation via the web:

**Online questionnaire**

Please find here the a list of priorities for the region of Gozo and Comino. Out of the 15 priorities, you are required to tick the 10 most important (From 1 = most important to 10 = least important)

<table>
<thead>
<tr>
<th>PRIORITIES</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Creation and development of a specific brand for Gozo</td>
<td></td>
</tr>
<tr>
<td>2. Further development of quality standards for Gozo agricultural products and services</td>
<td></td>
</tr>
<tr>
<td>3. Marketing campaigns focused on local agricultural and craft products</td>
<td></td>
</tr>
<tr>
<td>4. Development of niche tourism including, for example, rural-tourism, culture, conference etc</td>
<td></td>
</tr>
<tr>
<td>5. Marketing and advertising campaigns to promote Gozo as a distinct destination within the Maltese tourism offer</td>
<td></td>
</tr>
<tr>
<td>6. Training of farmers in water management, waste management, etc</td>
<td></td>
</tr>
<tr>
<td>7. Improvement of collection of rain water:</td>
<td></td>
</tr>
<tr>
<td>8. Improvement of quality control on agricultural produce from Gozo</td>
<td></td>
</tr>
<tr>
<td>9. Realization of quality tests on groundwater and soil as well as on agricultural products</td>
<td></td>
</tr>
<tr>
<td>10. Encouragement of young people towards a career in agriculture or fisheries</td>
<td></td>
</tr>
<tr>
<td>11. Improvement of accessibility to Gozo from Malta</td>
<td></td>
</tr>
<tr>
<td>12. Improvement of accessibility to Gozo from Sicily</td>
<td></td>
</tr>
<tr>
<td>13. Improvement of public transport and internal mobility in Gozo</td>
<td></td>
</tr>
<tr>
<td>14. Training of Gozitan operators and individuals on specific topics such as agri-tourism, environmental management, quality management, marketing, etc</td>
<td></td>
</tr>
<tr>
<td>15. Enhancement of the Gozitan landscape as the most important asset of the island</td>
<td></td>
</tr>
<tr>
<td>16. Address climate change</td>
<td></td>
</tr>
</tbody>
</table>
3.2.4. Adverts, articles and TV

The main targets of this action was the general public. Press releases were sent to the main newspapers both in English and Maltese. Information on the LEADER process in Gozo featured also on the National news.

The information campaign will be complemented by a TV reportage on the LDS consultation process and the LDS building process which will be broadcasted on TVM. This will be broadcasted in January during the programme Ghawdex Illum. The objective is to inform the general public on the LEADER initiative and its development in Gozo.

3.2.5. Direct mailing

A flyer illustrating the main elements of the LEADER project was delivered to all Gozo households by the end of September so as to inform the population about the LEADER in Gozo and the consultation process. Active participation was encouraged through the provision of information on how to contact Gozo Action Group and also how to participate in the consultation process. A second wave of direct mailing was made to promote the final consultation seminar. A flyer was delivered to all Gozo households by the 9th November 2009.
3.2.6. Locality and sectoral meetings

The objective of these meetings was to actively involve residents of all the localities as well as local elected representatives and civil society operators. The LEADER project was presented both from a general and specific point of view, so as to enable the audience to better understand its functioning.

Locality and sectoral meetings were important to get local population and operators feedback and points of view on the needs for the sustainable development of Gozo and on the actions proposed through the Local Development Strategy.

Information on the outcome of each consultation meeting is detailed here below:

**Sectoral Meetings:**

<table>
<thead>
<tr>
<th>Date</th>
<th>Consultation meeting</th>
<th>Consultation Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-ott</td>
<td>Tourism Meeting</td>
<td>Brand for Gozo very important - Tool to promote the island as well as to establish higher standards at tourism operators level&lt;br&gt;Brand to consolidate local identity and to involve all tourism operators (accommodation and ancillary services)&lt;br&gt;Improve the cleaning of the environment of Gozo, especially valleys&lt;br&gt;Raise awareness to residents on waste management and cleansing of the territory&lt;br&gt;Inform residents and tourists on how to manage waste to avoid dumping&lt;br&gt;Web portal for tourism to be used as unique online tool for the island&lt;br&gt;Special training in schools for kids on environmental education and role of tourism for the island&lt;br&gt;Karrozzini in Victoria (like Valletta)&lt;br&gt;Marketing activities to be done in Malta asw well as abroad&lt;br&gt;Policy related suggestions&lt;br&gt;Regulate construction during peak season in tourism zones&lt;br&gt;Coordinated and adequate use of abandoned government properties for tourism&lt;br&gt;Harmonization of Licences&lt;br&gt;SWOT Suggestion: Data on relatively higher number of 5 star 4 star hotel misleading. People don’t agree as the overall quality does not correspond to the stars</td>
</tr>
<tr>
<td>Date</td>
<td>Consultation meeting</td>
<td>Consultation Outcome</td>
</tr>
<tr>
<td>--------</td>
<td>----------------------</td>
<td>----------------------</td>
</tr>
</tbody>
</table>
| 03-ott | NGOs Meeting         | Water issues, catchment of rain water to be improved  
                                 | Cleaning of valleys and improvement of rain water catchment system  
                                 | Rehabilitation of unused quarries for tourism related projects  
                                 | Preservation of Malta stone / Training of quarry workers  
                                 | Walking paths to be upgraded and developed  
                                 | Ensure an efficient public transport  
                                 | Maps for walks in coordination with ramblers association |
| 04-ott | Farmers Meeting      | Study on Agriculture in Gozo to have policy indications  
                                 | Cleaning of valleys and improvement of rain water catchment system  
                                 | Training and information campaigns on several subjects related to agriculture and sustainability  
                                 | Organisation of markets for direct sales of Gozo agricultural products in Malta and abroad  
                                 | TV Programme on Gozo Agriculture  
                                 | Laboratory for quality controls required but to evaluate costs/benefit  
                                 | Training on building rubble walls techniques and restoration of rubble walls  
                                 | Training and information campaigns in Gozo schools on value and importance of local agriculture and products  
                                 | Production of a newsletter/magazine |
| 10-ott | SMEs Meeting         | Promote entrepreneurship and innovation in particular to young students  
                                 | Cleaning of valleys and improvement of rain water catchment system  
                                 | Promotion of IT Clusters in Gozo  
                                 | Portal to list all skills of Gozo workforce  
                                 | Support to Opera Season  
                                 | Gozo cluster of Excellence Support and promotion  
                                 | Economic Twinning as means to promote Gozo economy |
## Locality Meetings:

<table>
<thead>
<tr>
<th>Date</th>
<th>Consultation meeting</th>
<th>Consultation Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-ott</td>
<td>Victoria LC</td>
<td>Create opportunities for young people in Gozo to reduce brain drain</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Improve the quantity and quality of entertainment above all in winter</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Improve the signage of the island as well as general maps and info point (Harbour)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Information on shop opening</td>
</tr>
<tr>
<td></td>
<td></td>
<td>web portal for Gozo with online booking facilities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Promotion of Gozo mainly through Specific PR, Specialised press, Educational tours for journals, Participation to international fairs</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(Policy) Improve the efficiency for registering companies in Gozo and avoid waste of time in bureaucracy.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Organise international conferences on financial services in Gozo to promote the island further in this niche</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Improve accessibility through bus service and night buses above all for young people</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Create infrastructures for tourism such as yacht mannas and cruise berth</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Invest in the Branding of Gozo</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Date</th>
<th>Consultation meeting</th>
<th>Consultation Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>02-ott</td>
<td>Nadur LC</td>
<td>Study on real assets of the Island to be promoted</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cleaning of valleys and improvement of rain water catchment system</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Encourage innovation and creativity</td>
</tr>
<tr>
<td></td>
<td></td>
<td>More competition on Marketing agri products with positive effect on prices</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Study on water management</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Policy Suggestion: Funds should be spread in all localities</td>
</tr>
<tr>
<td>Date</td>
<td>Consultation meeting</td>
<td>Consultation Outcome</td>
</tr>
<tr>
<td>--------</td>
<td>----------------------</td>
<td>--------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>05-ott</td>
<td>Munxar LC</td>
<td>Support further planting of trees (local varieties)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Improve the publicity on local agri products</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cleaning of valleys and improvement of rain water catchment system</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Training on building rubble walls techniques and restoration of rubble walls</td>
</tr>
<tr>
<td>06-ott</td>
<td>Zebbug LC</td>
<td>Cleaning of valleys and improvement of rain water catchment system</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Training on building rubble walls techniques and restoration of rubble walls</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Support ancillary services/entertainment services on tourist areas (Cucu Train)</td>
</tr>
<tr>
<td>07-ott</td>
<td>Sannat LC</td>
<td>Prevention of floods in roads through a better rain water collection system</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Upgrade the road to Mgarr ix Xini</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Support the creation of thematic parks and areas to improve niche tourism</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Further upgrade of sport facilities to foster internal sport tourism</td>
</tr>
<tr>
<td>08-ott</td>
<td>Xewkija LC</td>
<td>Cleaning of valleys and improvement of rain water catchment system</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Training on building rubble walls techniques and restoration of rubble walls</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Provide separation containers for households to facilitate domestic waste management</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Support the creation of thematic parks and areas to improve niche tourism</td>
</tr>
<tr>
<td>Date</td>
<td>Consultation meeting</td>
<td>Consultation Outcome</td>
</tr>
<tr>
<td>-------</td>
<td>----------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>09-ott</td>
<td>Gharb LC</td>
<td>Provide recycle bags for households to facilitate domestic waste management</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cleaning of valleys and improvement of rain water catchment system</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Training on building rubble walls techniques and restoration of rubble walls</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Analyse the impact of tourism in Gozo also considering its social, environmental effects</td>
</tr>
<tr>
<td>12-ott</td>
<td>Ghasri LC</td>
<td>Interest in Signposting, town plans and maps of the island</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rubble walls restoration is a priority</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cleaning of valleys and improvement of rain water catchment system</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Extend studies to sustainable development of localities and innovative actions</td>
</tr>
<tr>
<td>13-ott</td>
<td>Qala LC</td>
<td>Clearing of valleys and improvement of rain water catchment system</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Training also practical on Rubble Walls restoration as well as terracing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Coordination of Local Development Strategy with major National and EU policies in particular ECO Gozo</td>
</tr>
<tr>
<td>Date</td>
<td>Consultation meeting</td>
<td>Consultation Outcome</td>
</tr>
<tr>
<td>-------</td>
<td>----------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>14-ott</td>
<td>Ghajnsielem LC</td>
<td>Cleaning of valleys and improvement of rain water catchment system</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Interest in Leisure park</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Interest in support LC initiatives based on Gozo traditions/intangible heritage</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Need to upgrade football facilities but mainly oriented to locals. Intervention in this area could lead to jalousies</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Access roads to fields that are also access roads to sites of interests should be a priority</td>
</tr>
<tr>
<td></td>
<td></td>
<td>LCs need to be assisted in the actual design of projects, i.e. training or assistance for the design/application stage</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Fishing tourism assistance (open calls?)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Assist Sport undertakings (open calls?)</td>
</tr>
<tr>
<td>15-ott</td>
<td>San Lawrenz LC</td>
<td>Restrict the chain producer-consumers agri products</td>
</tr>
<tr>
<td></td>
<td></td>
<td>support studies on quality products</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Support creation of bikes in Gozo (maybe a pilot cluster of villages also to make San Lawrenz experience viable</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Niche tourism support (sport and religious)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Support thematic trails</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Info point at Mgarr</td>
</tr>
<tr>
<td>16-ott</td>
<td>Fontana LC</td>
<td>Waste management training and information to give continuity to distribution recycling bags and facilitate separation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Support to installation of Renewable Energy Systems (to check with other funds)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Restoration of rural heritage (measure 323)</td>
</tr>
<tr>
<td>Date</td>
<td>Consultation meeting</td>
<td>Consultation Outcome</td>
</tr>
<tr>
<td>-------</td>
<td>----------------------</td>
<td>----------------------</td>
</tr>
</tbody>
</table>
| 19-ott| Xaghra LC            | LAG to use direct funds from EU  
|       |                      | Further support niche tourism promotion  
|       |                      | Water issues, catchment of rain water to be improved  
|       |                      | Support studies on environment  
|       |                      | Support cultural activities not only in terms of marketing  
|       |                      | Risk of branding related to difference between expectations of tourists and the actual situation of Gozo |
| 20-ott| Kercem LC            | Improve the capacity of NGOs and LCs in preparing applications and projects  
|       |                      | Support sport undertakings  
|       |                      | Support band clubs |

### 3.2.7. Closing seminar

On the 14th of November 2009, the Gozo Action Group Foundation has organised a closing seminar on the consultation process undertaken and on the Local Development Strategy. The event took place at ARKA Foundation Conference Hall and it was promoted to all Gozo thanks to emails to several databases, adverts and delivery of flyers to all households. The seminar was addressed to local stakeholders with the aim of presenting the consolidated needs analysis and programme.

This was made to communicate local population how the consultation process improved the final strategy. The final seminar was also the occasion to illustrate the Actions envisaged under the Sustainable Development Strategy for Gozo before presenting it to the Managing Authority for approval.

The seminar was an important moment to consolidate the relationship of LAG with local stakeholder, to show them how the LEADER process is moving forward in Gozo and to inform them about the next steps to be made.
3.3. Agricultural and environmental profile

3.3.1. Land cover

Agriculture is the main land use in the Maltese Islands, accounting for 47.8% of land cover. Natural habitats cover 22.7% and urban/developed areas cover 28.6% (RDP, 2007-2013).

Gozo and Comino have 19.2% of the agricultural land in the Maltese Islands. Together with the Northern and Western Districts of Malta, the Gozo and Comino district account for 64% of all farmers and 70% of full-time farmers in the Maltese Islands indicating the importance of this area for agriculture.

Figure 1 illustrates Land of Agricultural Value in Gozo and Figure 2 illustrates land cover in the Maltese Islands.

As identified in the RDP, Utilised Agricultural Area (UAA) is in decline throughout the Maltese Islands. There is also a shift from dry-farmed land to irrigated land. Increase in irrigated land has led to higher yield and higher intensity including increased use of fertiliser, which has led to increased nitrate loading of aquifers, in particular, perched aquifers.

In Gozo and Comino, the total agricultural land area identified in the 2004-2006 RDP is 1,948.4ha. The unutilised agricultural area in Gozo was recorded at 12.1% of the total agricultural land area in the 2001 Census of Agriculture carried out by NSO (RDP, 2004). The localities with the highest agricultural land area are Kercem, Nadur, Xaghra, and Zebbug.

Land fragmentation is a characteristic of agriculture in the Maltese Islands. This is even more pronounced in Gozo where most holdings (82%) are less than 1ha in size, distributed as shown in Table 2.

Table 2: Number of holdings and UAA in ha by size class in Gozo & Comino

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>0 ha</th>
<th>&gt;0 - &lt;0.5</th>
<th>0.5 - &lt;1</th>
<th>1 - &lt;2</th>
<th>2 - &lt;5</th>
<th>5 - &lt;10</th>
<th>10 ha &amp; over*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of holdings</td>
<td>2,694</td>
<td>307</td>
<td>1,420</td>
<td>534</td>
<td>293</td>
<td>113</td>
<td>19</td>
<td>8</td>
</tr>
<tr>
<td>% of holdings</td>
<td>59.5</td>
<td>22.4</td>
<td>12.3</td>
<td>4.7</td>
<td>0.8</td>
<td>0.3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>UAA (ha)</td>
<td>1,702.48</td>
<td>336.55</td>
<td>370.02</td>
<td>403.32</td>
<td>325.75</td>
<td>124.33</td>
<td>142.48</td>
<td></td>
</tr>
<tr>
<td>% UAA</td>
<td>19.8</td>
<td>21.7</td>
<td>23.7</td>
<td>19.1</td>
<td>7.3</td>
<td>6.4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>


Figure 1: Land of Agricultural Value on Gozo & Comino

Source: Gozo and Comino Local Plan, 2006
Figure 2: Land cover

Source: State of the Environment Indicators, 2007
3.3.2. Production

The total agricultural output of local farmers almost reached 9,000 tonnes of fruit and vegetables in 2008. Gozitan farmers produced 9.5 per cent out of the total, comprising 7.4 per cent of the total vegetables and 46.8 per cent of the total fruit. Figure 3 shows the quantities produced in 2007 and 2008. In terms of earnings, the total wholesale value of fruit and vegetables sold in 2008 through official markets amounted to €579,006; a decrease of four per cent over the previous year.

Figure 3: Fruit and vegetable production: 2007 – 2008


The different types of vegetables and fruits sold through official markets by Gozitan farmers is shown in Figure 4 and Figure 5, respectively. Tomatoes, vegetable marrows, and cauliflowers are the most popular vegetables. Sweet oranges, lemons and oranges are the most sold fruit products.
Figure 4: Vegetable production: 2008

Vegetable production

- Bellpepper (3.5%)
- Broad beans (0.0%)
- Cabbages (5.0%)
- Carrots (1.4%)
- Cauliflowers (11.3%)
- Celery (0.6%)
- Cucumber (7.1%)
- Dry onions (1.6%)
- Eggplant (4.4%)
- Globe artichokes (0.2%)
- Green onions (0.1%)
- Kohlrabi (1.2%)
- Lettuce (7.2%)
- Potatoes (8.9%)
- Pumpkins (2.3%)
- Sugar melons (1.0%)
- Tomatoes (18.1%)
- Vegetable marrows (15.0%)
- Water melons (1.4%)
- Other vegetables (9.4%)


Figure 5: Fruit production: 2008

Fruit production

- Grapes (0.2%)
- Lemons (6.8%)
- Oranges (6.6%)
- Peaches (0.0%)
- Pomegranates (3.6%)
- Strawberries (0.2%)
- Sweet oranges (17.5%)
- Other fruit (2.7%)

3.3.3. Livestock & waste management

Gozo accounts for 31% of the dairy herd. The main Gozo dairy population is located as follows:

- 10% in Sannat;
- 7% in Xewkija;
- 5% in Victoria; and
- 4% in Kercem.

