

## Rural Development Programme (RDP) of Malta

**Rural Development Programme for Malta  
2007 – 2013 – version November 2008<sup>1</sup>**

### Relevant Contact Details

**Managing Authority Website:**

<http://www.mrra.gov.mt>

**Other useful links:**

Rural Development Programme (RDP):

[http://enrd.ec.europa.eu/rural-development-policy/country-information/malta/en/malta\\_home\\_en.cfm](http://enrd.ec.europa.eu/rural-development-policy/country-information/malta/en/malta_home_en.cfm)

National Strategy Plan (NSP):

<http://www.agric.gov.mt/national-rural-dev-strat-feb07?l=1>



**Map of Malta**  
(© European Commission)

### General socio-economic situation in rural areas in Malta

The Maltese Archipelago is located in the centre of the Mediterranean sea and is consisted by three inhabited islands (Malta, Gozo and Comino) and a number of small uninhabited islets. According to the Maltese Rural Development Programme (RDP), the land areas of the major islands are Malta: 245.7 km<sup>2</sup>; Gozo: 67.1 km<sup>2</sup>; Comino: 2.8 km<sup>2</sup>. In the islands, there are no mountains and the highest point is in Ta' Zuta at the Dingli Cliffs in Malta, at 253 m above sea level. There are also no lakes, rivers or streams but only a few minor springs. According to the Maltese definitions, 47 localities are classified as rural, 33 of them being in Malta and 14 in Gozo. These 47 localities account for 91% of the islands' territory and 64% of the total population, which stands at 404,039 inhabitants (49.4% being males and 50.6% females). Given the islands' small size, internal migration is not an issue but Malta is by far the most densely populated Member State with 1282 residents per km<sup>2</sup>. The population is increasingly ageing, with the 65+ age group now representing 13.7% of the total population. However, compared to the EU, Malta's population is relatively young with the proportion of the population aged under 25 years of age equating to 31.5%. The small size of the islands and the transition experienced in the last decades, from a predominantly agrarian society to industrialised and urban communities have led to significant changes in land use patterns. This had many effects among which are included the reduction of water resources, the degradation of the natural habitats, water catchments and of the traditional landscape.

The RDP indicates that agriculture sector accounts for 2.2% of the total GVA and it employs the same proportion of the working population. Although accounting for a small amount of the overall economy, agriculture significantly contributes to maintaining the quality of the rural landscape which is critical for the island's tourism economy. Agricultural land occupies 47.8% of the total land area which is predominantly arable land 79.9%, followed by permanent crops (10.6%) and kitchen gardens (9.4%). Agriculture in Malta has very strong linkages to the tourism sector (1.2 million visitors per year) which is supported by a short supply chain from producer to consumer. Maltese agricultural production is highly appreciated and there is a growing demand for quality and organic products, also supported by associations. Nevertheless, many farmers still have a low skill base and capacity for innovation, there is limited cooperation with agro-processors and limited advisory

<sup>1</sup> Latest updated RDP, following the adoption of the European Economic Recovery Package.

services. Similarly, whilst the agro-food processing industry is well positioned towards the tourism market and has direct access to quality local raw materials, it too faces challenges. The RDP highlights as major constraints of the Maltese agriculture sector the low operational efficiency, the limited expertise and capital investment, the competition from imports and the current deficit with regard to developing local brands. Rural areas are the backbone of the cultural and natural heritage of the islands, and should be well developed and serviced. However, agricultural land is being abandoned, the rural and environmental character of certain areas is under threat, and there is limited funding for upgrading village and tourism infrastructure.

Following the European Economic Recovery Package, in recognition of the greater emphasis now being given to the 'new challenges' facing agriculture and rural areas, the Maltese authorities have provided additional funding for a new priority namely the dairy sector through an existing measure (121) in order to help the sector to modernise their holdings so as to improve the management and economic performance of their holdings. The funds will be available for all three sub measures of measure (121) chiefly 'general modernisation and improvement in the performance of agricultural holdings', 'environmental investments', and 'on-farm investments to comply with newly introduced community standards'.

