CAP Strategic Plan

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Type of modification

Amendment

General information on the request for amendment

Expected impact of the changes to the plan on achieving the specific objectives

This CAP SP amendment mainly aims to introduce budgetary amendments under Direct Payments and Rural Development interventions taking into account the demand and needs of the agriculture sector as reflected in the resulting uptake and budgetary commitment of calls issued.

The budgetary shifts being proposed for 2026 as mainly related to Land Based Management Commitments, Off-Farm Infrastructure Investments, Setting up of Young Farmers, Organic Farming and on-Farm Productive Investments aim to further facilitate the achievement towards the environmental and climate- related SOs, and aim to provide additional funding alternatives to farmers. Through this amendment, budgetary shifts will also be made under Non-Productive Investments (On-Farm and Off-Farm) taking into consideration the needs of the local context. The overall budget for Pillar I and Pillar II interventions will remain unchanged.

Other amendments, as described in this document are not expected to impact the Plan's contribution to the Specific Objectives or the total budget allocation (EU share).

Type of amendment

☐Revision of planned outputs or setting/revision of reduction coefficients referred to in Articles 11(1) and (5) of Regulation (EU) 2021/2115
☐Changes related to conditionality referred to in Articles 12 and 13 of Regulation (EU) 2021/2115
☐Transfer related to degressivity and capping referred to Article 17(5) of Regulation (EU) 2021/2115
☐Changes of interventions in certain sectors referred to in Article 42 of Regulation (EU) 2021/2115
☐Allocation of an amount to be contributed to InvestEU referred to in Article 81 of Regulation (EU) 2021/2115
☐Changes following a review of decisions to use allocations for direct payments for interventions in certain sectors, referred to in Article 88(7) of Regulation (EU) 2021/2115
☐Transfers of allocations from EAFRD to direct payments, referred to in Article 103 of Regulation (EU) 2021/2115
☑Changes to elements related to types of intervention for direct payments laid down in Title III, Chapter II of Regulation (EU) 2021/2115
☐Addition of missing elements in an approved CAP Strategic Plan referred to in Article 118(5) of Regulation (EU) 2021/2115
☑Changes to interventions for rural development laid down in Title III, Chapter IV of Regulation (EU) 2021/2115 other than those referred to in Article 119(9) of that Regulation
☐Changes to interventions for rural development laid down in Title III, Chapter IV of Regulation (EU) 2021/2115 referred to in Article 119(9) of that Regulation
☐Changes due to review of CAP Strategic Plans referred to in Article 120 of Regulation (EU) 2021/2115

Further cases referred to in Article 4(1) of Regulation (EU) 2023/370 (one or more options are possible)

☐Changes due to emergency measures necessary to address natural disasters, catastrophic events or adverse climatic events formally recognized as such by the competent national public authority, or modifications due to a significant and sudden change in the socioeconomic conditions of the Member State
☐Changes necessary following changes to Union legislation, other than those referred to in Article 120 of Regulation (EU) 2021/2115 or changes necessary following decisions of the Courts of the European Union
☐Changes following exceptional measures adopted pursuant to Articles 219, 220 or 221 of Regulation (EU) No 1308/2013

☑Changes necessary due to introduction of financial instruments referred to in Article 58 of Regulation (EU) 2021/1060 or their modifications
☐Changes due to an automatic decommitment for the CAP Strategic Plans referred to Article 34 of Regulation (EU) 2021/2116
☐Changes pertaining to interventions under Title III, Chapter IV of Regulation (EU) 2021/2115 referred to in Article 119(9) of that Regulation
☑Amendment covering other elements of CAP Strategic Plans than those laid down in points above

Detailed information on the specific elements of each modification

Chapter 2, Chapter 5 Section 5.1, Chapter 6- Budget transfers from DP ECO - Biodeg Mulch- Direct Payments (Eco-scheme: Biodegradable mulch) to DP ECO-IPM -Direct Payments (Eco-scheme: IPM)

Reasons that justify the change

This amendment addresses a shift in budget of €12,100, comprising the allocations for Financial Year (FY) 2026, FY2027 and FY2028 from Eco-Scheme- Biodegradable Mulch to Eco-Scheme - Integrated Pest Management.

The market reaction to the scheme which had been expected at the programming stage did not materialise. In this respect, the budget for FY2026-FY2028 under BioMulch is being transferred to ECS IPM to reflect demand accordingly. The lack of uptake under ECS BioMulch was due to several obstacles faced by suppliers of bio-mulch, in that the local conditions did not permit adequate stocking of the materials needed, resulting in low supply and consequently, low uptake and interest. Therefore, it is more beneficial to reinforce success in other ESs by shifting the budget of a non-performing ES to more popular ones.

Expected effects of the change

This shift should strengthen efforts to achieve the related environmental and climate specific objectives through redistribution of funds from this intervention towards ECO-IPM -Direct Payments (Eco-scheme: IPM) and incentivise Eco-Scheme/Greening budget uptake.
The exact date from which these changes are intended to take effect shall be the 1st January 2026.

The impact of the change on targets and indicators

This budgetary shift will result in proportional decrease and increase in RI values linked with ECS Bio-Mulch and IPM.

The impact of the change on the financing plan

The overall financial allocation to Pillar I will not be impacted. This amendment reflects the shift of budgetary allocation from ECS Bio-Mulch to ECS IPM.

Chapter 2, Chapter 5 Section 5.3 & Chapter 6 - RD INSTAL YF - Setting up of young farmers

Reasons that justify the change

a) An ex-ante assessment, in line with Article 58, paragraph 3 of Regulation 2021/1060, was carried out in relation to the planned financial instrument. The ex-ante assessment concluded that a financial instrument would be ineffective in bridging the gap between the high price of land and the financial capabilities of most agricultural operators, particularly young farmers, reducing the potential viability of a financial instrument aimed at supporting young farmers in land acquisition. The ex-ante assessment therefore concluded that the proposed financial instrument aimed at young farmers for the acquisition of land is not viable. In this regard, it is being proposed to re-allocate the funds allocated to this financial instrument (€1.2M, EU share) to other interventions of the CAP SP, half of which will be shifted to the Setting up of Young Farmers (Grant).

b) Under the Setting up of Young Farmers (Grant), a total of 77 applications were received, requesting circa €6.2M which budget exceeds the budgetary allocation of this intervention. This amount assumes that each awarded applicant will be allocated €80,000, however, as noted in the respective guidance notes, a top-up of up to €20,000 can be granted to those applicants that reach and exceed certain categories (Legal Notice 122 of 2024, AGRICULTURE ACT(CAP. 639) Categorisation of Farmers Regulations). The total grant will not exceed the regulatory capping of €100,000. To this extent circa €0.6M are being shifted from the Setting up of young farmers (Financial Instrument) to further support generational renewal within the local agricultural sector towards Grants. Increasing the budget allocated towards grant support aims to further support generational renewal within the local agricultural sector, the importance of which has also been highlighted in the Commission Communication on the Vision for Agriculture and Food.

Expected effects of the change

This amendment aims to transfer the budget allocated to this financial instrument to RD INSTAL YF Unit - Unit Amount for the Setting up of Young Farmers (€0.6mn EU share) and On-Farm Productive Investments (€0.6mn EU share), where commitment levels already exceed budget available. Reference to the Financial Instrument has been removed from the CAP SP including in Chapter 2 and Chapter 5 since this will not be implemented taking into account the results of the ex-ante assessment. Reference to the financial instrument has been updated in Section 4.6 to make reference to the outcome of the ex-ante assessment.

The impact of the change on targets and indicators

R.36/37 will not be impacted as more young farmers than original planned are expected to be supported under the Setting up of Young Farmers (Grant), thus balancing out the decrease due to the shift of funds from the financial instrument. The 9 young farmers currently planned to be supported through the FI will now be supported through the grant element. The budgetary shift towards the On-Farm Productive Investments (€0.6mn EU share) will result in proportional increase in the related indicators.

The impact of the change on the financing plan

This amendment aims to transfer the budget allocated to this financial instrument to RD INSTAL YF Unit - Unit Amount for the Setting up of Young Farmers (€0.6mn EU share) and On-Farm Productive Investments (€0.6mn EU share), where commitment levels already exceed budget available.

Chapter 2, Chapter 5 Section 5.3 & Chapter 6 - RD OnFarm NP Invest - On-Farm Non-Productive Investments: Budget allocation reduction of c.€0.7M (EU share).

Reasons that justify the change

This amendment aims to address the needs of the changing context whereby following the closure of the three (3) calls issued, no eligible applications were received. In this regard, this amendment aims to transfer the unutilised budget of circa €0.7M (EU share) from the €1M (EU share) originally allocated under this intervention to the RD Off Farm NP INVST - Off-farm Non-Productive Investments and Afforestation intervention, where the budget requested significantly exceeds the financial allocation.

Expected effects of the change

a) This amendment aims to transfer part of the budget allocated to this intervention to RD Off Farm NP INVST- Off-farm Non-Productive Investments and Afforestation intervention, where commitment levels already exceed budget available.

b) Taking into consideration the reduced budget, the planned outputs for this intervention as well as the planned unit amounts have been amended proportionally.

The impact of the change on targets and indicators

Bearing in mind that the demand for this intervention has not materialised, this budgetary shift results in a proportional decrease in related output values as well as reduced result indicator milestones and target values for R. 32, whereby in total 9 operations may be supported.

The impact of the change on the financing plan

This amendment aims to transfer part of the budget allocate of c.€0.70M (EU share) to this intervention to RD Off Farm NP INVST- Off-farm Non-Productive Investments and Afforestation intervention, where commitment levels already exceed budget available.

Chapter 2, Chapter 5 Section 5.3 & Chapter 6 - RD Off Farm NP INVST - Off-farm Non-Productive Investments and Afforestation - Budgetary increase of circa €0.7MN (EU share)

Reasons that justify the change

a) This amendment aims to address the envisaged ambition for this intervention including the support of carry-over expenditure related to Measure 8.5 under the RDP. To this end circa €0.7MN are being transferred from the RD OnFarm NP Invest - On-Farm Non-Productive Investments towards this intervention.

b) Planned Unit Amounts for carry-over of expenditure related to commitments under M4.4 and M8.5, output values and carry-over expenditure have also been included accordingly.

Expected effects of the change

This amendment is expected to increase the budgetary allocation towards this intervention while also linking RDP M4.4 and M8.5 carry-over expenditure incurred after 31 December 2025 to this intervention in line with C/2025/3947.

The impact of the change on targets and indicators

Proportional increases in outputs related to carry-over expenditure under M.4.4 and M8.5. In this respect, R.27 will be positively impacted.

The impact of the change on the financing plan

The budget allocated towards RD Off Farm NP INVST - Off-farm Non-Productive Investments and Afforestation will be increased by circa €0.7M (EU share). Carry-over expenditure has also been identified in line with operations linked to M4.4 and 8.5.

Chapter 2, Chapter 5 Section 5.3 & Chapter 6 - RD Off-Farm INFRA - Off Farm Investments – Infrastructure: Budgetary transfer of c. €4.8M (EU share) to AECC Implementation of soil management and conservation plan on a parcel (SMP)

Reasons that justify the change

a) This amendment aims to address the needs identified as a result of the changing context whereby less financial resources are required under the Off Farm Investments – Infrastructure intervention. As also noted in this document, additional financial resources are required under the RD MANG COMT - Land Based management commitments intervention (AECC SMP- Implementation of soil management and conservation plan on a parcel) towards which this budgetary transfer is being made. Therefore, the unutilised budget allocated under RD Off-Farm INFRA - Off Farm Investments – Infrastructure, amounting to c.€4.8M (EU share) is being transferred mainly towards higher AECC ambition.

b) Planned unit amounts have also been introduced for FY2026 and FY2028 to align with the partial outputs introduced for this intervention, which total output has decreased by one (1) operation taking into account the reduced budget. Similarly, the value of the maximum planned average unit amount has also been decreased from 15MN EUR to 13.2MN EUR and also introduced for FY2026 and FY2028.

c) Planned Unit Amounts for M4.3 carry-over operations, output values and carry-over expenditure have also been included accordingly.

Expected effects of the change

This amendment aims to transfer part of the budget allocated to this intervention to Land Based management commitments, where commitment levels already exceed budget available. It also aims to align the financial plan with amendments related to the carry-over mechanism under this intervention

The impact of the change on targets and indicators

Although this budgetary transfer will result in a proportional decrease in R.27- Environment-/climate-related performance through investment in rural areas: Number of operations contributing to environmental sustainability, climate mitigation and adaptation goals in rural areas (reduction of 1 operation) as one CAP SP operation is expected to be supported in line with the reduced budget, this will be counterbalanced by the increase of two RDP carry-over operations under this intervention. Thus R.27 will be positively impacted. Moreover, the shift in budgetary allocation towards other interventions will positively impact the related indicators.

The impact of the change on the financing plan

The overall impact on the financing plan relates to the transfer of c.€4.8M (EU share) from this intervention towards RD MANG COMT - Land Based management commitments (AECC SMP-Implementation of soil management and conservation plan on a parcel), as well as the introduction of carry-over expenditure.

Chapter 2, Chapter 5 Section 5.3 & Chapter 6 - RD On-farm Invest P. - On-farm Productive Investments: increase in budgetary allocation by circa €0.6M (EU share).

Reasons that justify the change

This amendment aims to address the needs identified following issuance of the respective calls under this intervention which reflect additional budgetary support required to ensure enhanced support towards farmers. To this end, circa €0.6M (EU share) is being transferred from RD INSTAL YF- Setting up of Young Farmers (Financial Instrument) to this intervention.

Expected effects of the change

This amendment is expected to increase the budgetary allocation towards this intervention.

The impact of the change on targets and indicators

Proportional increases in relation to budgetary allocation increase as linked to output and related result indicators. Result indicator milestone and target values for R. 3 Share of farms benefitting from support to digital farming technology through CAP and R.9 Farm modernisation: Share of farms receiving investment support to restructure and modernise, including to improve resource efficiency have increased proportionally in line with the applicable indicator methodology.

The impact of the change on the financing plan

The budget allocated towards RD On-farm Invest P. - On-farm Productive Investments will be increased by €0.6M (EU share).

Chapter 2, Chapter 5- Section 5.3 & Chapter 6- ENVCLIM(70) - Environmental, climate-related and other management commitments intervention: Increase in budget allocation for RD MANG COMT - Land Based management commitments

Reasons that justify the change

This amendment aims to address the needs identified following the first three payment claim campaigns which resulted in additional funds requested, exceeding the original planned budget allocated for this intervention. Overcommitment towards this intervention currently stands at c.€13.0M (EU share).

Expected effects of the change

This amendment is expected to increase the budgetary allocation towards AECC - Implementation of soil

management and conservation plan on a parcel (SMP), to ensure that commitments made can be respected and the needs identified are addressed.

The impact of the change on targets and indicators

In view of the increased financial allocation, the related indicator milestone values and targets shall increase proportionally, therefore enhancing contribution towards the relevant Specific Objectives. R.14, R.19 and R.23 are thus positively impacted.

The impact of the change on the financing plan

The budget allocated towards ENVCLIM(70) - Environmental, climate-related and other management commitments intervention will be increased by circa €5.9M (EU share).

Chapter 2, Chapter 5- Section 5.3 & Chapter 6- RD- Organic - Organic Farming Scheme: Budgetary shift of c.€1.1mn (EU share) towards RD MANG COMT - Land Based management commitments: AECC SMP

Reasons that justify the change

Based on current commitments and forecasts, it is estimated that c.€0.7M (EU Share) will be disbursed by the end of the programming period. This amendment addresses the need to redistribute MT's financial resources under this intervention based on realities faced noting that more hectares are planned to be maintained under organic farming commitments rather than converted, from those envisaged at programming stage. Moreover, the uptake is foreseen to be more gradual (distribution spread across more years) than previously envisaged and thus this distribution is expected to gradually increase from FY2026 onwards rather than FY 2024/FY2025. Bearing in mind this redistribution and noting that lesser support rates are applicable for maintenance of organic farming which rates are even lower in the case of maintenance of perennials, this substantially decreases the required financial allocation for this intervention. In this respect, however, the reduced budget is not expected to impact MT's set target value of 2.54%.

Malta remains committed to the EU's sustainability objectives and recognises organic farming as a key enabler of environmental and social transformation. The application campaign in relation to organic is expected to continue being re-launched every year and any new eligible applicants will be contracted. The CAP Funding Authorities will endeavour to continue disseminating information in relation to this intervention, to attract further applicants. Despite this, it is being envisaged that not all of the budget allocated to this intervention can be committed, therefore, the budget allocated towards this intervention is foreseen to be transferred mainly towards AECC -Implementation of soil management and conservation plan on a parcel with higher uptake (SMP).

The reallocation of funds from the organic intervention is intended to optimise fund utilisation across interventions, without undermining the strategic importance Malta places on organic farming. More importantly, this request for reallocation is being paired with a renewed focus on complementary actions (AECC SMP) aimed at unlocking the potential of the organic sector—particularly in areas where financial support alone has proven insufficient. In this regard, at this stage MT is revisiting its methodology applied for this intervention to address the current state-of-play while aiming to still address the needs of the local sector related to environmental and climate related objectives through the budgetary shift of circa €1.1 MN (EU Share) from organic to AECCs, towards RD MANG COMT - Land Based management commitments: AECC Implementation of soil management and conservation plan on a parcel (SMP). By redistributing resources from Organic farming to the AEEC SMP, support will still be provided to:

- The improvement of soil health and fertility through reduced chemical input and enhanced biological activity: Reduced chemical input will result in reduced nitrates levels in the soil.
- Sustainable agriculture aligned with the European Green Deal and Farm to Fork strategies
- The promotion of environmental resilience, including water retention, carbon storage, and biodiversity

In this respect the budgetary shift from organic farming towards AECC SMP aligns with Malta's CAP SP needs to reduce chemical dependency, improve soil quality, and foster sustainable land management as linked with Specific Objectives 4 and 5. Both interventions also contribute to the following indicators:

- R.14 Share of utilised agricultural area (UAA) under supported commitments to reduce emissions or to maintain or enhance carbon storage (including permanent grassland, permanent crops with permanent green cover, agricultural land in wetland and peatland)
- R.19 Share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil quality and biota (such as reducing tillage, soil cover with crops, crop rotation included with leguminous crops)

Expected effects of the change

This amendment aims to transfer part of the budget allocated to this intervention towards AECC SMP of the CAP SP, where commitment levels already exceed budget available thus also targeting the needs of the local context.

The impact of the change on targets and indicators

The reduced budget is not expected to impact MT's set target value of 2.54%. Since financial resources are being redistributed across the years and between the sub-interventions supported. This however will impact the milestones values. In order to ensure alignment of redistributed financial resources across the years both under this intervention and under the AECC intervention, milestone values have been amended accordingly. Milestone values for additional result indicators linked with organic and with AECC SMP will also be proportionally increased/decreased (R.14, R.19, R.21, R.24, R.29, R.31) accordingly.

MT remains committed to achieving its target of 5% of utilised agricultural land (UAA) by 2030 as noted in its Organic Production Action Plan and Annex V of the CAP SP.

The impact of the change on the financing plan

This amendment aims to transfer c.€1.1mn (EU share) of the budget allocated to this intervention towards RD MANG COMT - Land Based management commitments: AECC Implementation of soil management and conservation plan on a parcel (SMP), where commitment levels already exceed available resources.

Chapter 2, Chapter 5- Section 5.3, Chapter 6- Introduction of the Carry over mechanism to CAP SP Non-IACS Interventions (Art 155 of Regulation EU 2115/2021)

Reasons that justify the change

This amendment introduces the carry-over mechanism in the CAP SP in line with the provisions set in Article 155 (4) of Regulation EU 2115/2021, for a number of RDP measures. The CAP SP interventions for which this has been applied are:

- Off-Farm Infrastructure Rural Roads for Competitiveness
- Off Farm Investments – Infrastructure (water)
- Off-farm Non-Productive Investments and Afforestation

This amendment introduces specific unit amounts linked to carry-over commitments as well as the description of the related RDP measure in Chapter 5 under these interventions. Following the additional allocation of the transitional and EURI budget, Malta saw the sharpest increase under the RDP allocations, and thus this has resulted in increased commitments under these interventions which necessitates the introduction of the carry-over mechanism under the CAP SP to ensure the full absorption of these funds.

Expected effects of the change

Through this amendment, expenditure related to legal commitments to beneficiaries incurred under RDP measures may be eligible for an EAFRD contribution in the CAP SP period in line with the conditions set

out in Article 155 (4) of Regulation EU 2115/2021. The following RDP measures are being carried over as linked to existing CAP SP interventions mentioned above:

- **M4.3 – support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry**. Carryover support under this measure shall target operations supported under the RDP as linked to support for:
    - Off-farm infrastructure investment in the distribution of reclaimed water. as linked to CAP SP Off Farm Investments – Infrastructure (water) and,
    - Construction or improvement of farm access roads, as linked to the CAP SP Off-Farm Infrastructure Rural Roads for Competitiveness.

- **M4.4 - support for non-productive investments linked to the achievement of agri-environment-climate objectives.** Carry-over support under this measure shall target operations supporting the restoration of some key habitat types in Maltese farmed landscapes through non-productive investments including through the reconstruction and upgrading of rubble walls by public entities as well as operations targeting the conservation, restoration and rehabilitation of biodiversity and ecosystems as linked to Off-farm Non-Productive Investments in the CAP SP.

- **M8.5 Support for investments improving the resilience and environmental value of forest ecosystems**. Carry-over support under this measure shall primarily target operations contributing towards the Protection of habitats and biodiversity including, inter alia, fire prevention investments, investments in public amenity, support aimed at the achievement of commitments for environmental aims, for the provision of ecosystem services and/or for the enhancement of the public amenity value of forest and wooded land in the area concerned or the improvement of the climate change mitigation potential of ecosystems, without excluding economic benefits in the long term. Actions under operations carried over under this measure shall not support multi-annual maintenance support emanating from an RDP M8.5 commitment, nor the specific planting action (only) in case of new establishment of woodlands during the carry-over period i.e. after 1st January 2026. In accordance with Malta's Rural Development Programme 2014-2022, a forest area is defined as a land area of 0.5 ha or more, having a minimum tree cover of 10%. In this regard and in such instances, new planting of trees will not be considered eligible for carry-over if the site being targeted is not yet an established /existing woodland i.e. falls below the minimum parameters set for forest area definition in terms of tree cover. All other actions(as outlined above) remain, however, eligible even in such cases where the area in question falls below the forest threshold in terms of tree cover i.e. with the exception of planting per se and shall be deemed as eligible for support in line with Reg EU 2115/2021 Article 155 (4).

This amendment aims to maximise the use of available 2014-2022 RDP funding, thus minimizing the risk of unused EAFRD/EURI budget and ensuring smooth transition towards the 2023-2027 CAP SP. Planned Unit Amounts together with the related outputs for RDP carried-over operations have been included in the respective CAP SP interventions.

The impact of the change on targets and indicators

An increase in output and result indicator values for linked interventions, in line with guidance provided in the Q and A document pertaining to the Closure Guidelines of the RDP (Ref. Ares(2024)8570651).

The impact of the change on the financing plan

The amounts earmarked for carry-over have been reflected as necessary, in Chapter 5.3 of the CAP SP.

Chapter 2- Update to Result Indicator R.6PR (Redistribution to smaller farms)

Reasons that justify the change

R.6PR Redistribution to smaller farm is being recalculated with milestones and targets revised in line with EC feedback provided in the APR exercise on the methodology to be applied. This amendment aims to

address feedback provided during the APR 2024 exercise with respect to the methodological approach to be used for the calculation of R.6 which has changed from that adopted at Programming stage. MT notes that as per CION feedback received the revision in the milestones and targets of this result indicator should not impact Malta's CRISS exemption.

Expected effects of the change

Revised milestones and target values.

The impact of the change on targets and indicators

The change in the methodological approach to be used for the calculation of R.6 has resulted in a proportional decrease in the values for R.6.

The impact of the change on the financing plan

No impact

Chapter 4- Section 4.4.2 Structure, governance and operation of the National CAP Network: Update to text in view of delegated roles

Reasons that justify the change

The current text in this section has been updated given that the role of the Network Support Unit (NSU) has been delegated to the Agriculture Directorate, within the Ministry for Agriculture.

Expected effects of the change

This amendment aims to align the text of the CAP SP to recent developments with regards to the administrative set up of the CAP Network.

The impact of the change on targets and indicators

No impact

The impact of the change on the financing plan

No impact

Chapter 5 - Section 5.1, DP ECO-NPE - (Eco-scheme: Arable land for non-productive elements)

Reasons that justify the change

a) The text of the 3rd paragraph in the description of the "Specific design, requirements and eligibility conditions of the intervention" under DP ECO-NPE - (Eco-scheme: Arable land for non-productive elements) is to be modified as follows: "Farmers will be required to allocate a portion of their agricultural land for non-productive endeavours and/or new landscape features." This editorial change reflects the operational reality that the farmer is free to choose which portion of land to allocate for non-productive endeavours, as long as it meets the necessary area percentage. This also ensures simplified reporting in the AMS QA.

b) The text in the "Description of commitments for the eco-scheme" of the DP ECO-NPE - (Eco-scheme: Arable land for non-productive elements) is to be modified as follows: "The allocated portion shall be land lying fallow between 1st May and 15th October. Minimum activity is to be maintained during the scheme's implementation period. Minimum activity refers to the general maintenance of the land that keeps it suitable for cultivation." Reference to the text "Such activity must consist of tilling the land at least once a year and if trees are present on the holding these must be maintained in a good agricultural condition." has been removed.

c) Reference to the following text "(iii) is kept in good agricultural condition all year round" in terms of eligibility criteria to be complied with by eligible beneficiaries is being removed since maintaining the parcel in good agricultural condition is already covered by the definition of 'Eligible Hectare' under Chapter 4.1.3 of the CAP SP. In this regard, this criteria does not need not be listed as an eligibility

condition in this Chapter. Deleting this text would also ensure simplified reporting in the AMS QA. This is an editorial change.