6% of the pig herd is located in Gozo. The main Gozo pig herd is located as follows:

- 1% in Kercem;
- 1% in Xewkija; and
- 1% in Nadur.

19% of the poultry capacity is located in Gozo.

The main Gozo poultry capacity is located as possible:

- 5% in Xewkija;
- 4% in Kercem; and
- 4% in Victoria.

Table 3 illustrates trends in animal husbandry activity in Gozo between 2004 and 2007 for cattle and pigs and Table 4 illustrates trends between 2001 and 2005 for layers and broilers.

Table 3: Trends in animal husbandry in Gozo (Cattle & Pigs)

<table>
<thead>
<tr>
<th></th>
<th>Cattle</th>
<th>Pigs</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>6,015</td>
<td>5,045</td>
</tr>
<tr>
<td>2005</td>
<td>5,984</td>
<td>4,914</td>
</tr>
<tr>
<td>2006</td>
<td>6,110</td>
<td>4,303</td>
</tr>
<tr>
<td>2007</td>
<td>6,276</td>
<td>4,632</td>
</tr>
</tbody>
</table>

Table 4: Trends in animal husbandry in Gozo (Poultry)

<table>
<thead>
<tr>
<th></th>
<th>Layers</th>
<th>Broilers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>73,691</td>
<td>271,727</td>
</tr>
<tr>
<td>2003</td>
<td>76,241</td>
<td>228,864</td>
</tr>
<tr>
<td>2005</td>
<td>56,218</td>
<td>146,379</td>
</tr>
</tbody>
</table>

As opposed to the other sectors, a significant decline in numbers is seen in broilers in Gozo (36%).

Except for the pig sector, most livestock units are concentrated in Gozo, Zejtun, and Maghtab. The Maltese Islands face additional challenges compared to other EU Member States in the area of manure management. Within the EU, agricultural waste is rarely treated and it is common practice to store and re-use manure on agricultural land. However, the large volume of manure generated in Malta compared to the amount of agricultural land available for re-use, the high density of livestock and the high population density are all factors that have contributed to the national policy direction to treat animal husbandry waste.

Table 5, Table 6, and Table 7 illustrate manure generation by wet weight, manure generation by dry matter, and nitrogen generation by sector in the Maltese Islands respectively.

Table 5: Manure generation by (wet) weight

<table>
<thead>
<tr>
<th>Sector</th>
<th>Quantity (in tonnes)</th>
<th>Percentage of Total (%)</th>
<th>Average (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cattle</td>
<td>224,400</td>
<td>26.6 – 42.7</td>
<td>34.7</td>
</tr>
<tr>
<td>Pig</td>
<td>256,000 – 556,000</td>
<td>48.8 – 66.2</td>
<td>57.5</td>
</tr>
<tr>
<td>Broiler</td>
<td>11,400 - 26,300</td>
<td>2.1 – 3.1</td>
<td>2.6</td>
</tr>
<tr>
<td>Layer</td>
<td>30,500</td>
<td>3.5 – 5.8</td>
<td>4.7</td>
</tr>
<tr>
<td>Rabbit</td>
<td>3,200</td>
<td>0.4 – 0.6</td>
<td>0.5</td>
</tr>
</tbody>
</table>


Table 6: Manure generation by dry weight

<table>
<thead>
<tr>
<th>Sector</th>
<th>Quantity (in tonnes)</th>
<th>Percentage of Total (%)</th>
<th>Average (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cattle</td>
<td>22,800</td>
<td>42.7 – 54.6</td>
<td>48.7</td>
</tr>
<tr>
<td>Pig</td>
<td>4,000 – 8,600</td>
<td>9.5 – 16.2</td>
<td>12.9</td>
</tr>
<tr>
<td>Broiler</td>
<td>5,300 – 12,100</td>
<td>12.5 – 22.7</td>
<td>17.6</td>
</tr>
<tr>
<td>Layer</td>
<td>9,000</td>
<td>16.8 – 21.4</td>
<td>19.1</td>
</tr>
<tr>
<td>Rabbit</td>
<td>830</td>
<td>1.5 – 2.0</td>
<td>1.7</td>
</tr>
</tbody>
</table>


Table 7: Nitrogen generation by sector

<table>
<thead>
<tr>
<th>Sector</th>
<th>Quantity (in tonnes)</th>
<th>Percentage of Total (%)</th>
<th>Average (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cattle Solid</td>
<td>770</td>
<td>21.2 – 27.8</td>
<td>24.5</td>
</tr>
<tr>
<td>Cattle Liquid</td>
<td>800</td>
<td>22.0 – 28.9</td>
<td>25.5</td>
</tr>
<tr>
<td>Pig</td>
<td>465 – 1,012</td>
<td>16.8 – 27.8</td>
<td>22.3</td>
</tr>
<tr>
<td>Broiler</td>
<td>244 - 564</td>
<td>8.8 – 15.5</td>
<td>12.2</td>
</tr>
<tr>
<td>Layer</td>
<td>462</td>
<td>12.7 – 16.7</td>
<td>14.7</td>
</tr>
<tr>
<td>Rabbit</td>
<td>26</td>
<td>0.7 – 0.9</td>
<td>0.8</td>
</tr>
</tbody>
</table>


The above tables indicate that when comparing dry weight, cattle manure contributes to half of the total manure generated on the islands and half the nitrogen. The high volume of pig slurry generated (Table 5) is due to the large volumes of water used in current practices at local pig farms. In reality, therefore, with the implementation of water saving measures, it is believed that pig manure would contribute to approximately 45-50% of the total manure generated.

Pig slurry is currently discharged into the public sewer through specifically designated discharge points. However, the Water Services Corporation has advised that this practice must be discontinued in view of potential damage to sewage treatment plants.

No more than 5,000 pigs are reared on Gozo. This relatively low number means that the Gozo Sewage Treatment Plant that was commissioned in 2007 has sufficient capacity to treat pig slurry. However, given the WSC’s direction, this is a temporary solution that must be resolved at a policy level.

When considering compliance with and implementation of the Meeting Standards measure in the 2004-2006 RDP, a measure that seeks to move Malta towards compliance with the Nitrates Directive and the Nitrate Action Plan, data gathering and analysis made in the Sustech Consulting (2008) report identified that in Gozo, 94% of broiler farms and 38.4% of layer farmers will remain non-compliant. With respect to dairy farms, Sustech Consulting

---

[2008] identified that more permits were refused in Gozo when compared to Malta and more permits were pending in relation to the erection of manure clamps and cesspits.

### 3.3.4. Other agricultural waste

Although manure is the main waste stream generated by the agricultural sector, other waste streams identified in the Agricultural Waste Management Plan for the Maltese Islands [2008] include:

- Waste from the public slaughterhouse(s);
- Waste from private slaughterhouses (mainly poultry and rabbit);
- Animal tissue and sludge from washing and cleaning;
- Waste from processing of meat, fish and other foods;
- Wastes from the dairy products industry;
- Residues from the vegetable market;
- Residues from the fish market;
- Residues from tomato processing;
- Residues from canning processes;
- Waste products from the tuna penning industry; and
- Spent substrate from mushroom production.
3.3.5. Biodiversity

The Maltese Islands’ natural environment includes habitats such as cliffs, valleys, garrigue and sand dunes; this environment covers only 22 per cent of the total surface area. Nonetheless, the islands have a rich biodiversity, which include a large number of native plants and animals⁵.

The local vegetation community is mainly characterised by the so-called sclerophyll series, comprising evergreen wood, maquis, garrigue and steppe. Other vegetation communities include rupestral communities, freshwater and saline wetlands, and sand dunes, together with a variety of marine habitats such as seagrass meadows and habitats based on coralline red algae. The main threats to local biodiversity are development in rural and marine areas, the introduction of alien species (including GMOs), and the exploitation of wildlife including illegal collection, hunting and trapping⁶.

---

3.3.6. Protected areas and species

Biodiversity is safeguarded mainly through the protection and management of sites and areas. Figure 4.11 illustrates the designated and managed areas as of 2007. Since the publication of the State of the Environment Indicators 2007, four additional sites have been designated. This includes two Areas of Ecological Importance / Sites of Scientific Importance (AEI/SSI), one Special Area of Conservation (SAC) of International Importance and one Special Protected Area (SPA). 31.9% of agricultural land is found within Natura 2000 sites throughout the Maltese Islands.

Currently, there are 32 Nature Reserves, 26 Bird Sanctuaries and 105 Areas of Ecological and / or Sites of Scientific Importance; some of these designations overlap.

Malta has also declared 43 SACs in accordance with the EU Habitats Directive: 41 are terrestrial (covering 13.2 per cent of the land area) and two are marine (11 km²). Of the terrestrial sites, 34 are of international importance and seven are of national importance. 26 terrestrial sites (covering 12.6 per cent of the land area) and one marine site (8.5 km²) have been submitted as candidate Natura 2000 sites, see Figure 6 and Figure 7. These were accepted by the European Commission in March 2008. These same sites were submitted to the Council of Europe as candidates for the Emerald Network of Areas of Special Conservation Interest, under the Bern Convention.

Seven of the SACs of International Importance are located in the Gozo and Comino region. These are:

- Ic-Cittadella (INT 026);
- Il-Qortin tal-Magun and Il-Qortin il-Kbir (INT 027);
- Ghajn Barrani Area (INT028);
- Dwejra/Gawra Area, including Hagret il-General (INT 029);
- Ramla Area (INT030);
- Xlendi and Wied tal-Kantra Area (INT 031); and
- Kemmuna, Kemmunett, il-Hagriet ta’ Bejn il-Kmiemen u Hskoll ta’ Taht il-Mazz [INT 034].

All include agricultural land as illustrated in Table 9; some is abandoned. Agricultural land within these areas is typically located along valley sides. UAA within SACs will be managed in accordance with management plans to be drawn up for each Natura 2000 site. The 2007-2013 Rural Development Plan seeks to fund the drawing up and implementation of these plans.

Table 9: Percentage agricultural area in Special Areas of Conservation of International Importance (SAC) or Specially Protected Areas (SPA)

<table>
<thead>
<tr>
<th>Site</th>
<th>% agricultural area in site</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cittadella</td>
<td>10.9</td>
</tr>
<tr>
<td>Dwejra – Gawra Area, including Hagret il-General</td>
<td>32.0</td>
</tr>
<tr>
<td>Ghajn Barrani Area</td>
<td>27.6</td>
</tr>
<tr>
<td>Il-Qortin tal-Magun and Il-Qortin il-Kbir</td>
<td>32.3</td>
</tr>
<tr>
<td>Ramla Area</td>
<td>26.2</td>
</tr>
<tr>
<td>Rdumijiet ta’ Ghawdex: Id-Dawra tas-Sanap to Tal-Hajt</td>
<td>62.0</td>
</tr>
<tr>
<td>Rdumijiet ta’ Ghawdex: Il-Ponta ta’ Harrux to Il-Baja taX-Xlendi</td>
<td>50.0</td>
</tr>
<tr>
<td>Rdumijiet ta’ Ghawdex: Il-Ponta ta’ San Dimitri to Il-Ponta ta’ Harrux</td>
<td>16.2</td>
</tr>
</tbody>
</table>
The followings SACs of National Importance are located in Gozo:

- L-Ghadira ta’ San Raflu, l/o Kercem (NAT 004); and
- In-Nuffara Area (NAT 005).

Malta has also declared 13 sites as Specially Protected Areas (SPAs) under the EU Birds Directive, two sites as Wetlands of International Importance under the UN Ramsar Convention (L-Ghadira and is-Simar), and four sites as SPAs under the Mediterranean level UN Barcelona Convention. In 2007, all beaches and swimming zones in close proximity to urban areas and roads (including 11 specifically named beaches), were given legal protection against hunting.

The following SPAs are located in the Gozo and Comino Region:

- Gozo Coastal Cliffs 1/4: Il-Ponta ta’ San Dimitri to Il-Ponta ta’ Harrux (SPA 007);
- Gozo Coastal Cliffs 2/4: Il-Ponta ta’ Harrux to Il-Bajja tax-Xlendi (SPA 008);
- Gozo Coastal Cliffs 3/4: Id-Dawra tas-Sanap to Tal-Hajt (SPA 009); and
- Gozo Coastal Cliffs 4/4: Ta’ Cenc (SPA 010).

The management of such sites helps to ensure that conservation goals are reached. As of 2007, seven sites were being managed in the Maltese Islands. Management plans for another four sites are currently being prepared or are under review.
Figure 6: Designated and managed areas

Figure 7: Natura 2000 sites

NATURA 2000
SITES IN THE MALTESE ISLANDS/
SITI FIL-GŻEJJER MALTIN

Sites can be of two types:

SPECIAL AREAS OF CONSERVATION (SACs)
in terms of the EU Habitats Directive,
for the conservation of particular habitats and species

SPECIAL PROTECTION AREAS (SPAs)
in terms of the EU Wild Birds Directive,
for the conservation of particular wild bird species.

Is-siti jisthu ikmu ta’ zewg tipi:

ŻONI SPÈĊJALI TA’ KONSERVAZZJONI (SACs)
permezz ta’ Direttor ta’ il-Ammjenti Naturali,
għall-konserverazzjon ta’ xi ammijen naturali u specii

ŻONI TA’ HARSELN SPÈĊJALI (SPAs)
permezz ta’ Direttor ta’ il-Ujje, dwar il-Konserverazzjon ta’ għasfar selvgġi, għall-konserverazzjon ta’ xi specii ta’ għasfar selvgġi.

3.3.7. Freshwater

Freshwater is a limited natural resource in the Maltese Islands. It is derived from rainwater percolating through the porous limestone rock and accumulating in aquifers from where it either seeps out from fissures in the rock or is extracted for agricultural use or human consumption. Figure 9 illustrates the hydrology as well as geology and ecology of Gozo.

Between 2003 and 2007, groundwater extraction contributed 45 per cent of the total local water production; reverse osmosis plants supplied the remaining 55 per cent of freshwater. This latter method is costly and agriculture generally relies on groundwater extraction as a water source. Water consumption decreased by 25 per cent between 2003 and 2007. Agriculture uses about 37% of the total estimated water consumption in the Maltese Islands (RDP, 2007-2013). Adding water consumed by farms and that is billed to them, agriculture accounts for 43% of the total estimated water consumed. More than half of the groundwater extraction is private.

The over-abstraction of groundwater is an issue of concern. It results in imbalances in abstraction and recharge of groundwater. In 2004, the Islands’ major groundwater bodies were mostly over-abstracted. The Malta main Mean Sea Level Aquifer system and the Mgarr-Wardija perched groundwater body are the most over-abstracted water bodies [see Figure 10]. The decreasing levels of groundwater and spring flows are all signs of over-abstraction.

Limited water resources limits agricultural yield and may be one of the causes of land abandonment, particularly in coastal areas (RDP, 2007-2013).

3.3.8. Groundwater quality

In 2006, the nitrate level in nine out of 13 Water Services Corporation-operated boreholes exceeded the Nitrate Directive trigger value of 50 NO₃ mg/l [see Figure 11]. High levels of nitrates recorded in the perched aquifers indicate contamination. The level of chlorides in the mean sea level groundwater body is an indication of the degree of seawater intrusion. No limit values for chlorides exist. However, all boreholes located in the mean sea level aquifer exceeded the WHO threshold for drinking water (250 Cl mg/l). The highest level was recorded at the Ta’ Kandija pumping station (1,435 Cl mg/l); the lowest was 278 Cl mg/l at Xewkija, Gozo. The perched groundwater bodies also suffer from a degree of salinity, mainly due to sea spray and impacts from saline water used for irrigation. The highest value was recorded at the Mgarr pumping station and read 229 Cl mg/l; the lowest was 172 Cl mg/l at Ta’ Falka, Rabat. Nonetheless, since 2001, a reduction in chloride levels has been recorded in almost all groundwater bodies.

7 Groundwater body means a distinct volume of groundwater within an aquifer or aquifers. “Perched” refers to the type of aquifer; it is that aquifer that forms within the Upper Coraline Limestone (a rock that is fissured and porous); it is perched above the Blue Clay aquiclude formation.
Figure 9: Hydrology, geology and ecology of Gozo

Source: Gozo and Comino Local Plan, 2006
Figure 10: Quantitative status of Malta’s groundwater bodies: 2004

Figure 11: Levels of Nitrates and Chlorides at abstraction boreholes: 2006

3.3.9. Landscape

In 2004, MEPA published a Landscape Assessment Study. The Study identifies the disposal of solid waste as one of the main visual problems in the Maltese Islands. It lists Maghtab as a Landscape Character Area and describes the landfill as visually obtrusive and possibly the worst eyesore in the Maltese Islands. The Sant’ Antnin sewage and solid treatment plant in Marsaskala is described as visually detracting, with the large ‘shed-like’ structure causing scenic degradation. In both instances, the Study suggests that the respective areas require high landscape upgrading.

The Landscape Study concluded that 51 per cent of the landscape is of high or very high sensitivity, see Figure 15. Areas of High Landscape Value (AHLV), which cover 12 per cent of the Maltese Islands, were scheduled between 1996 and 2000. During 2006, the extent of AHLV increased to 33 percent (106km2) of the Maltese Islands. Areas of High Landscape Value are designated under the Structure Plan for the Maltese Islands (1990) to protect specific landscape features.

The Gozo and Comino Local Plan (2006) defines Gozo and Comino as having a predominantly rural character. The whole of Comino and most of Gozo are in fact designated Rural Conservation Areas and the rural environment contributes to the landscape character of the region. Figure 16 illustrates Areas of High Landscape Value in Gozo and Comino.

Whilst the importance of Gozo’s landscape is recognised at policy level, it is important that the need for its preservation and an understanding of its value is recognised on the ground by the various players and sectors that impact the landscape including, for example, tourism, agriculture, and recreation.
Figure 14: Areas of High Landscape Value in Gozo

Source: Gozo and Comino Local Plan, 2006
3.3.10. Cultural heritage

It is acknowledged that although Malta’s heritage is varied and rich, it requires immediate attention and significant investment⁹. For this purpose, a Cultural Heritage Strategy and a Tourism Policy were published in December 2006. However, limited funding hinders the timely and efficient restoration and rehabilitation of the vast inventory of cultural heritage assets.