## **RDP strategic objectives**

The overall objective of Malta's rural development policy is to promote multifunctional agriculture within a wider framework of integrated rural development thus achieving the sustainable development of rural Malta. This policy objective as expressed within the RDP, aims to give emphasis on improving the competitiveness of the agricultural industry through restructuring, developing physical potential and innovation. These will be accomplished by implementing strategies that promote modernisation and increase of the added value. In parallel, human resources will also be supported to improve technical skills. The sustainable use of agricultural land will be achieved through the continuous use of agricultural land in areas with handicaps combined with strategies to meet environmental objectives. Quality of life in rural areas will also be improved through investment in cultural heritage. This would involve further investment in rural resources with accompanying synergy through tourism and conservation. The above objectives will be implemented through the Leader approach that adopts a locally integrated approach to rural development.

Taking into account the additional financing provided by the European Economic Recovery Package, greater strategic priority will also now be given to initiatives that contribute additional support to the dairy sector (100%).

## **Expected impact / outcomes of the policies**

The programme will have a positive effect on rural industries, protecting the environment and the development of rural areas. The competitiveness of the agricultural/agro processing industry will be enhanced through activities aimed at strengthening the product development and the introduction of innovatory techniques, which will provide access to better market opportunities and reduce environmental impact. By offering training and advisory services, relevant expertise will be disseminated to farmers and entrepreneurs to help them adjust to competitive pressures, and farm investments will lead to improved management of natural resources. The RDP will ensure that the

---

<sup>2</sup> Detailed information on the individual measures can be found in Annex I.

<sup>3</sup> Please note that for measures 111, 115, 132 and 142, no private spending has been allocated.

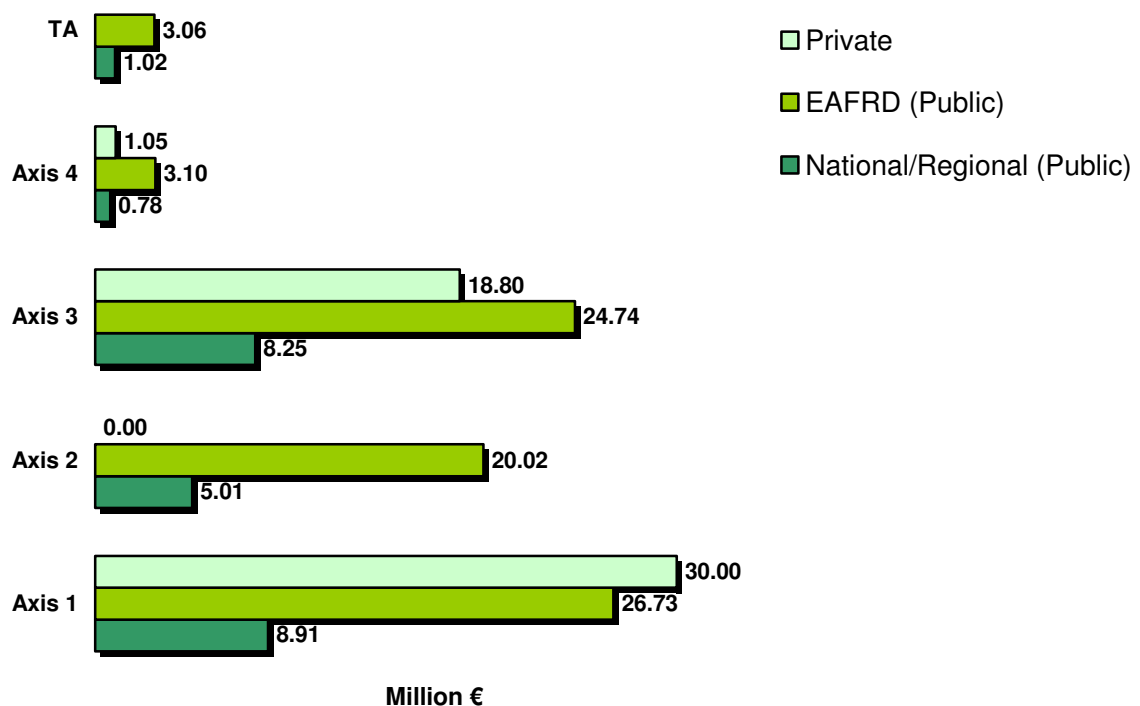
<sup>4</sup> For measures 212 and 214 no private spending has been allocated.