Expected effects of the change

Simplification and clarification of eligibility conditions for beneficiaries; simplified reporting on AMS QA.
The exact date from which these changes are intended to take effect shall be the 1st January 2026.

The impact of the change on targets and indicators

No impact

The impact of the change on the financing plan

No impact

Chapter 5 - Section 5.3 Rural Development Interventions, RD MANG COMT - Land-Based management commitments

Reasons that justify the change

a) The text stating "Farmers must observe baseline Conditionality Requirements which include the statutory management requirements and the Good Agricultural and Environmental Conditions (GAEC)" in the section "Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary and area" under Section 5.3 Rural Development Interventions, RD MANG COMT - Land-Based management commitments has been removed

b) The text in "Please explain the obligations/possibilities for beneficiaries in relation to the commitments set out in the intervention" sub-section under Section 5.3 Rural Development Interventions, RD MANG COMT - Land-Based management commitments has been modified as follows:

- Farmers are required to maintain records of use of herbicides which are to be presented to the ARPA inspectors at the time of inspection. .....

- Farmers will be required to maintain any records relevant to the AECC which are to be presented to the ARPA inspectors at the time of inspection...

These changes have been made as conditionality is implicitly applicable in general for farmers as described under Section 7.4 of the CAP Strategic Plan so it need not be specified under individual interventions. This change simply reflects operational reality and will have no substantive change to current procedures.

Expected effects of the change

Simplification and clarification of eligibility conditions for beneficiaries; simplified reporting on AMS QA.

The impact of the change on targets and indicators

No impact

The impact of the change on the financing plan

No impact

Chapter 5 - Section 5.1, DP CIS-Tomatoes - Direct Payments: Coupled Income Support for the Tomatoes Sector

Reasons that justify the change

The text in the "Define eligible beneficiaries and specific eligibility criteria, where relevant, related to the beneficiary, the area and, when applicable, other relevant obligations" section under DP CIS-Tomatoes - Direct Payments: Coupled Income Support for the Tomatoes Sector has been modified as follows:

"Eligible beneficiaries must comply with the following eligibility criteria:

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

b. Must have a contract with a Producer Organisation or cooperative within the tomatoes for processing sector by **the end of the application campaign**, and fulfil at least 50% of the yield as set out in the said contract unless it can be proven by the applicant that due to a Force majeure or direction from a competent authority they could not reach this yield; "

Application campaigns may last longer than 15 May and thus this change reflects operational reality in that farmers should be deemed eligible under this scheme as long as the contract is in place by the end of the application campaign.

Expected effects of the change

Extending the deadline until the end of the application campaign will ensure that beneficiaries are not unfairly excluded from receiving support. The alignment of the contract date to the application campaign deadline does not diminish the scope or ambition of the support measure. It will also simplify AMS QA reporting.

The exact date from which these changes are intended to take effect shall be the 1st January 2026.

The impact of the change on targets and indicators

No impact

The impact of the change on the financing plan

No impact

Chapter 5 - Section 5.1, DP ECO- Biodeg Mulch - Direct Payments (Eco-scheme: Biodegradable mulch)

Reasons that justify the change

Reference to the following text "(iii) is kept in good agricultural condition all year round" in terms of eligibility criteria to be complied with by eligible beneficiaries is being removed since maintaining the parcel in good agricultural condition is already covered by the definition of 'Eligible Hectare' under Chapter 4.1.3 of the CAP SP. In this regard, this criteria does not need not be listed as an eligibility condition in this Chapter. Deleting this text would also ensure simplified reporting in the AMS QA. This is an editorial change.

Expected effects of the change

Simplification and clarification of eligibility conditions for beneficiaries; simplified reporting on AMS QA.

The exact date from which these changes are intended to take effect shall be the 1st January 2026.

The impact of the change on targets and indicators

No impact

The impact of the change on the financing plan

No impact

Chapter 5 - Section 5.1, DP ECO-CPM - (Eco-scheme: Certified propagating material resistant to pathogens & cultivation of crop or plant varieties with less demand for water)

Reasons that justify the change

Reference to the following text "and in good agricultural condition all year round" and "- is kept in good agricultural condition all year round" in terms of eligibility criteria and commitments to be complied with

by eligible beneficiaries is being removed since maintaining the parcel in good agricultural condition is already covered by the definition of 'Eligible Hectare' under Chapter 4.1.3 of the CAP SP. In this regard, this criteria does not need not be listed as an eligibility condition in this Chapter. Deleting this text would also ensure simplified reporting in the AMS QA. This is an editorial change.

Expected effects of the change

Simplification and clarification of eligibility conditions for beneficiaries; simplified reporting on AMS QA.
The exact date from which these changes are intended to take effect shall be the 1st January 2026.

The impact of the change on targets and indicators

No impact

The impact of the change on the financing plan

No impact

Chapter 5 - Section 5.3 - RD Off Farm NP INVST - Off-farm Non-Productive Investments and Afforestation & Chapter 2- SO 9.4 & SO9.9 text

Reasons that justify the change

a. The link to SO9 has been removed, given that there are no needs or indicators that are linked to SO9 linked to this intervention. In view of this amendment, apart from amending Chapter 5, Chapter 2 SO9 will be updated as necessary.

b. The CAP SP currently notes that this intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment. Prior to the launch of this intervention, following discussions with the State Aid Monitoring Board, it was noted that the nature of this intervention does not fall outside the scope of Article 42 of the TFEU and is therefore not subject to state aid assessment. Additionally, the CAP SP also noted that de minimis is the instrument to be used for clearance. In view of the fact that this intervention is no longer falling outside the scope of Article 42, there is no need to select the type of state aid instrument to be used for clearance.

Expected effects of the change

a. This amendment aims to remove the link between this intervention and SO9, as there are no needs/indicators that are linked to this SO.

b. Following discussions with the State Aid Monitoring board, it was agreed that the nature of the investments that are targeted through this intervention do not fall outside the scope of Article 42 of the TFEU. Therefore, this amendment aims to align this intervention with the applicable State Aid regime.

The impact of the change on targets and indicators

No impact

The impact of the change on the financing plan

No impact

Chapter 5 -Section 5.1, DP ECO-Biodiversity - Direct Payments (Eco-scheme) Land parcels dedicated for biodiversity purposes

Reasons that justify the change

Reference to the following text "(iii) is kept in good agricultural condition all year round" in terms of eligibility criteria to be complied with by eligible beneficiaries is being removed since maintaining the parcel in good agricultural condition is already covered by the definition of 'Eligible Hectare' under Chapter 4.1.3 of the CAP SP. In this regard, this criteria does not need not be listed as an eligibility

condition in this Chapter. Deleting this text would also ensure simplified reporting in the AMS QA. This is an editorial change.

Expected effects of the change

Simplification and clarification of eligibility conditions for beneficiaries; simplified reporting on AMS QA.
The exact date from which these changes are intended to take effect shall be the 1st January 2026.

The impact of the change on targets and indicators

No impact

The impact of the change on the financing plan

No impact

Chapter 5, Section 5.3 Rural Development Interventions, RD AN Constraints - Areas under natural or other area-specific constraints

Reasons that justify the change

The text in the sub-section *Define eligible type of support (non-IACS) or commitments (IACS) and other obligations* shall be modified as follows:

"Support under this measure offers beneficiaries a simple, standard payment per hectare of agricultural land in order to help ensure that this land remains under agricultural management and adheres to conditionality obligations defined in Chapter 4.2 of the CAP Strategic Plan. The following conditions will apply:

–beneficiary must have a holding with a minimum of one tumolo [1124] m2 of land[1];

–must be registered in the IACS Farmer Registry;

–payments will only be granted to beneficiaries that undertake to pursue their farming activity in the delimited area."

[1] Eligible land under this intervention will be made up of eligible parcels each exceeding **0.01**ha.

a) Reference to the statement "–must observe the baseline conditionality requirements which include the statutory management requirements and the Good Agricultural and Environmental Conditions (GAEC)" has been removed .This editorial change reflects that Conditionality is implicitly applicable in general for farmers as described under Section 7.4 of the CAP Strategic Plan so it need not be specified under individual interventions. This change simply reflects operational reality and will have no substantive change to current procedures.

b) Amendment of footnote [1] to refer to 0.01ha instead of 0.4ha aims to ensure consistency with the obligation of having a holding with a minimum of one tumulo [1124] m2 of land required as noted above. This is an editorial change.

Expected effects of the change

a) Simplification and clarification of eligibility conditions for beneficiaries; simplified reporting on AMS QA.
b) Coherence and consistency

The impact of the change on targets and indicators

No impact

The impact of the change on the financing plan

No impact

Chapter 5- Section 5.3- RD OnFarm NP Invest - On-Farm Non-Productive Investments

Reasons that justify the change

The CAP SP currently notes that this intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment. Prior to the launch of this intervention, following discussions with the State Aid Monitoring Board, it was noted that the nature of this intervention does not fall outside the scope of Article 42 of the TFEU and is therefore not subject to state aid assessment. Additionally, the CAP SP also noted that ABER is the instrument to be used for clearance. Given that this intervention is no longer falling outside the scope of Article 42, there is no need to select the type of state aid instrument to be used for clearance and there is no need to tick the box in relation to additional information.

Expected effects of the change

Following discussions with the State Aid Monitoring board, it was agreed that the nature of the investments that are targeted through this intervention do not fall outside the scope of Article 42 of the TFEU. Therefore, this amendment aims to align this intervention with the applicable State Aid regime.

The impact of the change on targets and indicators

No impact

The impact of the change on the financing plan

No impact

Chapter 5- Section 5.1, DP ECO-IPM - Direct Payments (Eco-scheme: IPM)

Reasons that justify the change

a) Reference to the following text "(iii) is kept in good agricultural condition all year round" in terms of eligibility criteria to be complied with by eligible beneficiaries is being removed since maintaining the parcel in good agricultural condition is already covered by the definition of 'Eligible Hectare' under Chapter 4.1.3 of the CAP SP. In this regard, this criteria does not need not be listed as an eligibility condition in this Chapter. Deleting this text would also ensure simplified reporting in the AMS QA. This is an editorial change.

b) Substitution of the following text "as required by AgriConnect Services" (sub-section 5) and " Agriconnect or other recognised farm advisory services" (sub-section 11) with the following "by a recognised competent advisor", to enable beneficiaries to draw up their Integrated Pest Management Plan from any recognised competent advisor, as identified in the Registers of Technical Experts by the Department of Agriculture.

Expected effects of the change

a) Simplification and clarification of eligibility conditions for beneficiaries; simplified reporting on AMS QA.

b) Providing more opportunities to farmers to reach any recognised competent advisor.

The exact date from which these changes are intended to take effect shall be the 1st January 2026.

The impact of the change on targets and indicators

No impact

The impact of the change on the financing plan

No impact

Chapter 5- Section 5.1, DP ECO-MSS - (Eco-scheme: Early harvesting of multi-species swards)

Reasons that justify the change

Reference to the following text "(iii) is kept in good agricultural condition all year round" in terms of eligibility criteria to be complied with by eligible beneficiaries is being removed since maintaining the parcel in good agricultural condition is already covered by the definition of 'Eligible Hectare' under Chapter 4.1.3 of the CAP SP. In this regard, this criteria does not need not be listed as an eligibility condition in this Chapter. Deleting this text would also ensure simplified reporting in the AMS QA. This is an editorial change.

Expected effects of the change

Simplification and clarification of eligibility conditions for beneficiaries; simplified reporting on AMS QA.

The exact date from which these changes are intended to take effect shall be the 1st January 2026.

The impact of the change on targets and indicators

No impact

The impact of the change on the financing plan

No impact

Chapter 5- Section 5.3 - RD COOP – Cooperation – Quality Schemes and State Aid assessment

Reasons that justify the change

a) The CAP SP text currently extends support for new participation under the National Scheme regulated by Subsidiary Legislation 427.90 and other EU Quality schemes. This amendment aims to extend support for other quality schemes compliant with the conditions set out in paragraph (b) of Article 47 of Regulation 2022/126.

b) A number of editorial modifications are also being introduced to streamline the text of the intervention. The possibility of granting advance payments of up to 50% of the project budget is also being introduced.

c) Furthermore, the CAP SP currently notes that this intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment. Prior to the launch of this intervention, following discussions with the State Aid Monitoring Board, it was noted that the nature of this intervention does not fall outside the scope of Article 42 of the TFEU and is therefore not subject to state aid assessment. Additionally, the CAP SP also noted that ABER is the instrument to be used for clearance. Given that this intervention is no longer falling outside the scope of Article 42, there is no need to select the type of state aid instrument to be used for clearance and there is no need to tick the box in relation to additional information.

d) The two paragraphs starting with the following sentences need to be deleted from this intervention, as their inclusion within the existing context is an editorial oversight as they are not related to quality schemes:

'Outcome of cooperation projects and lessons learnt will have a multiplier effect on the sector....' and

'Whilst support for cooperation is already envisaged, cooperation specifically under EIP...'.

Expected effects of the change

a) This amendment is expected to extend the eligibility of this scheme to include additional schemes, together with those already included in the CAP SP, thereby improving uptake whilst further incentivising farmers to subscribe to such schemes and therefore improve the quality of their produce.

b) Editorial amendments aim to streamline the text of the intervention. Amendment also aims to introduce the possibility of granting a 50% advance payment.

c) Following discussions with the State Aid Monitoring board, it was agreed that the nature of support that is targeted through this intervention does not fall outside the scope of Article 42 of the TFEU. Therefore, this amendment aims to align this intervention with the applicable State Aid regime.

d) This amendment aims to correct an editorial oversight, where text related to other forms of cooperation was included under quality schemes.

The impact of the change on targets and indicators

No impact

The impact of the change on the financing plan

No impact

Chapter 5- Section 5.3 - RD KNOW – Knowledge exchange, advice, training and dissemination of information

Reasons that justify the change

The CAP SP currently notes that this intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment. Prior to the launch of this intervention, following discussions with the State Aid Monitoring Board, it was noted that the nature of this intervention may or may not fall outside the scope of Article 42 of the TFEU. Therefore, with regards to state aid assessment, the 'Mixed' option needs to be selected.

Expected effects of the change

Following discussions with the State Aid Monitoring board, it was agreed that the nature of the projects that are targeted through this intervention may or may not fall outside the scope of Article 42 Therefore, this amendment aims to align this intervention with the applicable State Aid regime.

The impact of the change on targets and indicators

No impact

The impact of the change on the financing plan

No impact

Chapter 7- Section 7.3.2.2 Brief description of the control system for non-IACS (control methods, cross-checks, durability of investments and related ex-post checks, etc)

Reasons that justify the change

a) Removal of reference to unit names i.e **CA3.1** and **AC2.1** reduces the need for further editorial changes should unit names be updated during the programming period.

b) Reference to the term **checklist** is being substituted with **control report** as it forms part of this report. Minor amendments have also been made under the paragraph relating to **Methods of Controls - OTSC** to streamline and reflect operations on the ground. The checklist forms part of the control report and should thus not be differentiated.

c) The following text has been added to reflect instances where beneficiaries refuse to sign the control report after the inspectors inform them of a breach in their commitments: "The control report shall be signed by the inspectors, while the beneficiary is given the opportunity to sign."

Expected effects of the change

Simplification and clarification of eligibility conditions for beneficiaries. Streamlining of processes to reflect operational reality.

The impact of the change on targets and indicators

No impact

The impact of the change on the financing plan

No impact

Chapter 8 Section 8.2 Description of how advisory services, research and CAP networks will work together within the framework of the AKIS (Art.114)(a)(ii)

Reasons that justify the change

Reference to **shall** in the following text "AgriConnect shall provide advice related to Conditionality, agri-environment climate measures, other rural development measures and the use of new technologies." has been substituted with **may.** This editorial change is being undetaken as AgriConnect is not the only source of advisory service on Conditionality.

Expected effects of the change

More opportunities for farmers to reach any recognised competent advisor.

The impact of the change on targets and indicators

No impact

The impact of the change on the financing plan

No impact

Consultation of the monitoring committee (Article 124(4)(d) of Regulation (EU) 2021/2115)

Date

6 Nov 2025

Opinion of the monitoring committee

In view of the fact that this CAP SP amendment required a consultation with the Monitoring Committee, a written procedure was launched. This written procedure closed on Thursday 6th November with no adverse remarks on the substance of the proposed amendments

1 Strategic Statement

The Multi-Annual Financial Framework 2021-2027 provides an important opportunity for Malta to support investment in the agricultural sector, through the Common Agricultural Policy Strategic Plan. This continues to represent the main EU funding instrument for supporting agriculture in Malta in complementarity with other EU funded interventions and investments. The CAP SP, with a total (EU+MT) budget of approximately EUR 166 million will continue to build on the types and patterns of support that were offered under previous CAP measures, direct payments and schemes. It will also contribute towards the EU's long-term vision for rural areas in particular actions towards more resilient rural areas that foster well-being.

This plan will cover the entire territory of the Maltese Islands and will provide funding and support from 2023 to the end of 2027. It aims to maintain overall consistency with Malta's National Agricultural Policy for the Maltese Islands 2018 - 2028[1], following evidence-gathering, meetings and discussions with a range of relevant stakeholders and Government entities which have been held since 2019. In line with the new European Policies and Regulations for this period, the Common Agricultural Policy Strategic Plan for Malta will support all three general objectives outlined in the regulatory framework which aim to:

1. foster a smart, competitive, resilient and diversified agricultural sector ensuring long-term food security;
2. support and strengthen environmental protection, including biodiversity, and climate action and contribute to achieving the environmental and climate-related objectives of the Union, including its commitments under the Paris Agreement; and
3. strengthen the socio-economic fabric of rural areas.

This plan outlines the main priorities and scale of funding proposed under the strategy. CAP SP resources will be primarily mobilised through the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and will target the needs of the agricultural sector with the specific aim of providing adequate resources to meet future demands including environmental and climate objectives, new technologies and digitisation, fair income for farmers and workers, improving rural conditions, and improving farm resilience. Other commitments will target organic farming systems, animal welfare awareness, the apiculture sector, eco-schemes and more sustainable agricultural practices as well as support for young farmers. Such efforts will contribute towards the national green targets, in line with the European Green Deal[2], Farm to Fork Strategy[3] and Biodiversity Strategy[4], amongst others.

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

[1] Parliamentary Secretary for Agriculture, Fisheries and Animal Rights, 'National Agricultural Policy for the Maltese Islands 2018-2028', https://agrikoltura.gov.mt/en/agricultural_directorate/Documents/nationalAgriculturalPolicy/napFinal.pdf.

[2] European Commission, 'Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions - The European Green Deal', https://eur-lex.europa.eu/resource.html?uri=cellar:b828d165-1c22-11ea-8c1f-01aa75ed71a1.0002.02/DOC_1&format=PDF

[3] European Commission, 'Farm to Fork Strategy', https://food.ec.europa.eu/system/files/2020-05/f2f_action-plan_2020_strategy-info_en.pdf

[4] European Commission, 'EU Biodiversity Strategy for 2030', https://op.europa.eu/en/publication-detail/-/publication/31e4609f-b91e-11eb-8aca-01aa75ed71a1

2 Assessments of needs and intervention strategy, including target plan and context indicators

2.1 Assessments of needs and intervention strategy

Code	Title	Prioritisation at the level of the CAP Strategic Plan	Need is addressed in Cap Strategic Plan	SO1	SO2	SO3	SO4	SO5	SO6	SO7	SO8	SO9	XCO
1.1	Sustain a viable farm income for farmers in Malta, across all sectors	1	Yes	X									
1.2	Establish risk management tools in Maltese agriculture	6	No	X									
1.3	Improve prevention actions related to possible risks and enable farmers to be financially resilient	5	Yes	X									
1.4	Facilitate access to new entrants and ensure the sustainability of the agricultural sector	2	Yes	X									
1.5	Reform land tenure laws and develop institutions and incentives to ease access to new entrants	3	No	X									
1.6	Improving product quality and traceability	4	Yes	X									
2.1	Build human, social and institutional capital through investment in knowledge, training, advice	2	Yes		X								
2.2	Better cooperation and strategic market approaches in the sectors which currently lack this	4	Yes		X								
2.3	Increase direct selling, adding value, improving processing, marketing facilities and skills	3	Yes		X								
2.4	Identify and support the investment needs of the sector to increase its market competitiveness	1	Yes		X								
3.1	Build human and social capital and support facilitation and innovation to improve the supply chain	1	Yes			X							
3.2	Improve the organisation of producers in the relevant sectors, where this is currently lacking	2	Yes			X							
3.3	Promote Product Quality National Scheme (PQNS) and branding to influence consumer choice	5	Yes			X							
3.4	Further develop established niche markets for authentic Maltese products	3	No			X							
3.5	Support investments that shorten the supply chain	4	Yes			X							
4.1	Improved distribution & utilisation of treated wastewater & ensure sustainable irrigation for crops	2	Yes				X						
4.2	Improve risk management in Maltese agriculture and make	7	No				X						

Code	Title	Prioritisation at the level of the CAP Strategic Plan	Need is addressed in Cap Strategic Plan	SO1	SO2	SO3	SO4	SO5	SO6	SO7	SO8	SO9	XCO
	farmers more financially resilient												
4.3	Use animal and agricultural waste and residues as a resource	3	Yes				X						
4.4	Reduced use of chemical N-fertilizers and other inputs with similarly high carbon footprint	1	Yes				X						
4.5	Knowledge exchange, training and advice to help reduce, reuse and recycle resources on farms	5	Yes				X						
4.6	Research, innovation and demonstration aimed at moving towards low carbon agriculture	6	Yes				X						
4.7	Knowledge exchange, training, advice and investment support to improve farm climate change	4	Yes				X						
5.1	Provide training and advice to increase awareness on the efficient management of natural resources	6	Yes					X					
5.2	Ensure adequate treatment of farm waste to reduce groundwater pollution	1	No					X					
5.3	Introduce Mechanisms and processes that convert agricultural waste to fertilizer	4	No					X					
5.4	Increase efficient use of water and soil by restoring geographical and landscape features	3	Yes					X					
5.5	Encourage farmers to invest in efficient farming systems that make efficient use of resources	7	Yes					X					
5.6	Demonstrate the value to farm profitability of crops and livestock produced to higher standards	2	Yes					X					
5.7	Identify ways to reduce nutrient loading to air, soil and water from agricultural activity	5	Yes					X					
6.1	Promote measures that protect and enhance biodiversity on agricultural holdings & wider rural areas	1	Yes						X				
6.2	Disseminate knowledge amongst farmers to safeguard biodiversity on Natura 2000 sites	5	Yes						X				
6.3	Promote the removal of invasive alien species and the planting of native and archaeophytic species	3	Yes						X				
6.4	Improve and conserve the status of existing habitats protected under HBD & rural landscape features	2	Yes						X				
6.5	Conserve endemic species with the aim of preserving local agricultural genetic resources	4	Yes						X				
7.1	Provide start-up financial aid for young farmers (incl. full &	1	Yes							X			

Code	Title	Prioritisation at the level of the CAP Strategic Plan	Need is addressed in Cap Strategic Plan	SO1	SO2	SO3	SO4	SO5	SO6	SO7	SO8	SO9	XCO
	part time farmers)												
7.2	Provide training, advice, mentoring and assistance for young farmers	3	Yes							X			
7.3	Promote cooperation among young farmers to trade at a scale that is resilient and viable	4	No							X			
7.4	Explore enhanced opportunities for access to land among young farmers	2	Yes							X			
7.5	Facilitate land consolidation and farm transfer through legislative changes	5	No							X			
8.1	Support small projects within rural areas to foster local development	1	Yes								X		
8.2	Promote and encourage community and social activities within rural areas	2	Yes								X		
8.3	Improve farm access to rural roads	3	Yes								X		
9.1	Foster higher animal welfare standards to ensure well being among farmed animals	2	Yes									X	
9.2	Introduce new measures aimed at reducing, reusing and recycling food waste along the supply chain	6	No									X	
9.3	Promote products produced to higher standards for environmental and animal welfare	3	Yes									X	
9.4	Provide support for farmers to invest in improved animal welfare measures	4	Yes									X	
9.5	To reduce the use of antimicrobials	1	Yes									X	
9.6	Enhance quality transparent environmental and animal welfare standards to increase traceability	5	Yes									X	
XCO.1	Developing a holistic and strategic approach to grow and enhance the AKIS in Malta	1	Yes										X
XCO.2	Ensuring that other SO's integrate knowledge exchange, advice, training and information provision	2	Yes										X

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

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

1.2 - Establish risk management tools in Maltese agriculture

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

1.3 - Improve prevention actions related to possible risks and enable farmers to be financially resilient

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

1.4 - Facilitate access to new entrants and ensure the sustainability of the agricultural sector

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

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

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

1.6 - Improving product quality and traceability

- To improve the quality, traceability and value of agricultural products
- To increase competitiveness of domestically produced food with respect to imported food

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

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

2.2 - Better cooperation and strategic market approaches in the sectors which currently lack this

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

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

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

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

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

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

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

3.2 - Improve the organisation of producers in the relevant sectors, where this is currently lacking

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

3.3 - Promote Product Quality National Scheme (PQNS) and branding to influence consumer choice

- Promote PQNS and branding to educate the general public and visitors, and instill a sense of 'food pride' and 'food culture' in local businesses and the resident population, to influence consumer choice.
- Influencing consumer behaviour requires large scale national campaigns, but this is a lower priority since recognised improvements have to be made in the supply chain first, guaranteeing quality and origin, (including production, branding and marketing).