Buildings, monuments and sites are protected through the Cultural Heritage Act and the Development Planning Act. The latter allows MEPA to schedule culturally important buildings and sites. The MEPA Scheduling List contains a number of sites and monuments of which 1,309 are of architectural importance, 265 are of archaeological importance, and 203 are of ecological importance¹⁰. The Antiquities List compiled in 1946/47 contains 2,000 sites of historical and antiquarian significance from before the 1900’s (see Table 10). In addition, three sites, namely the city of Valletta, the Hal Saflieni Hypogeum, and the megalithic temples (Hagar Qim, Mnajdra, Tarxien, Skorba, Ta’ Hagrät and Ggantija) are UNESCO World Heritage Sites.

Table 10: Antiquities List

<table>
<thead>
<tr>
<th>Type</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prehistoric</td>
<td>4.0%</td>
</tr>
<tr>
<td>Phoenician and Roman</td>
<td>4.5%</td>
</tr>
<tr>
<td>Medieval</td>
<td>0.5%</td>
</tr>
<tr>
<td>Ecclesiastical</td>
<td>22.0%</td>
</tr>
<tr>
<td>Domestic</td>
<td>57.0%</td>
</tr>
<tr>
<td>Military</td>
<td>0.5%</td>
</tr>
<tr>
<td>Unclassified</td>
<td>11.5%</td>
</tr>
</tbody>
</table>


The most visited site of cultural interest is the Ggantija Temples followed by the State Rooms and Hagar GIM Temples. In 2005, visitor figures increased by 11 per cent over 2003 figures. During 2004, the most visited places were the art museums, followed by archaeological and historical sites.

Figure 15 illustrates the location of Sites of Archaeological Importance in Gozo.

Figure 15: Sites of Archaeological Importance in Gozo

Legend
- Archaeological sites
- Council boundaries

Source: Rural Development Plan 2007-2013
3.3.11. Climate change

Climate change predictions involve a number of uncertainties. In general, however, an increase in the annual average temperature is expected that could be as high as 20°C by 2050 and 2.8°C by 2100\(^{11}\). Predictions in relation to precipitation and temperature variability are less precise although a general trend can be forecasted. Annual precipitation is expected to decrease although heavy rainfall is expected to increase due to increased extreme weather events. Sea level is also expected to rise.

Changing weather patterns are expected to affect fruit abundance and crop production with the largest effect being due to the predicted shortening of the rainy season. Potential impacts include soil erosion, soil structural and composition damage, soil water clogging, increased nutrient leaching and direct damage to both crops and infrastructure, such as greenhouses. Such impacts could result in land abandonment.

These predictions make it necessary for the agriculture sector to respond through implementation of appropriate adaptation measures to ensure sustainability of the sector.

\(^{11}\) Unpublished data.
### 3.4. Economic profile

The GDP produced in the Island Region of Gozo in 2007\(^{12}\) amounted to €270.3 million, equivalent to 6.1% of the national total (NSO 231/2008)\(^{13}\). The per capita GDP of the population living in Gozo for 2007 is estimated at 74.5% of the national average, and at 57.1% of the EU average.

GDP produced in Gozo has increased between 2005 and 2007 at an average rate of 5.5% per annum. As Table 1 shows, average the rate of economic growth between 2005 and 2007 was 5.5% with growth falling short from that registered in the Main Island of Malta.

With a total population in Gozo of 31,289 persons in 2007, per capita GDP in the Island Region stood at €8,629 in 2007. Such analysis indicates that per capita output and income in Gozo are lower than those of the Main Island, and that Gozo is not contributing to and benefiting from the economic growth that is happening in the Main Island in a proportionate manner.

Table 11: GDP Growth Rates

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malta</td>
<td>5.6%</td>
<td>6.2%</td>
<td>6.8%</td>
<td>6.2%</td>
</tr>
<tr>
<td>Gozo</td>
<td>5.2%</td>
<td>5.8%</td>
<td>5.5%</td>
<td>5.5%</td>
</tr>
</tbody>
</table>

Source: NSO 231/08

Table 12: Per Capita GDP (€)

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Malta</td>
<td>10,348</td>
<td>10,918</td>
<td>11,588</td>
<td>10,951</td>
</tr>
<tr>
<td>Gozo</td>
<td>7,804</td>
<td>8,184</td>
<td>8,629</td>
<td>8,206</td>
</tr>
<tr>
<td>Gozo/Malta</td>
<td>75.4%</td>
<td>75.0%</td>
<td>74.5%</td>
<td>74.9%</td>
</tr>
</tbody>
</table>

The per capita GDP figure of Gozo in relation to the Main Island of Malta may be ascribed to at least three factors namely that the productivity of workers in the Gozo economy relative to that in the Main Island is lower, the rate of employment in Gozo out of the working age population in the Island Region, relative to the Main Island is also lower and finally the share of the working-age population within the total population is also lower in Gozo, as compared to the Main Island\(^{14}\).

In terms of the latter factor, according to the Census 2005 (NSO, 2007), the ratio of the working age population (aged 15 – 64 years) to the total population in Gozo stands at 65.2%.

---

\(^{12}\) The latest available data about overall economic activity in Gozo, as measured by Gross Domestic Product (GDP), pertains to the year 2007.

\(^{13}\) This figure relates to GDP at basic prices, that is, valued at the cost of production prior to the effects of tax and subsidies on market prices. Data for GDP at market prices is also available. Developments in GDP at market prices closely follow that of the basic price valuation. GDP valued at basic prices is preferred for the purposes of this study on account of it being a better indicator of productivity.

\(^{14}\) This is based on the fact that:

\[
\text{Gross Domestic Product} = \frac{\text{Gross Domestic Product} \times \text{Number of Workers} \times \text{Working Age Population}}{\text{Population} \times \text{Number of Workers} \times \text{Working Age Population}}
\]
while that in Malta amounts to 67.9%. This is in part due to demographic factors, including the fact Gozo has a larger share of retiree migrants and returned migrants, as well as a somewhat higher fertility than Malta, at least up to a few years ago. It may also reflect a situation where people of working age who were born in Gozo prefer to reside in Malta to reduce commuting time and expenses, mainly in relation to travelling to the workplace. In turn, this may be in part ascribed to the lack of sufficient career opportunities in Gozo.

The employment rate also partly explains for the divergence in the regional economy of Gozo compared to that of the main island. The ratio of employed persons to the working age population in Gozo at 2007 stood at 51.4%, whereas that in the Main Island of Malta was 61%. This may to an extent reflect cultural differences particularly as regards the participation by females in the labour force, but in the main it probably indicates differences in employment opportunities between the two Islands. This is also indicated by the fact that between 2005 and 2007, whereas employment in the Main Island of Malta rose by 4.9%, that in Gozo rose by 4.1%. This indicates that the creation of additional jobs in Gozo is a significant element in closing the per capita GDP gap between the two islands.

Finally a comparison of the productivity per worker, defined as value added or GDP produced per worker, in Malta and in Gozo in aggregate and in different sectors of production indicates that the average productivity of a worker in Gozo in 2007 stood at €25,801, growing by 7.3% since 2005. By comparison, the average productivity of a worker in the Main Island of Malta stood at €28,006 in 2007, after growing by 8.2% since 2005. It thus appears that the productivity of workers in Gozo is not only lower than that that of the Main Island, but is also growing at a slower pace, thereby not catching up over time.

### 3.4.1. Economic structure

The structure of GDP, employment and productivity in Gozo is summarised in the table below. Most of the generation of income in the Gozitan economy at 27.5% is attributed to the other service category which includes gaming activities, IT as well as the government sector. This is followed by the tourism and retail sector at 26.6% and by the financial and real estate sector which contributed to 20.4% of the value added. A comparison of the value added generated in Gozo to the national economy indicates that to a larger extent than that of Malta, the Gozitan economy depends further on agriculture and fishing as well as construction.

In terms of employment, the majority of workers in the Gozitan economy work in the other services category, namely the government sector followed by the retail and tourism sector. An interesting point in this regard is that while the financial and real estate sector is one of the largest contributors to the generation of economic activity in Gozo, the sector employs 7.7% of total employment, thus rendering a high productivity level per worker of €68,647. Furthermore the productivity per worker in the agriculture and fishing sector at €31,539 is also high compared to other sectors. The tourism industry and the agriculture and fishery sectors are those in which Gozo may enjoy and exploit inherent competitive advantages, and has been successful in this regard.

| Table 13: Economic Structure, Employment and Productivity |

---

15 These ratios are assumed to have remained unchanged between census year 2005 and 2007.
A breakdown of the main economic activity generators is presented below.

### 3.4.2. Agriculture and Fisheries

The agricultural sector in Gozo consists mostly of small holdings on terraced strips of land, and the soils tend to be shallow, although generally more fertile than on mainland Malta. There are about 2,400 agricultural holdings in Gozo with a total land area of 2,292 hectares, indicating that holdings are extremely fragmented. In fact, about 73% of all holdings are smaller than one hectare.

In 2007, the total number of persons engaged in Gozo’s agricultural sector, including both part time and full time employment amounted to 3,525, declining by 1.18% when compared to 2005 (Figure 16). A breakdown of these figures indicates that full time employment in the agricultural sector in 2007 amounted to 316 while part time employment which is significantly higher amounted to 3,209. As can be seen from Figure 16 below, the proportion of full time employment is on the increase while part time employment is on the decline. Furthermore the sector is dominated by male employment although the proportion of female employment is on the rise (Figure 17).
Figure 16: Employment in Agriculture by Type

![Graph showing employment in agriculture by type with data from 2003, 2005, and 2007. The graph includes bars for full-time and part-time employment.]

Source: NSO – Agriculture and Fisheries 2007

Figure 17: Total Employment in Agriculture by Gender

![Graph showing total employment in agriculture by gender with data from 2003, 2005, and 2007. The graph includes lines for total employment, males, and females.]

Source: NSO – Agriculture and Fisheries 2007
When converting Gozo’s agricultural employment into full time equivalence, or annual work units (AWUs), the total annual work unit in 2007 amounted to 764. The agricultural labour force in the Maltese Islands which is also reflective of the characteristics of the sector in Gozo is significantly affected by an ageing population with 60% of work force over the age of 55 years of age. There is potential for this sector to grow and for productivity to increase through knowledge creation and capacity building at the grass-roots level, the attraction of a younger generation of workers will also serve to instill new life into this sector. Diversification into new areas, such as organic or integrated farming and improving the sustainability of farms will promote the increased stability of this sector. An improvement in data and monitoring of agricultural resources and production will also aid in the management and development potential of the sector.

A breakdown of the employer category indicates that on a legal basis, ‘sole holder’ agricultural holdings registered in Gozo amounted to 93.7% of all holdings. Sole-holder enterprises contributed the most to agricultural production providing 78.2% of the AWUs whilst group partnership and companies contributed to 15.2% and 6.6% respectively.

Fishing in the Maltese Islands is rather small scale, but is possibly somewhat more important in Gozo compared to the mainland. Although the fishing industry cannot be considered a major industry in Gozo, it is an important supplier of food for local consumption and for the tourist industry. Artisanal fishing also serves as a tourist attraction.

3.4.3. Industry

The contribution of this sector to regional economic activity has been declining progressively falling from 14.9% of economic activity in 2004 to 12.3% of value added generated in Gozo in 2007. According to the Socio-Economic Development report (2006), this sector is made up of three components, namely the factories at Xewkija, where the larger manufacturing concerns are located, smaller concerns located in different parts of the island and crafts and cottage industries. The larger manufacturing concerns are typically dependent on export-oriented low-technology operations, relying on low unit labour costs of production. The ones which are domestically-oriented utilise imported material as an input clearly highlighting the dependence of the regional economy on international trade. These categories are rapidly losing competitiveness due to increasing costs of labour in the Maltese Islands and the opening up of markets to cheaper imports. The report notes that the more successful manufacturing companies are those which utilise the availability of local raw materials and innovations in agri-processing operations and in products. Furthermore export-oriented higher technology operations focused on products with high value per labour input and per output volume are also thriving.

Cottage industry is a well-established activity in Gozo. Products include knitted garments and other textile products such as lace and woven carpets, artefacts such as glass and curved limestone products, filigree work, and food products, such as cheeselets, honey and sun-dried tomatoes.
3.4.4. Tourism, Retail and Transport

This sector employs 29.5% of workers in Gozo and contributes to 26.6% of the regional value added thus reflecting the significant dependence of the Gozitan economy on this sector. A further in-depth analysis of the sector indicates that in Gozo there are 5-star and 4-star hotels as well as upper-class farmhouse accommodation in Gozo. However, these ratios must be viewed within the context of the relatively small number of hotels in Gozo, and their small size which often leads to insufficiently efficient operations due to an inability to reap economies of scale. There may also be problems with sustaining quality and standards in the upper-class hotels due to insufficient activities and scale economies. Tourism in Gozo depends not only on international tourists who spend most of their visit on Gozo (including Gozitan emigrants) but also on Maltese stay-over tourists and day trippers (international and Maltese).

Figure 18: Tourist Bed-Places Available in Gozo

Source: NSO, Accommodation in Collective Establishments, various issues

The average size of accommodation establishments in Gozo is of 81 beds. This compares with 231 beds in the Main Island of Malta implying that the reaping of economies of scale by accommodation operators in Gozo is very difficult.

The levels of occupancy by non-residents and residents in Gozo between 2006 and early 2009 is shown in the Chart below. An important element shown by the chart is the extent of seasonality particularly in the case of non-residents. The average occupancy rate for non residents in 2008 amounted to 34.7% while the occupancy rate for residents amounted to 12.4%. In 2008 there was a marked decline in the occupancy rate by non residents which is expected to persist in 2009 given the recent recessionary pressures affecting the tourism industry. At the same time the occupancy rate by residents which reflects the dependence of the Gozitan tourism sector also on domestic tourism has increased over the assessed time period although it is expected to decline as the introduction of low cost airlines entices locals to seek other destinations. The development of niche tourism sectors, the improvement in the quality of tourism and the increase in advertising and information availability about the island would work at reducing this seasonality and encourage the development of Gozo as a shoulder month destination. There is the need for greater innovation in developing the Gozo tourism product and identifying and portraying the distinctiveness of Gozo.

Figure 19: Occupancy by Non-Residents and Residents

Source: NSO, Accommodation in Collective Establishments, various issues
It is important to note that the analysis presented here does not capture the private rental accommodation which caters for tourist clients, particularly with regards to domestic tourists. It is likely that the bed places available under this type of accommodation exceeds that present in hotels.

### 3.4.5. Construction

The Construction sector accounts for 5.5% of total value added generated within Gozo and for 10.6% of total employment. In construction, the productivity per worker is somewhat lower than that of the Main Island, probably as a result of the absence in Gozo of relatively large projects. However the construction sector is relatively larger in Gozo compared to the main island. The drive for rural development which is also consistent with the Eco-Gozo initiative would be expected to result in a downsizing of this sector.

### 3.4.6. Financial, Real Estate

This sector which has developed over recent years, and is mainly driven by financial services accounts for a high proportion of economic value added. Indeed the productivity of the sector is significantly high at €68,670 per worker. There exists the potential to further exploit this sector also possible through synergies with the development of tourism and other service activities.
3.4.7. Other services

The bulk of employment in this sector is in the government sector within the Ministry for Gozo. Employment with parastatal organisations is relatively small, as in many cases these are not developed on a regional basis in Gozo but merely operate branches. Important steps for redeployment have in recent times been taken with the transfer to Gozo of a number of back-office operations within the public sector.

The sector also includes the contribution to valued added by activities such as gaming and IT related services which despite a remote growth has not experienced the significant growth which the national economy has enjoyed in recent years. In order for Gozo to take the best advantage of the opportunities brought about by these activities it is important to step-up efforts to improve the level of education and the availability of courses that can be offered within Gozo.

3.4.8. Social profile

According to the Census (2005), there were in 2005, 10,744 private households in Gozo consisting of 30,673 individuals thus implying an average household size of 2.9 inhabitants per household.

The Socio Economic Development Plan for the Island Region of Gozo (2005-2010) identified a markedly higher dependency ratio in Gozo, defined as the ratio of the population aged up to 16 and over 61 to the total population. This reflects in part a larger share in its population of persons aged up to 16 years, but it is mainly due to a high proportion of persons in retirement. A factor which may contribute to the larger share of elderly population in Gozo is the transfer of younger people to a residence in Malta, mainly through marriage but attracted primarily by better economic opportunities. Another interesting point noted in the report is that the Gozitan population that is within the working age category, is in general younger than the population of Malta.

Despite the overall lower rate of economic activity levels in Gozo, the population at risk of poverty is somewhat lower than that in Malta according to the National Statistics Office, as shown in the Table below. This reveals the dependence of the population on non-directly productive sources of income, such as pensions and transfers, together with the possibility of a higher incidence of non-market economic activity, mainly in the form of production for own consumption, on the smaller island. There is also a strong contribution by the sports and cultural clubs to the well being of the island, however there is a need to valorise and enhance this contribution.

<table>
<thead>
<tr>
<th>Economic Status</th>
<th>Malta No</th>
<th>Malta %</th>
<th>Gozo No</th>
<th>Gozo %</th>
<th>Total No</th>
<th>Total %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not poor</td>
<td>100350</td>
<td>84.9</td>
<td>8540</td>
<td>87.3</td>
<td>108890</td>
<td>85.1</td>
</tr>
<tr>
<td>Poor</td>
<td>17830</td>
<td>15.1</td>
<td>1240</td>
<td>12.7</td>
<td>19070</td>
<td>14.9</td>
</tr>
<tr>
<td>Total</td>
<td>118180</td>
<td>100</td>
<td>9780</td>
<td>100</td>
<td>127960</td>
<td>100</td>
</tr>
</tbody>
</table>


The literacy rate in Gozo and Comino is 93.2% with the proportion of people with a tertiary level of education at 8.8%. The number of illiterate persons has decreased considerably from the
previous generations, due to the better schooling systems that there are presently available in Gozo including the setting up of the University Gozo Centre, Malta College for Arts, Science and Technology (MCAST) and the recent ITS Hotel School.
3.5. Wider relevant research and evaluation

The issues which have been presented above have long been recognized and expressed in a number of strategy documents, plans and programmes which are listed in this section of the report. Where particularly relevant, EU legislation is also referenced.