<sup>5</sup> For measure 341 no private spending has been allocated.

natural landscape is preserved and that soil and water quality will not deteriorate. Biodiversity will also be enhanced and sustainable production methods will be promoted. The encouragement of tourism will unlock the potential of rural areas and combined with the Leader approach, local governance activities will rehabilitate and introduce rural amenities and enhance rural heritage assets.

Specific modifications to impact indicators have been made to take account of the 2009 alterations to the RDP. Modifications to overall RDP impact targets include increased targets for investment support related to dairy production. Detailed information on impact indicators for individual measures is provided in the RDP indicator tables.

### **RDP budget breakdown by axis: Total expenditure (including national/regional + EAFRD + private funding) of €151,461,140**



The RDP budget allocations are broadly divided into four main areas of expenditure, known as axes (namely: Improving the competitiveness of the agricultural and forestry sector; Improving the environment and the countryside; Quality of life in rural areas and diversification of the rural economy; and Leader). Approximately 43.33% of the updated RDP budget in Malta is allocated to axis 1 (€ 65.64 million); Approximately 16.52% is allocated to axis 2 (€ 25.03 million), 34.19% to axis 3 (€ 51.79 million) and 3.25% to axis 4 (€ 4.925 million), with 2.7% available to fund Technical Assistance (€ 4.08 million).

Within axis 1, National public funding represents approximately 13.57% share of the axis funding; EAFRD 40.72%; and private funds 45.70%.

Within axis 2, National public funding represents approximately 20.0% share of the axis funding;

EAFRD 8.0%; and private funds 0%.

Within axis 3, National public funding represents approximately 15.92% share of the axis funding; EAFRD 47.78% and private funds 36.30%.

Within axis 4, National public funding represents approximately 15.74% share of the axis funding; EAFRD 62.94%; and private funds 21.32%.

Within technical assistance, National public funding represents approximately 25% share of the technical assistance funding and EAFRD 75%.

As a consequence of the 2009 amendments, Malta has been assigned a total of €1.02 million from EAFRD funds (and an additional €0.34 million from national public funds) to support further investments in the dairy sector.