3.4 - Further develop established niche markets for authentic Maltese products

- Promote new and innovative products of quality and authenticity that meet emerging consumer tastes e.g. organic produce.
- Niche markets are important and there is scope for further development, but they are only likely to benefit a small number of producers.
- Developing human and social capital under Need 3.1 will support the potential to develop markets in all sectors.

3.5 - Support investments that shorten the supply chain

- Farmers react more effectively to practical demonstrations of successful systems.
- Provision of aid conditional on training and advice and targeted at key institutional developments (new agencies, producer governance) offers a way to incentivise rapid change.

4.1 - Improved distribution & utilisation of treated wastewater & ensure sustainable irrigation for crops

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

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

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

4.3 - Use animal and agricultural waste and residues as a resource

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

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

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

4.5 - Knowledge exchange, training and advice to help reduce, reuse and recycle resources on farms

Knowledge exchange, training and advice to help reduce, reuse and recycle resources on farms

4.6 - Research, innovation and demonstration aimed at moving towards low carbon agriculture

- Farmers are persuaded by evidence of success and practical examples that demonstrate the operation of new technologies, clarifying costs and benefits.
- Demonstration farms can be a very effective tool for reaching farmers as well as testing how best to adapt technologies to the Maltese context.

4.7 - Knowledge exchange, training, advice and investment support to improve farm climate change

Knowledge exchange, training, advice and investment support to improve farm climate change adaptation and mitigation

5.1 - Provide training and advice to increase awareness on the efficient management of natural resources

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

5.2 - Ensure adequate treatment of farm waste to reduce groundwater pollution

- Cost efficient treatment systems will require collaborative approaches and investment in new technology.
- Strategies operating across two programming cycles are required to change farmer behaviour and develop long-term sustainable solutions.

5.3 - Introduce Mechanisms and processes that convert agricultural waste to fertilizer

- Linked with Need 5.2
- Requires long-term action, by a central entity and/or collaboration between groups of farmers for cost-efficient methods to be developed

5.4 - Increase efficient use of water and soil by restoring geographical and landscape features

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

5.5 - Encourage farmers to invest in efficient farming systems that make efficient use of resources

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

5.6 - Demonstrate the value to farm profitability of crops and livestock produced to higher standards

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

5.7 - Identify ways to reduce nutrient loading to air, soil and water from agricultural activity

- Support farmers and researchers to identify and apply better ways to grow crops and rear livestock with reduced use of water and reduced nutrient loading to air, soils and water
- This is a more long-term need to underpin future development and long-term sustainability of agriculture in Malta

6.1 - Promote measures that protect and enhance biodiversity on agricultural holdings & wider rural areas

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

6.2 - Disseminate knowledge amongst farmers to safeguard biodiversity on Natura 2000 sites

- Changing agricultural management and behaviour requires improved awareness and understanding of ecological impacts of activity among farmers/landowners.

6.3 - Promote the removal of invasive alien species and the planting of native and archaeophytic species

- Invasive species reduce capacity of endemic species and native flora/fauna to regenerate and thrive. Active support is required to reduce the negative impact of invasive species on local biodiversity
- As part of habitat restoration, alien species need to be removed and landowners encouraged to invest in planting and supporting native species.

6.4 - Improve and conserve the status of existing habitats protected under HBD & rural landscape features

- Large areas of Malta are ecologically degraded from overuse and limited protection of basic resources such as soil, water, and local habitat.
- Grant aid is required along with knowledge exchange to support famers and land managers to restore local landscape features and habitats, including through set-aside areas where scrub and some trees can grow

6.5 - Conserve endemic species with the aim of preserving local agricultural genetic resources

- Enhancement of local agricultural genetic resources requires support through provision of habitat and removal of invasive species.
- Landscape scale approaches are required to identify prime sites for habitat restoration and protection.
- Grant support linked to training are required to enable the basic aims of this SO to be attained.

7.1 - Provide start-up financial aid for young farmers (incl. full & part time farmers)

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

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

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

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

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

7.4 - Explore enhanced opportunities for access to land among young farmers

- Opportunities for credit can provide a major boost to support investment in innovation activities, from investing in new production systems to developing supply chains and new product lines.
- Such opportunities can also support larger numbers of beneficiaries by enabling the establishment of revolving funds.

7.5 - Facilitate land consolidation and farm transfer through legislative changes

- Land consolidation will improve the cost effectiveness of agricultural production, but it is a long-term process that requires action that goes beyond the scope of the CAP SP. Changes are unlikely to occur over one programme cycle making this a long-term priority.
- Enhancing potential for farm succession is more important as it can encourage young farmers through enabling them to get into positions of management responsibility early in their careers and make farming a more attractive career option.
- But farm succession will not occur unless young farmers see potential for sustainable income generation and a future for agriculture. Therefore, this need has a lower priority than those supporting new business development, training and start-up support.
- Land consolidation will be addressed by national policy.

8.1 - Support small projects within rural areas to foster local development

- Provide new funding for small projects, through the LEADER programme, aimed at supporting voluntary, non-governmental organisations and businesses in rural areas, especially where these are synergistic with the aims of the Local Development Strategies (LDSs) and enhance local Quality of Life.
- LEADER offers potential for addressing a wide range of social inclusion issues through developing small scale locally focused programmes and projects.
- Increased capacity to address environmental and socio-economic issues in a holistic and integrated manner within LAG areas.

8.2 - Promote and encourage community and social activities within rural areas

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

8.3 - Improve farm access to rural roads

Aim to improve accessibility to farmland, prevent land abandonment and encourage farmers to make the best use of all their land parcels, therefore providing farmers with better access to their holdings.

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

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

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

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

9.3 - Promote products produced to higher standards for environmental and animal welfare

- Promote products that are produced to higher standards, raising awareness on the importance of choosing this produce for environmental benefits, and animal welfare.
- Marketing campaigns and public education will be essential to increase consumption of locally produced food.

9.4 - Provide support for farmers to invest in improved animal welfare measures

- Investment support will be required to encourage development of standards through collaborative activities
- Investment support will be essential to assist famers adapt to higher standards of production, through adopting new technologies and/or new production and marketing systems.

9.5 - To reduce the use of antimicrobials

Support the setting up of and enhancement of an electronic prescription system, monitoring and collection of quality data on the prescription, use, consumption and trends of antibiotics in Malta and support upgrade of the NV laboratory, to strengthen AMR surveillance and veterinary laboratory services.

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

Farmers will be encouraged to adopt more environmental and animal welfare standards to ensure sustainability of agricultural practices.

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

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

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

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

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

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

Methodology and criteria used for prioritisation

The needs identified in the CAP SP have been prioritised in line with the sequential order as defined in the CAP SPR, and following discussion with a wide range of relevant stakeholders covering agricultural, rural, environmental and social/cultural, heritage and tourism interests in Malta. It has been built upon the priorities and needs set out in Malta’s own National Agricultural Policy (2018) which was itself subject to widespread and inclusive consultation and co-development with stakeholders.

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

All of the identified needs in the CAP SP have been considered, and will be addressed either through the CAP funding or through national legislation and policy development (e.g. on risk management, on land legislation and on Malta’s strategy for enhancing the health of the population).

2.1.SO1 Support viable farm income and resilience of the agricultural sector across the Union in order to enhance long-term food security and agricultural diversity as well as to ensure the economic sustainability of agricultural production in the Union

2.1.SO1.1 Summary of the SWOT Analysis

2.1.SO1.1.1 Strengths

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

2.1.SO1.1.2 Weaknesses

1.Small and fragmented farm structures: barriers to young farmers, new entrants and investment
2.High percentage (25%) of semi-subsistence farms, many old, barely active farm holders, recent and significant decline in agricultural activity across the Maltese territory
3.Low level of skills, investment, knowledge exchange, R&D in the sector
4.Small-scale production and comparatively high costs of production (for all outputs) due to island status and fragmented farm structure
5.Pluri-activity leading to lack of time and resource to focus on farm management
6.Dated production methods and low levels of training, in some sectors
7.Possible risks due to the occurrence of severe climatic/natural events

2.1.SO1.1.3 Opportunities

1.Growing appreciation in wider society of the need to keep the landscape well-managed and to produce local, healthy food more sustainably
2.Training and support to young farmers, new entrants and innovators to develop new business ideas and ventures, and grow their market share through more professional operations

2.1.SO1.1.4 Threats

1.Low-cost competition from producers in other countries across all sectors erodes the competitiveness of Maltese farmers in domestic markets
2.Declining farm incomes across all sectors and ageing farm population create a negative image of farming among young people, discouraging generational renewal and threatening the continuation of land management in some areas
3.Limited labelling and traceability
4.High agricultural land prices, strong land inheritance culture, and pressures related to multiple land usage needs

2.1.SO1.1.5 Other comments

The key findings from the most recent agricultural census (2020) are as follows:
Agricultural holdings decreased by 14.8% from 12,268 (2010) to 10,449 (2020). 41.4% of holdings produce solely for own consumption and account for 17% of farmed land, 58.6% sell all or a share of their produce and cultivate 8,895 hectares (82.9 per cent). The utilised agricultural area (UAA) of Malta decreased by 6.2 per cent from 2010 to 2020. The number of reared pigs, broilers and cattle decreased by

43.2%, 17.7% and 7.9% respectively. The agricultural labour force declined by 25.8% from 18,212 persons in 2010 to 13,511 in 2020. The ageing factor was evident: only 23.7% of workers are under 45 years, and fewer than half (45.8%) of holdings had a succession plan (NSO, 2022)[1]. This data clearly shows a sector under threat of decline, particularly in the face of high costs and comparatively low wages, struggling to attract entrants or compete with imports. In contrast to this decline, Malta's population has expanded significantly over the past few years, exceeding 516,000 in 2021[2], resulting in the highest population density across the EU, at 1,595.1 persons per square km when compared to EU-27 average of 109 persons per square km[3]. This poses a threat to Malta's food security. Information and data supporting the SWOT may be found under Annex II.

[1] Census of Agriculture 2020 (News Release), National Statistics Office, 1/02/2022, https://nso.gov.mt/en/News_Releases/Documents/2022/02/News2022_015.pdf
[2] NSO, Census of Population and Housing 2021: Status report, https://nso.gov.mt/en/News_Releases/Documents/2022/03/News2022_047.pdf
[3] EUROSTAT, Population Density, https://ec.europa.eu/eurostat/databrowser/view/tps00003/default/table?lang=en

2.1.SO1.2 Identification of needs

Code	Title	Prioritisation at the level of the CAP Strategic Plan	Need is addressed in Cap Strategic Plan
1.1	Sustain a viable farm income for farmers in Malta, across all sectors	1	Yes
1.2	Establish risk management tools in Maltese agriculture	6	No
1.3	Improve prevention actions related to possible risks and enable farmers to be financially resilient	5	Yes
1.4	Facilitate access to new entrants and ensure the sustainability of the agricultural sector	2	Yes
1.5	Reform land tenure laws and develop institutions and incentives to ease access to new entrants	3	No
1.6	Improving product quality and traceability	4	Yes

Other comments related to needs assessment.

The objectives attributed to SO1 include interventions which are designed to offer significant income support to the beef, sheep and dairy and processed tomato sectors as in the previous programme, in order to signal the continuing importance of these sectors to sustaining food production, supply and security in Malta. BISS is designed to offer a higher-than previous level of support to land-based farms, reflecting emerging evidence of further decline in this sector, which is likely to be more effective in sustaining agricultural activity on Maltese Farms. SO 1 Objectives will be represented mainly through EAGF interventions that focus on BISS direct payments to small farms, coupled income support and complementary income support for young farmers. EAFRD interventions will also include support for natural or other area specific constraints which further support farm viability and resilience of the agricultural sector in an effort to prevent land abandonment. Such measures will complement pillar I initiatives related to improved the environment, through eco-schemes, that will contribute to SO 4, 5 and 6.

2.1.SO1.4 Intervention logic

Form of Intervention	Type of Intervention	Intervention Code (MS) - Name	Common Output Indicator
DPdecoupled	BISS(21) - Basic income	DP BISS - Direct Payments (Basic Income	O.4. Number of hectares benefitting

	support for sustainability	Support for Sustainability)	from for basic income support
DPdecoupled	BISS(21) - Basic income support for sustainability	DP BISS SF - Direct Payments (Basic Income Support for Sustainability for Small Farmers)	O.5. Number of beneficiaries or hectares benefitting from payments for small farmers
DPdecoupled	CIS-YF(30) - Complementary income support for young farmers	DP CIS-YF - Direct Payments (Complementary income support for young farmers)	O.6. Number of hectares benefitting from complementary income support for young farmers
DPdecoupled	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare	DP ECO- Biodeg Mulch - Direct Payments (Eco-scheme: Biodegradable mulch)	O.8. Number of hectares or of livestock units benefitting from eco-schemes
DPdecoupled	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare	DP ECO-BDW - Eco-scheme: Bovine Dairy Welfare Scheme	O.8. Number of hectares or of livestock units benefitting from eco-schemes
DPdecoupled	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare	DP ECO-Biodiversity - Direct Payments (Eco-scheme) Land parcels dedicated for biodiversity purposes	O.8. Number of hectares or of livestock units benefitting from eco-schemes
DPdecoupled	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare	DP ECO-CPM - (Eco-scheme: Certified propagating material resistant to pathogens & cultivation of crop or plant varieties with less demand for water)	O.8. Number of hectares or of livestock units benefitting from eco-schemes
DPdecoupled	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare	DP ECO-IPM - Direct Payments (Eco-scheme: IPM)	O.8. Number of hectares or of livestock units benefitting from eco-schemes
DPdecoupled	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare	DP ECO-MSS - (Eco-scheme: Early harvesting of multi-species swards)	O.8. Number of hectares or of livestock units benefitting from eco-schemes
DPdecoupled	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare	DP ECO-NPE - (Eco-scheme: Arable land for non-productive elements)	O.8. Number of hectares or of livestock units benefitting from eco-schemes
DPdecoupled	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare	DP ECO-SGW - Eco-scheme: Sheep and Goats Welfare Scheme	O.8. Number of hectares or of livestock units benefitting from eco-schemes
DPcoupled	CIS(32) - Coupled income support	DP CIS-Beef - Direct Payments:Coupled Income Support for the Beef Sector	O.11. Number of heads benefitting from coupled income support
DPcoupled	CIS(32) - Coupled income support	DP CIS-Dairy - Direct Payments:Coupled Income Support for the Dairy Sector	O.11. Number of heads benefitting from coupled income support
DPcoupled	CIS(32) - Coupled income support	DP CIS-Sheep - Direct Payments:Coupled Income Support for the Sheep Sector	O.11. Number of heads benefitting from coupled income support
DPcoupled	CIS(32) - Coupled income support	DP CIS-Tomatoes - Direct Payments:Coupled Income Support for the Tomatoes Sector	O.10. Number of hectares benefitting from coupled income support
RD	ANC(71) - Natural or other area-specific constraints	RD AN CONSTRAINTS - Areas under natural or other area-specific constraints	O.12. Number of hectares benefitting from support for areas facing natural or specific constraints, including a breakdown per type of areas

Overview

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

Offering support to sustain farm incomes, to support land management and to encourage farmers to remain in the sector, remains critical within the agricultural policy and within Malta's context. This is ever

more relevant in view of further increase in input prices brought about by both the COVID-19 pandemic and the conflict in Ukraine that negatively affect the profitability of the sector. Both coupled support to sectors of strategic value and basic income support to land-based horticultural producers, has value in order to signal public commitment to retaining active farming and resilient and sustainable agri-environmental management in Malta.

Within these measures, and under this SO, various direct payment measures as well as support for ANC are foreseen.

The needs for SO1 are ranked with the provision of direct payments, aimed at supporting farm income to ensure the viability of the sector, as the most important need. This remains critical to bring the income from the agricultural sector closer to the economic average income across other sectors in Malta with a view to not only reverse the contraction trend of the sector experienced in recent years but to enable it to grow and flourish in future. The CAP SP aims to redress the disadvantages faced by Maltese farmers by shifting the maximum regulatory allocation (around 25%) from Pillar II initiatives in order to create a better balance between direct income and investment potential, also in view of the realities in other Member States whereby direct income contributes significantly to farmers' income.

In addition, CIS support will be targeted towards the following sectors: dairy, beef, sheep and tomatoes for processing in line with previous programming periods.[1] The livestock sectors supported through CIS are generally landless and do not receive any significant support under BISS or ANC; this therefore ensures adequate distribution of direct payments across sectors. Supporting these sectors through CIS also provides the Maltese Islands with a degree of food security which remains critical for a small Island Member State like Malta. Tomatoes for processing are considered as a key cropping sector of particular added-value significance to the domestic economy, particularly to the economy of Gozo. CIS provides this sector with support, aimed at securing jobs along the supply chain, thereby strengthening the socio-economic fabric of rural areas and contributing towards Gozo's socio-economic and demographic challenges brought about by its double insularity.

The climatic, topographic and geophysical properties of the Maltese Islands present further barriers to those tilling land as outlined in the SWOT. In view of this, support is also foreseen under the natural or other area-specific constraints intervention, aimed at preventing land abandonment, providing an annual premium aimed at supplementing farming income.

Facilitate access to new entrants and ensure the sustainability of the agricultural sector

Complementary income support for young farmers is expected to provide young farmers with financial support, to further encourage their entry into the sector. This will address the need to foster generational renewal and ensure the sustainability of the sector. Such initiatives will directly complement start-up support foreseen under SO7 with a view to holistically attract new entrants into the sector.

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

The CAP SP will indirectly contribute towards the efforts being carried out as part of the land reform process. The Ministry responsible for Agriculture has engaged on an exercise to address issues related to the speculation of agricultural land and the risk of farmers being evicted from land leased from private entities and is working on a proposal to consider the possibility of regulating the agriculture land market, with a view to enact legislation which takes into consideration the international and local context, regulate the agricultural land market in the public interest and establish a fair price for agricultural land, amongst others. This will bring about the necessary stability required for farmers to work within a sector that is conducive to growth. In this regard, various measures foreseen under the CAP SP under both Pillars will indirectly contribute towards the land reform process.

Improving product quality and traceability

Maltese agriculture needs to improve the quality, traceability and value added of its products, to compete more effectively with imported food from countries that benefit from better economies of scale, in both domestic consumer and tourist markets. This is an important element to ensure the sector's survival. Within this context, efforts to continue promoting quality marks, which include improved rigour on traceability, will continue to be supported contributing to SOs 2, 3 and 9.

Establish risk management tools in Maltese agriculture

Risk management mechanisms remain relevant and important to maintaining farm viability but given the organisational structure, the small-scale realities of Maltese farming, as well as experience from the previous programming period, such instruments, particularly in the form of insurance measures, remain not applicable in the case of Malta and are therefore not being supported directly under the CAP SP as outlined in more detail under section 3.6 of this plan.

Improve prevention actions related to possible risks and enable farmers to be more financially resilient

Whilst financial contributions to premiums for insurance schemes or to mutual funds are not foreseen and implementable at initial programming stage, as outlined above and under Section 3.6 of this plan, the CAP SP shall continue supporting investments that will contribute to SO 2, 4, 5, 6, 9 and 10 which may include equipment (such as netting, amongst others) aimed at preventing adverse impacts of climatic/natural emergencies (such as hailstorms, amongst others).

[1] More information may be found in Section 5 of the CAP SP.

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

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

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

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

Result indicators [recommended Result indicators for this specific objective are fully displayed in bold]	Target value
R.4 - Linking income support to standards and good practices Share of utilised agricultural area (UAA) covered by income support and subject to conditionality	82.54 %
R.6 PR - Redistribution to smaller farms Percentage of additional direct payments per hectare for eligible farms below average farm size (compared to average)	89.17 %
R.7 PR - Enhancing support for farms in areas with specific needs Percentage of additional support per hectare in areas with higher needs (compared to average)	100.00 %
R.8 - Targeting farms in specific sectors Share of farms benefitting from coupled income support for improving competitiveness, sustainability or quality	3.95 %
R.44 PR - Improving animal welfare Share of livestock units (LU) covered by supported actions to improve animal welfare	18.00 %

Justification of the targets and related milestones

R.4 - Linking income support to standards and good practices Share of utilised agricultural area (UAA) covered by income support and subject to conditionality - 82.54%

Within SO1, both the Basic Income Support for Sustainability (BISS), the Complementary Income Support (CIS-YF), Coupled Income Support: Land based and ANC address the needs identified under this SO. The Table below shows the total number of hectares accounted for by each scheme based on the support rate for each intervention.

		2023	2024	2025	2026	2027	2028	2029
R4	BISS		5950	6558	6558	6558		
	BISS SF		2378	1835	1835	1835	1835	
	CISYF		312	312	312	312	312	
	Coupled Income Support: Landbased		115.00	115.00	115.00	115.00	115.00	
	ANC		8,856.09	8,856.09	8,856.09	8,856.09	8,856.09	8,856.09
	Total hectares							**8,856.09**
	Total hectares without double counting		8,856.09	8,856.09	8,856.09	8,856.09	8,856.09	8,856.09
	Total UAA	**10,730**	**10,730**	**10,730**	**10,730**	**10,730**	**10,730**	**10,730**
	%		**82.54%**	**82.54%**	**82.54%**	**82.54%**	**82.54%**	**82.54%**

The total area included under each intervention is already accounted for under the ANC area, and therefore, the total area under ANC is in the total numerator value included in the calculation of R.4. On this basis, the target value for R.4 is 82.54%.

R.6 PR - Redistribution to smaller farms Percentage of additional direct payments per hectare for eligible farms below average farm size (compared to average) [89.17%]

Within SO1, multiple interventions address the objectives of the SO and are accounted for in the target value set for R.6. Specifically the result target established for the result indicator is based on the following considerations:

1: The average Direct Payment per hectare paid to beneficiaries below average farm size:

The average farm size in Malta is estimated at 1.5 hectares determined from the CAP beneficiaries. An assessment of the different CAP beneficiaries by size (ha) has been undertaken to determine the proportion that are considered to be small and to derive the direct payments for these beneficiaries. For instance, over 70% of the support for CIS Livestock is targeted at holdings with less than 1.5 hectares. This reflects the fact that livestock holdings in Malta have limited land as part of their holdings. Furthermore the area maintained by holdings falling under the 1.5ha threshold amounts to 2,475 hectares. On this basis, the direct payments per hectare (excluding landless farms) for farms falling under 1.5 hectares, amounts to €1587.65 (2023), €1150.67 between 2024 and 2026 and €482.30 in 2027, in terms of calendar years.

Year		Total Determined Area (ha)	DP (€)	DP/ha (€)	% of additional direct payments per hectare for eligible farms below average farm size.
2023	Total	7,378.0	9,590,135	1299.83	
	Below Average	2,474.9	3,929,280	1587.65	122.14%
2024	Total	7,378.0	9,520,556	1290.40	
	Below Average	2,474.9	2,847,806	1150.67	89.17%
2025	Total	7,378.0	9,520,556	1290.40	
	Below Average	2,474.9	2,847,806	1150.67	89.17%
2026	Total	7,378.0	9,520,566	1290.40	
	Below Average	2,474.9	2,847,806	1150.67	89.17%
2027	Total	7,378.0	4,594,019	622.66	
	Below Average	2,474.9	1,193,649	482.30	77.46%

2: Average Direct Payments/hectare paid to all beneficiaries

The average direct payments/hectare paid to all beneficiaries takes into consideration the BISS, BISS for Small Farmers, CIS including CIS for YF and eco-schemes. As can be seen from the table above which also refers to the distribution of the allocated budget, the total direct payments amount to circa €9 million between 2023 and 2026 and circa €4.6 million in 2027. This allocation in relation to the total determined area which is estimated at 7,378 hectares (hectares benefitting from BISS and BISS SF – to avoid double counting) renders a direct payment of circa €1290 /hectare between 2023 and 2026 and €622.66/hectare in 2027, in terms of calendar year.

Taking into consideration (1) in relation to (2) renders a target value of 122.14% (2023), 89.17% between 2024 and 2026 and 77.46% in 2027 with an overall target of 89.17%.

R.7 PR - Enhancing support for farms in areas with specific needs Percentage of additional support per hectare in areas with higher needs (compared to average) – 100%

This indicator seeks to quantify the percentage of additional support for farms in areas with specific needs.

The result target value established for this result indicator is based on the following considerations:

1) The average income support per hectare for beneficiaries with hectares in areas with specific needs

All beneficiaries who received an ANC payment are included in the numerator population. In total there are 8,856.09 hectares which are considered as an area of natural constraint. In this regard it is to be noted that as highlighted in Chapter 5, all of the territory of the Maltese Islands has been designated as areas affected by other area-specific constraints. This has been the case since EU accession in 2004. Although Regulation 1783/2003 stated that the total area covered by this measure must not exceed 10% of the area of a Member State, during negotiations the EU agreed that all of the agricultural land in the Maltese islands should qualify for funds eligible under the ANC. In addition to other direct payments, the total support per hectare for areas of natural constraint averages to about €1,346.86.