The following list makes reference to plans, programmes, and legislation that may have a bearing on the development of the Strategy for Gozo. These have been divided into International Commitments, National Environmental and Planning Documents, and Sectoral Plans and Policies.

3.5.1. International documents

- **The UN Millennium Declaration and Millennium Development Goals (MDGs)**
  This declaration was aimed at revitalising international efforts to tackle critical development issues through the adoption of eight Millennium Development Goals (MDGs). The seventh MDG is to ensure environmental sustainability.

- **UN Convention to Combat Desertification (UNCCD) 1996**
  This was the first international treaty that recognised the link between poverty and environmental degradation and to emphasise the need for an integrated approach to natural resource management and rural development. The Convention aims to combat desertification and mitigate effects of drought through the development of long-term integrated strategies that focus simultaneously, in affected areas, on improved productivity of land, and the rehabilitation, conservation and sustainable management of land and water resources.

- **UN Framework Convention on Climate Change**
  This Convention and any subsidiary legal instruments aim to stabilise greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with climatic conditions. Such a level should be achieved within a timeframe sufficient to allow ecosystems to adapt naturally to climate change to sustainability of food production and economic development. Despite not being an Annex I country and therefore not required to meet quantified targets, Malta supports efforts to reduce greenhouse gas emissions and is bound by EU legislation.

- **UN Conference on Environment and Development (UNCED) 1992**
  This provided the fundamental principles and the programme of action for commitments regarding the role of renewable energy in sustainable development and in reducing the effects of climate change together with an increase in the global share of renewable energy, the adoption of targets and work through partnerships with a focus for the promotion of the integration of the three pillars of sustainable development.

- **Bern Convention on the Conservation of European Wildlife and Natural Habitats (1979)**
  The Convention aims to ensure conservation of wild flora and fauna species and their habitats. Special attention is given to endangered and vulnerable species, including endangered and vulnerable migratory species specified in appendices. The Parties to the Convention (which includes Malta) must undertake to take all appropriate measures to ensure the conservation of the habitats of the wild flora and fauna species. Such measures should be included in the Parties’ planning and development policies and pollution control,
with particular attention to the conservation of wild flora and fauna. They should also undertake to promote education and disseminate general information concerning the need to conserve species of wild flora and fauna and their habitats.

3.5.2. European policy documents

- **The Lisbon Agenda**
  Set out in March 2000, a ten year programme aimed at revitalising growth and sustainable development across the EU. The goal of the agenda is to “to become the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion.”
  The following are the five priority areas within the context of the Lisbon Strategy:

  - Sustainability of public finances
  - Competitiveness
  - Employment
  - Education & Training
  - Environment

  A range of policies have been designed to achieve these aims, including a sound macroeconomic policy mix that is conducive to high growth, completing the internal market, investing in people and combating social exclusion. EU leaders pledged to aim for full employment in Europe, in a society accommodating the personal choices of women and men. The specific targets set up include increasing the overall employment rate to 70% by 2010, that for women to over 60%, and the employment rate among older workers to 50%.

- **The Gothenburg Agenda**
  Outlined in June 2001, and now known as the EU’s sustainable development strategy, it added the environmental dimension to the Lisbon Agenda, acting as its ‘third pillar’ together with economic and social reform. The agenda sets out key environmental objectives taking key international agreements into consideration. It requires the integration of environmental protection into other Community policies. The main priorities set out by this Agenda focus on climate change, sustainable transport, public health and resource management.

- **The Copenhagen Agenda**
  A UN summit in Copenhagen in December aims to set out the framework of this Agenda. The aim is to reach a pact on climate change through a global deal which aims to cut greenhouse-gas emissions. This agreement is seen as a replacement of the Kyoto Protocol, which expires in 2012. The EC is approaching this process with the objective to encourage industrialised nations to take the lead in the fight against climate change and for them to help developing nations who are also being expected to limit the rapid growth in emissions. Pre-summit documents released by the EC point towards three main challenges, setting targets for developed countries and appropriate actions by developing countries; the need to address the financing of actions by developing countries (both to mitigate greenhouse gas emissions and adapt to climate change); and the need to build an effective global carbon market.

- **The Common Agricultural Policy (CAP)**
  The CAP aims to ensure that farming and preservation of the environment go hand in hand. Following revisions to the original Policy, which focussed on subsidising production and buying up surpluses, the new emphasis is to enable food producers to survive by themselves in European and International markets. Financial safety nets are now aimed at mitigating natural disasters or outbreaks of animal disease. The Policy is being used to promote
internationally competitive, quality foodstuffs, innovation in farming and food processing as well as rural development in order to counter global competition and meeting consumer demand, which are identified as the main challenges faced by EU farmers.

3.5.3. National environmental & planning documents

- **A Sustainable Strategy for the Maltese Islands 2006 – 2016**
  The Sustainable Strategy is centred on the following four main themes: managing the environment and resources; promoting sustainable economic development; fostering sustainable communities; and cross-cutting strategic issues. Eight environmental aspects are identified as priorities under the environmental pillar, namely, climate change, air quality, nature and biodiversity, groundwater, seawater, waste, land use including the protection, maintenance, and improvement of the rural environment, and transport. The Strategy promotes an integrated policy approach. The Strategy highlights Gozo’s sensitivity to urban development and regeneration projects by identifying that tourism as an economic activity is tied to visitors’ experience of the island – over-development and over-urbanisation would have a negative effect on this economic sector. It advocates the need for an integrated approach to landscape management. The Strategy identifies the need to sustain the agricultural sector to preserve both the rural character of the countryside and to sustain food security. It acknowledges the sector’s potential for multifunctionality and its appeal to tourists through production of high value-added products based on traditional techniques and practices. The Strategy makes reference to the Malta Tourism Authority’s approach to address seasonality problems in Maltese tourism as outlined in the Malta Tourism Authority Strategic Plan for 2006-2009 (see below). One such approach is focussed on the promotion of Gozo-based holidays. Emphasis is also placed on the branding exercise that will develop and disseminate the strategic plan measures. The Strategy also emphasises the need to address environmental impacts from agriculture including reclamation of environmentally sensitive areas for agriculture, lack of integrated pest management, disposal of waste, and uncontrolled use of fertilisers. The Local Development Strategy seeks to address the issues highlighted in the Sustainable Strategy for the Maltese Islands.

- **National Strategic Reference Framework**
  The National Strategic Reference Framework (NSRF) is the strategic document that sets outs Malta’s objectives for Cohesion Policy 2007-2013. Amongst its objectives centred around socio-economic development, of which there are four, Strategic Objective 4 seeks to address Gozo’s regional distinctiveness and unique challenges including impacts from double insularity, the island’s small size, and peripherality, of which the former two lead to increased environmental vulnerability. The report breaks down three specific priorities for Gozo including enterprise promotion, accessibility and inter-island transport and human capital and skills. The enterprise promotion priority seeks to diversify the dependence of the Gozitan economy on the manufacturing sector which is currently characterized by low value added production to the services sector. In addition, the report encourages the further promotion of industries that contribute to the agriculture and tourism sectors such as crafts and cottage industries. The second priority accessibility and inter-island transport is considered important for the Island of Gozo not only as a means to enhance the quality of life of the Gozitan population but also a means to tap into economic opportunities which require an efficient and effective transport system. The third and last priority related to Gozo in the NSRF 2007-2013 is human capital and skills which seeks to increase the the Gozitan activity rate, by accounting for seasonal effects and by shifting employment from low value added sectors to higher value added sectors. This is considered as an important means to enhance the Island’s competitiveness. Like the Sustainability Strategy, the NSRF also identifies that rural development in Gozo acts an important food supplier to the tourism sector and contributes strongly to the landscape of Gozo. The NSRF identifies that despite the decline in agriculture,
there is the potential for the sector to contribute to high value market niches such as specialised tourism and environmental management. The NSRF discusses the need to preserve and promote tourism to Gozo and also identifies the balance that must be struck between development of facilities for high-end tourists versus limiting such development and preserving Gozo’s rural character. The NSRF makes reference to the National Reform Programme (NRP) [see below], highlighting that the NSRF’s objective to address constraints and opportunities associated with Gozo’s regional distinctiveness, including sustainable environment development, is in line with NRP priorities. The Local Development Strategy seeks to address the issues highlighted in the Sustainable Strategy for the Maltese Islands.

- **Operational Programme I – Investing in Competitiveness for a Better Quality of Life**
  Operational Programme I (OP I) addresses the issue of territorial cohesion in the island region of Gozo through enhanced accessibility and competitiveness. The dependency of Gozo on its mainland leads to continuous movement of human capital, goods and services. Inter-island transport is only available through ferry service which is dependent on weather conditions which is further worsened by a restricted internal accessibility of a single access road from the only port in Gozo. Hence, better road infrastructure is required together with additional road networks in order to decrease the traffic congestion within the area of Gozo’s harbor. The report also mentions the need for investment in the harbour itself, enabling it to cater for different port facilities such as cruise liners, ferries and yachting facilities. The Government is also analyzing different air transport proposals in view of a better social, economic and environmental scenario. As regards to competitiveness, investment in infrastructure needs to take place in order to compensate for the lost jobs and to create further long-term employment opportunities, particularly within the ICT industry. Boosting the services sector in Gozo is deemed as essential as it is not affected excessively by the inter-island costs disadvantage and it contributes to a higher value added. OP I recognizes that Gozo has a unique potential in the tourism sector due to its individual history and culture and also due to its quiet environment. These characteristics need to be further exploited through the enhancement of Gozo’s tourism product mainly by promoting rural tourism together with the protection and preservation of the Island’s natural landscape and environment.

- **Operational Programme II – Empowering people for more jobs and better quality of life**
  Operational Programme II (OP II) addresses the issue of territorial cohesion in the island region of Gozo with regards to better labour market conditions and economic structure. Gozo’s low participation rate within the labour market is present due to the lack of job opportunities, skill mismatches and seasonal factors. Statistics also show that the Gozitan’s labour market depends excessively on the Public Sector. The identification of these problems calls for further action in order to create more job opportunities and improve the present employment conditions so as to improve the Island’s economic conditions. Action to enhance employment should be taken on Gozo’s most important sectors namely agriculture and fishing, manufacturing, tourism and other services such as ICT. Both Operational Programmes take into account the Government’s commitment to spend 10 per cent of the Cohesion policy funds to boost Gozo’s economic activity and growth and to further enhance Gozo’s regional distinctiveness and to mitigate the Island’s inherent disadvantages.

- **Budget Document 2009**
  The 2009 Budget document mainly regers to Gozo in the context of the Vision 2015, that is to make Gozo an ecological island by 2015. The report states that the first step towards this achievement will involve a complete transformation of the public transport sector in Gozo whilst improving transport accessibility with the aim of enhancing the sector’s efficiency and effectiveness. Other initiatives mentioned included educational campaigns, policies to protect the natural environment and energy efficiency promotion. The Government committed itself to enhance the tourism product through the provision of better agricultural services which
promote organic farming and fishing. Moreover, investment in education and health remained a priority for the Government’s aim to attain sustainable growth in Gozo. Economic growth was also promoted through tax credits on investment and regeneration in Gozo. The report also mentions the development of an industrial park in Xewkija which is aimed at increasing employment opportunities within the Island.

- **Structure Plan for the Maltese Islands, 1990**
  This is the national planning document that sets out the development framework for the Maltese Islands for the twenty-year period to 2010. The Structure Plan aims to ensure that sufficient land and infrastructure are available to support economic and social development, curb urban sprawl and promote efficient use of land and buildings, and improve the quality of the all aspects of the environment of both urban and rural areas. It designates Rural Conservation Areas within which agricultural, ecological, archaeological, and landscape interests are protected and enhanced. Much of Gozo and all of Comino are Rural Conservation Areas. Rural Conservation Areas may be in conflict with other land uses or management techniques; the Structure Plan provides guidelines that aim to facilitate resolution of such conflicts. The Structure Plan includes specific reference to Gozo and the general strategy is to encourage economic development, constrain further urbanisation, and give greater importance to conservation and the quality of the environment.

  The Rural Strategy Topic Paper identifies a number of key issues and needs for the rural environment. These include conservation of the natural and built rural heritage, efficient use of extractive resources, protection and enhancement of the rural landscape, integrated rural development (with respect to agriculture), provision for countryside recreation, classifying rural settlements, and protection of the amenity and setting of the countryside. Of particular relevance to the Local Development Strategy, it identifies the need for integration of measures having a spatial impact on rural areas. Impacts from countryside recreation on rural areas are discussed as well as some of the main considerations with respect to the provision of public access. The Topic Paper pinpoints Gozo as particularly suitable for rural tourism given its relative resistance to the process of urbanisation to date. However, the Topic Paper also identifies the risk of increased pressure for development from rural tourism. The direction provided in the Topic Paper helped to guide development of specific measures (where relevant) in the Local Development Strategy.

- **National Reform Programme, 2005**
  The National Reform Programme (NRP) with a governance structure based on a three-year cycle (2005-2008) aims to set out a comprehensive strategy to deliver growth and jobs in line with the refocus of the Lisbon Agenda agreed to in the Spring European Council. The NRF identifies three environmental priorities for action by the Maltese Government: halting biodiversity loss; internalisation of environmental externalities; and fight against climate change.

- **National Reform Programme (NRP) 2008-2010**
  The NRP 2008-2010 refers to Gozo in several areas of the report focusing on competitiveness, employment and environment. The report notes a number of initiatives which seek to increase the competitiveness of the island including the development of the Mgarr Harbour as well as measures aimed at promoting entrepreneurial activities. The report also noted the improvement in environmental matters due to the construction of a sewage plant launched in January 2008. The report also proposes a number of actions intended to address the improvement of human resources in Gozo by offering vocational educational services for early school leavers together with lifelong learning courses for those who have higher levels of education. The NRP 2008-2010 also refers to Gozo’s commitment
towards the attainment of the eco-label strategy with reference to the intention of setting up research laboratories supporting modern agricultural technologies related to livestock, biodiversity and local produce. In addition reference is also made to the development of a master plan for the Citadella which will promote the historical aspect of the Island and the upgrading of several tourism zones which aim at increasing sustainability within the Gozitan tourism industry.

- **Gozo and Comino Local Plan, 2006**
  The Gozo and Comino Local Plan is a land use plan that provides strategic guidance for the entire area of Gozo and Comino. It describes Gozo and Comino as having a predominantly rural character. The Local Plan also identifies that the strategic direction for the area is to promote Gozo and Comino as a rural, landscape and cultural heritage destination. The Local Plan includes policies related to agriculture, urban and cultural conservation, tourism and recreation, and rural conservation. The Local Development Strategy takes into consideration all relevant policies defined in the Local Plan.

- **Policy and Design Guidance for Agriculture, Farm Diversification, and Stables, 2007**
  This document considers changes in the agricultural industry, the broader and multifunctional role of agriculture, requirements of the EU Common Agricultural Policy (CAP), the Rural Development Plan, Local Plans, and other requirements related to land use and agriculture when providing direction on developments related to agriculture. The Guidance document discusses environmental stewardship and farmers’ role in safeguarding the environment.

  The RDP maintains that the present situation of Maltese agriculture is largely unsustainable and the most relevant threat to the survival of Maltese agriculture in the coming years appears to be prevailing situation where Maltese agriculture supplies consumers with high priced, low quality produce. The abandonment of agriculture will accelerate the rate of soil erosion and consequently lead to land degradation and a change in the landscape. The main issue with respect to agriculture is the protection of agriculture through measures that facilitate the cultivation of land by farmers. The new vision for Maltese agriculture is the sustainable development of rural Malta in a manner that leads to its increased economic competitiveness in a demand-driven, international market system, in a context that takes into account its environmental, social and cultural dimensions and their importance to the Maltese way of life. The aims of the RDP are to enhance the wider rural economy through the development of quality products and niche added value food products as well as the development of sustainable tourism and recreation activities, to enhance the rural environment, the realization of the national and EU priorities for the sustainable use of natural resources, the upgrading and protection of the amenity and setting of the countryside and the rural cultural and natural heritage, and to enhance the rural society through social and cultural development and the building of cooperative effort.

- **Draft Solid Waste Management Strategy for the Maltese Islands, 2009**
  This document is still in draft form and updates the 2001 Strategy. It is based on a number of principles including sustainability, proximity principle, precautionary principle, polluter pays principle, the waste management hierarchy, best practicable environmental option and producer responsibility. Agricultural and animal husbandry waste is considered and various options are presented in the consideration of treatment of this waste stream. In particular, the construction of a centralised manure treatment plant in Gozo is contemplated to treat all manure generated in Gozo.

- **Agricultural Waste Management Plan for the Maltese Islands, 2008**
This plan provides the detailed rationale upon which considerations and recommendations have been presented in the draft Solid Waste Management Strategy for the Maltese Islands, 2009 [see above].

- **Space for Waste: the Waste Management Subject Plan**
  The Waste Management Subject Plan provides strategic long-term direction and context to guide both Government and the private sector in waste management issues. Its policies guide the strategic planning of waste management and the determination of development permit applications for developments and land use changes related to waste management facilities.

- **National Allocation Plan for Malta 2008-2012**
  The National Allocation Plan (NAP) for Malta is prepared pursuant to obligations under Directive 2003/87/EC, which establishes an emissions trading scheme for greenhouse gas (GHG) emissions within the EU. Currently the power generation sector falls within this scheme. Among others, the NAP allocates a quantified number of tonnes of CO2 emissions to these installations for the plan period. It also requires that Government prepares programmes to encourage use of renewable energy.

- **Sewerage Master Plan, 1990**
  The Sewerage Master Plan provides the framework for the upgrading of the sewerage infrastructure of the Maltese Islands. It calls for the construction of three sewage treatment plants, one in Gozo and two in Malta. The sewage treatment plant in Gozo was commissioned in 2008.