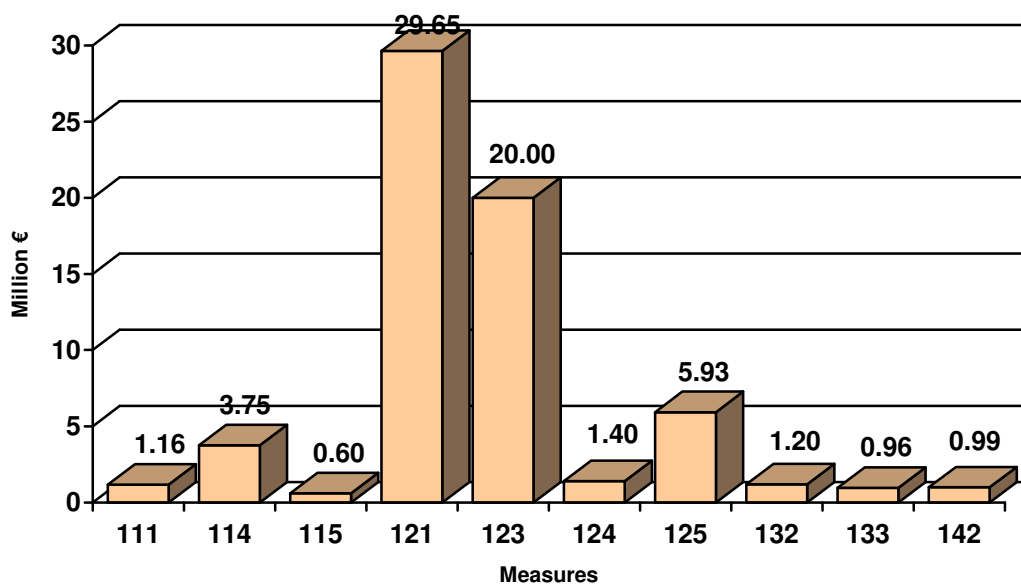
## **Axis Information<sup>2</sup>**

### ***Axis 1 objectives: Improving the competitiveness of the agricultural and forestry sector***

The objective for axis 1 is to improve the competitiveness of the agricultural sector by focusing on knowledge transfer, modernisation of holdings, adding value to agricultural production with respect to quality and competitiveness, and adding value to services for domestic consumers and foreign tourists. The goal is therefore to encourage an agricultural sector that is (i) competitive, diverse, sustainable and flexible, (ii) takes into account the quantity, quality and sustainable use of all limited resources available, (iii) is better poised to secure the opportunities of a changing market through more effective cooperation along the whole food chain and fulfilment of increasingly demanding concerns of local and European consumers; and (iv) is more conscious and respectful of its interface and interdependence with the natural environment and the rural landscape. The quantitative and qualitative result targets contained in the measures for axis 1 include: measure 123 (14 enterprises using new products or techniques); measure 124 (40 enterprises using new products/technologies); measure 125 (2.7% increase in gross value added for supported holdings).

Specific modifications to the output indicator - targets have been made to take account of the 2009 amendments to the RDP for actions under measure 121 (namely that 45 farm holdings will be supported and that the overall total volume of investment to improve competitiveness is €2.7 million). For further information on specific output indicator - targets please refer to the impact indicators table in the RDP programme.

**Axis 1 indicative budget breakdown by measure: Total allocated budget (including national public funds + EAFRD + private funds) of € 65,640,000<sup>3</sup>**



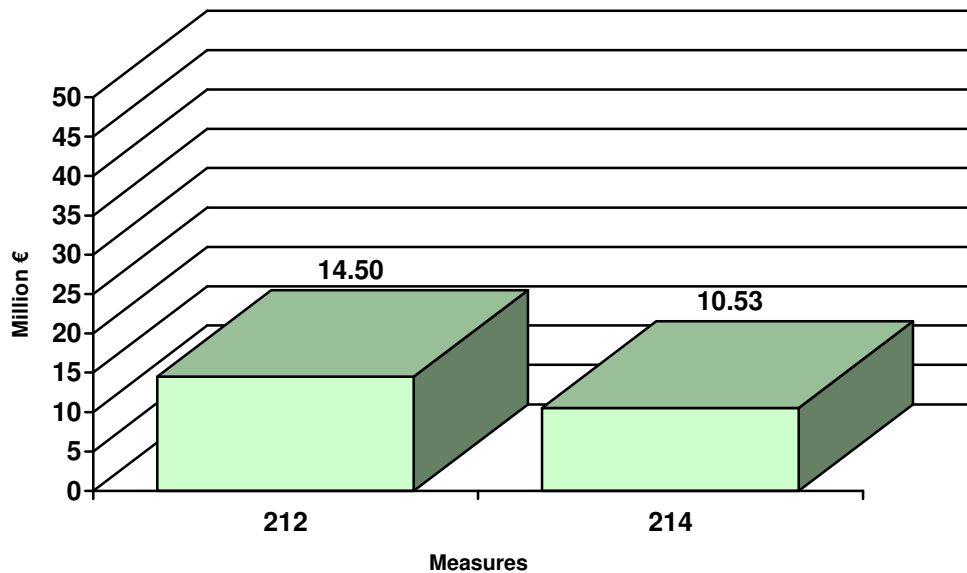
Following the RDP latest update, the total budget amount for axis 1 is € 65,640,000 including an additional €1.36 million (€1.02 million EAFRD + € 0.34million national public) that is targeted at supporting the dairy sector (measure 121).