		Total Determined Area	Total Support	Support /ha	In area with special needs
2024	Total	8,856.09	11,927,877	1346.86	
	In area of specific need	8,856.09	11,927,877	1346.86	100%
2025	Total	8,856.09	11,927,877	1346.86	
	In area of specific need	8,856.09	11,927,877	1346.86	100%
2026	Total	8,856.09	11,927,877	1346.86	
	In area of specific need	8,856.09	11,927,877	1346.86	100%
2027	Total	8,856.09	6,931,760	782.71	
	In area of specific need	8,856.09	6,931,760	782.71	100%
2028	Total	8,856.09	2,337,742	263.97	
	In area of specific need	8,856.09	2,337,742	263.97	100%
2029	Total	8,856.09	2,337,742	263.97	
	In area of specific need	8,856.09	2,337,742	263.97	100%

2) Average income support per hectare paid to all beneficiaries

The denominator captures the average income support per hectare to all farmers taking into account the total support in relation to the total area which is also equivalent to 8,856.09 hectares.

On this basis the total target value set for R.7 is 100%. Consequently the areas considered to determine the target value are of an equal nature and the value of the indicator is 100%.

R.8 - Targeting farms in specific sectors Share of farms benefitting from coupled income support for improving competitiveness, sustainability or quality – 3.95%

Within SO1, support provided for under the Coupled Income Support (CIS) directly contributes to the needs identified under this SO. CIS is the single intervention contributing to R.8. The total target value set for R.8 is 3.95%. The target value represents the expected number of beneficiaries under the CIS scheme as a proportion of total farms in Malta and is based on experience of the CIS Scheme under the previous CAP period (2014-2020). Refer to Table below.

	Number of Holdings	**2024**	**2025**	**2026**	**2027**	**2028**
R8	CIS – Dairy	90	90	90	90	90
	CIS – Beef	130	130	130	130	130
	CIS – Sheep	88	88	88	88	88
	CIS - Tomatoes	105	105	105	105	105
	Total CIS	**413**	**413**	**413**	**413**	**413**
	Total holdings	10,449	10,449	10,449	10,449	10,449
	%	**3.95%**	**3.95%**	**3.95%**	**3.95%**	**3.95%**

R.44PR Improving animal welfare: Share of livestock units (LU) covered by supported actions to improve animal welfare – 18%

The interventions contributing to the target value set for R.44 are the Animal Welfare Scheme for broilers and On-Farm Productive Investments, and the Eco-Schemes on Animal Welfare for the dairy and sheep and goats sectors, The objective of the animal welfare-related schemes is to incentivize broiler breeders to reduce the stocking density of broilers per square meter on their farm leading to enhanced welfare. The objective of the Eco Schemes for dairy cows, sheep and goat addressing animal welfare will be reducing the stocking density of livestock and thus improving their health and overall welfare.

In calculating R.44, the annual number of supported broilers has been taken into consideration based on a support rate of €0.35/head under the animal welfare scheme. The number of heads is converted to LU on the basis of Eurostat coefficients to convert animals in livestock units wherein the category of 'broilers' is taken into consideration. With a conversion factor of 0.007, the total number of LU supported through the scheme amounts to 4,000 under this scheme whereas 95 LUs shall be targeted under the On-Farm Productive investment.

For the Eco-scheme on Bovine Dairy Welfare, the calculation of R.44 has been taken in relation to the output value and the production costs, and the estimated net output value per cow is equivalent to €403.27 annually. Allocating it according to the number of cows retained given a 20% increase in stocking density, the estimated subsidy per retained cow is at €101. This shall be the basis for the minimum rate, with planned and maximum rates at €118 and €136 per retained dairy cow, respectively.

The calculation of R.44 for the Eco-Scheme on Goat and Sheep has been calculated by summing up the total output value and relevant costs, and result that the estimated net output value per animal head is €115.79. From the estimated net output value per animal head, the subsidy per retained animal head is calculated €28.95 according to the 20% stocking density improvement. This shall be the reference for the planned rate €29 with maximum and minimum rates €35 and €25 per retained animal head, respectively.

Altogether these interventions contribute to the target of 18% of the total livestock units under R.44.

2.1.SO1.9 Justification of the financial allocation

The overall financial allocation for the identified interventions contributing to this Specific Objective takes into consideration the following factors:

• the total allocated MT budget under the CAP SP;

• the regulatory obligations of the CAP SP (minimum/ maximum allocations);

• the transfer of up to 25 % of the EAFRD allocation in financial years 2024 to 2027 to the Direct Payments allocation set out in Annex V for calendar years 2023 to 2026 in line with Article 103 of the CAP SP;

• the needs of the local context as identified through a bottom-up consultative approach;

• lessons learnt and historic data from previous periods allocations; and

• the changing context and emerging needs in relation to exceptional events/circumstances, threats and impacts such as food security issues and increased energy prices as a result of the invasion of Ukraine by Russia and other potential impacts/risks.

The following interventions will directly contribute to achieving the needs identified under Specific Objective 1:

1. Decoupled Direct Payments: BISS, BISS-SF, CIS-YF and Eco-Schemes: DP ECO-Biodeg Mulch - Direct Payments (Eco-scheme) Biodegradable Mulch, DP ECO-Biodiversity (Eco-scheme) Land Parcels dedicated for biodiversity purposes, DP ECO-IPM - Direct Payments (Eco-scheme: IPM), DP ECO-CPM - (Eco-scheme: Certified propagating material resistant to pathogens & cultivation of crop or plant

varieties with less demand for water), DP ECO-MSS - (Eco-scheme: Early harvesting of multi-species swards), DP ECO-NPE - (Eco-scheme: Arable land for non-productive elements), DP ECO-BDW - (Eco-scheme: Bovine Dairy Welfare Scheme) and DP ECO-SGW - (Eco-scheme: Sheep and Goats Welfare Scheme).

2. Coupled Direct Payments: CIS- Beef, CIS- Dairy, CIS- Sheep, CIS- Tomatoes

3. Rural Development: ANC

Basic Income Support for Sustainability (BISS):

The total financial allocation for the BISS is circa €14.5 million for the period 2023-2027. Support is based on the expected number of hectares that can be supported taking into consideration the identified needs as mentioned above, historic data and the local context. The planned uniform unit amount under this intervention is Euro 637.72 for 2023, Euro 556.61 per ha for 2024, Euro 501.11 per ha for 2025, Euro 501.11 for 2026 and €54.34 for 2027 per hectare. Taking the expected number of hectares to be supported on average from 2023-2027 as 6,436 ha, this would result in an average annual financial allocation of circa €3.5m for 2023-2026 and an annual financial allocation of about €356,339.40 for 2027.

Support under BISS goes directly towards addressing the need to support viable farm income and address income disparities between the agri-food sector and other sectors of the economy. The total financial allocation of circa €14.5 million is adequate to achieve the targeted 82.54% of total UAA covered by income support under R.4. This intervention also directly contributes to R.6 Redistribution to smaller farms, which allocation is also deemed to be adequate to achieve the targets set.

Basic Income Support for Sustainability- Small Farmers (BISS SF):

The total financial allocation for the BISS is circa €2 million for the period 2023-2027. Support is based on the expected number of beneficiaries that can be supported taking into consideration the identified needs and the local context. The planned uniform unit amount under this intervention takes into consideration a lump sum amount of €250 for 2023-2026 and €35 for 2027 per small farmer. Taking the expected number of beneficiaries to be supported as 2378 (2023) and 1835 for 2024 -2027 , this would result in an average annual financial allocation of circa €0.5m for 2023-2026 and circa €64,225 for 2027.

Support under BISS SF contributes directly towards addressing the need to support viable farm income and address income disparities between the agri-food sector, small farmers and other sectors of the economy. The total financial allocation of circa €2 million is adequate to address the expected number of beneficiaries and achieve the targeted 82.54% of total UAA covered by income support under R.4. This intervention also directly contributes to R.6 Redistribution to smaller farms, which allocation is also deemed to be adequate to achieve the targets set.

Complementary Income Support for Young Farmers (CIS YF):

The total financial allocation for the CIS YF is €723,840 for the period 2023-2027. Support is based on the expected number of hectares that can be supported taking into consideration the identified needs, historic data and the local context. The planned uniform unit amount under this intervention is €560 for 2023-2026 and €80 for 2027 per young farmer. Taking the expected number of hectares to be supported each year from 2023-2027 as 312, this would result in an annual financial allocation of circa €174,720 for 2023-2026 and circa €24,960 for 2027.

Support under CIS YF also links directly with addressing the need to support viable farm income and address income disparities between the agri-food sector, young farmers and other sectors of the economy. The total financial allocation is adequate to achieve the targeted hectares mentioned above and will contribute to the total target value of 82.54% of total UAA covered by income support under R.4. This intervention also directly contributes to R.6 Redistribution to smaller farms, which allocation is also deemed to be adequate to achieve the targets set.

Coupled Income Support for the Beef Sector (CIS- Beef):

The total financial allocation for the CIS-Beef is circa €2.14mn for the period 2023-2027. Support is based on the expected number of heads that can be supported taking into consideration the identified needs, historic data and the local context. The planned uniform unit amount under this intervention is €207.9 for 2023- 2027 per head. Taking the expected number of heads to be supported each year from 2023-2027 as 2055, this would result in an annual financial allocation of circa €427,234.50 for 2023-2027.

Support under CIS-Beef contributes directly towards addressing the need to support viable farm income and address income disparities between the agri-food sector and other sectors of the economy. The total financial allocation is adequate to achieve the targeted heads to be supported as mentioned above and will contribute about 31% to the total target value of 3.95% share of farms benefitting from coupled income support for improving competitiveness, sustainability or quality under R.8. This intervention shall also contribute to the targeted shared under R.6 Redistribution to smaller farms, which allocation is also deemed to be adequate to achieve the targets set.

Coupled Income Support for the Dairy Sector (CIS- Dairy):

The total financial allocation for the CIS-Dairy is circa €7.79mn for the period 2023-2027. Support is based on the expected number of heads that can be supported taking into consideration the identified needs, historic data and the local context. The planned uniform unit amount under this intervention is €405 each year for 2023-2027 per head. Taking the expected number of heads to be supported each year from 2023-2027 as 3849, this would result in an annual financial allocation of circa €1,558,845 for 2023-2027.

Support under CIS-Dairy contributes directly towards addressing the need to support viable farm income and address income disparities between the agri-food sector and other sectors of the economy. The total financial allocation is adequate to achieve the targeted heads to be supported as mentioned above and will contribute about 22% to the total target value of 3.95% share of farms benefitting from coupled income support for improving competitiveness, sustainability or quality under R.8.This intervention also directly contributes to R.6 Redistribution to smaller farms, which allocation is also deemed to be adequate to achieve the targets set.

Coupled Income Support for the Sheep Sector (CIS- Sheep):

The total financial allocation for the CIS-Sheep is circa €549,375 for the period 2023-2027. Support is based on the expected number of heads that can be supported taking into consideration the identified needs, historic data and the local context. The planned uniform unit amount under this intervention is €25 annually for 2023- 2027 per head. Taking the expected number of heads to be supported each year from 2023-2027 as 4395, this would result in an annual financial allocation of circa €109,875 for 2023- 2027.

Support under CIS-Sheep contributes directly towards addressing the need to support viable farm income and address income disparities between the agri-food sector and other sectors of the economy. The total financial allocation is adequate to achieve the targeted heads to be supported as mentioned above and will contribute about 21% to the total target value of 3.95% share of farms benefitting from coupled income support for improving competitiveness, sustainability or quality under R.8. R.6 Redistribution to smaller farms, shall also be targeted through this intervention whose allocation is also deemed adequate to achieve the targets set.

Coupled Income Support for the Tomatoes Sector (CIS- Tomatoes):

The total financial allocation for the CIS-Tomatoes is circa €4.52mn for the period 2023-2027. Support is based on the expected number of hectares that can be supported taking into consideration the identified needs, historic data and the local context. The planned uniform unit amount under this intervention is €7,861.19 for 2023- 2027 per hectare. Taking the expected number of hectares to be supported each year from 2023-2027 as 115, this would result in an annual financial allocation of circa €904,036.85 for 2023-2027.

Support under CIS-Tomatoes is directly linked towards addressing the need to support viable farm income and address income disparities between the agri-food sector and other sectors of the economy. The total financial allocation is adequate to achieve the targeted hectares to be supported as mentioned above and will contribute about 25% to the total target value of 3.95% share of farms benefitting from coupled income support for improving competitiveness, sustainability or quality under R.8.This intervention also directly contributes to R.6 Redistribution to smaller farms, which allocation is also deemed to be adequate to achieve the targets set.

Areas of Specific and Natural Constraints (ANC):

The total indicative financial allocation for this rural development intervention is about €14.02m (total public eligible expenditure). Support under this intervention is provided to farmers to assist them in farming in areas of land that have specific/natural constraints.

The financial allocation is justified on the basis of total number of hectares designated as subject to a natural or specific constraint and the proposed payment rates (which provide partial compensation to farmers for the costs incurred and income foregone for continuing to farm the land). Support under ANC addresses the need to support viable farm income, specifically those farmers farming in areas of natural/specific constraints. The annual financial allocation of €2.3 million is adequate to achieve the 100% of additional support per hectare in areas with higher needs under R.7.

DP ECO-Biodeg Mulch - Direct Payments (Eco-scheme) Biodegradable Mulch:

The total financial allocation for DP ECO Biodeg Mulch is circa €125,749.90 for the period 2023-2027. Support is based on the expected number of hectares that can be supported taking into consideration the identified needs as mentioned above, historic data and the local context. The planned uniform unit amount under this intervention is €430 for 2023-2026 and circa €206 for 2027 per hectare. Taking the expected number of hectares to be supported as 269.93 ha for 2023 and 20 ha for 2024, this would result in an annual financial allocation of circa €116,069.90 for 2023 and €9,680 for 2024.

Support under this eco-scheme goes directly towards enhancing biodiversity on agricultural holdings and wider rural areas. The total financial allocation is adequate to achieve the targeted 59.31% share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil quality and biota (such as reducing tillage, soil cover with crops, crop rotation included with leguminous

crops (R.19). This intervention also contributes directly contributes to R.6 Redistribution to smaller farms, which allocation is also deemed to be adequate to achieve the targets set.

DP ECO-Integrated Pest Management - Direct Payments (Eco-scheme: IPM):

The total financial allocation for DP ECO IPM is circa €2.5 million for the period 2023-2027. Support is based on the expected number of hectares that can be supported taking into consideration the identified needs as mentioned above, historic data and the local context. The planned uniform unit amount under this intervention is €2,000 for 2023-2026 and €958 for 2027 per hectare. Taking the expected number of hectares to be supported each year as 480.21 for 2023,150 ha for 2024, and 233ha each year for 2025-2027, this would result in an average annual financial allocation of circa €960,420 for 2023, €349,200 for 2024, €520,000 for 2025-2026 and an annual financial allocation of about €201,900 for 2027.

Support under this eco-scheme goes directly towards enhancing biodiversity on agricultural holdings and wider rural areas. The total financial allocation of circa €2.5 million is adequate to achieve the targeted:

· 9% share of utilised UAA under supported commitments for the quality of water bodies (R.21);

· 8.02% share of utilised UAA under supported commitments related to improved nutrient management. (R.22);

· 9.54% share of utilised agricultural area (UAA) under supported commitments to improve water balance (R.23);

· 9.94% share of utilised agricultural area (UAA) under supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides, such as pesticides leakage (R.24); and

· 54.86% share of utilised agricultural area (UAA) under supported commitments supporting biodiversity conservation or restoration including high-nature-value farming practices (R.31).

This intervention shall also contribute directly contributes to R.6 Redistribution to smaller farms, which allocation is also deemed to be adequate to achieve the targets set.

DP ECO-Biodiversity - Direct Payments (Eco-scheme) Land parcels dedicated for biodiversity purposes):

The total financial allocation for DP ECO Biodiversity is circa €1 million for the period 2023-2027. Support is based on the expected number of hectares that can be supported taking into consideration the identified needs as mentioned above, historic data and the local context. The planned uniform unit amount under this intervention is €2,500 for 2023-2026 and €1,197.70 for 2027 per hectare. Taking the expected number of hectares to be supported as 380ha for 2023, 20 ha each year from 2024-2027, this would result in an average annual financial allocation of circa €950,000 for 2023, €60,720 for 2024, €8,300 for 2025-2026 and an annual financial allocation of about €3,025 for 2027.

Support under this eco-scheme goes directly towards enhancing biodiversity on agricultural holdings and wider rural areas. The total financial allocation of circa €1 million is adequate to achieve the targeted of:

· 9% share of utilised agricultural area (UAA) under supported commitments for the quality of water bodies (R.21);

· 9.54% share of utilised agricultural area (UAA) under supported commitments to improve water balance (R.23); and

· 54.86% share of utilised agricultural area (UAA) under supported commitments for supporting biodiversity conservation or restoration including high-nature-value farming practices (R.31).

This intervention also contributes directly contributes to the targeted share of R.6 Redistribution to smaller farms, which allocation is also deemed to be adequate to achieve the targets set.

DP ECO-CPM - (Eco-scheme: Certified propagating material resistant to pathogens & cultivation of crop or plant varieties with less demand for water):

The total financial allocation for DP ECO-CPM is circa €0.2 million for the period 2024-2027. Support is based on the expected number of hectares that can be supported taking into consideration the identified needs as mentioned above, historic data and the local context. The planned uniform unit amount under this intervention is €368 for 2024-2027 per hectare. Taking the expected number of hectares to be supported on average each year from 2024-2027 as circa 347.84 ha, this would result in an annual financial allocation of circa €189,085.82 for 2024, €10,000 for 2025-2026 and circa €5,790.50 for 2027.

Support under this eco-scheme goes directly towards enhancing biodiversity on agricultural holdings and wider rural areas. The total financial allocation of circa €0.2 million is adequate to achieve the targeted of:

· 3.28% share of utilised agricultural area (UAA) under supported commitments to improve climate adaptation (R.12);

· 9.54% share of utilised agricultural area (UAA) under supported commitments to improve water balance (R.23); and

· 9.94% share of utilised agricultural area (UAA) under supported commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides, such as pesticides leakage (R.24).

This intervention also contributes directly contributes to the targeted share of R.6 Redistribution to smaller farms, which allocation is also deemed to be adequate to achieve the targets set.

DP ECO-MSS - (Eco-scheme: Early harvesting of multi-species swards)

The total financial allocation for DP ECO-MSS is circa €1 million for the period 2024-2027. Support is based on the expected number of hectares that can be supported taking into consideration the identified needs as mentioned above, historic data and the local context. The planned uniform unit amount under this intervention is €526 for 2024-2027 per hectare. Taking the expected number of hectares to be supported on average each year from 2024-2027 as circa 347.84 ha, this would result in an average annual financial allocation of circa €201,000 for 2024-2027.

Support under this eco-scheme goes directly towards enhancing biodiversity on agricultural holdings and wider rural areas. The total financial allocation of circa €1 million is adequate to achieve the targeted of:

· 59.31% share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil quality and biota (such as reducing tillage, soil cover with crops, crop rotation included with leguminous crops (R.19).

This intervention also contributes directly contributes to the targeted share of R.6 Redistribution to smaller farms, which allocation is also deemed to be adequate to achieve the targets set.

DP ECO-NPE - (Eco-scheme: Arable land for non-productive elements)

The total financial allocation for DP ECO-NPE is circa €5 million for the period 2024-2027. Support is based on the expected number of hectares that can be supported taking into consideration the identified needs as mentioned above, historic data and the local context. The planned uniform unit amount under this intervention is €112 for 2024-2027 per hectare. Taking the expected number of hectares to be supported

on average each year from 2024-2027 as circa 5,432 ha, this would result in an average annual financial allocation of circa €1mn for 2024-2027.

Support under this eco-scheme goes directly towards enhancing biodiversity on agricultural holdings and wider rural areas. The total financial allocation of circa €5 million is adequate to achieve the target of:

· 59.31% share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil quality and biota (such as reducing tillage, soil cover with crops, crop rotation included with leguminous crops (R.19);

· 54.86% share of utilised agricultural area (UAA) under supported commitments supporting biodiversity conservation or restoration including high-nature-value farming practices (R.31); and

· 0.97% share of utilised agricultural area (UAA) under supported commitments for managing landscape features, including hedgerows and trees (R.34),

This intervention also contributes directly contributes to the targeted share of R.6 Redistribution to smaller farms, which allocation is also deemed to be adequate to achieve the targets set.

Animal Welfare:

The total financial allocation for all animal welfare-related schemes is circa €1,724,923 and funding shall target the provision of financial support to incentivize breeders in the Maltese Islands to reduce the stocking density per square meter on their farm. Eco schemes under Direct payments shall target animal welfare schemes for dairy cows, sheep and goat by lowering the stocking density of livestock and thus improving their health and overall welfare.

For the broiler breeder scheme in line with Article 91 (3)(b) an EAFRD contribution rate of 80% of the original investment is attributed to such interventions. Support is based on the expected number of livestock units that can be supported taking into consideration the identified needs as mentioned above, historic data and the local context., a planned uniform unit amount of €50 per livestock unit for 2023-2027 has been established as justified and described in Section 5 of this Plan.

Under direct payments with regards to the Eco-scheme on Bovine Dairy Welfare, the estimated subsidy per retained cow is at €101. This shall be the basis for the minimum rate, with planned and maximum rates at €118 and €136 per retained dairy cow, respectively. With regards to the Eco-Scheme on Goat and Sheep the estimated net output value per animal head is €115.79. From the estimated net output value per animal head, the subsidy per retained animal head is calculated €28.95 according to the 20% stocking density improvement. This shall be the reference for the planned rate €29 with maximum and minimum rates €35 and €25 per retained animal head, respectively.

The introduction of these two new animal welfare eco-schemes reflects the intensification of efforts towards improved animal welfare practices in Malta. This is the first time that animal welfare related eco-schemes are being supported under the EAGF thereby introducing new types of interventions for direct payments in line with Title III, Chapter II of Regulation (EU) 2021/2115. In view of this, their introduction represents a strategic change of the CSP with a stronger intensification of animal welfare actions. The total financial allocation for these interventions, reflecting Malta's strategic change towards enhanced animal welfare measures, is deemed sufficient, to achieve the targets of 18% share of livestock units (LU) covered by supported actions to improve animal welfare (R.44).The introduction of these new schemes represents a strategic change in view of its impact on the intervention logic and increase in R.44.

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

2.1.SO2.1 Summary of the SWOT Analysis

2.1.SO2.1.1 Strengths

1. Growing resident population and large visitor population offer a significant opportunity for local producers to sell to local consumers
2. An island nation and economy, farmers benefit from focusing upon producing for the domestic market
3. Proximity to markets enable freshness, authenticity and reduced food miles
4. Short food supply chains in some sectors enable better communication
5. Established fresh food markets for direct selling
6. Good conditions for particular 'unique' local products - tomatoes for *Kunserva*, and endemic varieties of olives and grape vines
7. Promotional links between specific Maltese types or brands of food and popular Maltese chefs and restaurants

2.1.SO2.1.2 Weaknesses

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

2.1.SO2.1.3 Opportunities

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

2.1.SO2.1.4 Threats

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

2.1.SO2.1.5 Other comments

Further information and data supporting the SWOT may be found under Annex II. The ranking of needs is in line with the evidence presented in the Annex, as well as consistent with stakeholder opinion. Investments to improve market competitiveness is seen as most important but almost as important is the Knowledge Exchange advice and training which can support and help ensure the knowledge needed to gain full value from new investments. Increase direct selling and adding value are also important, and should complement investment and knowledge transfer efforts. Also important is the need for better cooperation across the supply chain.

2.1.SO2.2 Identification of needs

Code	Title	Prioritisation at the level of the CAP Strategic Plan	Need is addressed in Cap Strategic Plan
2.1	Build human, social and institutional capital through investment in knowledge, training, advice	2	Yes
2.2	Better cooperation and strategic market approaches in the sectors which currently lack this	4	Yes
2.3	Increase direct selling, adding value, improving processing, marketing facilities and skills	3	Yes
2.4	Identify and support the investment needs of the sector to increase its market competitiveness	1	Yes

Other comments related to needs assessment.

Not applicable.

2.1.SO2.4 Intervention logic

Form of Intervention	Type of Intervention	Intervention Code (MS) - Name	Common Output Indicator
RD	INVEST(73-74) - Investments, including investments in irrigation	RD Off-Farm INFRARd - Off-Farm Infrastructure Rural Roads for Competitiveness	O.22. Number of supported infrastructures investment operations or units
RD	INVEST(73-74) - Investments, including investments in irrigation	RD Off-Farm P.INVEST - Off-farm Productive Investment	O.24. Number of supported off-farm productive investment operations or units
RD	INVEST(73-74) - Investments, including investments in irrigation	RD On-farm Invest P. - On-farm Productive Investments	O.20. Number of supported on-farm productive investment operations or units
RD	COOP(77) - Cooperation	RD COOP - EIP - EIP Operational Groups	O.1. Number of European Innovation Partnership (EIP) operational group projects
RD	KNOW(78) - Knowledge exchange and dissemination of	RD KNOW - Knowledge exchange, advice, training and dissemination of	O.33. Number of supported training, advice and awareness actions or

	information	information	units

Overview

This SO covers important aspect for the agriculture sector in Malta, given the vulnerability of the sector to external pressures and challenges of many kinds, as well as the wide range of market failures and competitive pressures in Malta's food markets which require both new institutional investments and new initiatives among Maltese farmers and processors. Further challenges have been brought about by the COVID-19 pandemic and the conflict in Ukraine, both of which have led to significant increase in the cost of inputs and disruptions in the supply chain. This has an impact on the food security of the island that is already very much dependent on imported food supplies.