  This Report identifies priority actions in the field of marine and coastal biodiversity. These actions include the preparation of species and habitat action plans, declaration of marine and coastal protected areas, data compilation, monitoring proposals, upgrading research equipment, and effective enforcement.

- **The First Communication of Malta to the United Nations Framework Convention on Climate Change (UNFCCC), 2004**
  The Communication recognises that Malta is more likely than larger countries to suffer the consequences of climate change but, as with other small states, cannot be considered a main contributor to the change. The implementation framework to deal with climate change favours multi-sectoral policies [notably energy, transport and agriculture] with a view to integrating environmental considerations within measures aimed at climate change abatement and adaptation strategy. Malta is committed to honouring obligations in respect of the UNFCCC and the Kyoto Protocol and, as an EU member state, is obliged to develop the capacity for reporting, monitoring and verifying greenhouse gas emissions. The National Action Plan provides an administrative framework to enable the exploration of various measures proposed in support of greenhouse gas mitigation and adaptation to climate change. The National Action Plan consists of a set of adaptation and mitigation measures. It recognises that the challenge of climate change must be shared equitably by all sectors.

- **The Public Transport Reform Document (2008)**
  The document outlines a number of initiatives that are aimed at improving the quality of the public transport service in Malta and Gozo. Measures are aimed at improving the frequency and outreach of public transport and improving customer’s experience. There is a focus on improving the conditions of work of bus drivers and the safety of the service and the
improvements in the bus fleet will mean a decreased negative impact on the environment. This document is borne out of the need to improve accessibility of different regions around Malta and Gozo. The problem of accessibility in Gozo is of central concern to the connectivity of the island. There is also a need for the availability of environmentally sustainable transport.

- **Eco-Gozo**
  A separate section on the concept of Eco-Gozo which spells out the transformation of Gozo into an eco-friendly island that is a model for sustainable living, development and environmental protection is warranted in this report. In order to achieve this objective, Government has proposed a number of measures in the Pre-Budget 2009 including incentives for investment in renewable energy, education on energy efficiency, an internal transport master plan, including the reform of the public transport system, the set up of appropriate competences within the Ministry for Gozo to provide expertise and direction to the agricultural community to promote organic/bio-farming practices as well as agro-tourism, the development of a Centre for Mediterranean Research in Gozo with a focus on the development and Innovation in the area of agriculture, traditional products and the protection of local species studied, an experimental farm in Xewkija as well as the formulation of an integrated plan for the management of water, including rain-water and other natural resources.
3.6. SWOT analysis

The environmental and socio-economic characteristics of the Island of Gozo as presented above are used to determine the strengths, weaknesses, opportunities and threats to Gozo. The SWOT analysis is further derived from information obtained from the consultation process as well as the overview of the strategic documents noted above. The SWOT is carried out for important areas as elicited from the Rural Development Report based on the understanding that the Leader approach should contribute to the achievement of priorities set up in the axis for competitiveness, quality of environment and life but also to the improvement of local governance. As a result the SWOT exercise presented hereunder focuses on the agricultural sector, with emphasis on the environment, based on the baseline data as presented in Section X, the tourism sector with specific emphasis on agri-tourism in light of the development of Gozo as an Eco-Island, governance issues as well as a SWOT for other economic sectors as noted in Section X of this report. This analysis contributes to the identification of needs, prioritisation and the selection of priorities that this Strategy will address in developing the measures.
3.6.1. Agriculture

Strengths

- Most of Gozo and Comino is classified as Land of Agricultural Value and a Rural Conservation Area. These designations should help mitigate to some extent the loss of agricultural land to development.
- The rural environment in Gozo is recognised as contributing to the unique landscape of the island and much of Gozo and all of Comino are designated as Areas of High Landscape Value.
- Malta’s National Tourism Policy (2007-2011) seeks to market Gozo as a unique rural destination adding to the value of agricultural land in Gozo.
- Gozo has a rich cultural heritage that contributes to strengthening the rural heritage and strongly contributes to the multifunctional role of the agricultural sector.
- Rural development which has a strong direct linkage with the environment still has a strong presence among the local communities, thus ensuring the preservation of the positive externalities from agricultural activities.

Weaknesses

- Dependence on Malta for management of manure;
- High land fragmentation;
- Poor soil quality;
- Limited water resources;
- The general shift from dry to irrigated farming has resulted in increased use of fertilisers and intensification resulting in contamination of surface and groundwater as well as soil, and increased pressure on limiting resources;
- Contamination of the water table and soil as a result of excessive use of pesticides and fertilisers;
- Lack of baseline data on the state of the environment;
- Lack of adoption of widespread sustainable and good agricultural practice.
- Farmers are faced with high transport costs and scale limitations which increases their unit costs and limits their competitive position.

Opportunities

- In accordance with the draft National Waste Management Strategy, 2009, a facility for the management of manure (together with domestic waste) is planned that should ensure that Gozo is self-sufficient in the management of agricultural waste;
- Agricultural land is found in all of the SACs of International Importance. The development of management plans for these areas will encourage sustainable agricultural practice;
- National policy recognises the value of agricultural land to other sectors, in particular tourism. This could allow farmers to diversify to include and tap into rural tourism as a source of income thus encouraging them to stay on and work the land.
- Opportunities to better harvest rainwater and source other water sources such as treated wastewater to reduce pressure on groundwater.
- Opportunities for R&D to help improve efficiency and environmental performance, helping to reduce effects such as soil erosion, and contamination of resources.
- There are already a number of organisations (including NGOs) that are promoting agriculture.
- The potential for Gozo to be recognised by an individual quality name.
- Local farmers are considered to be resourceful in the face of adverse shocks and adaptable to learn from examples of success stories.
Threats

- The main threat is land abandonment that may become likely as a result of:
- Land fragmentation – This increases the risk of making agricultural activities non-profitable. It also has adverse implications on the rural setting especially the loss of traditional activities and maintenance of dwellings.
- Reduction in groundwater and its quality;
- Soil erosion particularly in the face of climate change and extreme rainfall events;
- Damage to soil from extreme rainfall events, including water logging and damage to structure and composition;
- Damage to crops from extreme rainfall events;
- Reductions in yield due to reduced overall precipitation; and
- The sector also faces a number of other threats including:
  - An ageing agricultural labour force
  - A negative perception of a career in agriculture
3.6.2. Tourism

Strengths

- Relatively unspoiled environment: Gozo has over the years avoided much of the construction-related overdevelopment that has occurred in Malta giving the island a competitive edge in terms of tranquillity and ambience.
- Gozo offers an attractive topography with a natural landscape and scenic views.
- Favourable climatic conditions
- Cultural and historical heritage
- Gozo offers well-known diving sites which are considered among the best in the Mediterranean.
- Existing availability of bed capacity

Weaknesses

- Lack of direct and efficient accessibility to the Island through aerial access. The greater availability of air transport would complement the sea transport link.
- Lack of tailor made education courses to the needs of the sector
- Perceived narrow tourism offering
- Lack of economies of scale in the sector

Opportunities

- Set-up of cooperatives for crafts to be marketed for tourists and possible also for exports
- Potential from the valorisation of cultural heritage assets
- Ability to attract niche tourism including sports, health, culture and religious related tourism
- Ability to attract business related tourism
- Attraction of cruise liner tourism made possible through the investment in a cruise liner buoy
- Upgrading the quality standards of the tourism product to international standards
- Introduction of low cost airlines resulting in an increased number of tourists visiting Malta and Gozo

Threats

- Environmental degradation due to the continuously over-exploitation of limited resources including the coastal areas
- Rundown of infrastructure such as non-arterial roads
- Inadequate public transport system - The current public transport system fails to address the needs of the locals and tourists resulting in high dependence on the use of private vehicles. This in turn results in congestion particularly in certain areas such as Victoria with negative environmental implications related to pollution. It must be taken into account that this threat limits the ability of the island to be developed into an eco-region
- High seasonality in tourism arrivals put excessive pressure on the physical infrastructure of the island as well as risks damage to the distinctiveness of the island in terms of quietness and tranquillity to which tourists may be attracted
- The introduction of low cost airlines which is perceived to be a competing element in terms of domestic tourism.
3.6.3. Rural areas and the development of rural tourism

Strengths

- Gozo already enjoys a strong regional identity
- Proportion of un-built area in Gozo is significantly higher than built area with the majority of localities retaining traditional character
- Unique landscape with natural, rural and cultural elements
- Crafts are still practised with a number of training courses earmarked for the development of crafts

Weaknesses

- Management plans for most designated areas have not been formulated
- Limited existing amenities and formal recreation activities in rural areas
- Agri-tourism policy is not available

Opportunities

- Development of the island as an eco-region includes the development of agri-tourism with ample opportunities to provide activities which are likely to attract both foreigners and domestic tourists. This includes for example, the provision of themed festivals around the production of a particular agricultural product or delicacy produced in Gozo (e.g. a gozo cheese festival, a limucell festival, a festival of sun dried tomatoes and others).
- Restoration of village cores as well as vacant property located within village cores consistent with the Eco-Gozo strategy.
- Landscape management including maintenance of rural structures, re-use of old farmhouses, and cultivation of terraces.
- Management and facilitation of public access within and around rural area.
- There are already a number of organisations (including NGOs) that are promoting agri-tourism;
- The set up of partnerships and cooperatives which can be used to pool resources

Threats

- Conflicts with and from other activities, including livestock and vine agriculture. This calls for the need of a specific policy to deal with such conflicts
- Increased pressure from urban development including development related to the type of tourism that is promoted through diversification.
3.6.4. Other economic sectors

Strengths

- Geographically and occupationally mobile population
- Skills and brand name in traditional crafts
- Cohesive society with strong intra-regional network and contacts

Weaknesses

- Employment in low value added activities
- Small domestic market
- Lack of economies of scale which render high unit costs particularly in the manufacturing sector
- Lack of adequate support structures

Opportunities

- Upgrading the skills of the workforce particularly job related skills and technical abilities
- Formation of networks and clusters
- Attracting inward investment and the nascence of the green economy
- Diversification in the main economic sectors of high value added economic activity
- Construction sector could refocus on the regeneration and restoration of urban areas which is congruent to the development of Gozo as an eco-island
- Potential to attract economic activity such as back office operations for tourist operators, conference tourism as well as activity related to ICT and financial services.
- Strong productivity advantages to be reaped by the financial services sector and real estate sector
- Ability to exploit export niches

Threats

- High transport costs due to the double insularity nature of the island
- Increased vulnerability due to globalisation pressures
- Labour force finds better employment opportunities in Malta
3.6.5. Institutional governance

Strengths

- Governance structures are already in place
- Active role by NGOs and other entities

Weaknesses

- Excessive employment within the government sector which results in inefficiency

Opportunities

- Planned and integrated policy approach especially in developing the island as an eco-region
- Development of Public Partnership models
- Focus on regional development as a primary vehicle to attain national objectives.

Threats

- Duplication of activities which results in inefficiency
- Excessive bureaucracy
3.7. Needs and prioritisation

The needs and prioritisation section has been developed based on the review of the consultation process and the socio-economic needs analysis as presented in the previous sector. These needs are identified so that they would be priority and key and amenable to be addressed through the LAG approach. Table 15 details the needs and priorities by main sector which the strategy is intended to assess. The needs and priorities have been derived taking into account the SWOT analysis presented earlier on within the context of the socio-economic and environmental analysis, but also taking due account of the types of interventions which the LAG approach would be most likely to cater for in Gozo.

Table 15: Needs and Priorities by Sector

<table>
<thead>
<tr>
<th>Tourism Sector</th>
<th>Needs</th>
<th>Priorities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>To develop tourism distinctiveness and its synergies with tourism-related activities with the aim of promoting growth and reducing seasonality</td>
<td>To enhance quality standards of tourism and related products and services</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To develop niche tourism including agri-tourism, culture, sports, health, crafts, religion and eco-tourism, and incentivising crafts activities and other artisanal skills, with an emphasis on non-seasonal activities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To emphasise the need for innovation in developing Gozo's tourism distinctiveness</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To increase advertising and information on the Gozitan tourism product through a more developed marketing set-up, also emphasising Gozo's attractiveness as a shoulder month destination</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Agricultural and Fisheries Sector</th>
<th>Needs</th>
<th>Priorities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>To increase sustainability of agriculture sector</td>
<td>To raise awareness on sustainable water management, soil, waste management, impacts of climate change, etc.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Capacity and knowledge building towards rendering farms more sustainable</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Capacity and knowledge building towards conversion to integrated/organic farming</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To improve water management [re-use of second class water, collection systems, etc] for agriculture</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To monitor agricultural production and resources</td>
</tr>
<tr>
<td></td>
<td>To create product distinctiveness</td>
<td>To promote and encourage the development of distinctive products and innovative activities</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To create market distinctiveness for Gozitan products</td>
</tr>
<tr>
<td></td>
<td>To reduce cost disadvantages and promote efficiency</td>
<td>To encourage young people towards a career in agriculture and fisheries</td>
</tr>
<tr>
<td></td>
<td></td>
<td>To increase opportunities for marketing and sale of local agricultural products</td>
</tr>
</tbody>
</table>

Transport (Accessibility and Internal Mobility)
<table>
<thead>
<tr>
<th>Needs</th>
<th>Priorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>To improve accessibility in an affordable and efficient manner</td>
<td>To contribute to initiatives that enhance Gozo’s accessibility in an environmentally sustainable manner</td>
</tr>
<tr>
<td>To improve mobility in an affordable and efficient manner</td>
<td>To increase the availability of environmentally-sustainable transport</td>
</tr>
</tbody>
</table>

### Human Resources

<table>
<thead>
<tr>
<th>Needs</th>
<th>Priorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lifelong Learning (Training) in rural development and sustainability</td>
<td>To enhance the level of education of working-age to pursue carriers with a potential for development in Gozo including niche tourism, agri-tourism, education, environmental management, quality management and marketing, international business, ICT and financial services, with an emphasis on the needs of women and older workers</td>
</tr>
</tbody>
</table>

### Environment

<table>
<thead>
<tr>
<th>Needs</th>
<th>Priorities</th>
</tr>
</thead>
<tbody>
<tr>
<td>To adapt to climate change</td>
<td>To contribute to national incentives towards enhancing adaption and mitigation measures in respect of climate change</td>
</tr>
<tr>
<td>To preserve and enhance Gozo’s landscape value</td>
<td>To sustainably exploit landscape assets to enhance the quality of life in Gozo</td>
</tr>
<tr>
<td></td>
<td>To raise the awareness on Gozo’s landscape value and heritage</td>
</tr>
<tr>
<td></td>
<td>Create knowledge to evaluate and better manage the landscape assets</td>
</tr>
</tbody>
</table>

### 3.7.1. Conclusion

This chapter presented an assessment of the current state of the Island Region of Gozo in terms of the characteristics of its territory, environmental issues and socio-economic constraints and aspirations. It has reviewed future development goals inherent in various strategy documents and derived a SWOT analysis for the territory. This lead to the formulation of the needs and priorities for the Island Region of Gozo, based of five pillars namely tourism, agriculture and fisheries, transport, human resources and the environment. The needs are based mainly on the results of the SWOT analysis, while the priorities are also sensitive to the issues and approaches which may be realistically tackled using the LAG approach in Gozo.
Chapter 4: The programme

4.1. Vision

“The Gozo Sustainable Development Strategy will trigger Gozo regional potential, by actively involving local stakeholders in the enhancement of the island and in the improvement of quality of life so as to achieve a balanced economic, social and environmental development.”

4.2. Strategy

The Strategy adopts an area based approach, focussing on the distinctive islands of Gozo and Comino. The Strategy has been developed in accordance with Axis 4 of the Rural Development Programme 2007-2013 (RDP) and also encompasses specific actions under Axis 1 (Measures 125) and Axis 3 (Measure 313). It adopts a cross-cutting approach as a means to implementing the objectives of the RDP.

The Strategy is based on the Needs Analysis and Prioritisation study and the consultation process described in Chapter 3. Although the needs and priorities have been described by sectors, the Strategy adopts an integrated approach linking actions and actors from different sectors e.g. tourism, agriculture, and marketing.

A number of cross-cutting principles feature throughout the Strategy. These can be summarised as follows [and are described in more detail on Chapter 7]:

- **Innovation:** The Strategy seeks to fund innovative projects.
- **Sustainability:** In line with international and national policy requirements, the Strategy considers impacts to all three pillars of sustainable development and the need for an integrated approach.
- **Economic viability:** The Strategy seeks to support economically viable projects.
- **Linkages:** The ability to create linkages between various stakeholders.
4.3. Strategic objectives

The Strategy objectives have been developed having regard to the needs identified, the public consultation exercise, national and EU policy, all within the constraints of the Rural Development Programme (2007-2013), and support the principles of improving the quality of life for rural dwellers. These are defined as follows:

a) **To develop Gozo distinctiveness** and enhance synergies with tourism-related activities. The aim is to promote growth and reduce seasonality in a sustainable manner. Gozo’s distinctiveness and potential as a high-quality destination as identified through the development of this Strategy as well as from other policy documents including national tourism policy (see Chapter 3) is a key priority area for this Strategy.

b) The Strategy recognises that environmental constraints, in particular limiting resources and how these are used, threaten the long-term viability of the agriculture sector. The Strategy will therefore include a focus on measures to increase the sustainability of the agriculture sector.

c) In recognition of Gozo’s uniqueness and closely allied with the objective to develop tourism distinctiveness, the Strategy will support measures to promote and enhance product distinctiveness for Gozitan agricultural and traditional products, and activities. This priority seeks to encourage the development of a Brand for Gozo.

d) Furthermore the Strategy seeks to contribute to reduce cost disadvantages and promote efficiency in the agriculture sector. This objective is aimed at addressing the vulnerability of the agriculture sector in Gozo through various initiatives including, for example, improving platforms for the marketing and sale of Gozitan products. Inefficiencies in the sector will also be addressed through the support of soft initiatives such as expanding the pool of human resources.

e) **Improving internal mobility in an affordable and efficient manner** i.e. transport within Gozo, goes hand in hand with ensuring that access to rural and touristic destinations is facilitated through the implementation of the Strategy.

f) The Strategy identifies that the long-term sustainability of the agriculture sector, its integration with other economic sectors, and impacts derived from implementation of the Strategy itself depends on lifelong learning (training) in rural development and sustainability.

g) The Strategy notes the importance of sustainability and the growing international and European attention to climate change. The effects of this phenomenon could be significant to agriculture and therefore a need to ensure the sector will adopt sustainability principles is addressed through the Strategy.

h) Gozo’s unique landscape contributes to its distinctiveness and the Strategy identifies the need to preserve and enhance Gozo’s landscape value.
4.4. Targeting

The outcome of the needs analysis and the consultation process identified the following target population groups in Gozo that the Strategy seeks to focus on. These are:

**SMEs.** The importance of micro-enterprises to Gozo is described in Chapter 3. As described earlier, microenterprises in Gozo face challenges as a result of Gozo’s double insularity, lack of economies of scale and a small domestic market. The role of entrepreneurs from all backgrounds is considered to be of the utmost importance for this rural development strategy. The Strategy seeks to support entrepreneurs in areas such as business planning, marketing, finance, continuous business improvement, and innovation through soft-support actions including training, support for studies, etc. Of particular importance, as identified during development of the Strategy, are those sectors that are based on traditional skills, such as the crafts sector and the agricultural sector. The Strategy has sought to provide additional assistance to these sectors;

**Non-Governmental Organisations (NGOs).** The consultation exercise identified that NGOs, for example, band clubs, play a key role in strengthening the rural community and village life throughout Gozo. This target group needs support in capacity building, finance, marketing, and innovation. The Strategy identified the potential to support NGOs and encourage activities that are beneficial to the Gozo Region and seek to address the Strategic Objectives.

