



Factsheet on 2014-2022 Rural Development Programme for Malta

The Rural Development Programme (RDP) for Malta was formally adopted by the European Commission on 24 November 2015, outlining Malta's priorities for using the € 196 million of public money that is available for the 9-year period 2014-2022 (€ 149 million from the EU budget and € 47 million of national co-funding). The latest RDP amendment, adopted on the 14 April 2023, introduced exceptional, temporary support to farmers particularly affected by the impact of Russia's invasion of Ukraine.

Malta's RDP is putting particular emphasis on actions related to restoring, preserving and enhancing ecosystems, resource efficiency and climate and improving the competitiveness of the farm and forestry sectors. 8% of agricultural land will come under management contracts supporting biodiversity, almost 3% of the agricultural land is expected to come under management contracts supporting better water management and nearly 3% of the agricultural land will be under contracts to improve soil management. Under resource efficiency and climate around € 3 million public and private investment is foreseen in renewable energy production and 354 Ha of irrigated land switching to more efficient irrigation system. The Maltese RDP aims to target 16% of Livestock Units through investments in livestock management in order to reduce greenhouse gas and ammonia emissions from agriculture. The RDP will also pursue carbon conservation and sequestration by supporting 5.3% of agricultural land. Finally, to improve the competitiveness of farmers, 166 farms will receive support to restructure or modernise their farms and 95 young farmers will be granted business start-up aid.

Support for Rural Development is the 2nd Pillar of the Common Agricultural Policy, providing Member States with an envelope of EU funding to manage nationally or regionally under multi-annual, co-funded programmes. In total, 118 programmes are foreseen in all 28 Member States¹. The new RD Regulation for the period 2014-2022 addresses six economic, environmental and social priorities, and programmes contain clear targets setting out what is to be achieved. Moreover, in order to coordinate actions better and maximise synergies with the other European Structural & Investment Funds (ESIF), a Partnership Agreement has been agreed with each Member State highlighting its broad strategy for EU-funded structural investment.

This document provides a brief overview of how the challenges and opportunities Malta are facing are addressed by the RDP. In the annex, a table indicates the priorities and focus areas each with their specific targets, and their allocated budgets.

¹ The UK left the Union on 31 January 2020; in accordance with the Withdrawal Agreement support under Rural Development continues to apply in the UK during the 2014-2020 programming period.

1. SITUATION AND KEY CHALLENGES

Malta is the smallest country in EU (0.005% of the total EU 28 area). The total area adds up to just 316 km². There is one geographical region at NUTS II level, split into two NUTS III regions, subdivided into 6 districts and 68 localities. Of these, 46 classify as rural. Rural areas account for 91% of the island's territory and are home to 64% of the total population. There are no lakes, rivers or mountains and all areas constitute a continuum from urban to rural.

Agriculture as a whole contributed 1.6% to Malta's GDP² and 1.3% to its GVA³ in 2012. The economic importance of the sector is significant in respect of its contribution to Malta's food and drink economy and as a provider of employment, particularly part-time employment, across the islands. Agriculture is the largest land user on the islands, accounting for around 47% of total land surface, although Malta also has an unusually high proportion of developed land – at 29% of the total. Other land use categories are natural areas at around 23% and woodland at less than 1%. The 2010 Agricultural Census for Malta recorded a total of 12 529 holdings. The average farm holding size in hectares is around 0.9 ha, a figure which has remained the same for a decade. 73% of all farm holdings (just over 8 000) have less than one hectare of land. In 2010, 79% of the UAA⁴ was in arable land; 11% in permanent crops and the remaining 10% in kitchen gardens.

Water supply and diffuse water pollution from agriculture are critical issues for Malta, both currently and for the future, particularly in the context of anticipated climate change and demographic pressures and challenges. The state of Malta's water resources is among the most stressed in the world. Another critical point concerns Malta's heavy reliance on imported fuel for its energy needs.

2. HOW MALTA'S RDP WILL ADDRESS THESE CHALLENGES

In addressing these challenges, Malta's RDP will fund operations under all six Rural Development priorities, with a particular emphasis on Restoring, preserving and enhancing ecosystems related to agriculture as well as improving the competitiveness of the farm sectors and promoting social inclusion and economic development in rural areas. The focus of each priority is explained briefly below.

Knowledge transfer and innovation in agriculture, forestry and rural areas

Malta is attaching importance to this priority through training and advisory initiatives. Knowledge transfer will address the training, coaching, information and advisory needs of the agricultural, food and forestry sectors as well other land holder and SMEs in rural areas, in particular related to sustainable agricultural and forestry practices, regulatory issues, innovation and technology, quality products and diversification. 7 200 places are available in training courses.

Five projects will be supported to strengthen the link between agriculture, food and forestry sectors and research and the programme will implement the European Innovation Partnership.

Competitiveness of agri sector and sustainable forestry

Given the ageing farmer population and the small size of farms, the RDP will support the start-up of 95 young farmers and investments and modernisation in more than 166 farms, with a specific emphasis on investments in infrastructure – in particular through the upgrading of rural roads – as a means to increase competitiveness. The sustainability of agricultural production is taken into account also by promoting sustainable investments beneficial to the environment and an efficient use of renewable energy

² Gross Domestic product

³ Gross Value Added

⁴ Utilized Agricultural Area

resources through investments. Farm restructuring will target the horticulture sector and livestock farming.

Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture

Under this priority, Malta will support the promotion of quality products and the participation of farmers in quality schemes: the RDP is expected to support 66 farms to participate in quality schemes. The RDP will also support the development and strengthening of supply chains, including short supply chains and local markets, in order to enlarge the market for regional products and ensure a higher added value to the farmer's production resulting in a higher income for the farmer.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Under this priority, Malta will focus on environment-friendly farm investments and management procedures, with a particular emphasis on quality of water: 3% of agricultural land will be under contracts to improve water management. The problem of water erosion will be tackled by placing 3% of the agricultural land under management contracts combating soil erosion. Moreover, 8% of agricultural land will be under management contracts supporting biodiversity. € 29 million the allocated amount under this priority will be used for area-based payments to farmers for using environment/climate-friendly land management practices, including organic farming, support to areas facing natural constraints. 330 hectares of farmland will receive support to either convert or maintain organic farming.

Resource efficiency and climate

Under this priority, Malta aims to target 16% of Livestock Units through investments in livestock management in order to reduce greenhouse gas and ammonia emissions from agriculture. The RDP will also pursue carbon conservation and sequestration on 5.3% of the agricultural land. Renewable energy production is supported by € 3 million of the public and private budget.

Social inclusion and local development in rural areas

The Maltese RDP pays attention to social inclusion and economic development in rural areas, which are promoted by supporting farm and business development including also training in technological and ITC sector. The whole rural population of Malta will be covered by local development strategies, which will be developed by 3 LEADER Local Action Groups. Supported projects facilitating diversification, creation and development of small enterprises are expected to create 28 new jobs.

The four **biggest RDP measures** in budgetary terms (total public funding) are:

- € 116 million allocated to measure 4 (Investments in physical assets)
- € 15.5 million allocated to measure 13 (Payments to areas facing natural or other constraints)
- € 13.8 million allocated to measure 10 (agri-environment-climate)
- € 9.9 million allocated to measure 6 (Farm / business development)

Annex 1: Indicative public support for the Rural Development Programme in Malta

Target	Measure	€ Total public	%
Priority1: Knowledge transfer and innovation in agriculture, forestry and rural areas⁵			
1A: Fostering innovation, cooperation, knowledge base 6.38 % of RDP expenditure	01 knowledge		
	02 advisory		
	16 cooperation		
1B: Strengthening links (with research etc.) 5 cooperation projects	16 cooperation		
1C: Training 7 200 participants trained	01 knowledge		
Priority 2: Farm viability, competitiveness and sustainable forest management		45 671 358	23.29
2A: Economic performance, restructuring & modernisation 1.32 % of holdings with RDP support	02 advisory	200 000	0.10
	04 investments	35 645 094	18.18
	M22 Impact of Russia's invasion of Ukraine	2,200,000.00	1.12%
2B: Generational renewal 0.72 % of holdings with RDP supported business development plan/investments for young farmers	02 advisory	200 000	0.10
	04 investments	759 597	0.39
	06 farm / business development	6 666 667	3.40
Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management		8 604 879	4.39
3A: Improving competitiveness of primary producers 1.36 % of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations 25 operations supported under M4.2 contributing to FA 3A	03 quality schemes	813 170	0.41
	04 investments	7 166 708	3.65
	16 cooperation	625 000	0.32

⁵ No financial allocation shown for Priority 1 as the expenditure is distributed across other focus areas.

Priority 4: Restoring, preserving and enhancing ecosystems in agriculture and forestry⁶		66 608 326	33.97
4A Biodiversity 8.74 % of agricultural land under contracts	01 knowledge	1 760 000	0.90
	02 advisory	1 050 000	0.54
4B Water management 2.98 % of agricultural land under contracts	04 investments	26 908 690	13.72
	08 forest	4 173 333	2.13
4C Soil erosion and management 2.98 % of agricultural land under contracts	10 AEC	12 556 079	6.40
	11 organic farming	1 016 000	0.52
	13 ANC	15 502 714	7.91
	16 cooperation	3 641 510	1.86
Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors		55 646 373	28.38
5A Water efficiency 12.51 % percentage of irrigated land switching to more efficient irrigation system	01 knowledge	1 760 000	0.90
	02 advisory	350 000	0.18
	04 investments	42 921 356	21.89
	16 cooperation	250 000	0.13
5B Energy efficiency Total investment for energy efficiency € 759 597	01 knowledge	440 000	0.22
	02 advisory	350 000	0.18
	04 investments	379 798	0.19
5C Renewable energy Total investment in renewable energy production € 3 038 387	04 investments	1 519 194	0.77
	16 cooperation	600 000	0.31
5D Reducing GHG and NH3 16.09 % of LU concerned by investments in live-stock management in view of reducing GHG and/or ammonia emissions	01 knowledge	220 000	0.11
	02 advisory	350 000	0.18
	04 investments	1 044 446	0.53
5E Carbon conservation / sequestration 5.31 % of agricultural and forest land under management contracts contributing to carbon sequestration and conservation	08 forest	4 173 333	2.13
	10 AEC	1 288 246	0.66

⁶ Expenditure under Priority 4 is programmed for the priority as a whole, not for individual focus areas

Priority 6: Social inclusion, poverty reduction and economic development in rural areas		11 291 770	5.76
6A Diversification, SMEs and job creation 28 jobs created in supported projects	M06 Farm / business development	1 078 437	0.55
	16 Cooperation	250 000	0.13
6B Fostering local development 99.97 % of rural population covered by local development strategies 10 jobs created (via LEADER)	16 Cooperation	250 000	0.13
	19 LEADER and CLLD	9 493 333	4.84
6C ICT 20% of total public expenditure allocated for ICT actions/interventions	01 Knowledge	220 000	0.11
Technical Assistance		8 278 973	4.22
Total public expenditure €		196 101 681	100