The objectives of this SO will be targeted through interventions under EAFRD, including off-farm investments relating to infrastructure that will benefit the general farming population, on and off-farm productive investments to enhance efficiency, quality and productivity, quality schemes and cooperation activities, as well as knowledge exchange including training, advice and dissemination of information. These interventions will contribute to the priorities of this SO and are designed to enhance farm competitiveness and better market orientation and organisation, whilst including a greater focus on research, technology and digitalisation skills and equipment to take the sector forward.

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

Although the sector has invested significantly during the 14 – 20 programming period, supporting investments remains crucial to ensure the continuity of the sector. On-farm productive investments are expected to support farm modernisation, the purchase of new machinery, the construction of greenhouses, the purchase of more efficient irrigation systems and investments in precision farming, amongst others. The aim therefore is to support farmers in their endeavours, to ensure the continuity of the sector and support its drive towards innovation and the production of better-quality products. The ultimate aim is to ensure that local production can continue taking place efficiently and also cost effectively, to ensure the competitiveness of local produce on the local market.

Support shall also be provided for the undertaking of infrastructural projects aimed at addressing the needs of the farming population. One of these projects is expected to target a crucial element of the agricultural sector: the provision of an alternative source of water for irrigation. This project will build on a previous project implemented through the 14 – 20 programming period and shall extend the distribution network of treated sewage effluent. This this will reduce the reliance of farmers on groundwater, therefore also leading to the long term improvement of the qualitative and quantitative status of groundwater reserves. Therefore, this project will ensure the continuity of the sector that is very much dependent on water and is being negatively impacted by changing rainfall patterns that lead to droughts and torrential downpours which are becoming more frequent due to climate change. Although this project is directly related to SO5, given the importance of water to the livelihood of farmers and their competitiveness, it is also expected to indirectly target this SO.

Support shall also focus on the upgrade and modernisation of rural roads to improve accessibility to farmland, therefore providing farmers with better access to their holdings, with the aim of preventing land abandonment and encourage farmers to make the best use of all their land parcels. Improved rural roads will also provide better access to machinery that can improve the efficiency of primary production. Investment in rural roads will also complement actions in arterial roads under Cohesion Funds 2021 – 2027.

Build human, social and institutional capital through investment in knowledge, training, advice to strengthen marketing and adding value

Knowledge transfer through training and advice shall complement investment opportunities linked to this SO. Knowledge transfer is expected to improve the level of skills and knowledge of farm operators and provide information in relation to the farm's economic viability, sustainable use of resources, efficiency, adaptation to climate change and enhance the holdings' competitiveness, amongst others.

Better cooperation and strategic market approaches in the sectors which currently lack this

Whereas the level of cooperation varies among the different sectors, the need for better cooperation along the supply chain has emerged as an important Need that can be addressed through the cooperation intervention. The aim is to develop short supply chains for the benefit of primary producers. Support shall therefore be provided for cooperation projects between farmers, young farmers, businesses, research and educational institutions and public entities, for the formation of different forms of partnerships aimed at addressing this Need.

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

Support for quality schemes shall address this Need, encouraging farmers to take up registered quality schemes by supporting the costs of certification. This is expected to result in better quality produce on the local market. This intervention can also support promotion of such quality schemes, with the aim of increasing uptake and raising awareness among the general public.

Supporting processing also aims to add value to agricultural produce and investments supported under this intervention should result in demonstrable benefits to Maltese agricultural producers. This intervention will therefore not only support processers directly but also primary producers, indirectly. Support is expected to be targeted towards new and more efficient production methods for the production of better-quality products, through the purchase of innovative machinery, amongst others. Support may also be provided for the setting up of shops that are intrinsically linked to the processing plant, with the aim of increasing direct selling.

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

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

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

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

Result indicators [recommended Result indicators for this specific objective are fully displayed in bold]	Target value
R.1 CU PR - Enhancing performance through knowledge and innovation Number of persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP in order to enhance sustainable economic, social, environmental, climate and resource efficiency performance	4,100.00
R.2 CU - Linking advice and knowledge systems Number of advisors receiving support to be integrated within Agricultural Knowledge and Innovation Systems (AKIS)	18.00
R.3 CU - Digitalising agriculture Share of farms benefitting from support for digital farming technology through CAP	0.20 %
R.9 CU PR - Farm modernisation Share of farmers receiving investment support to restructure and modernise, including to improve resource efficiency	1.32 %
R.26 CU - Investment related to natural resources Share of farms benifitting from CAP	0.48 %

productive and non-productive investment support related to care for the natural resource	
R.41 CU PR - Connecting rural Europe Share of rural population benefitting from improved access to services and infrastructure through CAP support	100.00 %

Justification of the targets and related milestones

R.1 CU PR Enhancing performance through knowledge and innovation: Number of persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP in order to enhance sustainable economic, social, environmental, climate and resource efficiency performance – 4,100 persons

Within SO2, Knowledge and dissemination of information (Article 78) contributes towards R.1. The knowledge transfer intervention will provide training specifically targeted towards young farmers, to address the weakness related to training. This has been identified as a good approach during the implementation of the RDP 2014-2020 whereby young farmers have received complementary training to address their needs. This intervention may support both young farmers that have benefited from the start-up aid measure, but also those who have not. The average support rate per person benefitting from training is based on the experience gained through the implementation of the 2014-2020 period and estimated at about € 1,100. On this basis the result indicator for R.1 of which a number will also be young farmers, is set at 4,100 participants.

R.2 Linking advice and knowledge systems: Number of advisors receiving support to be integrated within the Agricultural Knowledge and Innovation Systems (AKIS)- 18 advisors

The interventions contributing towards R.2 are Knowledge Exchange and Information and COOP EIP. Based on the experience gained through the implementation of the 2014-2020 period, about 18 advisors will be receiving support to be integrated within the Agricultural Knowledge and Innovation Systems (AKIS).

R.3 Digitalising agriculture: Share of farms benefitting from support for digital farming technology through CAP - 0.20%

Based on an assessment of project applications under M4.1 in the RDP 2014-2020, about 5% of the expenditure has been allocated towards digitalisation. This is assumed to increase further to 10% in the CAP SP in relation to budget allocated for SO2. The support rate is based on average support provided under the same measure taking into account inflationary effects, such that the number of farms benefitting from support for digital farming technology through CAP is estimated to stand at 21, representing around 0.20% of total farms.

R.9 CU PR Farm Modernization: Share of farmers receiving investment support to restructure and modernise, including to improve resource efficiency – 1.32%

Within SO2, On-Farm and Productive Investment contributes towards R.9. Based on an assessment of project applications under RDP 2014-2020, it is assumed that around 60% of the intervention's budget allocated under SO2 will contribute to farm modernisation. The support rate per farm is based on the average support provided under M4.1 of the RDP 2014-2020 taking into account inflationary effects and stands at around €98,560. On this basis, the total target value set for R.9 is 138 holdings representing 1.32% of total holdings.

R.26 CU Investment related to natural resources: Share of farms benifitting from CAP productive and non-productive investment support related to care for the natural resource -0.48%

Within SO2, On Farm Productive investments directly contribute to this result indicator with about 50 farms benifitting from CAP productive and non-productive investment support related to care for the natural resource resulting in a target value of circa 0.48%.

R.41 Connecting Rural Europe: 100% share of rural population benefitting from improved access to services and infrastructure through CAP support

Within SO 2, Off- Farm Infrastructure for Rural Roads for competitiveness contributes towards R.41. Support shall be addressed on the upgrade and modernisation of rural roads to improve accessibility to farmland, therefore providing farmers with better access to their holdings, with aim of preventing land abandonment and encourage farmers to make the best use of all their land parcels. Improved rural roads will also provide better access to machinery that can improve the efficiency of primary production. Investment in rural roads will also complement actions in arterial roads under Cohesion Funds 2021 – 2027. The amelioration of rural roads will benefit the entire rural population. On this basis the result target is set at 100%.

2.1.SO2.9 Justification of the financial allocation

The overall financial allocation for the identified interventions contributing to this Specific Objective takes into consideration the following factors:

• the total allocated MT budget under the CAP SP;

• the regulatory obligations of the CAP SP (minimum/ maximum allocations);

• the transfer of up to 25 % of the EAFRD allocation in financial years 2024 to 2027 to the Direct Payments allocation set out in Annex V for calendar years 2023 to 2026 in line with Article 103 of the CAP SP;

• the needs of the local context as identified through a bottom-up consultative approach;

• lessons learnt and historic data from previous periods allocations; and

• the changing context and emerging needs in relation to exceptional events/circumstances, threats and impacts such as food security issues and increased energy prices as a result of the invasion of Ukraine by Russia and other potential impacts/risks.

The following rural development interventions will directly contribute to achieving the needs identified under Specific Objective 2:

1. On-Farm Productive Investments
2. Off-Farm Productive Investments
3. Cooperation Activities (EIP)
4. Knowledge, exchange, training and dissemination of information
5. Off-Farm Infrastructure Investments: Rural roads for competitiveness

On-Farm Productive Investments

The total financial allocation for the measure is circa €22.38m and funding shall target support for farmers to invest in productive equipment for their farms. In line with Article 91 (2)(c) a contribution rate of 60% of the original investment is attributed to such investments. The needs for the identification and support of the investment needs of the sector to increase its market competitiveness and increased understanding of Maltese consumer demand and better tapping of the tourism market, are addressed by the provision of this

financial support which affords farmers access to subsidised investments. The total financial allocation is sufficient to achieve the targets of 1.32% share of farms benefitting from support to restructure and modernise, including to improve resource efficiency (R.9) and the 0.48% share of share of farms benifitting from CAP productive and non-productive investment support related to care for the natural resource (R.26).

Off-Farm Productive Investments

The total financial allocation for the measure is circa €6.66m and funding shall target support for farmers to invest in productive equipment for their farms. In line with Article 91 (2)(c) a contribution rate of 60% of the original investment is attributed to such investments. In this regard, related identified needs under this SO as mentioned above shall be addressed by the provision of financial support which affords farmers access to subsidised investments. The total financial allocation shall contribute directly to the target of 0.57% share of farms participating in producer groups, producer organisations, local markets, short supply chain circuits and quality schemes supported by the CAP (R.10).

Cooperation (EIP) Activities

The total financial allocation for the measure is circa €1.6m and funding shall target support for cooperation activities (EIP). In line with Article 91 (2)(c) a contribution rate of 80% of the original investment shall be allocated to such operations. In this regard, related identified needs under this SO as mentioned above shall be addressed by the provision of financial support for cooperation activities supporting pilot projects, the development of new products, practices, processes and technologies. The total financial allocation shall contribute directly and is sufficient to achieve the targets of:

a) 4,100 persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP in order to enhance sustainable economic, social, environmental, climate and resource efficiency performance (R.1);
b) 18 advisors receiving support to be integrated within Agricultural Knowledge and Innovation Systems (AKIS) (R.2);
c) 2050 persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP related to environmental- climate performance (R.28).

Knowledge, exchange, training and dissemination of information

The total financial allocation for the measure is circa €4.37m and funding shall target support for training and advice. In line with Article 91 (2)(c) a contribution rate of 60% of the original investment is attributed to such investments. In this regard, related identified needs under this SO as mentioned in this section shall be addressed by the provision of grants for such actions. The total financial allocation contributes directly and is sufficient to achieve the targets of 4,100 persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP in order to enhance sustainable economic, social, environmental, climate and resource efficiency performance (R.1).

Off-Farm Investments - Infrastructure: Rural Roads for competitiveness

The total financial allocation for the measure is circa €5.7m and funding shall target support for investment in off-farm infrastructure in rural roads as described in Chapter 5 of this Plan to address the needs identified under this Specific Objective. In line with Article 91 (2)(c) a EAFRD contribution rate of 60% of the original investment shall be attributed to such investments. The investment needs identified as described above shall be addressed by the provision of this financial support by providing enhanced access to rural roads. The total financial allocation is sufficient to achieve the targets of 7 operations contributing to 100% share of rural population benefitting from improved access to services and infrastructure through CAP support (R.41).

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

2.1.SO3.1 Summary of the SWOT Analysis

2.1.SO3.1.1 Strengths

1. Increasing awareness among farmers and producer organisations of the need to organise themselves into larger collective groups and bodies, in order to seek enhanced returns, particularly among younger farmers
2. Expanding resident consumer markets, due to increase in population, that is in close proximity to rural areas
3. Production of quality fresh produce well-matched to consumer demand
4. A very diverse product offer matching most food consumption demands

2.1.SO3.1.2 Weaknesses

1. A tendency to emulate neighbour's behaviour or long-established and inefficient practices, leading to low quality in some sectors which undermines farmers' ability to get a good price for products
2. Weak branding and presentation of Maltese produce
3. Lack of cooperation among producers in production and marketing reduces access to high-volume tourist/hospitality markets

2.1.SO3.1.3 Opportunities

1. Large tourism market in close proximity
2. Potential for higher quality fresh produce to attract better prices and customer loyalty among the resident population
3. Set up and support Operational Groups
4. Impact of COVID-19 and the conflict in Ukraine and desire for shorter and more secure supply chains creates opportunities for improved position in the supply chain
5. Setting up of the Malta Food Agency in order to tackle market failures in the Maltese agri-food system

2.1.SO3.1.4 Threats

1. Strength of wholesaler middlemen in insufficiently transparent trading market conditions
2. Limited skills and time are barriers to engaging in direct sales and there is potential discrimination against those who engage in alternative marketing by larger players
3. Limited traceability leading to imported goods being sold as local produce
4. Increasing costs of imported inputs, including feed for livestock and fertilisers and pesticides

2.1.SO3.1.5 Other comments

Information and data supporting the SWOT may be found under Annex II. For the ranking of needs, the stakeholder consultations confirmed widespread support for better organization of producers particularly in sectors where this is not yet strongly established, as well as highlighting the importance of helping farmers to build confidence and collective action to improve their bargaining position. Improving the markets for niche products was seen as important but less widely relevant to all farmers. Supporting the processing sector, although also important for the development of the sector, was set at a lower priority. Malta's experience to date with PQNS is that the process to establish and agree on standards can be rather lengthy, and thus the speed and scale of spending to meet this need is likely to be lower than for the other needs under this SO.

2.1.SO3.2 Identification of needs

Code	Title	Prioritisation at the level of the CAP Strategic Plan	Need is addressed in Cap Strategic Plan
3.1	Build human and social capital and support facilitation and innovation to improve the supply chain	1	Yes
3.2	Improve the organisation of producers in the relevant sectors, where this is currently lacking	2	Yes
3.3	Promote Product Quality National Scheme (PQNS) and branding to influence consumer choice	5	Yes
3.4	Further develop established niche markets for authentic Maltese products	3	No
3.5	Support investments that shorten the supply chain	4	Yes

Other comments related to needs assessment.

Not applicable.

2.1.SO3.4 Intervention logic

Form of Intervention	Type of Intervention	Intervention Code (MS) - Name	Common Output Indicator
RD	INVEST(73-74) - Investments, including investments in irrigation	RD Off-Farm P.INVEST - Off-farm Productive Investment	O.24. Number of supported off-farm productive investment operations or units
RD	INVEST(73-74) - Investments, including investments in irrigation	RD On-farm Invest P. - On-farm Productive Investments	O.20. Number of supported on-farm productive investment operations or units
RD	COOP(77) - Cooperation	RD COOP - Cooperation-Quality Schemes	O.29. Number of beneficiaries receiving support to participate in official quality schemes
RD	COOP(77) - Cooperation	RD COOP - EIP - EIP Operational Groups	O.1. Number of European Innovation Partnership (EIP) operational group projects

Overview

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

Build human and social capital and support facilitation and innovation to improve the bargaining position of farmers in supply chains

Knowledge exchange, training, advice and demonstration aids are important to help achieve cooperation and investment aids to enable stronger market and supply chain presence among individual producers or groups of farmers acting together. In view of this, training and advice will be targeted towards equipping farmers with the necessary skills required to cooperate and coordinate in order to improve their position in the food chain shall. This shall also aim to improve competitiveness and economic sustainability of the holdings.

Improve the organisation of producers in the relevant sectors, where this is currently lacking – encourage co-operatives and/or Producer Organisations

The cooperation intervention aims to support horizontal and vertical co-operation among supply chain actors for the establishment and development of short supply chains and local markets, contributing specifically towards this SO. Cooperation was identified as a key requirement to support primary producers in developing quality assurance and improving returns to agriculture. Due to the small size of many producers, economies of scale and market efficiencies will only be gained through collaborative and cooperative actions. The cooperation intervention will therefore encourage and promote cooperation between farmers, young farmers, businesses, research and educational institutes and public entities along the supply chain – the aim is to encourage the formation of partnerships, groups and cooperatives, amongst others. Support for funding research and development, may also be considered. Participating in Operational Groups can increase farmers' confidence and ability to negotiate effectively in supply chain situations.

Promote Product Quality National Scheme (PQNS) and branding to influence consumer choice

This Need shall be addressed through quality schemes that will be supported on two fronts: support shall be provided for farmers to cover costs of certification while support shall also be provided for entities who may wish to carry out promotional campaigns in relation to these schemes. Farmers shall therefore be supported directly, with the aim of increasing participation in such schemes, reducing the costs of participating in such schemes. On the other hand, promotion activities will aim to attract more farmers to such schemes but also provide information to the public, to increase demand for such quality products, to drive the market demand for such schemes.

Support investments that shorten the supply chain

Off-farm productive investments intervention shall target investments that shorten the supply chain, aimed at bringing farmers closer to processors, therefore shortening the supply chain while enhancing relationships between producers and processors. This should enable primary producers to better plan their agricultural output. Supporting processing also aims to add value to agricultural produce and investments supported under this intervention should result in demonstrable benefits to Maltese agricultural producers, therefore, primary producers are also expected to indirectly benefit from such investments.

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

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

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

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

Result indicators [recommended Result indicators for this specific objective are fully displayed in bold]	Target value
R.1 CU PR - Enhancing performance through knowledge and innovation Number of persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP in order to enhance sustainable economic, social, environmental, climate and resource efficiency performance	4,100.00
R.2 CU - Linking advice and knowledge systems Number of advisors receiving support to be	18.00

integrated within Agricultural Knowledge and Innovation Systems (AKIS)	
R.10 CU PR - Better supply chain organisation Share of farms participating in producer groups, producer organisations, local markets, short supply chain circuits and quality schemes supported by the CAP	0.57 %

Justification of the targets and related milestones

R.1 CU PR Enhancing performance through knowledge and innovation Number of persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP in order to enhance sustainable economic, social, environmental, climate and resource efficiency performance – 4,100 persons

Within SO3, Knowledge and dissemination of information (Article 78) contributes towards R.1. The knowledge transfer intervention will provide training specifically targeted towards young farmers, to address the weakness related to training. This has been identified as a good approach during the implementation of the RDP 2014-2020 whereby young farmers have received complementary training to address their needs. This intervention may support both young farmers that have benefited from the start-up aid measure, but also those who have not. The average support rate per person benefitting from training is based on the experience gained through the implementation of the 2014-2020 period and estimated at about € 1,100. On this basis the result indicator for R.1 of which a number will also be young farmers, is set at 4,100 participants.

R.2 Linking advice and knowledge systems: Number of advisors receiving support to be integrated within the Agricultural Knowledge and Innovation Systems (AKIS) - 18 advisors

The interventions contributing towards R.2 are Knowledge Exchange and Information and COOP EIP. Based on the experience gained through the implementation of the 2014-2020 period, about 18 advisors will be receiving support to be integrated within the Agricultural Knowledge and Innovation Systems (AKIS).

R.10 CU PR Better supply chain organisation: Share of farms participating in producer groups, producer organisations, local markets, short supply chain circuits and quality schemes supported by the CAP – 0.57%

Within SO3, Supporting Quality Schemes and Off Farm Productive Investment contribute to the target value established for R.10. When calculating the proportion of R.10 attributed to Supporting Quality Schemes, target participant rates were based on the expected number of beneficiaries under similar schemes as a proportion of total farms in Malta and is based on experience of such schemes under the previous CAP period (2014-2020). The number of farms receiving support to participate in official quality schemes is estimated to stand at 40 with average support amounting to about Euro 7,800 per beneficiary per annum for a maximum period of 5 years.

As for Off Farm Productive Investment, the average support rate is based on the implementation of similar measures during the 2014-2020 period adjusted for inflationary effects. On this basis, the number of supported off-farm productive investment units is estimated at 20. Based on a total of 60 holdings, the target value set for R.10 is 0.57%.

2.1.SO3.9 Justification of the financial allocation

The overall financial allocation for the identified interventions contributing to this Specific Objective takes into consideration the following factors:

• the total allocated MT budget under the CAP SP;
• the regulatory obligations of the CAP SP (minimum/ maximum allocations);
• the transfer of up to 25 % of the EAFRD allocation in financial years 2024 to 2027 to the direct payments allocation set out in Annex V for calendar years 2023 to 2026 in line with Article 103 of the CAP SP;
• the needs of the local context as identified through a bottom-up consultative approach;
• lessons learnt and historic data from previous periods allocations; and
• the changing context and emerging needs in relation to exceptional events/circumstances, threats and impacts such as food security issues and increased energy prices as a result of the invasion of Ukraine by Russia and other potential impacts/risks.

The following rural development interventions will directly contribute to achieving the needs identified under Specific Objective 3:

1. Cooperation- Quality Schemes
2. Off-Farm Productive Investments
3. Cooperation EIP Activities

Cooperation- Quality Schemes

The total financial allocation for the measure is circa €1.56m and funding shall target support for farmers to participate in official quality schemes. In line with Article 91 (2)(c) a contribution rate of 60% of the original investment is attributed to such investments. In this regard, related identified needs under this SO as mentioned above shall be addressed by the provision of financial support which affords farmers access to subsidised investments. The total financial allocation is sufficient to achieve the target of 0.57% share of farms participating in producer groups, producer organisations, local markets, short supply chain circuits and quality schemes supported by the CAP (R.10).

Off-Farm Productive Investments

The total financial allocation for the measure is circa €6.66m and funding shall target support for farmers to invest in productive equipment for their farms. In line with Article 91 (2)(c) a contribution rate of 60% of the original investment is attributed to such investments. In this regard, related identified needs under this SO as mentioned above shall be addressed by the provision of financial support which affords farmers access to subsidised investments. The total financial allocation shall contribute directly to the target of 0.57% share of farms participating in producer groups, producer organisations, local markets, short supply chain circuits and quality schemes supported by the CAP (R.10).

Cooperation EIP Activities

The total financial allocation for the measure is circa €1.6m and funding shall target support for cooperation activities (EIP). In line with Article 91 (2)(c) a contribution rate of 80% of the original investment shall be allocated to such operations. In this regard, related identified needs under this SO as mentioned above shall be addressed by the provision of financial support for cooperation activities supporting pilot projects, the development of new products, practices, processes and technologies. The total financial allocation shall contribute directly and is sufficient to achieve the targets of:

a) 4,100 persons benefitting from advice, training, knowledge exchange, or participating in European

Innovation Partnership (EIP) operational groups supported by the CAP in order to enhance sustainable economic, social, environmental, climate and resource efficiency performance (R.1);

b) 18 advisors receiving support to be integrated within Agricultural Knowledge and Innovation Systems (AKIS) (R.2);

c) 2,050 persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP related to environmental- climate performance (R.28).

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

2.1.SO4.1 Summary of the SWOT Analysis

2.1.SO4.1.1 Strengths

1. Already high generation of solar power and renewable clean energy
2. Increasing take up of energy efficiency measures, including in relation to buildings, equipment
3. Low usage of energy in the agricultural sector
4. Indigenous and potentially high-value or distinctive agricultural products are already well-adapted to Malta's dry climate and extreme weather conditions – with opportunities to expand production sustainably
5. Low GHG emissions generated from the agricultural sector

2.1.SO4.1.2 Weaknesses

1.Comparatively high levels of GHG emissions from overuse of fertilisers and generation and management of livestock manures[1]

2.Many farm sectors depend on fossil fuels – e.g. for imported feedstuffs, chemical fertilisers, plant protection and veterinary medicines, the extraction of water from underground sources and heating or cooling livestock facilities

3.Lack of accessible research and knowledge exchange for the re-adaptation and mitigation of climate change in Maltese agriculture

4.Methane and ammonia emissions from housed cattle and associated slurry stores

[1] This is only when calculated per head in view of Malta's small land size however when compared to other major sectors, the agricultural sector contributes only insignificantly to GHG emissions.

2.1.SO4.1.3 Opportunities

1. Improved energy efficiency on farms by investing in technologies and collaboration to share facilities
2. Encourage soil management to increase carbon content via better R&D and advice
3. Encourage permanent crops in place of annual cereals, promote tree planting along field boundaries designed to increase carbon sequestration on farms.
4. Encourage livestock sectors to invest in sustainable and low-carbon, Maltese animal feeds and equipment to manage farm waste
5. Invest in market research, product development and promotion for lower carbon inputs
6. Enhanced risk management prevention practices among land-based producers for climate adaptation

2.1.SO4.1.4 Threats

1. Climate change impacts from extreme events and warming (including flooding, desertification, coastal erosion, and soil erosion, water scarcity, aquifer exhaustion/drought, more intense storms, rise in sea levels, increased heat stress for livestock)
2. Impact of geopolitical instability which may hinder the shift towards long term climate change measures for more short term needs

2.1.SO4.1.5 Other comments

Under current legislation, all Malta's cattle and pigs, sheep and goats cannot graze on agricultural land but are housed indoors, and all manures from indoor cattle and pigs must be collected and disposed of within

sealed containers as required under SL 549.66. This significantly limits the emission of GHGs from the sector that arise from enteric fermentation and manure management, by comparison with alternative systems.