**Local Councils.** The consultation exercise illustrated the need for (i) capacity-building; and (ii) further supporting capital investment to improve the aesthetic quality of the localities. In terms of capacity building, the councils expressed concern on their ability/capacity to successfully secure funds available from LEADER and other funding instruments;

**Farmers and their organizations.** LEADER operates within the principles of the Rural Development Programme (2007-2013), one of the main targets of which is the farming community. The Strategy seeks to complement these efforts through interventions that will enable the rural population to remain attached to the land as productive members of society. The Strategy seeks to provide support through enabling farmers within the Region to develop and form part of a brand, increase marketing opportunities, and expand sales through setting up of markets both locally and abroad. The Strategy will also enable farmers to cooperate with other sectors thereby further expanding opportunities for sales;

**Young people.** The Strategy seeks to enhance community participation in young people through investing in sports initiatives and supporting other areas where their involvement is important, including, for example, participation in band clubs and environmental management; and

**Older people.** Chapter 3 describes the general aging of the rural population in Gozo. The Strategy seeks to assist people in leading independent lives for as long as possible by investing in projects that will target the elderly with respect to increasing their accessibility to activities and initiatives that promote an active lifestyle. Such initiatives promote health and improved quality of life allowing elderly citizens to remain active in the social and economic rural community for a longer period.
4.5. Programme structure

The identified Strategic Objectives have set the framework for the identification of Strategic Actions and Priority Actions. These are based on the SWOT analysis presented in Chapter 3, an analysis of relevant policies, plans and programmes, and the outcome of the public consultation exercise.

The Priority Actions identified do not exclude additional actions that seek to fulfil the overall action objective and thus do not represent the entirety of the actions to be delivered during the lifetime of the Programme.

4.6. Strategic actions

The Strategy has identified ten actions, which are presented in this section together with a description of action objectives and rationale. The ten Actions are:

- ACTION 1: Studies on Sustainable Development;
- ACTION 2: Preparatory Studies for Capital Investments and/or Marketing Actions;
- ACTION 3: Training on Sustainability;
- ACTION 4: Empowering and Building Local Capacity within the LEADER;
- ACTION 5: Promote Gozo as a Distinct Destination;
- ACTION 6: Open calls for Capital Investments, Marketing, Training, Studies;
- ACTION 7: Improve Gozo’s Quality of Life and Accessibility;
- ACTION 8: Measure 125 Rural Development Programme 2007 - 2013;
- ACTION 9: Measure 313 Rural Development Programme 2007 - 2013;
- ACTION 10: Promote Gozitan Agricultural and Craft Products (Transnational Cooperation).

As described above, Priority Actions have been identified as a result of the research carried out in the development of the Strategy, including the public consultation exercise.
4.6.1. ACTION 1: Studies on Sustainable Development

Objective

The objective of this action is to support studies for potential future projects and/or action plans that will contribute towards the sustainability of Gozo’s economy including addressing issues such as improved sustainability of the agriculture sector, and conservation of resources.

Rationale

Recent policy direction focuses on the need to ensure sustainable development with the National Sustainable Strategy focussing on four themes, namely, managing the environment and resources, promoting sustainable economic development, fostering sustainable communities, and cross-cutting strategic issues. Together with the 2009 Budget Document that earmarks the promotion of Gozo as an ecological island, the need to investigate performance of various sectors through a situation analysis and subsequently identify measures for improved performance through improved efficiency and reduced negative environmental impacts is essential to realising the latest national policy direction. Such an approach should also help further identify opportunities for sectoral integration and subsequently overall improved economic, social, and environmental efficiency.

Two Priority Actions have been identified that seek to fulfil the overall Action objective. The Priority Actions are:

Priority Action 1.1: Study on Gozitan agriculture in the context of the Common Agricultural Policy. Malta became an EU Member State in 2004 and therefore fell within the remit of the EU’s Common Agricultural Policy (CAP). However, to date, no regional or national policy for agriculture exist and the development of the Rural Development Programmes (2004-2006 and 2007-2013) was based mainly on the regulations under the Structural Funds of 2004-2006 (specifically the Guarantee part of the European Agriculture Guarantee and Guidance Fund) and the European Agriculture Fund for Rural Development (EAFRD), respectively, with no national policy guidance. This Priority Action seeks to gain a better understanding of the Gozitan agriculture sector and identify opportunities to improve sustainability of this sector. The study findings are expected to provide a basis upon which a policy can be developed for Gozitan agriculture. The study findings and regional agricultural policy development should strengthen the development of future Rural Development Programmes that can ensure appropriate focus on requirements of Gozitan agriculture within the context of the Common Agricultural Policy. This Priority Action supports Strategic Objective (b) in its aim to ensure sustainability of the Gozitan agriculture sector. This was also a specific need identified during the public consultation exercise, highlighted in particular during the farmers’ sectoral meeting.

Priority Action 1.2: Study on sustainable localities. Within the theme of the overall Action, this Priority Action focuses on studies that can be carried out over one or more localities aimed at identifying how localities can become more efficient, in particular with respect to resource management. It follows the same rationale as described under the main Action in seeking to improve overall sustainability of the operation of the Island in a cross-cutting manner.

Beneficiaries
This Action has cross-cutting implications and is aimed at private entities (SMEs), NGOs, and Local Councils.

**Budget**

A total budget of €50,000.00 is available under Action 1 and 2. Rates of aid according to final beneficiaries are presented in Table 4.1.

*Table 4.1: Rates of aid*

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Rate of Aid</th>
<th>Maximum Grant in €</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMEs</td>
<td>50%</td>
<td>10,000 €</td>
</tr>
<tr>
<td>Public/NGOs/Gozo Action Group</td>
<td>100%</td>
<td>15,000 €</td>
</tr>
</tbody>
</table>
4.6.2. ACTION 2: Preparatory Studies for Capital Investments and/or Marketing Actions

Objective

The objective of this Action is to fund prerequisite studies that the Gozo Action Group deems necessary for the eventual implementation of capital investment projects and/or marketing actions.

Rationale

Most capital investment projects and marketing actions require preparatory studies prior to project implementation, some of which may be a legal requirement and others that are required to help the project proponent ensure sufficient planning for best possible implementation. These studies are often costly and are not funded under any other fund.

The Action is aimed at providing the required research and background to form the basis on which projects within this LEADER Strategy for marketing actions and/or capital investment projects, respectively, will be developed.

Three Priority Actions have been identified under this Action. These were chosen to reflect the type of capital investment projects and marketing actions that were identified as priorities under Action 5 and Action 7. The Priority Actions are:

Priority Action 2.1: Branding Gozo as a distinct tourism destination and sustainability of the sector. Market research is an important tool to support marketing campaigns and ensure their success. This Priority Action supports Strategic Objective (a), and the consultation outcome, and is one of the initial steps (together with Priority Action 1.1) in developing the Gozo Brand.

Priority Action 2.2: Landscaping all localities. To enhance Gozo’s distinctiveness and strengthen it as a region, any embellishment and/or landscaping projects should follow a standard set of guidelines to ensure that all localities benefiting from LEADER support Gozo’s regional identity. To this end, this Priority Action will identify guidelines that must be considered by project applicants (Local Councils) interested in developing projects under Priority Action 7.2.

Priority Action 2.3: Signposting and Island Image. Signposting throughout the Island should be uniform to support regional identity. Implementation of this Priority Action will ensure that all beneficiaries under Priority Action 7.3 will have the guidelines in place that will set out all prerequisites related to signposting.

The final beneficiaries of Actions 5, 6 and 7 will be bound to follow the guidelines and recommendations emerged from the studies funded under this action.

Beneficiaries

The Gozo Action Group will be the beneficiary of this Action and will therefore be responsible for ensuring that necessary background research is carried out prior to project development of capital investment and marketing initiatives to be supported through this Strategy.
Budget

A total budget of €50,000.00 is available under Action 1 and 2. Rates of aid according to final beneficiaries are presented in Table 4.2.

Table 4.2: Rates of aid

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Rate of Aid</th>
<th>Maximum Grant in €</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMEs</td>
<td>50%</td>
<td>10,000 €</td>
</tr>
<tr>
<td>Public/NGOs/Gozo Action</td>
<td>100%</td>
<td>15,000 €</td>
</tr>
</tbody>
</table>
4.6.3. ACTION 3: Training on Sustainability

**Objective**

The main objective under this action is to provide the rural community with the appropriate range of skills and training to derive maximum benefit from the opportunities available. This Action seeks to further secure the sustainability of agriculture in Gozo and assist the agriculture sector in adapting to climate change through appropriate training targeted at rural society.

**Rationale**

The RDP identifies that currently the agriculture sector in the Maltese Islands is largely unsustainable due to high prices of produce and relatively low quality. The RDP warns that land abandonment that has been recorded and will continue to happen unless the sector becomes sustainable will result in soil erosion and ultimately a changed landscape. Given Gozo’s dependence on its landscape as part of its identity (see Chapter 3) and therefore an important tourist attraction, the indirect impacts from loss of agriculture in Gozo are expected to include negative impacts on the tourism sector.

In order to ensure the long-term sustainability of the agriculture sector, apart from economic considerations, predicted climate change impacts must be addressed. Climate change predictions including increased temperatures, reduced rainfall, increased number of extreme weather events, and sea level rise, are likely to affect the agriculture sector by resulting in a number of impacts including soil erosion, soil structural and composition damage, soil water clogging, increased nutrient leaching and direct damage to both crops and infrastructure, such as greenhouses. LEADER can support the adaptation process through providing appropriate training to the relevant stakeholders thereby reducing the risk of land abandonment as a result of climate change impacts.

Action 3 thus supports Strategic Objective [g]. Five Priority Actions have been identified under this Action. As well as Strategic Objective [g], some of the identified Priority Actions indirectly support other Strategic Objectives as discussed below. The Priority Actions are:

**Priority Action 3.1: Training on the impact of farming activities on resources, particularly water.** Chapter 3 identifies a number of limiting factors on which the agriculture sector is dependent, in particular freshwater, and therefore its preservation and quality are important to ensure sustainability of the sector. Groundwater quality has deteriorated as a result of overuse of pesticides and fertilisers, as well as increased salinisation resulting of overabstraction. This Priority Action will support the RDP in its attempt to improve efficiency of agricultural practices through Axis 1, and reduce impacts on surface and groundwater by raising awareness in the sector of the importance of taking up the RDP training and implementation in practice to slow down the decline in groundwater quality.

**Priority Action 3.2: Training on waste management and separation.** Waste management is managed at Government level in accordance with various policy documents, the latest of which is the Solid Waste Management Strategy for the Maltese Islands, 2009. Of particular relevance to the agriculture sector is the document Agricultural Waste Management Plan for the Maltese Islands, 2008. Whilst this issue is therefore contemplated through national policy, the Strategy identified the possibility to facilitate national policy through on the ground training for various stakeholders, including farmers, allowing them to become more efficient in resource use and proactively adopt waste management practices. This supports Strategic Objective [b].
**Priority Action 3.3: Awareness-raising on value and use of local agricultural production and traditional cooking.** This Priority Action seeks to raise awareness about the importance of Strategic Objectives [a] and [c] and will support the uptake of other Strategic Actions targeting at developing a brand for Gozo and Gozitan products/produce.

**Priority Action 3.4: Training on innovation and entrepreneurship.** In the spirit of LEADER and the Strategic Vision this Priority Action seeks to provide training that will ultimately lead to quality initiatives and projects in support of the Gozo brand.

**Priority Action 3.5: Training on building traditional rubble walls.** Maintenance of rubble walls is crucial both to prevent soil erosion and maintain Gozo’s rural landscape. This Priority Action will provide the necessary training to the rural community on traditional rubble wall building and maintenance.

**Beneficiaries**

Various stakeholders will be beneficiaries under this Action.

- Eligible candidates to create projects under the Priority Actions 3.1, 3.2, and 3.4 will be NGOs and Local Councils;
- NGOs, Local Councils and SMEs are eligible to apply under Priority Action 3.3; and
- the Gozo Action Group and Local Councils are eligible for funding under Priority Action 3.5.

**Budget**

A total budget of €81,000.00 is available under Action 3. Rates of aid according to final beneficiaries are presented in Table 4.3.

**Table 4.3: Rates of aid**

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Rate of Aid</th>
<th>Maximum Grant in €</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMEs</td>
<td>50%</td>
<td>25,000 €</td>
</tr>
<tr>
<td>Public/NGOs/Gozo Action Group</td>
<td>100%</td>
<td>100,000 €</td>
</tr>
</tbody>
</table>
4.6.4. ACTION 4: Empowering and Building Local Capacity within the LEADER

Objective

This Action seeks to build community capacity and resources in order to maximise community participation in LEADER planning and project development.

Rationale

With the introduction of Gozo’s Local Development Strategy, there is a need to improve the opportunity for communities to benefit from the Strategy through providing them with key skills necessary to plan and manage projects. Public consultation revealed that many potential applicants were discouraged from participating in LEADER because they felt they lacked the skills to secure and manage the funds.

Similarly, given that this is Gozo’s (and Malta’s) first experience with LEADER, the Gozo Action Group will require capacity building to ensure effective management of the Strategy and funds. Specific training and assistance shall be undertaken in the start up of Gozo Action Group operations.

This Action is therefore crucial to help ensure that all interested applicants partake in capacity building both within their organisation and/or individually. This should strongly support maximum and efficient absorption of funding.

Two Priority Actions have been identified:

Priority Action 4.1: Capacity building on Project Management/EU funding. Capacity building under this Priority Action targets the Gozo Action Group, Local Councils and NGOs. These groups were identified during the public consultation exercise. This Priority Action will help the relevant stakeholders to identify key skills that are needed to manage project planning and development and will focus on maximising the time and skills of volunteers. Furthermore this Action will allow local councillors, executive secretaries and NGO leaders to be endowed with the necessary skills to apply under the LEADER Programme.

Priority Action 4.2: Capacity building on LEADER management. This Priority Action seeks to ensure capacity-building within the Gozo Action Group to ensure efficient management of LEADER. The capacity building is addressed both to the members of the Decision Committee as well as to the members of staff.

Beneficiaries

As described above, eligible beneficiaries of Priority Action 4.1 are the Gozo Action Group, Local Councils, and NGOs. It should be noted that the beneficiaries will be responsible for the organisation and management of the capacity-building programme whereas this programme will be open to all interested stakeholders within the territory.

Priority Action 4.2 will be managed by the Gozo Action Group as the responsible body for management of LEADER in Gozo.
Budget

A total budget of €65,000.00 is available under Action 4. Rates of aid according to final beneficiaries are presented in Table 4.4.

Table 4.4: Rates of aid

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Rate of Aid</th>
<th>Maximum Grant in €</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public/NGOs/Gozo Action</td>
<td>100%</td>
<td>100,000 €</td>
</tr>
</tbody>
</table>
4.6.5. ACTION 5: Promote Gozo as a Distinct Destination

Objective

The overall Action objective is to promote the sustainable tourism potential of Gozo and enhancing its potential to provide a unique and distinct product in line with Strategic Objective [a].

Rationale

Gozo is already recognised for its unique environmental and cultural assets, its agricultural products, and in particular its rural landscape (see Chapter 3). As identified in the SWOT analysis, the opportunity exists to reinforce and improve Gozitan rural products, to exploit niche tourism, and to facilitate greater recognition of the capacity of community-based events and festivals to attract domestic and international tourists.

This Action is strongly supported at national policy level whereby a number of policy documents, including the National Strategic Reference Framework (2007-2013), the Sustainable Strategy for the Maltese Islands (2006-2016), Operational Programme 1, the Budget Document 2009, the Rural Strategy Topic Paper, 2003, the National Reform Programme (2008-2010), and the National Tourism Policy (2007-2011), support Gozo’s potential for niche tourism and as a distinct product from Malta. The importance of agriculture in generating high quality products to support this Gozitan brand and as a major element of Gozo’s landscape is also recognised at policy level.

The branding of Gozo as a unique and distinct destination is also strongly supported by the SWOT analysis and the consultation exercise.

Three Priority Actions have been identified:

Priority Action 5.1: Marketing campaigns promoting Gozo as a distinct destination. These campaigns should be targeted both locally (Malta) and internationally. Campaigns can include promotion of niche tourism such as promotion of the Island as an economic destination. Marketing campaigns will be based on the findings of relevant studies carried out under Action 2.