**Axis 2 objectives: Improving the environment and the countryside**

The key objective for axis 2 will focus on preserving the farmed landscape which is an important and valuable feature of the rural environment. This will be realised through incentives for the retention of agricultural activity and its associated traditional features. Priority is given to conserve and improve the environment, maintain the countryside and preserve the tourist potential of the islands; increase the environmental sustainability through farming, by encouraging management practices that adopt measures required for climate change mitigation, thus leading to the sustainable use of natural resources; enhance and protect biodiversity; conserve the rural character and landscape; integrate environmental concerns in agriculture through the implementation of more sustainable environmentally viable practices that are conscious and respectful of their interdependence with the natural environment; and contribute directly to the management of Natura 2000 sites with the objectives of safeguarding habitat types and species. The quantitative and qualitative result targets contained in the measures for axis 2 include: 293 ha under successful land management contributing to biodiversity (measure 214); 8075 ha supported to limit land abandonment (measure 212). 30 ha under organic farming (measure 214).

No modifications were made to axis 2 following the 2009 RDP update.

**Axis 2 indicative budget breakdown by measure: Total allocated budget (including national public funds + EAFRD + private funds) of € 25,025,000<sup>4</sup>**

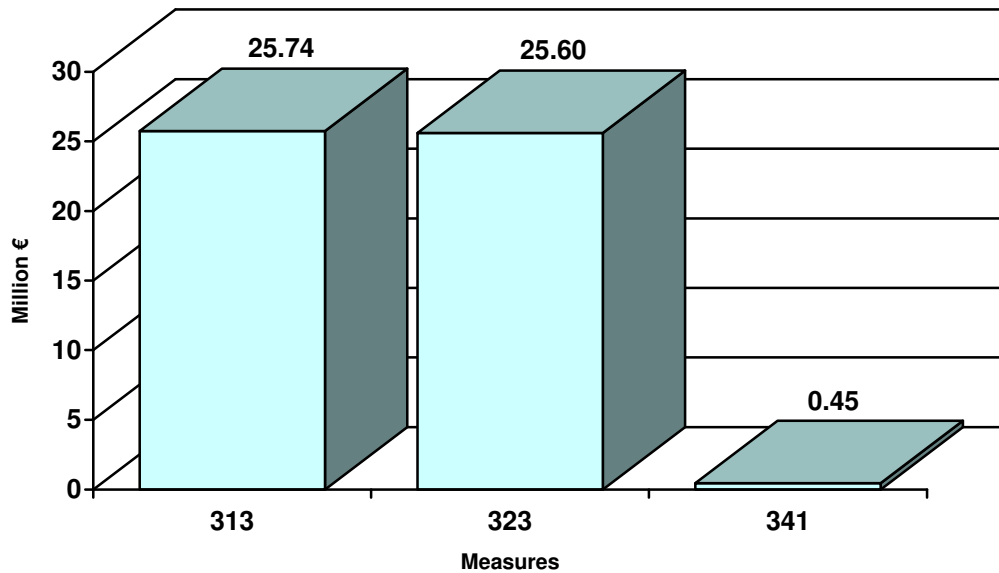


**Axis 3 objectives: Quality of life in rural areas and diversification of the rural economy**

The main objective for axis 3 is to improve the quality of life in rural areas through the enhancement of natural and cultural heritage. Combined with developing synergies of employment and growth policies, priorities targeted under this axis, aim to the rehabilitation, enhancement, improved management and protection of natural, cultural and landscape heritage as means of economic and social regeneration. By exploiting these assets, through the encouragement of sustainable tourism, recreation and leisure activities that make use of the abundant resources in the countryside, the wider rural economy will be improved. Such opportunities create a greater awareness of the local rural resource and of the need for their conservation, thus ensuring that local rural areas under increasing pressure from urban centres are preserved. The quantitative and qualitative result targets contained in the measures for axis 3 include: 95 new tourist jobs created (measure 313); 257000 residents in rural areas benefiting from improved rural services (measure 323); 5 public/private partnerships supported for developing local development strategies (measure 341).