Malta has one of the strictest regulations on animal manure where livestock are required to be kept under a roof and that adequate manure management systems are in place to ensure that no leaching of nutrients generated from this activity is leached to the aquifer, as per SL 549.66. Furthermore, the liquid portion of the manure is stored in a leakproof cesspit which is emptied by a service provider who takes the generated waste to waste treatment facilities. It is also to be noted that the application of slurry is not permissible under this local regulation thus, as a result, eliminating any risks of increased ammonia emission associated with this activity.

Whilst indicators suggest that livestock densities (per head) are comparatively high on Malta, this is a consequence of its small size and very high population density, creating a large demand for food, combined with its significant area of non-agricultural land which is either developed (built upon) or which is designated for its high biodiversity value and is not permitted to be used for agriculture (most commonly the Maltese garrigue, rocky limestone areas with semi-natural vegetation of small shrubs and herbs with high nature value).

In absolute terms, the contribution of livestock farms to Malta's GHG emissions is very small – with only 136 cattle farms and only 6,000 dairy cows, 66 pig farms and 40,000 pigs, around 800 other livestock holdings and under 22,000 sheep or goats, compared to a human population density reaching 1,595.1 persons per km^2 which is significantly higher than the EU-27 average[1] of 109 persons per km^2 and is further increased in the main tourist season. By comparison with farming, the contribution of other sectors such as transport, energy, and tourism to GHGs is therefore much more significant within the local context. In fact, the agricultural sector accounts for only 3% of national greenhouse gas emissions, compared to the transport sector which is accountable for 21.1% of GHG emissions (LCDS, 2021)[2]. However, the share of agricultural emissions over the years has not fluctuated much, with a 15% reduction in emissions being registered in 2017 compared to 1990 emission levels (NECP, 2019). The NECP however recognized that methane is the main contributor, however since there is no grazing on land emissions from enteric fermentation are contained, with the only manure that is used on land coming from small animals, mainly chicken and rabbits. Malta's relatively high dependence on imported fertilisers, feeds and food means that even the GHG emissions from the Maltese food sector derive much more from food waste and human waste than from Maltese agriculture.

Nevertheless, there are opportunities for farms to reduce GHG emissions directly and indirectly from better land management, such as by reducing the use of chemical fertilisers, improved housing and management of manure, and improving efficiency of use of organic fertilisers, as well as to contribute to climate mitigation through energy efficiency measures. Whilst the CAP SP will not directly support RES generation, this is because the latter is sufficiently supported through national funds to incentivise the take up of such measures locally.

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

[1] Eurostat, 'Population Density', https://ec.europa.eu/eurostat/databrowser/view/tps00003/default/table?lang=en

[2] Low Carbon Development Strategy, 2021. Ministry for the Environment, Climate Change and Planning. Accessed from: https://unfccc.int/sites/default/files/resource/MLT_LTS_Nov2021.pdf

2.1.SO4.2 Identification of needs

Code	Title	Prioritisation at the level of the CAP Strategic Plan	Need is addressed in Cap Strategic

			Plan
4.1	Improved distribution & utilisation of treated wastewater & ensure sustainable irrigation for crops	2	Yes
4.2	Improve risk management in Maltese agriculture and make farmers more financially resilient	7	No
4.3	Use animal and agricultural waste and residues as a resource	3	Yes
4.4	Reduced use of chemical N-fertilizers and other inputs with similarly high carbon footprint	1	Yes
4.5	Knowledge exchange, training and advice to help reduce, reuse and recycle resources on farms	5	Yes
4.6	Research, innovation and demonstration aimed at moving towards low carbon agriculture	6	Yes
4.7	Knowledge exchange, training, advice and investment support to improve farm climate change	4	Yes

Other comments related to needs assessment.

Not applicable.

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

This SO has taken into account the relevant elements from Malta's 2030 National Energy and Climate Plan[1], its National Strategy on Adaptation for Climate Change[2], Long Term Waste Management Plan 2021 - 2030[3], and its National Renewable Energy Action Plan[4], including the Low Carbon Development Strategy and the National Energy and Climate Plan emanating from the relevant EU legislative instruments on climate and renewable energy.

[1] 'Malta's 2030 National Energy and Climate Plan', https://energywateragency.gov.mt/wp-content/uploads/2021/10/MT-NECP-FINAL-2020-10-05_Corrigendum.pdf.

[2] Ministry for Resources and Rural Affairs, 'National Climate Change Adaptation Strategy', https://environment.gov.mt/en/Documents/Downloads/maltaClimateChangeAdaptationStrategy/nationalAdaptationStrategy.pdf.

[3] Long term waste management plan 2021 - 2030, Ministry for the Environment, Climate Change and Planning. https://era.org.mt/wp-content/uploads/2022/02/Long-Term-Waste-Management-Plan-v1.4.3-Spreads-Digital-Version.pdf

[4] The Energy & Water Agency, 'The National Renewable Energy Action Plan 2015-2020', https://drive.google.com/file/d/18afxVA-V6YmrNrF0yus6Xv-rmHuTnLCM/view.

2.1.SO4.4 Intervention logic

Form of Intervention	Type of Intervention	Intervention Code (MS) - Name	Common Output Indicator
DPdecoupled	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare	DP ECO-Biodiversity - Direct Payments (Eco-scheme) Land parcels dedicated for biodiversity purposes	O.8. Number of hectares or of livestock units benefitting from eco-schemes
DPdecoupled	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare	DP ECO-CPM - (Eco-scheme: Certified propagating material resistant to pathogens & cultivation of crop or plant varieties with less demand for water)	O.8. Number of hectares or of livestock units benefitting from eco-schemes

DPdecoupled	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare	DP ECO-IPM - Direct Payments (Eco-scheme: IPM)	O.8. Number of hectares or of livestock units benefitting from eco-schemes
RD	ENVCLIM(70) - Environmental, climate-related and other management commitments	RD Gen Res - Conservation and sustainable use of genetic resources	O.19. Number of operations or units supporting genetic resources
RD	ENVCLIM(70) - Environmental, climate-related and other management commitments	RD MANG COMT - Land Based management commitments	O.14. Number of hectares (excluding forestry) or number of other units covered by environmental or climate-related commitments going beyond mandatory requirements
RD	ENVCLIM(70) - Environmental, climate-related and other management commitments	RD- Organic - Organic Farming Scheme	O.17. Number of hectares or number of other units benefitting from support for organic farming
RD	INVEST(73-74) - Investments, including investments in irrigation	RD On-farm Invest P. - On-farm Productive Investments	O.20. Number of supported on-farm productive investment operations or units
RD	KNOW(78) - Knowledge exchange and dissemination of information	RD KNOW - Knowledge exchange, advice, training and dissemination of information	O.33. Number of supported training, advice and awareness actions or units

Overview

Ensure sustainable irrigation for crops

Ensuring sustainable irrigation for crops will also be targeted through the on-farm productive investments intervention since support may be directed towards the purchase of smart irrigation systems that are more efficient, amongst others.

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

Support for organic farming will target this Need since this method of agricultural production leads to a reduced input use. Support shall be provided in the form of annual payments for costs incurred and income forgone for farmers that are in the process of converting their holding to organic and also to certified organic farmers. The aim is to encourage more farmers to switch to this method of production in view of its many climate and environment benefits, also in view of the EU Green Deal 2030 target.

Pesticides also impact climate change throughout their manufacture, transport and application. Therefore, interventions aimed at limiting the use of plant protection products, including pesticides and herbicides, will also be contributing to this SO. These interventions include the eco-scheme related to the implementation of an IPM on the holding, the eco-scheme related to land parcels dedicated for biodiversity and the management commitment related to the use of mechanical means for removing weeds, instead of herbicides.

Knowledge exchange, training and advice to help reduce, reuse and recycle resources on farms and Knowledge exchange, training, advice and investment support to improve farm climate change adaptation and mitigation

These two knowledge transfer Needs will be targeted through the knowledge exchange and dissemination intervention. Information may be provided in relation to input use reduction, the reduction of single-use plastic products, the use of materials that have lower environmental impact and the benefits of composting, amongst others. With regards to mitigation, information will be provided on how farmers can reduce their GHG emissions, through the use of modern, smart technologies, strategies to reduce

emissions from livestock, the use of updated agronomic practices and new modern farming systems development such as aquaponics. Given that the impact of climate change is already manifesting itself on the local agricultural sector, training in this regard will also be carried out. Information and knowledge transfer may be supported through education/training institutions but also directly on farm to further facilitate the take up and impact of such training.

With regards to on-farm investments, support in the form of grants will be provided for farm modernisation and the purchase of modern equipment, including more energy and resource efficient technologies, amongst others.

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

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

2.1.SO4.7 Are you planning CAP contribution towards the LIFE programme (only for SO4, SO5, SO6)

: **No**

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

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

Result indicators [recommended Result indicators for this specific objective are fully displayed in bold]	Target value
R.12 - Adaptation to climate change Share of utilised agricultural area (UAA) under supported commitments to improve climate adaptation	3.28 %
R.14 PR - Carbon storage in soils and biomass Share of utilised agricultural area (UAA) under supported commitments to reduce emissions or to maintain or enhance carbon storage (including permanent grassland, permanent crops with permanent green cover, agricultural land in wetland and peatland)	6.06 %
R.16 CU - Investments related to climate Share of farms benefitting from CAP investment support contributing to climate change mitigation and adaptation, and to the production of renewable energy or biomaterials	0.14 %
R.17 CU PR - Afforested land Area supported for afforestation, agroforestry restoration, including breakdowns	250.12 ha
R.19 PR - Improving and protecting soils Share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil quality and biota (such as reducing tillage, soil cover with crops, crop rotation included with leguminous crops)	59.31 %
R.23 PR - Sustainable water use Share of utilised agricultural area (UAA) under supported commitments to improve water balance	9.54 %
R.24 PR - Sustainable and reduced use of pesticides Share of Utilised Agricultural Area (UAA) under supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides, such as pesticides leakage	9.94 %
R.26 CU - Investment related to natural resources Share of farms benifitting from CAP productive and non-productive investment support related to care for the natural resource	0.48 %
R.28 CU - Environmental or climate-related performance through knowledge and innovation Number of persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP	2,050.00

related to environmental or climate-related performance	
R.29 PR - Development of organic agriculture Share of utilised agricultural area (UAA) supported by the CAP for organic farming with a split between maintenance and conversion	2.54 %
R.31 PR - Preserving habitats and species Share of utilised agricultural area (UAA) under supported commitments for supporting biodiversity conservation or restoration including high-nature-value farming practices	54.86 %
R.34 PR - Preserving landscape features Share of utilised agricultural area (UAA) under supported commitments for managing landscape features, including hedgerows and trees	0.97 %

Justification of the targets and related milestones

R.12 - Adaptation to climate change Share of utilised agricultural area (UAA) under supported commitments to improve climate adaptation - 3.28%

Within SO4, Land Based Management Commitments and the Conservation and sustainable use of genetic resources commitment contribute to the target value established for R.12. When calculating the proportion of R.12 attributed to Land Based Management Commitments, AECM 2 (Maintenance of Trees) and the Conservation and sustainable use of genetic resources commitment AECM 5c (Integration and maintenance of autochthonous species: Carob & Mulberry) are taken into consideration, such that a total of 4 hectares of the value of R.12 is attributed to Land Based Management Commitments and Conservation and sustainable use of genetic resources commitment. Eco-scheme CPM Certified propagating material resistant to pathogens & cultivation of crop or plant varieties with less demand for water also contributes with circa 347.84 ha. On this basis, the target value set for R.12 is 3.28%.

R.14 PR - Carbon storage in soils and biomass Share of utilised agricultural area (UAA) under supported commitments to reduce emissions or to maintain or enhance carbon storage (including permanent grassland, permanent crops with permanent green cover, agricultural land in wetland and peatland) - 6.06%

Within SO4, Land Based Management Commitments and Conservation and sustainable use of genetic resources commitment contribute to the target value established for R.14. More specifically, AECM 1(Control of weeds for vineyards and orchards), AECM 2 (Maintenance of Trees), AECM 4 (Implementation of soil management and conservation plan on a parcel) and AECM 5c (Integration and maintenance of autochthonous species: Carob & Mulberry), which are associated with a value of 377.43 hectares for FY2024 & FY2025 and circa 1605ha for FY2026-FY2028, contribute to the target value of R.14. Furthermore, the organic farming scheme shall also contribute towards this indicator with a target of circa 272.10 ha resulting in an overall R.14 target of circa 649.53 ha. On this basis, the target value set for R.14 is 6.06%.

R.16 CU - Investments related to climate Share of farms benefitting from CAP investment support contributing to climate change mitigation and adaptation, and to the production of renewable energy or biomaterials - 0.14 %

The allocation of on-farm and productive investment under SO4 contributes towards this indicator. Based on an average support rate of M4.1, which is around €90,000/holding derived through the experience in the implementation of the 2014-2020 RDP, the number of farms benefitting from investment support which contributes to climate change mitigation and adaption or biomaterials production is estimated to be 15 or 0.14% of total farms.

R.17 CU PR - Afforested land Area supported for afforestation, agroforestry restoration, including breakdowns - 250.12 ha

The allocation of off farm afforestation and non-productive environment contributes towards R17. Based on a support rate of €10,000/ha[1], which takes into account the expected costs of tree planting for this intervention and taking into consideration the expected contribution of on-farm non productive investments towards this indicator, the total area supported for afforestation is estimated at 250.12ha.

R.19 PR - Improving and protecting soils Share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil quality and biota (such as reducing tillage, soil cover with crops, crop rotation included with leguminous crops) - 59.31%

Within SO4, the intervention contributing to the target value set for R.19 is:

·Land Based Management Commitments, more specifically AECM 4 (Implementation of soil management and conservation plan on a parcel)

·Eco-Scheme: Biodegradable Mulch

-Eco-Scheme: Arable land for non-productive elements

-Eco-Scheme: Early harvesting of multi-species swards

·Eco-Scheme: Land parcels dedicated for biodiversity purposes

·Organic Farming Scheme

When calculating the proportion of R.19 attributed to Land Based Management Commitments, the amount of hectares is estimated to stand at circa 272 hectares based on the planned support rate for the AECM whereas the proportion attributed to Eco-Scheme: Biodegradable Mulch is 269.93 hectares (2023) and 20 ha (2024) and that for Eco-Scheme: Land parcels dedicated for biodiversity purposes is 380 ha (2023) and 20 ha (2024-2027). Eco-Scheme: Arable land for non-productive elements and Eco-Scheme: Early harvesting of multi-species swards contribute with circa 5432ha and 348ha respectively. The Organic Farming Scheme also contributes with 272.10 ha. The total hectares under supported commitments beneficial for soil management to improve soil quality and biota amount to 6363.69 hectares. On this basis, the target value set for R.19 is 59.31 %.

R.23 PR - Sustainable water use Share of utilised agricultural area (UAA) under supported commitments to improve water balance – 9.54%

Within SO4, the interventions contributing to the target value of R.23 are:

·Land Based Management Commitments, more specifically AECM 1(Control of weeds for vineyards and orchards) and AECM 4 (Implementation of soil management and conservation plan on a parcel).

-Eco-Scheme: Biodegradable Mulch

·Eco-Scheme: Land parcels dedicated for biodiversity purposes

-Eco-Scheme CPM: Certified propagating material resistant to pathogens & cultivation of crop or plant varieties with less demand for water

The annual hectares associated with AECM 1 and 4 are 375.43 ha for FY2024, 1086.09 ha for FY2025 and circa 1,601 ha for FY2026- FY2028. Those associated with Eco-Scheme: Biodegradable Mulch are 269.93 ha (2023) and 20ha for 2024, and those related to Eco-Scheme: Land parcels dedicated for biodiversity purposes are 380 ha for 2023, 20 ha for 2024 and 2.75ha 2025-2027. Eco-Scheme- CPM: Certified propagating material resistant to pathogens & cultivation of crop or plant varieties with less demand for water contributes with an additional 347.84ha for 2024, and 18.5ha for 2025-2027. The total hectares under supported commitments to improve water balance amount to 1023.36. On this basis, the target value set for R.23 is 9.54%.

R.24 PR - Sustainable and reduced use of pesticides: Share of Utilised Agricultural Area (UAA) under supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides, such as pesticides leakage - 9.94%

The interventions contributing to the target value of R.24 and the needs identified in SO4 are:

·Land Based Management Commitments, more specifically AECM 1 (Control of weeds for vineyards and orchards)

·Eco-Scheme: Integrated Pest Management Plan (IPM)

·Eco-Scheme: Land parcels dedicated for biodiversity purposes

-Eco-Scheme: Certified propagating material resistant to pathogens & cultivation of crop or plant varieties with less demand for water

·Organic Farming Scheme

The annual support rate for AECM1 is €1,282.45 per hectare leading to support for 101.79 ha over a period of five years. For Eco-Scheme: Integrated Pest Management Plan (IPM) the annual hectares supported through the intervention amount to 481.21 ha for 2023,150 ha for 2024 and 233ha annually for 2025-2027, whereas about 380ha (2023), 20 ha for 2024 and 2.75ha for (2025-2027) shall contribute under the Eco-Scheme: Land parcels dedicated for biodiversity purposes. The organic farming scheme shall also directly contribute with circa 272.10ha supported. Eco-Scheme: Certified propagating material resistant to pathogen & cultivation of crop or plant varieties with less demand for water further contributes with circa 347.84ha for 2024, and 18.50ha for 2025-2027. In this respect, the total hectares under supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides amount to 1067ha. On this basis, the target value set for R.24 is 9.94%.

R.26 CU Investment related to natural resources- Share of farms benifitting from CAP productive and non-productive investment support related to care for the natural resource -0.48%

Within SO4, On Farm Productive investments directly contribute to this result indicator with about 50 farms benifitting from CAP productive and non-productive investment support related to care for the natural resource resulting in a target value of circa 0.48%.

R.28 CU - Environmental or climate-related performance through knowledge and innovation Number of persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP related to environmental or climate-related performance - 2,050.00 persons

Within SO4, Knowledge and dissemination of information (Article 78) contributes towards R.28. Half of the budget for training (Article 78) is earmarked towards environmental and climate related performance. The average support rate per person benefitting from training is based on the experience gained through the implementation of the 2014-2020 period and estimated at about €1,100. On this basis the result indicator for R.28 of which a number will also be young farmers, is set at 2,050 participants.

R.29 PR - Development of organic agriculture Share of utilised agricultural area (UAA) supported by the CAP for organic farming with a split between maintenance and conversion - 2.54%

The intervention contributing to R.29 is Support for organic farming including support for maintenance and conversion. Based on the support rate of €4,377.60/ha and €3,614.40/ha for conversion and maintenance for horticulture respectively, and €3,222/ha and €1,057/ha for conversion and maintenance of

organic perennial crop production, the number of hectares supported for organic farming are estimated at 272.10 hectares (100.05 converted, 172.05 maintained), which represent 2.54% of total UAA.

R.31 PR - Preserving habitats and species Share of utilised agricultural area (UAA) under supported commitments for supporting biodiversity conservation or restoration including high-nature-value farming practices - 54.86%

Within SO4, the interventions contributing to the target value of R.31 are:
·Land Based Management Commitments, more specifically AECM 3 (Introduction of bee boxes on holdings)
·Eco-Scheme: Land parcels dedicated for biodiversity purposes
·Eco-Scheme: IPM
-Eco-Scheme: NPE
·Organic Farming Scheme

The annual hectares associated with AECM 3 are 12.85 ha whereas those associated with Eco-Scheme: Land parcels dedicated for biodiversity purposes are 380 ha (2023), 20 ha for 2024 and 2.75ha (2025-2027). Those associated with Eco-Scheme: IPM are 480.21 (2023),150 (2024) and 233 annually for 2025-2027. ECO-NPE contributes with a maximum of 5,432ha (2024), 4580ha (2025-2026) and 4253ha for 2027. An additional 272.10 ha shall receive support for organic farming resulting with a total of 5,886.95 hectares under supported commitments for supporting biodiversity conservation or restoration including high-nature-value farming practices and an overall target of 54.86%.

R.34 PR - Preserving landscape features Share of utilised agricultural area (UAA) under supported commitments for managing landscape features, including hedgerows and trees - 0.97%

Within SO4, the interventions contributing to the target value of R.34 is Land Based Management Commitments, more specifically AECM 1 (Control of weeds for vineyards and orchards) and AECM 2 (Maintenance of Trees). The hectares associated with the relevant AECMs on the basis of the planned support rates are 103.79 ha. Furthermore, ECO-NPE contributes with circa 1ha. On this basis, the target value set for R.34 is 0.97%.

[1] COMMISSION STAFF WORKING DOCUMENT The 3 Billion Tree Planting Pledge For 2030, available at: https://ec.europa.eu/environment/pdf/forests/swd_3bn_trees.pdf

2.1.SO4.9 Justification of the financial allocation

The overall financial allocation for the identified interventions contributing to this Specific Objective takes into consideration the following factors:

- the total allocated MT budget under the CAP SP;
- the regulatory obligations of the CAP SP (minimum/ maximum allocations);
- the transfer of up to 25 % of the EAFRD allocation in financial years 2024 to 2027 to the direct payments allocation set out in Annex V for calendar years 2023 to 2026 in line with Article 103 of the CAP SP;
- the needs of the local context as identified through a bottom-up consultative approach;
- lessons learnt and historic data from previous periods allocations; and
- the changing context and emerging needs in relation to exceptional events/circumstances, threats

and impacts such as food security issues and increased energy prices as a result of the invasion of Ukraine by Russia and other potential impacts/risks.

The following CAP SP interventions will directly contribute to achieving the needs identified under Specific Objective 4:

1. **Decoupled Direct Payments:** DP ECO-Biodiversity - Direct Payments (Eco-scheme) Land parcels dedicated for biodiversity purposes, DP ECO-IPM - Direct Payments (Eco-scheme: IPM) and DP ECO-CPM - Direct Payments (Eco-scheme: Certified propagating material resistant to pathogens & cultivation of crop or plant varieties with less demand for water).

2. **Rural Development**: Land Based Management Commitments, On-Farm Productive Investments, On-Farm Non-productive investments, Off-Farm Non-productive Investments & afforestation, Organic Farming Scheme, Conservation and sustainable use of genetic resources, Knowledge, exchange, training and dissemination of information

DP ECO-Biodiversity - Direct Payments (Eco-scheme) Land parcels dedicated for biodiversity purposes):

The total financial allocation for DP ECO Biodiversity is circa €1 million for the period 2023-2027. Support is based on the expected number of hectares that can be supported taking into consideration the identified needs as mentioned above, historic data and the local context. The planned uniform unit amount under this intervention is €2,500 for 2023-2026 and €1,197.70 for 2027 per hectare. Taking the expected number of hectares to be supported as 380ha for 2023, 20 ha each year from 2024-2027, this would result in an average annual financial allocation of circa €950,000 for 2023, €60,720 for 2024, €8,300 for 2025-2026 and an annual financial allocation of about €3,025 for 2027.

Support under this eco-scheme goes directly towards enhancing biodiversity on agricultural holdings and wider rural areas. The total financial allocation of circa €1 million is adequate to achieve the targeted of:

·• 9% share of utilised agricultural area (UAA) under supported commitments for the quality of water bodies (R.21);

• 9.54% share of utilised agricultural area (UAA) under supported commitments to improve water balance (R.23); and

• 54.86% share of utilised agricultural area (UAA) under supported commitments for supporting biodiversity conservation or restoration including high-nature-value farming practices (R.31).

This intervention also contributes directly contributes to the targeted share of R.6 Redistribution to smaller farms, which allocation is also deemed to be adequate to achieve the targets set.

DP ECO-Integrated Pest Management - Direct Payments (Eco-scheme: IPM):

The total financial allocation for DP ECO IPM is circa €2.5 million for the period 2023-2027. Support is based on the expected number of hectares that can be supported taking into consideration the identified needs as mentioned above, historic data and the local context. The planned uniform unit amount under this intervention is €2,000 for 2023-2026 and €958 for 2027 per hectare. Taking the expected number of hectares to be supported each year as 480.21 for 2023,150 ha for 2024, and 233ha each year for 2025-2027, this would result in an average annual financial allocation of circa €960,420 for 2023, €349,200 for 2024, €520,000 for 2025-2026 and an annual financial allocation of about €201,900 for 2027.

Support under this eco-scheme goes directly towards enhancing biodiversity on agricultural holdings and wider rural areas. The total financial allocation of circa €2.5 million is adequate to achieve the targeted:

• 9% share of utilised UAA under supported commitments for the quality of water bodies (R.21);

• 8.02% share of utilised UAA under supported commitments related to improved nutrient management. (R.22);
• 9.54% share of utilised agricultural area (UAA) under supported commitments to improve water balance (R.23);
• 9.94% share of utilised agricultural area (UAA) under supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides, such as pesticides leakage (R.24); and
• 54.86% share of utilised agricultural area (UAA) under supported commitments supporting biodiversity conservation or restoration including high-nature-value farming practices (R.31).

This intervention shall also contribute directly contributes to R.6 Redistribution to smaller farms, which allocation is also deemed to be adequate to achieve the targets set.