Priority Action 5.2: Facilitate online booking. This Priority Action will support the creation of new and upgrade existing web portals, aimed at serving all hotels, accommodation, and catering establishments in Gozo to facilitate online booking. These portals will include a network section for local craft and tourism. This Priority Action is directly supported through proposals put forward during the consultation exercise.

Priority Action 5.3: Festivals, entertainment, and cultural activities. Organisation of events based on culture and tradition in Gozo. Both existing and new initiatives will be funded under this Priority Action. Particular importance is given to those activities that are based on the intangible heritage of the island, which represent an innovative manner of enhancing local traditions through the promotion of the Island.

Beneficiaries

NGOs are eligible for funding under Priority Actions 5.2 and 5.3. Local Councils are also eligible under Priority Action 5.3. Gozo Action Group is eligible under Priority Action 5.1.
Budget

A total budget of €300,000.00 is available under Action 5. Rates of aid according to final beneficiaries are presented in Table 4.5.

Table 4.5: Rates of aid

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Rate of Aid</th>
<th>Maximum Grant in €</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public/NGOs/Gozo Group</td>
<td>90%</td>
<td>100,000 €</td>
</tr>
</tbody>
</table>
4.6.6. ACTION 6: Open calls for Capital Investments, Marketing, Training, Studies for Cluster of excellence, Craft sector, Sports initiatives, band clubs

Objective

This Action aims to provide support to specific sectors which were identified through the SWOT analysis and consultation exercise to be in need of support.

Rationale

During the consultation exercise a number of potential projects emerged related to specific sectors within the rural community. This Action will ultimately facilitate Strategy management through grouping projects, regardless of project type [i.e. whether studies, marketing, training or capital investment] by sector. These sectors are:

Priority Action 6.1: Cluster of excellence (SMEs). The SWOT analysis revealed a number of disadvantages faced by Gozitan businesses including lack of economies of scale and a small domestic market. The SWOT also identified a number of opportunities that this sector could exploit including upgrading skills of the workforce, formation of networks and clusters, attracting inward investment and the development of the green economy, diversification of main economic sectors, and the potential to attract economy activity related to services. This Priority Action seeks to fund SMEs that have innovative and sustainable project ideas that will exploit identified opportunities to support this sector.

Priority Action 6.2: Craft sector. This sector is vulnerable to competition from imported products. Production of local crafts requires specific skills and due to the nature of the sector is often not efficient. This Priority Action seeks to improve the competitiveness of this sector through funding initiatives such as innovative production ideas, training in traditional skills, marketing and hosting local and/or transnational events, etc.

Priority Action 6.3: Sports initiatives. The consultation exercise revealed a need to invest in sports initiatives for the well-being and health of rural society. Sports initiatives could also be developed into a niche tourism market, addressing seasonality problems. This Priority Action is expected to encourage community involvement and enhance synergies with other economic sectors including other niche markets.

Priority Action 6.4: Band clubs. Band clubs play an important role in encouraging community involvement and cooperation. They also play an important role in local festivals, which are part of Gozo’s cultural tourism product. This Priority Action seeks to support initiatives that encourage cooperation and innovative ideas that will enhance the tourism product.

Beneficiaries

SMEs or NGOs within the above mentioned priority sectors will be eligible for funding for various project types so far as these are within the funding capabilities of LEADER.
Budget

A total budget of €80,000.00 is available under Action 6. Rates of aid according to final beneficiaries are presented in Table 4.6.

*Table 4.6: Rates of aid*

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Rate of Aid</th>
<th>Maximum Grant in €</th>
</tr>
</thead>
<tbody>
<tr>
<td>SMEs</td>
<td>50%</td>
<td>20,000 €</td>
</tr>
<tr>
<td>NGOs</td>
<td>90%</td>
<td>20,000 €</td>
</tr>
</tbody>
</table>
4.6.7. ACTION 7: Improve Gozo’s Quality of Life and Accessibility

Objective

This Action seeks to enhance Gozo’s attractiveness for economic and social benefit.

Rationale

The consultation exercise revealed the communities’ awareness of the importance of their natural and cultural amenities. Specific issues that were raised during consultation were included as Priority Actions as set out below. Priority Actions identified were also influenced by the available budget.

All Priority Actions will be implemented within the context of the study findings generated under Action 2 of the Strategy.

The following three Priority Actions were identified:

**Priority Action 7.1: Improve signposting in Gozo.** This Priority Action seeks to improve signposting and ensure consistent signage throughout the Island. Similarly, consistent information tools will be developed for sites of interest and localities. In addition to signposting, this Priority Action will fund the creation and generation of maps, plans and information points. As described above, guidelines for the development of a common format for signposting and information tools will be developed through Action 2.

**Priority Action 7.2: Landscaping initiatives.** This Priority Action will support environmental and physical upgrading of localities through landscaping initiatives. All initiatives will follow a set of guidelines derived from relevant studies carried out under Action 2.

**Priority Action 7.3: Improve internal sustainable mobility.** National policies, the SWOT analysis and the consultation exercise all identified the need to improve internal mobility. This Priority Action provides a framework that will support initiatives that seek to fulfil this objective. Examples include initiatives that promote the use of bicycles within villages, and a circular tourist bus.

**Beneficiaries**

Local Councils are eligible beneficiaries under this Action.

**Budget**

A total budget of €300,000.00 is available under Action 7. Rates of aid according to final beneficiaries are presented in Table 4.7.

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Rate of Aid</th>
<th>Maximum Grant in €</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment: Community/Public</td>
<td>90%</td>
<td>100,000 €</td>
</tr>
</tbody>
</table>

**Table 4.7: Rates of aid**
Measures from the RDP

Action 8 and Action 9 are actions that fall under measures in the RDP and therefore their administration will follow the requirements set out in the RDP.

It should be noted that apart from the two measures listed below, the RDP includes Measure 323 (Action type 3(ii) amongst those measures that can be implemented by Local Action Groups. This action includes investments associated with the conservation, restoration and upgrading of the natural and man-made rural heritage. This action type was also strongly highlighted as an important need during the consultation exercise. However, the guidelines that were subsequently issued for Measure 323 omitted reference to Local Action Groups (LAGs) and their participation in this Measure. Official confirmation was also obtained from the Managing Authority confirming that LAGs are not considered eligible for funding under Measure 323 despite what is included in the RDP.

4.6.8. ACTION 8: Measure 125 Infrastructure Related to the Development and Adaptation of Agriculture

Objective

This Action will administer funds available to LEADER under Axis 1, Measure 125 of the RDP under the specific action of improving accessibility to fields.

Rationale

The RDP highlights the importance of addressing farm accessibility and this is one of the main objectives of Measure 125. Although other initiatives will be funded under Measure 125, the following lies within the administrative competence of LEADER:

Actions designed to increase the accessibility to agricultural land to farmers, including the improvement and upgrading of existing farm access roads and passageways. This may include the re-surfacing of pathways, reconstruction and/or maintenance of adjacent walls and/or water culverts where such services are required.

Beneficiaries

Local Councils are the beneficiaries under this Action.

Budget

A total budget of €166,666.67 is available under Action 8. This budget has been allocated from Axis 1 of the RDP. Rates of aid according to final beneficiaries indicated in the guidelines of the Ministry for Resources and Rural Affairs.
4.6.9. ACTION 9: Measure 313 Encouragement of Tourism Activities

Objective

This Action will administer funds available to LEADER under Axis 3, Measure 313 of the RDP.

Rationale

Measure 313 is targeted at promoting economic growth in rural areas and promoting the rural heritage as a tourist product. Although other initiatives will be funded under Measure 313, the following lies within the administrative competence of LEADER:

- The setting up of trails that interlink various sites of tourist value; and
- The provision and one-time restoration of small-scale recreational amenities, such as leisure parks

Beneficiaries

Local Councils, NGOs, and SMEs are eligible for funding under this Action.

Budget

A total budget of €1,512,222.33 is available under Action 9. This budget has been allocated from Axis 3 of the RDP.

Rates of aid according to final beneficiaries are presented in Table 4.8.

Table 4.8: Rates of aid

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Rate of Aid</th>
<th>Maximum Grant in €</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment: Community/Public</td>
<td>90%</td>
<td>100,000</td>
</tr>
</tbody>
</table>
4.6.10. ACTION 10: Promote Gozitan Agricultural and Craft Products

Objective

The objective of this Action is to support transnational and inter-territorial cooperation specifically in the development of farmer markets and direct sales initiatives in Malta and abroad.

Rationale

This Action provides an opportunity to the Gozo rural economy to interact with other groups and build on local experience in rural development. Regional tourism, food and crafts initiatives will be supported to bring the benefits of cluster marketing, branding, and networking to local enterprise. Creation of farmer markets will support the initiatives identified in the Strategy to develop a Gozo brand through developing and gaining acceptance of clear codes of practice and quality guidelines. Creation of farmer markets will also support campaigns promoting healthy-eating and use of local products.

Beneficiaries

The Gozo Action Group will be responsible for organising this Action. Cooperation is allowed between LEADER groups and other non-LEADER groups as long as the project is led and coordinated by a LEADER group. While joint actions may involve groups from third countries, only activities taking place within the EU are eligible for funding. Further detail on the operating rules of the transnational cooperation actions will be provided by the Ministry for Resources and Rural Affairs.

Budget

A total budget of €166,666.67 is available under Action 10.

Rates of aid according to final beneficiaries are presented in Table 4.9.

<table>
<thead>
<tr>
<th>Applicant</th>
<th>Rate of Aid</th>
<th>Maximum Grant in €</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Investment:</td>
<td>90%</td>
<td>100,000</td>
</tr>
<tr>
<td>Community/Public</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### 4.7. Quantitative & qualitative targets, outputs, outcomes & impacts

Table 4.11 summarises the quantitative targets and outcomes for each action.

**Table 4.11: Quantitative Targets & Outcomes**

<table>
<thead>
<tr>
<th>Action</th>
<th>Quantitative Targets &amp; Outcomes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Studies on sustainable development</td>
<td>2 studies</td>
</tr>
<tr>
<td>Preparatory studies for capital investments and/or marketing actions</td>
<td>2 studies</td>
</tr>
<tr>
<td>Training on sustainability issues</td>
<td>2 courses/training programmes</td>
</tr>
<tr>
<td>Empowering and Building Local Capacity within the LEADER</td>
<td>2 courses/training programmes</td>
</tr>
<tr>
<td>Promote Gozo as a Distinct Destination</td>
<td>2 marketing campaigns</td>
</tr>
<tr>
<td></td>
<td>5 events/activities</td>
</tr>
<tr>
<td></td>
<td>1 web interventions</td>
</tr>
<tr>
<td>Open calls for Capital Investments, Marketing, Training, Studies</td>
<td>1 projects supporting SMEs</td>
</tr>
<tr>
<td></td>
<td>1 projects supporting the crafts sector</td>
</tr>
<tr>
<td></td>
<td>1 projects supporting sports initiatives</td>
</tr>
<tr>
<td></td>
<td>1 projects supporting band clubs</td>
</tr>
<tr>
<td>Improve Gozo's Quality of Life and Accessibility</td>
<td>Island-wide signposting</td>
</tr>
<tr>
<td></td>
<td>3 landscaping/embellishment projects</td>
</tr>
<tr>
<td>Promote Gozitan Agricultural and Craft Products (Transnational Cooperation)</td>
<td>1 cooperation projects</td>
</tr>
<tr>
<td>Measure 125 and Measure 313</td>
<td>As per RDP and related guidelines</td>
</tr>
</tbody>
</table>
Table 4.12 describes the qualitative outcomes and impacts for each action.

**Table 4.12: Qualitative Outcomes**

<table>
<thead>
<tr>
<th>Action</th>
<th>Qualitative Outcomes/Impacts</th>
</tr>
</thead>
</table>
| Studies on sustainable development                                      | Feasibility analyses  
Recording of information on the agriculture sector in Gozo  
Identification for improved sustainability |
| Preparatory studies for capital investments and/or marketing actions    | Recording of information to inform projects under Actions 5, 6 & 7 |
| Training on sustainability issues                                      | Improved skills in the rural community related to better environmental management, entrepreneurship, and traditional skills. |
| Empowering and Building Local Capacity within the LEADER               | Improved skills in the rural community related to better project management and absorption of EU funds |
| Promote Gozo as a Distinct Destination                                 | Increased tourism potential for Gozo  
A brand to support Gozo and its produce/products  
Increased market access for farm family products  
Greater cooperation levels between enterprises and between agencies promoting the creation and development of rural enterprise |
| Open calls for Capital Investments, Marketing, Training, Studies       | Improved sustainability of Gozitan SMEs  
Improved sustainability of the crafts sector in Gozo  
Improved sustainability of sports initiatives in Gozo  
Improved sustainability of band clubs in Gozo |
| Improve Gozo’s Quality of Life and Accessibility                       | Increased attractiveness of the Island  
General enhancement of villages in Gozo  
Improved quality of life for those living, working, and visiting the area |
| Promote Gozitan Agricultural and Craft Products (Transnational Cooperation) | Improved market access for Gozo products and produce |
| Measure 125                                                            | Improved quality of life for rural communities |
| Measure 313                                                            | Improved quality of life for local residents in the area with the development of walking and cycling trails and paths. Improved tourism potential for the area |
### 4.8. Interaction with other programmes / projects

Table 4.13 summarises how the Gozo Sustainable Development Strategy complements and supports initiatives and objectives of other relevant programmes.

<table>
<thead>
<tr>
<th>Programme</th>
<th>Gozo Sustainable Development Strategy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural Development Programme 2007-2013: The RDP seeks to support traditional agricultural production linking this with agro-environmental approaches and understanding the importance of cultural heritage as part of the rural environment. In terms of produce, it has identified the traditional emphasis on quantity rather than quality. The RDP recognises the need to improve the natural and social fabric of the countryside. Maintenance and conservation of rural areas and rural heritage is an important aspect of the RDP, which also identifies the value of tourism to rural areas. The RDP identifies LEADER as an ideal approach to tackling these latter issues.</td>
<td>The Strategy complements the RDP in that, within its parameters, and at a regional level, the Strategic objectives address improving product quality, improvement of environmental management of the countryside, marketing the Region as a rural tourist destination, and improving sales of local products.</td>
</tr>
<tr>
<td>Operational Programme I (OP1) outlines the Strategy for use of funds under the European Regional Development Fund and the Cohesion Fund. The title of the programme is ‘Investing in Competitiveness for a Better Quality of Life’. OP1’s two main objectives are: ‘sustaining a growing and knowledge-based competitive economy’ and ‘improving Malta’s attractiveness and the quality of life’.</td>
<td>The Strategy supports OP1’s objectives through actions related, promotion of Gozo as a Region as well as its assets and products, developing synergies between economic sectors, namely agriculture, and tourism, supporting niche businesses, improving the aesthetic value of the Region, preserving the landscape, and quality of life of the rural community.</td>
</tr>
<tr>
<td>Operational Programme II: Operational Programme II (OPII) defines the Strategy for use of funds under the European Social Fund. The title of the programme is ‘Empowering People for More Jobs and a Better Quality of Life’. OPII’s two main objectives are ‘investing in human capital’ and ‘strengthening labour market structures’.</td>
<td>The Strategy complements OPII through providing support to capacity building and to empower local workforce.</td>
</tr>
</tbody>
</table>
Chapter 5: Financial plan, monitoring, evaluation and review

5.1 Overall Financial Plan

The financial plan outlined below provides a detailed breakdown of the cost estimates and the rationale behind such allocations. This is the first time that the LEADER programme will be implemented in the region and therefore there is no past experience that can be drawn on to serve as a guide for these decisions. International best practice, however, has been drawn upon to serve as a general guideline about such choices.

The financial plan is prepared on the basis of commitment of funds for the actions contemplated in the strategy being undertaken in the period between 2010 and 2013. Actual disbursement of funds committed would continue until 2015, as some actions and the relative payments are allowed to continue for a period of two years following the end of the current programming period.

5.1.1. Methodology

The financial plan supporting the Rural Development Programme outlined in the previous chapter has been created in a two step process. The first step consisted of initially identifying a number of measures that needed a base financial support without which they would be inoperative. These ‘binding’ measures were allocated this necessary financial support to make them operational. The second step involved identifying the remaining measures and allocating the funds to these measures based upon their relative importance as identified through the triangulation process.

The triangulation process involved matching the outcomes of the socio-economic assessment with the priorities identified from national and European policy documents with the issues raised in the consultation process by the stakeholders. The measures that scored high on all three fronts, the socio-economic assessment, the relevance to other national and European policies and on the prominence in the consultation process, were allocated the highest level of funding in an iterative process.
5.1.2. Budget by Action

The following table outlines the principal actions that have been identified in the development plan and the budget that has been allocated to these actions.