No modifications were made to axis 3 following the 2009 RDP update.

**Axis 3 indicative budget breakdown by measure: Total allocated budget (including national public funds + EAFRD + private funds) of € 51,786,667<sup>5</sup>**



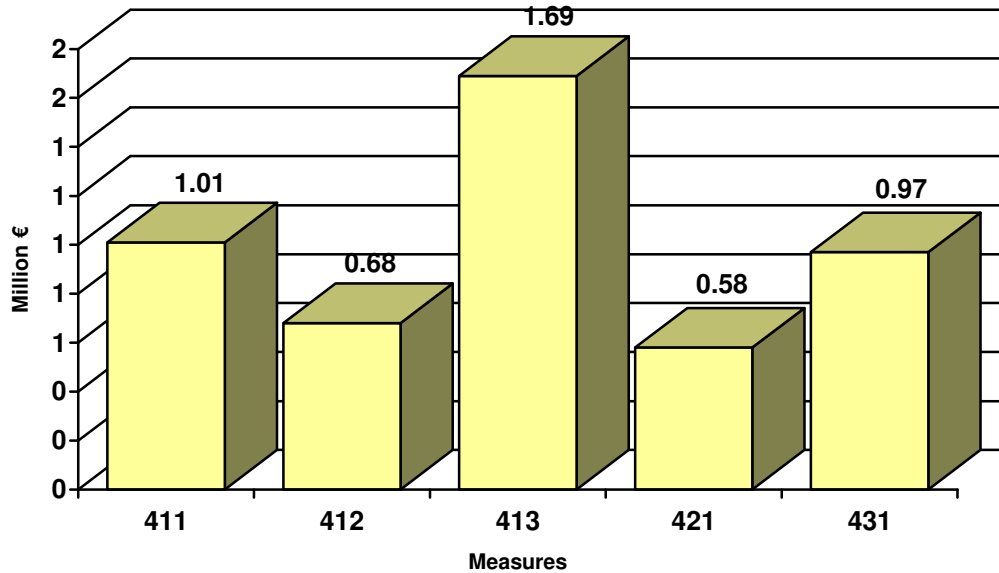
**Axis 4 objectives: Leader**

The main priority under axis 4 is support for local development strategies that promote quality of life actions and diversification of rural activities (measure 413 which accounts for over 60% of the total axis budget allocation). Other support is targeted at the implementation of competitiveness actions; improvements to the environment and land management practices to be supported through local development strategies. Result targets include value added targets linked to increases in competitiveness; and target numbers of participants that successfully completed training activities.

Number of LAGs operational in the RDP areas as of March 2010 was three.

No modifications were made to axis 2 following the 2009 RDP update.

**Axis 4 indicative budget breakdown by measure: Total allocated budget (including national public funds + EAFRD + private funds) of €4,925,000**



### Monitoring and evaluation strategy

The Monitoring Committee, which is chaired by the head of the Paying agency, and composed of various stakeholders including economic and social partners, local public authorities and NGOs representing various interests including environmental bodies, will be responsible for overseeing the monitoring and evaluation systems which will assess the progress of the implementation of the RDP. The monitoring and evaluation system is based on the EU, Common Monitoring and Evaluation Framework (CMEF), and will include additional indicators to assess specific local factors. Monitoring will be conducted on an ongoing basis through the summarisation of monitoring results of output and result indicators, which will form the basis of the annual progress reports. Independent mid-term and ex-post evaluations together with strategic monitoring report/summary report will also be delivered. A specific IT system will be used to collect data relating to each indicator from the applications for RDP support as well as from targeted studies and thematic groups.