DP ECO-CPM - (Eco-scheme: Certified propagating material resistant to pathogens & cultivation of crop or plant varieties with less demand for water):

The total financial allocation for DP ECO-CPM is circa €0.2 million for the period 2024-2027. Support is based on the expected number of hectares that can be supported taking into consideration the identified needs as mentioned above, historic data and the local context. The planned uniform unit amount under this intervention is €368 for 2024-2027 per hectare. Taking the expected number of hectares to be supported on average each year from 2024-2027 as circa 347.84 ha, this would result in an annual financial allocation of circa €189,085.82 for 2024, €10,000 for 2025-2026 and circa €5,790.50 for 2027.

Support under this eco-scheme goes directly towards enhancing biodiversity on agricultural holdings and wider rural areas. The total financial allocation of circa €0.2 million is adequate to achieve the targeted of:
• 3.28% share of utilised agricultural area (UAA) under supported commitments to improve climate adaptation (R.12);
• 9.54% share of utilised agricultural area (UAA) under supported commitments to improve water balance (R.23); and
• 9.94% share of utilised agricultural area (UAA) under supported commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides, such as pesticides leakage (R.24).

This intervention also contributes directly contributes to the targeted share of R.6 Redistribution to smaller farms, which allocation is also deemed to be adequate to achieve the targets set.

Land Based Management Commitments:

The total financial allocation for this rural development measure is circa €18m and funding shall target grants for farmers in return for a service, in the form of a multi-annual commitment to observe a set of prescribed management practices over a period of 5 years. In line with Article 91 (3)(b) a contribution rate of 80% of the original investment is attributed to such interventions. Support is based on the expected number of hectares that can be supported taking into consideration the identified needs as mentioned above, historic data and the local context. Planned uniform unit amounts per management commitment action for 2023-2027 per hectare have been established as described in Section 5 of this Plan. Taking the expected number of hectares to be supported each year from 2023-2027 as circa 387 ha, this would result in an annual financial allocation of circa €3.6mn for 2023- 2027.

The total financial allocation is sufficient to achieve the following targets of
• 3.28% share of utilised agricultural area (UAA) under supported commitments to climate change adaptation (R.12);

• 6.06 % share of utilised agricultural area (UAA) under supported commitments to reduce emissions or to maintain or enhance carbon storage (including permanent grassland, permanent crops with permanent green cover, agricultural land in wetland and peatland) (R.14);
• 59.31% share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil (R.19);
• 9.54% share of utilised agricultural area (UAA) under supported commitments to improve water balance (R.23);
• 9.94% share of Utilised Agricultural Area (UAA) under supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides, such as pesticides leakage (R.24);
• 54.86% share of utilised agricultural area (UAA) under supported commitments for supporting biodiversity conservation or restoration including high-nature-value farming practices (R.31); and
• 0.97% share of utilised agricultural area (UAA) under supported commitments for managing landscape features, including hedgerows and trees (R.34).

On-Farm Productive Investments

The total financial allocation for this measure is circa €22.38m and funding shall target support for farmers to invest in productive equipment for their farms. In line with Article 91 (2)(c) an EAFRD contribution rate of 60% of the original investment is attributed to such investments. The needs for the identification and support of the investment needs of the sector to increase its market competitiveness and increased understanding of Maltese consumer demand and better tapping of the tourism market, are addressed by the provision of this financial support which affords farmers access to subsidised investments. The total financial allocation is sufficient to achieve the targets of 0.14% of share of farms benefitting from CAP investment support contributing to climate change mitigation and adaptation, and to the production of biomaterials (R.16) and the 0.48% share of farms benefitting from CAP productive and non-productive investment support related to care for the natural resource (R.26).

On-Farm Non-Productive Investments:

The total financial allocation for this measure is circa €0.3m and funding shall target support for farmers in non-productive investment for their farms. In line with Article 91 (3)(b) an EAFRD contribution rate of 80% of the original investment is attributed to such investments. The investment needs of the sector as mentioned above are addressed by the provision of this financial support which affords farmers access to subsidised investments. The total financial allocation is sufficient to achieve the targets of 0.09% share of farms benefitting from CAP investment support contributing to biodiversity (R.32) and to the 250.12ha of afforested land area supported for afforestation, agroforestry restoration, including breakdowns (R.17).

Off-Farm Non-Productive Investments and Afforestation

The total financial allocation for this measure is circa €9.63m and funding shall target support for off-farm non-productive investment and afforestation. In line with Article 91 (3)(b) an EAFRD contribution rate of 80% of the original investment is attributed to such investments. The investment needs of the sector as mentioned above are addressed by the provision of this financial support for subsidised investments. The total financial allocation is sufficient to achieve the targets of 250.12 ha of afforested land area supported for afforestation, agroforestry restoration, including breakdowns.

Organic Farming Scheme

The total financial allocation for the organic farming scheme is circa €0.9m and funding shall target the provision of financial support for the conversion to organic farming and the maintenance of organic farming practices. In line with Article 91 (3)(b) an EAFRD contribution rate of 80% of the original investment is attributed to such interventions. Support is based on the expected number of hectares that

can be supported taking into consideration the identified needs as mentioned above, historic data and the local context. A planned uniform unit amount of €4,377.60/ha and €3,614.40/ha for conversion and maintenance of horticulture respectively, as well as €3,222/ha and €1,057/ha for conversion and maintenance respectively of perennial crop production for 2023-2029 has been established as justified and described in Section 5 of this Plan.

Taking the expected number of hectares to be supported between 2023-2029 as circa 100.05 ha for the conversion to organic farming and 172.05ha for the maintenance of organic farming, this would result in a total of circa 272.10 ha being supported throughout the period. The total financial allocation is sufficient to achieve the target of 2.54% share of utilised agricultural area (UAA) supported by the CAP for organic farming with a split between maintenance and conversion (R.29) while also contributing to the following targets:

• 6.06% share of utilised agricultural area (UAA) under supported commitments to reduce emissions or to maintain or enhance carbon storage (including permanent grassland, permanent crops with permanent green cover, agricultural land in wetland and peatland) (R.14),
• 59.31% share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil (R.19),
• 9% share of utilised agricultural area (UAA) under supported commitments related to improved nutrient management (R.21),
• 9.94% share of Utilised Agricultural Area (UAA) under supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides, such as pesticides leakage (R.24) and
• 54.86% share of utilised agricultural area (UAA) under supported commitments for supporting biodiversity conservation or restoration including high-nature-value farming practice (R.31).

Conservation and sustainable use of genetic resources:

The total financial allocation for this rural development measure is circa €1.21m and funding shall partly target grants for farmers in return for a service, in the form of a multi-annual commitment to observe a set of prescribed management practices over a period of 5 years. Additionally funding shall also support activities that will enable the valorisation of genetic resources (plant and animal) that are specifically vulnerable to genetic erosion. In line with Article 91 (3)(b) a contribution rate of 80% of the original investment is attributed to such interventions. Support is based on the expected number of operations, hectares or livestock units that can be supported taking into consideration the identified needs as mentioned above, historic data and the local context. Planned unit amounts per management commitment action for 2023-2027 per hectare/livestock unit have been established as described in Section 5 of this Plan.

The total financial allocation is sufficient to achieve the targeted share of livestock units (LU) under supported commitments to improve environmental sustainability (R.25) and to the targeted share of utilised agricultural area (UAA) under supported commitments to reduce emissions or to maintain or enhance carbon storage (including permanent grassland, permanent crops with permanent green cover, agricultural land in wetland and peatland) (R.14).

Knowledge, exchange, training and dissemination of information

The total financial allocation for the measure is circa €4.37m and funding shall target support for training and advice. In line with Article 91 (2)(c) a contribution rate of 60% of the original investment is attributed to such investments. In this regard, related identified needs under this SO as mentioned in this section shall be addressed by the provision of grants for such actions. The total financial allocation contributes directly and is sufficient to achieve the targets of 4,100 persons benefitting from advice, training,

knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP in order to enhance sustainable economic, social, environmental, climate and resource efficiency performance (R.1). Actions under this intervention shall also contribute directly to R.2 through the provision of support for advisors as integrated within Agricultural Knowledge and Innovation Systems (AKIS) which allocation is also deemed as adequate to achieve the targets set. This measure shall also contribute to the target of 2,050 persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP related to environmental or climate-related performance under R.28.

2.1.SO5 Foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency

2.1.SO5.1 Summary of the SWOT Analysis

2.1.SO5.1.1 Strengths

1. Many fruit and vegetables producers have efficient drip-irrigation equipment installed on their holdings, and more efficient technologies (e.g. IT soil moisture monitoring and management systems) are available to encourage continuous improvement
2. European and Maltese legislation has helped to establish a baseline of enhanced standards of water management among the farm sectors
3. Relatively wide network of rubble walls which are essential for soil retention
4. Growing use of smart metering which aims to improve water management and usage
5. Increasing and enhancing network of polished water aimed at reducing dependency on groundwater for agricultural use.
6. Regulations in place establishing requirements for the strict management of farm waste on farm

2.1.SO5.1.2 Weaknesses

1.Poor water status and severe water challenges including groundwater aquifer exhaustion and salination (depletion of groundwater resources), coupled with rapid run-off into the sea of Malta's natural rainfall, due to increased soil-sealing development and limited active rainwater harvesting infrastructure, across the islands

2.Low levels of awareness and capacity to act, among part-time land-based farmers - a key obstacle to more efficient use of basic resources of water and soils

3.Limited investment in the quality and ecological status of soils (including Carbon content – see SO4)

4.Limited in new technologies for more efficient agricultural water use

5.Land ownership and use pattern creates fragmented agricultural holdings which increases costs and lowers efficiency of resource use

6.Traditional field level water collection and distribution systems are not sufficiently maintained

7.Insufficient management of livestock waste on agricultural holdings which increase the risk of enteric fermentation and increased level of nitrates in groundwater

8.High water irrigation intensity in the agriculture sector

2.1.SO5.1.3 Opportunities

1. Development of action plans to assist in more efficient use of water and farm inputs and enhanced soil management practices (collective or industry-wide level in collaboration with Government)
2. Reduce use of pesticides and plant protection products that cause detriment to soil content and ecosystems
3. Investments in re-use of treated urban wastewater and continued supply of water distribution network, that can be used in agriculture to replace use of scarce ground and surface water resources[1]
4. Applying new techniques and better management practices to reduce input use (including water use) without compromising output value or quality (training, knowledge exchange) and exploring options for less water-intensive farming
5. Shift towards innovative and more environmentally friendly technologies (establish demonstration sites and farms, to demonstrate innovative technologies and disseminate best practices)
6. Collaborative action to improve efficiency of resource use and lower production costs
7. Reutilisation of farm waste from livestock as a resource to reduce groundwater pollution

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

2.1.SO5.1.4 Threats

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

2.1.SO5.1.5 Other comments

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

2.1.SO5.2 Identification of needs

Code	Title	Prioritisation at the level of the CAP Strategic Plan	Need is addressed in Cap Strategic Plan
5.1	Provide training and advice to increase awareness on the efficient management of natural resources	6	Yes
5.2	Ensure adequate treatment of farm waste to reduce groundwater pollution	1	No
5.3	Introduce Mechanisms and processes that convert agricultural waste to fertilizer	4	No
5.4	Increase efficient use of water and soil by restoring geographical and landscape features	3	Yes
5.5	Encourage farmers to invest in efficient farming systems that make efficient use of resources	7	Yes
5.6	Demonstrate the value to farm profitability of crops and livestock produced to higher standards	2	Yes
5.7	Identify ways to reduce nutrient loading to air, soil and water from agricultural activity	5	Yes

Other comments related to needs assessment.

Not applicable.

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

This SO has taken into account the relevant elements emanating from the relevant EU legislative instruments on water, pollution of water by Nitrates, and soils, as follows: The 2nd Water Catchment Management Plan[1], the National Investment Plan for Water and Wastewater sector 2022 – 2030, the Long Term Waste Management Plan, the Nitrates Action Programme Malta[2], The Maltese National Environment Policy[3] The National Agricultural Policy for the Maltese Islands 2018-2028, as well as available components of the 3rd Water Catchment Management Plan which is currently being formulated, amongst others.

None of the other national plans emanating directly from Annex XI instruments – which cover biodiversity/Natura 2000, climate change and renewable energy, air pollution and pesticide reduction –

are directly incorporated into the SO5 needs assessment, as they are better covered under other SOs.

[1] Sustainable Energy and Water Conservation Unit & Environment and Resources Authority, 'The 2nd Water Catchment Management Plan for the Malta Water Catchment District 2015-2021', https://drive.google.com/file/d/1a50ui5yuv7RJsN-GpKK3DMIlQdklnF0b/view.
[2] 'Nitrates Action Programme', https://agrikoltura.gov.mt/en/agricultural_directorate/Pages/nitratesActionProg.aspx.
[3] Ministry for Tourism, the Environment and Culture, 'National Environment Policy - February 2012', https://era.org.mt/wp-content/uploads/2020/07/National-Environment-Policy-NEP.pdf

2.1.SO5.4 Intervention logic

Form of Intervention	Type of Intervention	Intervention Code (MS) - Name	Common Output Indicator
DPdecoupled	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare	DP ECO- Biodeg Mulch - Direct Payments (Eco-scheme: Biodegradable mulch)	O.8. Number of hectares or of livestock units benefitting from eco-schemes
DPdecoupled	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare	DP ECO-Biodiversity - Direct Payments (Eco-scheme) Land parcels dedicated for biodiversity purposes	O.8. Number of hectares or of livestock units benefitting from eco-schemes
DPdecoupled	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare	DP ECO-CPM - (Eco-scheme: Certified propagating material resistant to pathogens & cultivation of crop or plant varieties with less demand for water)	O.8. Number of hectares or of livestock units benefitting from eco-schemes
DPdecoupled	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare	DP ECO-IPM - Direct Payments (Eco-scheme: IPM)	O.8. Number of hectares or of livestock units benefitting from eco-schemes
DPdecoupled	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare	DP ECO-MSS - (Eco-scheme: Early harvesting of multi-species swards)	O.8. Number of hectares or of livestock units benefitting from eco-schemes
DPdecoupled	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare	DP ECO-NPE - (Eco-scheme: Arable land for non-productive elements)	O.8. Number of hectares or of livestock units benefitting from eco-schemes
RD	ENVCLIM(70) - Environmental, climate-related and other management commitments	RD MANG COMT - Land Based management commitments	O.14. Number of hectares (excluding forestry) or number of other units covered by environmental or climate-related commitments going beyond mandatory requirements
RD	ENVCLIM(70) - Environmental, climate-related and other management commitments	RD- Organic - Organic Farming Scheme	O.17. Number of hectares or number of other units benefitting from support for organic farming
RD	INVEST(73-74) - Investments, including investments in irrigation	RD OnFarm NP Invest - On-Farm Non-Productive Investments	O.21. Number of supported on-farm non-productive investment operations or units
RD	INVEST(73-74) - Investments, including investments in irrigation	RD Off Farm NP INVST - Off-farm Non-Productive Investments and Afforestation	O.23. Number of supported off-farm non-productive investment operations or units
RD	INVEST(73-74) - Investments, including investments in irrigation	RD Off-Farm INFRA - Off Farm Investments – Infrastructure	O.22. Number of supported infrastructures investment operations or units

RD	INVEST(73-74) - Investments, including investments in irrigation	RD On-farm Invest P. - On-farm Productive Investments	O.20. Number of supported on-farm productive investment operations or units
RD	COOP(77) - Cooperation	RD COOP - EIP - EIP Operational Groups	O.1. Number of European Innovation Partnership (EIP) operational group projects
RD	KNOW(78) - Knowledge exchange and dissemination of information	RD KNOW - Knowledge exchange, advice, training and dissemination of information	O.33. Number of supported training, advice and awareness actions or units

Overview

Provide training and advice to increase awareness on the efficient management of natural resources

Knowledge transfer is an important tool to increase awareness amongst farmers on the efficient use of resources such as soil and water. Therefore, training and advice shall aim to target SO5 and provide farmers with the necessary skills concerning the use of more efficient irrigation systems and the reduction of reliance on groundwater extraction, amongst others. The importance of maintaining healthy, productive soils, through better management practices will also target this SO, through collaborative training in reduced fertiliser use and organic farming, amongst others.

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

In order to reduce plastic waste from farms, an eco-scheme related to the use of biodegradable mulch will also be included in the CAP SP. This scheme will compensate farmers for costs incurred and income forgone when purchasing more expensive biodegradable mulch, instead of plastic mulch. The application of bio-degradable mulch therefore results in reduced waste generation, given that plastic mulch is non-recyclable and is thus disposed of in landfill.

The other forms of cooperation intervention may also support projects aimed at the sustainable provision of biomass for use in food and energy production and industrial processes, contributing specifically towards this SO.

Ensure adequate treatment of farm waste to reduce groundwater pollution

Through investments in agricultural holdings, farmers will be encouraged to invest in the latest technologies that can help them better manage waste practices, amongst others. This will complement investments in the processing of farm waste, that are now foreseen through sources of funding outside of the CSP, as part of this modification. The removal of the waste infrastructure intervention that was originally foreseen in the CSP provides for a strategic change in view of its impact on the targets as referred to in Article 109(1), point (a). Nevertheless, Malta remains committed to achieve compliance with the UWWTD through actions both under the CSP as well as other sources of funding.

Increase efficient use of water and soil by restoring geographical and landscape features and provide farmers with an alternative source of water

With an irrigable area of 31%, Malta also has one of the highest irrigation intensities and irrigation accounts for 48% of all water abstractions. High water irrigation intensity in Malta’s agriculture sector is mainly due to its semi-arid climate and extended periods without rainfall. This is similar to high irrigation practices experienced in southern European countries, which can be attributed to similar climatic

conditions including dry summers with limited rainfall, whereby supplementary irrigation is generally used to sustain production in agriculture and ensure continued food security, especially when the dry period occurs at a sensitive crop growth stage. At national scale, investments in water infrastructure for treated sewage affluent to continue distribution to the main agricultural areas of the Maltese islands, is critical. This 'new water' will provide an alternative water source that can be used for irrigation purposes by the farming community. This investment shall contribute to the decrease in the reliance of the agricultural sector on ground water, which in turn will reduce abstraction and therefore improve the quantitative and qualitative status of ground water resources, in the long term. This investment is expected to be supported through the off-farm investments in infrastructure intervention.

Support for on-farm investments related to rainwater capture is also foreseen, aimed at further reducing farmers' reliance on the abstraction of groundwater. Such measures shall be complemented with climate resilience measures that may include the facilitation of the collection of rainwater that is connected with discharge points such as sea or valleys, water reservoirs to capture rainwater and reduce water abstraction or storm water thereby avoiding flooding of road space during heavy storms and ensure road safety.

The management commitment related to the maintenance of newly planted recommended tree species will also contribute towards addressing this Need by supporting farmers, encouraging them to plant trees and take steps to ensure their safeguarding, to prevent soil erosion.

Encourage farmers to invest in efficient farming systems that make efficient use of resources

The on-farm productive investments intervention is expected to support small scale investment in enhanced rainwater capture facilities on farms, the installation of efficient irrigation systems, along with restoration and renovation of water management features in the landscape and the maintenance of traditional field boundaries, namely rubble walls, for soil protection. The latter investments will be financed through the on-farm or off-farm non-productive investments intervention.

Any investments that lead to an improvement of existing installations in irrigation shall respect the relevant requirements of Article 74 of Regulation (EU) 2021/2115. In cases of water reuse support, compliance with Regulation (EU) 2020/741 and the provisions and objectives of WFD will be ensured.

Identify ways to reduce nutrient loading and pesticides pollution to air, soil and water from agricultural activity

The National Air Pollution Control Programme (NAPCP), as a requirement of Directive (EU) 2016/2284 on the reduction of national emissions of certain atmospheric pollutants, is transposed into national legislation through Subsidiary Legislation 549.124, identifies agriculture as the main source of ammonia (NH3) emissions. The NAPCP, together with the Nitrates Action Programme Regulations (Subsidiary Legislation 549.66), includes measures that support the reduction of ammonia emissions such as the requirement to have a fertiliser plan.

Additionally, intervention through agri-environment-climate measures and eco-schemes can contribute to enhanced protection of soils, water and air, through for example, the management commitment providing payment related to maintenance of trees and the one related to soil management and conservation. The eco-scheme related to the implementation of an IPMP on the holding and the management commitment related to using mechanical weeds for weeding instead of herbicides are aimed at reducing pesticide pollution in soils and water. Similarly, organic farming practices will also contribute towards addressing this need.

On-farm non-productive investments shall provide incentives for planting of trees and shrubs along field boundaries, that will encourage a better management of natural resources, and reduce soil erosion.

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

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

2.1.SO5.7 Are you planning CAP contribution towards the LIFE programme (only for SO4, SO5, SO6)

: **No**

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

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

Result indicators [recommended Result indicators for this specific objective are fully displayed in bold]	Target value
R.14 PR - Carbon storage in soils and biomass Share of utilised agricultural area (UAA) under supported commitments to reduce emissions or to maintain or enhance carbon storage (including permanent grassland, permanent crops with permanent green cover, agricultural land in wetland and peatland)	6.06 %
R.19 PR - Improving and protecting soils Share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil quality and biota (such as reducing tillage, soil cover with crops, crop rotation included with leguminous crops)	59.31 %
R.21 PR - Protecting water quality Share of utilised agricultural area (UAA) under supported commitments for the quality of water bodies	9.00 %
R.22 PR - Sustainable nutrient management Share of utilised agricultural area (UAA) under supported commitments related to improved nutrient management	8.02 %
R.23 PR - Sustainable water use Share of utilised agricultural area (UAA) under supported commitments to improve water balance	9.54 %
R.24 PR - Sustainable and reduced use of pesticides Share of Utilised Agricultural Area (UAA) under supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides, such as pesticides leakage	9.94 %
R.25 - Environmental performance in the livestock sector Share of livestock units (LU) under supported commitments to improve environmental sustainability	0.07 %
R.27 CU - Environmental or climate-related performance through investment in rural areas Number of operations contributing to environmental sustainability and the achievement of climate mitigation and adaptation goals in rural areas	24.00
R.28 CU - Environmental or climate-related performance through knowledge and innovation Number of persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP related to environmental or climate-related performance	2,050.00
R.29 PR - Development of organic agriculture Share of utilised agricultural area (UAA) supported by the CAP for organic farming with a split between maintenance and conversion	2.54 %
R.31 PR - Preserving habitats and species Share of utilised agricultural area (UAA) under supported commitments for supporting biodiversity conservation or restoration including high-nature-value farming practices	54.86 %

R.34 PR - Preserving landscape features Share of utilised agricultural area (UAA) under supported commitments for managing landscape features, including hedgerows and trees	0.97 %

Justification of the targets and related milestones

R.14 PR - Carbon storage in soils and biomass: Share of utilised agricultural area (UAA) under supported commitments to reduce emissions or to maintain or enhance carbon storage (including permanent grassland, permanent crops with permanent green cover, agricultural land in wetland and peatland) - 6.06%

Within SO5, three Land Based Management Commitments and one Conservation and sustainable use of genetic resources commitment contribute to the target value established for R.14. More specifically these are:

·AECM 1(Control of weeds for vineyards and orchards)

·AECM 2 (Maintenance of Trees)

·AECM 4 (Implementation of soil management and conservation plan on a parcel) and;

·AECM 5c (Integration and maintenance of autochthonous species: Carob & Mulberry).

Furthermore, the organic farming scheme is also deemed to directly contribute towards this indicator with a target of circa 272.10 ha.

On the basis of the planned support for each of these AECMs and that for the organic farming scheme in relation to the budget for the intervention, the annual amount of hectares to be supported for carbon storage in soils and biomass amount to circa 649.53 hectares, leading to a result target of 6.06 % of total UAA.

R.19 PR - Improving and protecting soils Share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil quality and biota (such as reducing tillage, soil cover with crops, crop rotation included with leguminous crops) – 59.31%

Within SO5, the intervention contributing to the target value set for R.19 is:

·Land Based Management Commitments, more specifically AECM 4 (Implementation of soil management and conservation plan on a parcel)

·Eco-Scheme: Biodegradable Mulch

-Eco-Scheme: Arable land for non-productive elements

-Eco-Scheme: Early harvesting of multi-species swards

·Eco-Scheme: Land parcels dedicated for biodiversity purposes

·Organic Farming Scheme

When calculating the proportion of R.19 attributed to Land Based Management Commitments, the amount of hectares is estimated to stand at circa 272 hectares based on the planned support rate for the AECM whereas the proportion attributed to Eco-Scheme: Biodegradable Mulch is 269.93 hectares (2023) and 20 ha (2024) and that for Eco-Scheme: Land parcels dedicated for biodiversity purposes is 380 ha (2023) and 20 ha (2024-2027). Eco-Scheme: Arable land for non-productive elements and Eco-Scheme: Early harvesting of multi-species swards contribute with circa 5432ha and 424ha respectively. The Organic Farming Scheme also contributes with 272.10 ha. The total hectares under supported commitments beneficial for soil management to improve soil quality and biota amount to 6,363.69 hectares. On this basis, the target value set for R.19 is 59.31 %.

R.21 PR - Protecting water quality: Share of utilised agricultural area (UAA) under supported commitments for the quality of water bodies - 9%

Within SO5, the interventions contributing to the target value set for R.21 are:

· Eco-Scheme: Land parcels dedicated for biodiversity purposes

· Eco-Scheme: Integrated Pest Management Plan (IPM)

· Organic Farming Scheme

In calculating the proportion of R.21 attributed to Eco-Scheme: Land parcels dedicated for biodiversity purposes, the amount of hectares is estimated to stand at 380 ha (2023), 20 ha (2024) and 2.75ha (2025-2027) whereas the proportion attributed to Eco-Scheme: Integrated Pest Management Plan (IPM) is 480.21 hectares (2023), 150 ha (2024), 233 ha (2025-2027). The Organic Farming scheme shall also contribute with about 272.10 ha being supported. In total these schemes lead to support for the protection of water quality on 965.21 hectares. On this basis, the target value set for R.21 is 9%.