<table>
<thead>
<tr>
<th>A</th>
<th>Outcome Analysis &amp; Consultation</th>
<th>ACTIONS</th>
<th>BUDGET</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>Studies</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Gozo agriculture in the context of the Common Agricultural Policy</td>
<td>Studies on sustainable development</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Branding Gozo as a distinct tourism destination and sustainability of the sector</td>
<td>Preparatory studies for Capital Investments and/or Marketing Actions</td>
<td>€ 50,000,00</td>
</tr>
<tr>
<td></td>
<td>Landscaping all localities</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Singposting and Image of the island</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>Awareness Campaign/Training</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Impact of farming activity on resources, especially water</td>
<td>Sustainability &amp; Climate Change</td>
<td>€ 81,000,00</td>
</tr>
<tr>
<td></td>
<td>Waste management and separation</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Value and use of local agricultural production &amp; traditional cooking</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Innovation and entrepreneurship</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rubble walls</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Project Management/ EU Funding</td>
<td>Empowering and building local capacity within the LEADER</td>
<td>€ 65,000,00</td>
</tr>
<tr>
<td></td>
<td>LEADER management</td>
<td></td>
<td></td>
</tr>
<tr>
<td>C</td>
<td>Marketing</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Marketing campaigns promoting Gozo as a distinct destination</td>
<td>Promote Gozo as a distinct destination</td>
<td>€ 300,000,00</td>
</tr>
<tr>
<td></td>
<td>Facilitate online booking</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Realisation of festivals/entertainment/cultural initiatives including those based on Gozo intangible heritage</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D</td>
<td>Open calls</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Cluster of excellence (SMEs)</td>
<td>Open calls for Capital Investments, Marketing</td>
<td>€ 80,000,00</td>
</tr>
<tr>
<td></td>
<td>Craft sector</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sport undertakings</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Band Clubs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>Capital Investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Improve signposting in Gozo, including maps, town plans, info points</td>
<td>Improve Gozo’s quality of life and accessibility</td>
<td>€ 300,000,00</td>
</tr>
<tr>
<td></td>
<td>Landscaping initiatives</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Improve internal sustainable mobility</td>
<td></td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>Measures From RDP</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Increase accessibility to fields (M. 125)</td>
<td>M.125</td>
<td>€ 166,666,67</td>
</tr>
<tr>
<td></td>
<td>Encourage the establishment and development of leisure parks as well as thematic trails in the context of Measure 313</td>
<td>M.313</td>
<td>€ 1,512,222,33</td>
</tr>
<tr>
<td>G</td>
<td>Transnational</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Farmer markets and direct sales initiatives in Malta and abroad</td>
<td>Promote Gozitan agricultural and craft products</td>
<td>€ 166,666,67</td>
</tr>
</tbody>
</table>

TOTAL AVAILABLE AXIS IV € 866,666,67
TOTAL AVAILABLE OTHER AXIS € 1,845,555,67
TOTAL LDS GOZO € 2,712,222,33
5.2 Financial management and indicative resource allocation across measures and on a year by year basis

In the absence historical evidence for allocating the total funds across years in any particular manner, the allocation of the total budget per annum has been spread over the three years in which the Leader project will be operating for in accordance to an a priori plan. This can be seen in the table below.
<table>
<thead>
<tr>
<th>A</th>
<th>Actions</th>
<th>Budget</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Preparatory studies for Capital Investments and/or Marketing Actions</td>
<td>€ 50,000.00</td>
<td>at least 4 studies</td>
</tr>
<tr>
<td></td>
<td>Increase accessibility to fields (M. 125)</td>
<td>€ 166,666.67</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Encourage the establishment and development of leisure parks as well as thematic trails in the context of Measure 313</td>
<td>€ 1,512,222.33</td>
<td></td>
</tr>
<tr>
<td>B</td>
<td>Awareness Campaign/Training</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Sustainability &amp; Climate Change</td>
<td>€ 81,000.00</td>
<td>at least 2 training / campaigns</td>
</tr>
<tr>
<td></td>
<td>Empowering and building local capacity within the LEADER</td>
<td>€ 65,000.00</td>
<td>at least 2 training projects</td>
</tr>
<tr>
<td></td>
<td></td>
<td>€ 65,000.00</td>
<td>€ 65,000.00</td>
</tr>
<tr>
<td></td>
<td>Marketing</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Promote Gozo as a distinct destination</td>
<td>€ 300,000.00</td>
<td>at least 7 projects</td>
</tr>
<tr>
<td></td>
<td></td>
<td>€ 125,000.00</td>
<td>€ 62,500.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>€ 58,333.00</td>
<td>€ 64,583.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>€ 116,667.00</td>
<td>€ 102,083.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-</td>
<td>€ 50,000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-</td>
<td>€ 20,833.00</td>
</tr>
<tr>
<td>C</td>
<td>Open calls</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Open calls for Capital Investments, Marketing, Training, Studies</td>
<td>€ 80,000.00</td>
<td>at least 4 projects</td>
</tr>
<tr>
<td></td>
<td></td>
<td>€ 80,000.00</td>
<td>€ 80,000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-</td>
<td>€ 20,000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-</td>
<td>€ 26,667.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-</td>
<td>€ 26,667.00</td>
</tr>
<tr>
<td></td>
<td>Capital Investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Improve Gozo's quality of life and accessibility</td>
<td>€ 300,000.00</td>
<td>at least 3 projects</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-</td>
<td>€ 100,000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-</td>
<td>€ 63,000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-</td>
<td>€ 100,000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-</td>
<td>€ 63,000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-</td>
<td>€ 100,000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-</td>
<td>€ 63,000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-</td>
<td>€ 81,000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-</td>
<td>€ 30,000.00</td>
</tr>
<tr>
<td>D</td>
<td>Measures From RDP</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Increase accessibility to fields (M. 125)</td>
<td>M.125</td>
<td>€ 166,666.67</td>
</tr>
<tr>
<td></td>
<td>Encourage the establishment and development of leisure parks as well as thematic trails in the context of Measure 313</td>
<td>M.313</td>
<td>€ 1,512,222.33</td>
</tr>
<tr>
<td></td>
<td>Not applicable - Budget to be administered by Paying Agency - MRRA</td>
<td></td>
<td></td>
</tr>
<tr>
<td>E</td>
<td>Transnational</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Farmer markets and direct sales initiatives in Malta and abroad</td>
<td>€ 166,666.67</td>
<td>at least 1 project</td>
</tr>
<tr>
<td></td>
<td>Promote Gozo agricultural and craft products</td>
<td>€ 166,666.67</td>
<td>at least 1 project</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-</td>
<td>€ 100,000.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-</td>
<td>€ 41,667.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-</td>
<td>€ 41,667.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-</td>
<td>€ 41,667.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>-</td>
<td>€ 41,667.00</td>
</tr>
<tr>
<td></td>
<td>TOTAL AVAILABLE AXIS IV</td>
<td>€ 856,666.67</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOTAL AVAILABLE OTHER AXIS</td>
<td>€ 1,845,555.67</td>
<td></td>
</tr>
<tr>
<td></td>
<td>TOTAL LDS GOZO</td>
<td>€ 2,712,222.33</td>
<td></td>
</tr>
</tbody>
</table>
5.3 Internal Systems for Monitoring, Evaluation, Review and Reporting

The incorporation of a transparent monitoring, evaluation, review and reporting system is central to the success of this programme. The following section outlines this process and the desired outcomes that the programme will be assessed upon.

It is understood that the authorities responsible for the overseeing the programme implementation will issue guidelines of monitoring systems to be implemented and relative procedures. The LAG will ensure complete adherence to such guidelines and rules so as to ensure full transparency and accountability in its operations.

Review of the programme will comprise of three pillars, an ongoing process that will be monitored by the board in their monthly meetings, an annual review to be presented at the annual general meeting [AGM] and a project review to be carried out at the end of each project, before the final payment is made.

The reporting requirements for the Gozo Action Group during the implementation of the Strategy will be an annual report on the activities it has undertaken in the past 12 months which will be presented to the Ministry for Resources and Rural Affairs [MRRA].

5.3.1. Monitoring

International best practice has recognised that the delivery of the Rural Development Programme is subject to Programme-level risks and Project-level risks. Problems recognised within from the implementation of the Programme which are caused by the relatively slow rate of funding drawdown which are coupled with the high start-up costs at the beginning of the Programme. Problems recognised at Project-level focus on the need for constant evaluation with regards the eligibility of projects and to ensure that the implementation of the project is in line with the accepted objectives. These risks require a robust internal monitoring process that is able to signal the cases where problems are likely to arise, or have arisen and is able to bring this to the attention of the GAG.

Routine monitoring of the performance of the Development Programme has been recommended, occurring on an annual basis. This monitoring should include a review of the overall targets and indicators within the Programme and report on the findings to the GAG. The approved report should be made available externally through the website and publication in the annual report of the GAG.

The monitoring report should compile and assess the following checklist;
• Are any specific sectors proving challenging?
• Are any targets not being met in any of the areas?
• Have any of the actions been particularly successful?
• Is there scope for increasing the resources available to the projects?
• Is there scope for implementing any additional action?
5.3.2. Evaluation

The evaluation of the implementation and the outcomes of the Programme shall be carried out on an annual basis. The evaluation will consist of a comparison exercise, where the targets that have been established within this plan are weighed against the attained outcomes. The review and evaluation process that are described above should form an integral part of a wider internal evaluation strategy of the GAG as is recommended by best international practice.

It is suggested that an internal evaluation report is carried out towards the end of the Programme to bring together the main lessons learned throughout this first implementation process of the LEADER initiative to be used in the subsequent Programme drafts.

5.3.3. Review

A review on the effectiveness of the system of internal controls should be conducted on an annual basis. The review should encompass the financial, operational and compliance controls and risk management structures reviews. The Gozo Action Group should receive reports on the internal audits and the financial exposure through management accounts, cash flow forecasts, overview of contracts and reports on incidents in the workplace [health and safety issues] and must ensure that it is supplied in a timely fashion with such information.

5.3.4. Reporting

Internal reporting refers to reports generated to satisfy the needs of the GAG while external reporting refers to reports generated for the consumption of outside bodies. Internal and external reports will be commissioned as per legal requirements and as the need arises.

5.4 Capability and track record, where relevant, in relation to the leverage of funding from other sources including public private and community sources

This is the first time that the LEADER programme is being implemented in Gozo and in Malta. There is, as such, no proven track record to be outlined.

However, it can be expected that the actions implemented will generate leverage at least to the extent of the co-financing necessary from beneficiaries according to the rules of the LEADER programme.
Chapter 6: Networking and cooperation

6.1. National networking and cooperation

The Gozo Action Group forms part of the Malta Rural Network that has been launched for the first time in 2009. Gozo Action Group will actively participate to the activities that will be planned at National level, so as to facilitate the success of the LEADER throughout the Country.

6.2. International networking and cooperation

As part of the Malta Rural Network, the Gozo Action Group also adheres to the European Rural Network.

The Gozo Action Group Foundation has initiated international networking during the preparatory phase of the Gozo Sustainable Development Strategy. The Decision Committee has in fact undertaken a study visit in Ireland in the area of South and East Cork.

South and East Cork Area Development (SECAD) hosted the Gozitan delegation for three days. In the occasion, hands on experience on the implementation of LEADER in Ireland were deepened and discussed in order to provide Gozo Action Group with ideas and suggestions to successfully implement the LEADER. This networking initiative can be a good base to further develop international cooperation action and common projects.

Gozo Action Group will actively participate to European for a and networks so as to consolidate the international networking in the framework of the LEADER and in the framework of Action 10 of the Gozo Sustainable Development Strategy (Transnational cooperation).

6.3. Cooperation and coordination with other public bodies at local, regional and national level

Gozo Action Group has been able to start cooperating with all local private and public bodies from the very beginning of the LEADER process in Gozo. The most relevant sectoral organisation of the region are active members of the LAG and their representatives form part of the Decision Committee. All the Local Councils of Gozo are active members of the Gozo Action Group and they have contributed to the success of the consultation process as well as to the definition of the present document.

For the implementation phase, it is envisaged that all local actors will be further encouraged to work together both for the administration of the LEADER and for the implementation of specific projects.

With regards to cooperation with other public entities, the launching of the ECO-Gozo Vision by the Maltese Government is an important opportunity to achieve the sustainable development of the region. The Gozo Sustainable Development Strategy and the ECO-Gozo Vision are oriented towards common goals and the synergies that can be created could generate multiplier effects. In this regards, contacts have been established in particular with the Ministry for Gozo, that is in charge of the implementation of ECO-Gozo.
The Ministry for Resources and Rural Affairs is the Managing Authority of the LEADER and the Gozo Action Group, through its members of the Decision Committee has been able to coordinate for the successful implementation of Measure 341. It is envisaged that such relationship will be consolidated in the upcoming years during the implementation of the LEADER.

The Parliamentary Secretariat for Public Dialogue and Information, that is also responsible for the Local Government System has contributed to inform the general public and the localities on the LEADER process and its functioning.

For the implementation of the signposting of the region, initial contacts have already been established with Malta Transport Authority (ADT). The preliminary study that Gozo Action Group will undertake to identify the main elements of the new signposting of the island, will also include a coordination with designated authorities.

With regards to the marketing of the region, the action is in line with Malta Tourism Policy 2007 - 2011 and initial contacts have been made with Malta Tourism Authority. It is expected that the Gozo Action Group will coordinate with MTA in the implementation of the action, so as to have a coherent and more effective promotion.
Chapter 7: Horizontal principles

This section summarizes the cross-cutting principles that are present in all the actions envisaged by the Gozo Sustainable Development Strategy.

Gozo Action Group has started its operations on the basis of seven key features that characterise the LEADER approach:

- **Area Based Local Development Strategies:** To identify the particular needs of the area and address them in an holistic manner.
- **Bottom Up Approach:** To encourage participatory decision making at local level for all development policies.
- **Public Private Partnership:** To bring different local actors together to contribute to the achievement of common goals.
- **Facilitating Innovation:** To identify and implement innovative approaches for local development.
- **Integrated and Multi-sectoral Action:** To link together different actions and projects in the Local Development Strategy.
- **Networking:** To facilitate networking at local, regional, national and European level.
- **Cooperation:** To facilitate the exchange of information and to address common challenges.

### 7.1. Innovation

LEADER concept is in itself a very innovative approach for Malta as it will be implemented for the first time during the current programming period. Through the development of a region whereby localities cooperate and seek to implement policies and projects in an integrated manner, new opportunities are available.

The centrality of innovation is in line with the expectations of the Lisbon Agenda, which identifies rural innovation and diversification as important elements to reinforcing a solid rural economy. The drive for innovation is echoed throughout the measures, with the studies aimed to gather and analyse information for better strategy design. The focus on rural diversification is also very strong, with many studies aimed to identify and collect information on and investigate the viability of projects aimed at helping the rural sector diversify into tourism and niche markets. The prioritisation of sustainability and climate change prioritises the improved use of resources and the underlying need for creatively encouraging environmental sustainability. Marketing and promotional activities create a support structure for individuals and firms that are pushing the status quo boundaries and designing new products and services that need promotion. The support for projects specifically aimed at improving the quality of life is driven by the need to reassess the way people interact with their surroundings and creatively redesign accessibility and support structures to improve this interaction.

Through the focus on innovation the RDP aims to:
• encourage the establishment of new niche markets that allow for diversification of activities and improvement in the overall regional product
• improve the quality of life of the inhabitants of the region
• create a distinct regional product that is not reliant on the national scenario but is distinct and separate from it

Gozo Sustainable Development Strategy supports and encourages new approaches and initiatives aimed at unlocking Gozo potential, in particular through:

• Innovative and holistic promotion of the territory
• SMEs innovation, particularly the craft sector
• Training actions to stimulate on farm and off farm innovation
• Capital support to specific investments aimed at upgrading Gozo tourism product and its localities
• New ways to market local products
• New ways to market the island as a distinct destination

7.2. Sustainability

In line with international and national policy requirements, the Strategy considers impacts to all three pillars of sustainable development and the need for an integrated approach. The National Strategy for Sustainable Development underlines its goal as: improving the quality of life of all members of society, promoting convergence between the interests of different sectors and layers of society and between the interests of current and future generations. The Strategy adopts a similar approach with a focus on sustainable rural development and improving the quality of life in rural communities.

In particular Gozo Sustainable Development Strategy wants to:

- Increase sustainability of the agricultural sector through soft skills interventions and awareness raising actions
- Increase sustainability of key sectors for the local identity such as craft sector
- Recognise and support the role of civil society’s organisation for local social sustainability
- Encourage sustainable behaviours and habits
7.3. Economic viability

The Rural Development Plan has been developed with the awareness of the underlying need for actions that are capable of taking on a long-term role in the economy. The actions outlined encourage the strengthening of the regional rural economy without jeopardising the future potential for development.

Economic viability incorporates, but is not limited to, financial viability. The concept allows us to take a holistic view of the outcomes of the Plan, not only in terms of the financial benefits to the individuals and firms in the region but also the social and external economic benefits that accrue. The evaluation of projects will keep this wider concept of economic viability at its core. This allows for projects that would otherwise not have found financing, based on poorer financial performance, to find support within the LEADER setting. Allowing projects that promote a wider concept of return, rather than the purely financial one, will encourage the development of activities in areas that were previously neglected that have a social benefit that far outweighs the financial costs incurred.

Gozo’s economy is strongly linked with tourism. As illustrated in Chapter 3, the tourism sector has a very significant impact on the island’s economy as well as on employment. Tourism sector contributes to approximately the 30% of the GDP and employs approximately the 30% of local workforce. Furthermore, tourism sector generates important spill over effects on other sectors of the economy such as real estate, services etc.

Particular importance is given by the Strategy to the support of the economic viability of the tourism sector. Marketing and promotion initiatives want to stimulate the demand and thus generate a positive impact on the whole local economy.

The Strategy contributes to make specific sectors like crafts or local agricultural production more viable by providing the operators with direct assistance to operate in a more efficient manner, to increase their offer range and to be able to market their produces in new markets. This Strategy will encourage economic development that is in harmony with the natural environment and recognises the need to conserve and enhance it.

This will be particularly relevant to the following activities:

- Promoting distinctiveness
- Culture and events based on local intangible heritage
- Sustainable transport
- Training on sustainability and climate change
7.4. Linkages

One of the main reasons for the success of the LEADER in Europe consists in the capacity of this programme to establish, create, consolidate and expand linkages within the territory. The LEADER programme is based on the active participation of local stakeholders that decide to get together and address common challenges for their region. Therefore it is evident how the same LAGs are structures that have been generated thanks to the creation of linkages within actors of the territory. In the case of Gozo, all the Local Councils and the organisations representing various sectors of local economy have decided to strengthen their commitment and common action for the sustainable development of the region. The Local Development Strategy however, goes beyond and seeks to extend the linkages to other regions, areas and stakeholders.

Thanks to the participation to the National and European Rural Networks, the Gozo Action Group will create links and relationships with other LAGs. Already in the first phase of preparation of the Local Development Strategy, the Gozo Action Group has put the basis for a fruitful cooperation with Government entities or public bodies. The LEADER strategy will go hand in hand with the implementation of the ECO – Gozo Vision as both policies are oriented towards goal of improving the quality of life and the long term sustainability of the island.

From a local stakeholders’ point of view, the linkages are encouraged and stimulated by the programme itself. Gozo Action Group will support initiatives like festival, farmer markets which will allow local stakeholders to cooperate more and to establish links that might lead to the development of common actions and initiatives.