### Communication and publicity

The aim of the communication strategy is to inform all the different stakeholders as well as the general public about the RDP. The communication strategy will seek to increase awareness about the launching of the programme; its overall scope and objectives as well as its funding opportunities. Another stream of publicity will provide to the interested stakeholders with more specific details about the programme's structure; its specific measures and actions; its administrative procedures to be followed to qualify for financing; the procedures to be followed in examining applications; the eligibility conditions and the criteria for selecting and evaluating projects. The target groups include potential beneficiaries, professional organisations, economic and social partners, agricultural cooperatives and public authorities. The communication strategy will be implemented through various means depending on the relevant target group but includes websites, seminars and workshops, press releases, publications, newsletters and TV and radio broadcasts.



## Annex I – measure

Measures selected by the RDP		Measures selected by the updated RDP
------------------------------	--	--------------------------------------

<b>Axis 1 - Improving the competitiveness of the agricultural and forestry sector</b>	<i>Promoting knowledge and improving human potential</i>	<b>111</b>	Vocational training and information actions
		<b>112</b>	Setting up of young farmers
		<b>113</b>	Early retirement
		<b>114</b>	Use of advisory services
		<b>115</b>	Setting up of management, relief and advisory services
	<i>Restructuring and developing physical potential and promoting innovation</i>	<b>121</b>	Modernisation of agricultural holdings
		<b>122</b>	Improvement of the economic value of forests
		<b>123</b>	Adding value to agricultural and forestry products
		<b>124</b>	Cooperation for development of new products, processes and technologies in the agriculture and food sector and in the forestry sector
		<b>125</b>	Infrastructure related to the development and adaptation of agriculture and forestry
		<b>126</b>	Restoring agricultural production potential
	<i>Quality of agricultural production and products</i>	<b>131</b>	Meeting standards based on EU legislation
		<b>132</b>	Participation of farmers in food quality schemes
		<b>133</b>	Information and promotion activities
<i>Transitional measures</i>	<b>141</b>	Semi-subsistence farming	
	<b>142</b>	Producer groups	
	<b>143</b>	Providing farm advisory and extension services	
<b>Axis 2 - Improving the environment and the countryside</b>	<i>Sustainable use of agricultural land</i>	<b>211</b>	Natural handicap payments to farmers in mountain areas
		<b>212</b>	Payments to farmers in areas with handicaps, other than mountain areas
		<b>213</b>	Natura 2000 payments and payments linked to Directive 2000/60/EC
		<b>214</b>	Agri-environment payments
		<b>215</b>	Animal welfare payments
		<b>216</b>	Non-productive investments
	<i>Sustainable use of forestry land</i>	<b>221</b>	First afforestation of agricultural land
		<b>222</b>	First establishment of agroforestry systems on agricultural land
		<b>223</b>	First afforestation of non-agricultural land
		<b>224</b>	Natura 2000 payments
		<b>225</b>	Forest-environment payments
		<b>226</b>	Restoring forestry potential and introducing prevention actions
		<b>227</b>	Non-productive investments
<b>Axis 3 - Quality of life in rural areas and diversification of the rural economy</b>	<i>Diversify the rural economy</i>	<b>311</b>	Diversification into non-agricultural activities
		<b>312</b>	Support for business creation and development
		<b>313</b>	Encouragement of tourism activities
	<i>Improve the quality of life in rural areas</i>	<b>321</b>	Basic services for the economy and rural population
		<b>322</b>	Village renewal and development
		<b>323</b>	Conservation and upgrading of the rural heritage
		<b>331</b>	Training and information
<b>Axis 4 - Leader</b>	<i>Implementing local development strategies</i>	<b>341</b>	Skills-acquisition and animation measure with a view to preparing and implementing a local development strategy
		<b>411</b>	Competitiveness
		<b>412</b>	Environment/land management
		<b>413</b>	Quality of life/diversification
		<b>421</b>	Implementing cooperation projects
		<b>431</b>	Running the local action group, skills acquisition, animation