R.22 PR - Sustainable nutrient management: Share of utilised agricultural area (UAA) under supported commitments related to improved nutrient management - 8.02%

Within SO5, the interventions contributing to the target value set for R.22 are:

• Eco-Scheme: Integrated Pest Management Plan (IPM)

• Eco-Scheme: Land parcels dedicated for biodiversity purposes

The planned annual support rate per hectares between 2023 and 2026 is estimated at €2,000 whereas that for 2027 is €958 leading to the support for 481.21 ha (2023), 150 ha (2024), 233 ha (2025-2027) for Integrated Pest Management Eco-scheme. The support targeting land parcels dedicated for biodiversity purposes is €2,500 between 2023-2026 and €1,197.70 leading to support for 380 ha (2023), 20 hectares (2024) and 2.75ha for 2025-2027. On this basis, with a total area of 860.21 ha, the target value for R.22 is established at 8.02%.

R.23 PR - Sustainable water use Share of utilised agricultural area (UAA) under supported commitments to improve water balance – 9.54%

Within SO5, the interventions contributing to the target value of R.23 are:

·Land Based Management Commitments, more specifically AECM 1(Control of weeds for vineyards and orchards) and AECM 4 (Implementation of soil management and conservation plan on a parcel).

-Eco-Scheme: Biodegradable Mulch

·Eco-Scheme: Land parcels dedicated for biodiversity purposes

-Eco-Scheme CPM: Certified propagating material resistant to pathogens & cultivation of crop or plant varieties with less demand for water

The annual hectares associated with AECM 1 and 4 are 375.43 ha for FY2024, 1086.09 ha for FY2025 and circa 1,601 ha for FY2026- FY2028. Those associated with Eco-Scheme: Biodegradable Mulch are 269.93 ha (2023) and 20ha for 2024, and those related to Eco-Scheme: Land parcels dedicated for biodiversity purposes are 380 ha for 2023, 20 ha for 2024 and 2.75ha 2025-2027. Eco-Scheme- CPM: Certified propagating material resistant to pathogens & cultivation of crop or plant varieties with less demand for water contributes with an additional 347.84ha for 2024, and 18.5ha for 2025-2027. The total hectares under supported commitments to improve water balance amount to 1023.36. On this basis, the target value set for R.23 is 9.54%.

R.24 PR - Sustainable and reduced use of pesticides: Share of Utilised Agricultural Area (UAA) under supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides, such as pesticides leakage - 9.94%

The interventions contributing to the target value of R.24 and the needs identified in SO5 are:

·Land Based Management Commitments, more specifically AECM 1 (Control of weeds for vineyards and orchards)

·Eco-Scheme: Integrated Pest Management Plan (IPM)

·Eco-Scheme: Land parcels dedicated for biodiversity purposes

-Eco-Scheme: Certified propagating material resistant to pathogens & cultivation of crop or plant varieties with less demand for water

·Organic Farming Scheme

The annual support rate for AECM1 is €1,282.45 per hectare leading to support for 101.79 ha over a period of five years. For Eco-Scheme: Integrated Pest Management Plan (IPM) the annual hectares supported through the intervention amount to 481.21 ha for 2023, 150 ha (2024) and 233 ha annually for 2025-2027, whereas about 380ha (2023), 20 ha (2024) and 2.75ha (2025-2027) shall contribute under the Eco-Scheme: Land parcels dedicated for biodiversity purposes. The organic farming scheme shall also directly contribute with circa 272.10ha supported. Eco-Scheme: Certified propagating material resistant to pathogen & cultivation of crop or plant varieties with less demand for water further contributes with circa 347.84ha. In this respect, the total hectares under supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides amount to 1067ha. On this basis, the target value set for R.24 is 9.94%.

R.25 - Environmental performance in the livestock sector: Share of livestock units (LU) under supported commitments to improve environmental sustainability - 0.07%

The intervention contributing towards R.25 and addressing the needs outlined in this SO is through the conservation and sustainable use of genetic resources namely the Maltese Ox and Black Chicken. With a support rate of €1,936.27 per livestock unit for the Maltese Ox and €25.01 per head for the Maltese Chicken, the intervention is expected to support circa 21.33 livestock units. With a conversion factor of 1 for the Maltese Ox and 0.014 for the Maltese chicken (based on Implementing Regulation 2021/2290 which refers to the conversion factor for laying hens), the total LU amount to 1 rendering a result target of 0.07%.

R.27 Environment-/climate-related performance through investment in rural areas: Number of operations contributing to environmental sustainability, climate mitigation and adaptation goals in rural areas – 24 operations

A number of needs identified under this SO are aimed at enhancing the environment and climate related performance of the sector. The interventions contributing towards R.27 include amongst others:

·Off Farm non-productive investment and afforestation

·Off Farm investment – Infrastructure

For off farm non-productive investment and afforestation, the number of operations are derived on the basis of the following assumptions:

Support for afforestation is expected to support 2 operations allowing for the attainment of economies of scale in its implementation rather than opting for a fragmented approach. With a budget of €2,500,000 for afforestation and an assumed support of €10,000 per hectare, the intervention is expected to support about 250 hectares. In addition, carry-over expenditure in line with Article 155 of the CAP SPR relating to two RDP operations also contributes to this indicator.

The rest of the budget for this intervention is earmarked towards off-farm non-productive investment supporting about 10 CAP SP operations. The support rate for such investment is taken at €625,000 based on the average support provided for a similar intervention in 2014-2020 adjusted for inflationary effects.

Carry-over expenditure relating to five RDP operations also contributes in this respect.
For off-farm investment of an infrastructural nature such as investment in water, the budget supports about 3 operations of which 2 relate to operations carried-over in line with Article 155 of the CAP SPR. Circa € 14m has been allocated towards this intervention on the basis of estimated eligible costs.

The total number of operations contributing to environmental sustainability, climate mitigation and adaptation goals in rural areas (R.27) amounts to 24 operations.

R.28 CU - Environmental or climate-related performance through knowledge and innovation: Number of persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP related to environmental or climate-related performance - 2,050.00 persons

Within SO5, Knowledge and dissemination of information (Article 78) and COOP EIP contribute towards R.28. The knowledge transfer intervention will provide training specifically targeted towards young farmers, to address the weakness related to training. This has been identified as a good approach during the implementation of the RDP 2014-2020 whereby young farmers have received complementary training to address their needs. This intervention may support both young farmers that have benefited from the start-up aid measure, but also those who have not. Half of the budget for training (Article 78) is earmarked towards environmental and climate related performance. The average support rate per person benefitting from training is based on the experience gained through the implementation of the 2014-2020 period and estimated at about € 1,100. Under COOP EIP 50 beneficiaries shall be targeted. On this basis the result indicator for R.28 of which a number will also be young farmers, is set at 2,050 participants.

R.29 PR - Development of organic agriculture Share of utilised agricultural area (UAA) supported by the CAP for organic farming with a split between maintenance and conversion - 2.54%

The intervention contributing to R.29 is Support for organic farming including support for maintenance and conversion. Based on the support rate of €4,377.60/ha and €3,614.40/ha for conversion and maintenance for horticulture respectively, and €3,222/ha and €1,057/ha for conversion and maintenance of organic perennial crop production, the number of hectares supported for organic farming are estimated at 272.10 hectares (100.05 converted, 172.05 maintained), which represent 2.54% of total UAA.

R.31 PR - Preserving habitats and species Share of utilised agricultural area (UAA) under supported commitments for supporting biodiversity conservation or restoration including high-nature-value farming practices – 54.86%

Within SO5, the interventions contributing to the target value of R.31 are:
·Land Based Management Commitments, more specifically AECM 3 (Introduction of bee boxes on holdings)
·Eco-Scheme: Land parcels dedicated for biodiversity purposes
·Eco-Scheme: IPM
-Eco-Scheme: NPE
·Organic Farming Scheme

The annual hectares associated with AECM 3 are 12.85 ha whereas those associated with Eco-Scheme: Land parcels dedicated for biodiversity purposes are 380 ha (2023), 20 ha (2024) and 2.75ha (2025-2027). Those associated with Eco-Scheme: IPM are 480.21 (2023), 150 ha (2024) and 233 ha annually for 2025-2027. ECO-NPE contributes with a maximum of 5,432ha. An additional 272.10 ha shall receive support for organic farming resulting with a total of 5,886.95 hectares under supported commitments for

supporting biodiversity conservation or restoration including high-nature-value farming practices and an overall target of 54.86%.

R.34 PR - Preserving landscape features Share of utilised agricultural area (UAA) under supported commitments for managing landscape features, including hedgerows and trees - 0.97%

Within SO5, the interventions contributing to the target value of R.34 is Land Based Management Commitments, more specifically AECM 1 (Control of weeds for vineyards and orchards) and AECM 2 (Maintenance of Trees). The hectares associated with the relevant AECMs on the basis of the planned support rates are 103.79 ha. Furthermore, ECO-NPE contributes with circa 1ha. On this basis, the target value set for R.34 is 0.97%.

[1] Conversion factors used in the 2014-2020 RDP.

2.1.SO5.9 Justification of the financial allocation

The overall financial allocation for the identified interventions contributing to this Specific Objective takes into consideration the following factors:

• the total allocated MT budget under the CAP SP;

• the regulatory obligations of the CAP SP (minimum/ maximum allocations);

• the transfer of up to 25 % of the EAFRD allocation in financial years 2024 to 2027 to the direct payments allocation set out in Annex V for calendar years 2023 to 2026 in line with Article 103 of the CAP SP;

• the needs of the local context as identified through a bottom-up consultative approach;

• lessons learnt and historic data from previous periods allocations; and

• the changing context and emerging needs in relation to exceptional events/circumstances, threats and impacts such as food security issues and increased energy prices as a result of the invasion of Ukraine by Russia and other potential impacts/risks.

The following CAP SP interventions will directly contribute to achieving the needs identified under Specific Objective 5:

1. Decoupled Direct Payments: DP ECO-Biodeg Mulch - Direct Payments (Eco-scheme) Biodegradable Mulch, DP ECO-Biodiversity (Eco-scheme) Land Parcels dedicated for biodiversity purposes, DP ECO-IPM - Direct Payments (Eco-scheme: IPM), DP ECO-CPM - Direct Payments (Eco-scheme: Certified propagating material resistant to pathogens & cultivation of crop or plant varieties with less demand for water), DP ECO-MSS - (Eco-scheme: Early harvesting of multi-species swards) and DP ECO-NPE - (Eco-scheme: Arable land for non-productive elements).

2. Rural Development: Land Based Management Commitments, On-Farm Productive Investments, On-Farm Non-Productive Investments, Off-Farm Investments Infrastructure, Off-farm Non-Productive Investments and Afforestation, Cooperation (EIP), Organic Farming Scheme and Knowledge, exchange, training and dissemination of information

DP ECO-Biodeg Mulch - Direct Payments (Eco-scheme) Biodegradable Mulch:

The total financial allocation for DP ECO Biodeg Mulch is circa €125,749 for the period 2023-2027. Support is based on the expected number of hectares that can be supported taking into consideration the identified needs as mentioned above, historic data and the local context. The planned uniform unit amount under this intervention is €430 for 2023-2026 and circa €206 for 2027 per hectare. Taking the expected number of hectares to be supported as 269.93 ha for 2023 and 20 ha for 2024, this would result in an

annual financial allocation of circa €116,069.90 for 2023 and €9,680 for 2024.

Support under this eco-scheme goes directly towards enhancing biodiversity on agricultural holdings and wider rural areas. The total financial allocation is adequate to achieve the targeted 59.31% share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil quality and biota (such as reducing tillage, soil cover with crops, crop rotation included with leguminous crops (R.19). This intervention also contributes directly contributes to R.6 Redistribution to smaller farms, which allocation is also deemed to be adequate to achieve the targets set.

DP ECO-Integrated Pest Management - Direct Payments (Eco-scheme: IPM):

The total financial allocation for DP ECO IPM is circa €2.5 million for the period 2023-2027. Support is based on the expected number of hectares that can be supported taking into consideration the identified needs as mentioned above, historic data and the local context. The planned uniform unit amount under this intervention is €2,000 for 2023-2026 and €958 for 2027 per hectare. Taking the expected number of hectares to be supported each year as 480.21 for 2023,150 ha for 2024, and 233ha each year for 2025-2027, this would result in an average annual financial allocation of circa €960,420 for 2023, €349,200 for 2024, €520,000 for 2025-2026 and an annual financial allocation of about €201,900 for 2027.

Support under this eco-scheme goes directly towards enhancing biodiversity on agricultural holdings and wider rural areas. The total financial allocation of circa €2.5 million is adequate to achieve the targeted:
• 9% share of utilised UAA under supported commitments for the quality of water bodies (R.21);
• 8.02% share of utilised UAA under supported commitments related to improved nutrient management. (R.22);
• 9.54% share of utilised agricultural area (UAA) under supported commitments to improve water balance (R.23);
• 9.94% share of utilised agricultural area (UAA) under supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides, such as pesticides leakage (R.24); and
• 54.86% share of utilised agricultural area (UAA) under supported commitments supporting biodiversity conservation or restoration including high-nature-value farming practices (R.31).

This intervention shall also contribute directly contributes to R.6 Redistribution to smaller farms, which allocation is also deemed to be adequate to achieve the targets set.

DP ECO-Biodiversity - Direct Payments (Eco-scheme) Land parcels dedicated for biodiversity purposes):

The total financial allocation for DP ECO Biodiversity is circa €1 million for the period 2023-2027. Support is based on the expected number of hectares that can be supported taking into consideration the identified needs as mentioned above, historic data and the local context. The planned uniform unit amount under this intervention is €2,500 for 2023-2026 and €1,197.70 for 2027 per hectare. Taking the expected number of hectares to be supported as 380ha for 2023, 20 ha each year from 2024-2027, this would result in an average annual financial allocation of circa €950,000 for 2023, €60,720 for 2024, €8,300 for 2025-2026 and an annual financial allocation of about €3,025 for 2027.

Support under this eco-scheme goes directly towards enhancing biodiversity on agricultural holdings and wider rural areas. The total financial allocation of circa €1 million is adequate to achieve the targeted of:
• 9% share of utilised agricultural area (UAA) under supported commitments for the quality of water

bodies (R.21);
• 9.54% share of utilised agricultural area (UAA) under supported commitments to improve water balance (R.23); and
• 54.86% share of utilised agricultural area (UAA) under supported commitments for supporting biodiversity conservation or restoration including high-nature-value farming practices (R.31).

This intervention also contributes directly contributes to the targeted share of R.6 Redistribution to smaller farms, which allocation is also deemed to be adequate to achieve the targets set.

Land Based Management Commitments:

The total financial allocation for this rural development measure is circa €18m and funding shall target grants for farmers in return for a service, in the form of a multi-annual commitment to observe a set of prescribed management practices over a period of 5 years. In line with Article 91 (3)(b) a contribution rate of 80% of the original investment is attributed to such interventions. Support is based on the expected number of hectares that can be supported taking into consideration the identified needs as mentioned above, historic data and the local context. Planned uniform unit amounts per management commitment action for 2023-2027 per hectare have been established as described in Section 5 of this Plan. Taking the expected number of hectares to be supported each year from 2023-2027 as circa 387 ha, this would result in an annual financial allocation of circa €3.6mn for 2023- 2027.

The total financial allocation is sufficient to achieve the following targets of
• 3.28% share of utilised agricultural area (UAA) under supported commitments to climate change adaptation (R.12);
• 6.06 % share of utilised agricultural area (UAA) under supported commitments to reduce emissions or to maintain or enhance carbon storage (including permanent grassland, permanent crops with permanent green cover, agricultural land in wetland and peatland) (R.14);
• 59.31% share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil (R.19);
• 9.54% share of utilised agricultural area (UAA) under supported commitments to improve water balance (R.23);
• 9.94% share of Utilised Agricultural Area (UAA) under supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides, such as pesticides leakage (R.24);
• 54.86% share of utilised agricultural area (UAA) under supported commitments for supporting biodiversity conservation or restoration including high-nature-value farming practices (R.31); and
• 0.97% share of utilised agricultural area (UAA) under supported commitments for managing landscape features, including hedgerows and trees (R.34).

DP ECO-CPM - (Eco-scheme: Certified propagating material resistant to pathogens & cultivation of crop or plant varieties with less demand for water):

The total financial allocation for DP ECO-CPM is circa €0.2 million for the period 2024-2027. Support is based on the expected number of hectares that can be supported taking into consideration the identified needs as mentioned above, historic data and the local context. The planned uniform unit amount under this intervention is €368 for 2024-2027 per hectare. Taking the expected number of hectares to be supported on average each year from 2024-2027 as circa 347.84 ha, this would result in an annual financial allocation of circa €189,085.82 for 2024, €10,000 annually for 2025-2026 and circa €5,790.50 for 2027.

Support under this eco-scheme goes directly towards enhancing biodiversity on agricultural holdings and wider rural areas. The total financial allocation of circa €0.2 million is adequate to achieve the targeted of:

· 3.28% share of utilised agricultural area (UAA) under supported commitments to improve climate adaptation (R.12);

· 9.54% share of utilised agricultural area (UAA) under supported commitments to improve water balance (R.23); and

· 9.94% share of utilised agricultural area (UAA) under supported commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides, such as pesticides leakage (R.24).

This intervention also contributes directly contributes to the targeted share of R.6 Redistribution to smaller farms, which allocation is also deemed to be adequate to achieve the targets set.

DP ECO-MSS - (Eco-scheme: Early harvesting of multi-species swards)

The total financial allocation for DP ECO-MSS is circa €1 million for the period 2024-2027. Support is based on the expected number of hectares that can be supported taking into consideration the identified needs as mentioned above, historic data and the local context. The planned uniform unit amount under this intervention is €526 for 2024-2027 per hectare. Taking the expected number of hectares to be supported on average each year from 2024-2027 as circa 347.84 ha, this would result in an average annual financial allocation of circa €201,000 for 2024-2027.

Support under this eco-scheme goes directly towards enhancing biodiversity on agricultural holdings and wider rural areas. The total financial allocation of circa €1 million is adequate to achieve the targeted of:

· 59.31% share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil quality and biota (such as reducing tillage, soil cover with crops, crop rotation included with leguminous crops (R.19).

This intervention also contributes directly contributes to the targeted share of R.6 Redistribution to smaller farms, which allocation is also deemed to be adequate to achieve the targets set.

DP ECO-NPE - (Eco-scheme: Arable land for non-productive elements)

The total financial allocation for DP ECO-NPE is circa €5 million for the period 2024-2027. Support is based on the expected number of hectares that can be supported taking into consideration the identified needs as mentioned above, historic data and the local context. The planned uniform unit amount under this intervention is €112 for 2024-2027 per hectare. Taking the expected number of hectares to be supported on average each year from 2024-2027 as circa 5,432 ha, this would result in an average annual financial allocation of circa €1mn for 2024-2027.

Support under this eco-scheme goes directly towards enhancing biodiversity on agricultural holdings and wider rural areas. The total financial allocation of circa €5 million is adequate to achieve the target of:

· 59.31% share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil quality and biota (such as reducing tillage, soil cover with crops, crop rotation included with leguminous crops (R.19);

· 54.86% share of utilised agricultural area (UAA) under supported commitments supporting biodiversity conservation or restoration including high-nature-value farming practices (R.31); and

· 0.97% share of utilised agricultural area (UAA) under supported commitments for managing landscape features, including hedgerows and trees (R.34).

This intervention also contributes directly contributes to the targeted share of R.6 Redistribution to smaller farms, which allocation is also deemed to be adequate to achieve the targets set.

On-Farm Productive Investments:

The total financial allocation for this measure is circa €22.38m and funding shall target support for farmers to invest in productive equipment for their farms. In line with Article 91 (2)(c) an EAFRD contribution rate of 60% of the original investment is attributed to such investments. The needs for the identification and support of the investment needs of the sector as mentioned above are addressed by the provision of this financial support which affords farmers access to subsidised investments. The total financial allocation is sufficient to achieve the targets of 0.14% of farms benefitting from support contributing to climate change, mitigation and adaptation, and biomaterials production (R.16).

On-Farm Non-Productive Investments:

The total financial allocation for this measure is circa €0.3m and funding shall target support for farmers in non-productive investment for their farms. In line with Article 91 (3)(b) an EAFRD contribution rate of 80% of the original investment is attributed to such investments. The investment needs of the sector as mentioned above are addressed by the provision of this financial support which affords farmers access to subsidised investments. The total financial allocation is sufficient to achieve the targets of 0.09% share of farms benefitting from CAP investment support contributing to biodiversity (R.32) and to the 250.12ha of afforested land area supported for afforestation, agroforestry restoration, including breakdowns (R.17).

Off-Farm Investments - Infrastructure:

The total financial allocation for the measure is circa €14M and funding shall target support for investment in off-farm infrastructure in water. In line with Article 91 (2)(c) a EAFRD contribution rate of 60% of the original investment shall be attributed to such investments. The investment needs identified as described above shall be addressed by the provision of this financial support by providing enhanced provision of water. The total financial allocation is sufficient to achieve the targets of 3 operations contributing to environmental sustainability and the achievement of climate mitigation and adaptation goals in rural areas (R.27).

Off-Farm Non-Productive Investments and Afforestation:

The total financial allocation for this measure is circa €9.63m and funding shall target support for off-farm non-productive investment and afforestation. In line with Article 91 (3)(b) an EAFRD contribution rate of 80% of the original investment is attributed to such investments. The investment needs of the sector as mentioned above are addressed by the provision of this financial support for subsidised investments. The total financial allocation is sufficient to achieve the target of 24 operations contributing to environmental sustainability and the achievement of climate mitigation and adaptation goals in rural areas (R.27).

Organic Farming Scheme:

The total financial allocation for the organic farming scheme is circa €0.9m and funding shall target the provision of financial support for the conversion to organic farming and the maintenance of organic farming practices. In line with Article 91 (3)(b) an EAFRD contribution rate of 80% of the original investment is attributed to such interventions. Support is based on the expected number of hectares that can be supported taking into consideration the identified needs as mentioned above, historic data and the local context. A planned uniform unit amount of €4,377.60/ha and €3,614.40/ha for conversion and maintenance of horticulture respectively, as well as €3,222/ha and €1,057/ha for conversion and

maintenance respectively of perennial crop production for 2023-2029 has been established as justified and described in Section 5 of this Plan.

Taking the expected number of hectares to be supported between 2023-2029 as circa 100.05 ha for the conversion to organic farming and 172.05ha for the maintenance of organic farming, this would result in a total of circa 272.10 ha being supported throughout the period. The total financial allocation is sufficient to achieve the target of 2.54% share of utilised agricultural area (UAA) supported by the CAP for organic farming with a split between maintenance and conversion (R.29) while also contributing to the following targets:

• 6.06% share of utilised agricultural area (UAA) under supported commitments to reduce emissions or to maintain or enhance carbon storage (including permanent grassland, permanent crops with permanent green cover, agricultural land in wetland and peatland) (R.14),
• 59.31% share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil (R.19),
• 9% share of utilised agricultural area (UAA) under supported commitments related to improved nutrient management (R.21),
• 9.94% share of Utilised Agricultural Area (UAA) under supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides, such as pesticides leakage (R.24) and
• 54.86% share of utilised agricultural area (UAA) under supported commitments for supporting biodiversity conservation or restoration including high-nature-value farming practice (R.31).

Cooperation Activities (EIP):
The total financial allocation for the measure is circa €1,666,666 and funding shall target support for cooperation activities targeting EIP. In line with Article 91 (2)(c) a contribution rate of 80% of the original investment shall be allocated to such operations. In this regard, related identified needs under this SO as mentioned above shall be addressed by the provision of financial support for cooperation activities supporting pilot projects, the development of new products, practices, processes and technologies. The total financial allocation shall contribute directly and is sufficient to achieve the targets of:

a) 4,100 persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP in order to enhance sustainable economic, social, environmental, climate and resource efficiency performance (R.1);
b) 18 advisors receiving support to be integrated within Agricultural Knowledge and Innovation Systems (AKIS) (R.2);
c) 2050 persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP related to environmental- climate performance (R.28).

Knowledge, exchange, training and dissemination of information:

The total financial allocation for the measure is circa €4.37m and funding shall target support for training and advice. In line with Article 91 (2)(c) a contribution rate of 60% of the original investment is attributed to such investments. In this regard, related identified needs under this SO as mentioned in this section shall be addressed by the provision of grants for such actions. The total financial allocation contributes directly and is sufficient to achieve the targets of 4,100 persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP in order to enhance sustainable economic, social, environmental, climate and resource efficiency performance (R.1). Actions under this intervention shall also contribute directly to R.2 through the provision of support for advisors as integrated within Agricultural Knowledge and Innovation Systems (AKIS) which allocation is also deemed as adequate to achieve the targets set. This measure shall

also contribute to the target of 2,050 persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP related to environmental or climate-related performance under R.28.

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

2.1.SO6.1 Summary of the SWOT Analysis

2.1.SO6.1.1 Strengths

1.Variety of indigenous and endemic species, and a range of priority habitats

2.High diversity of terrestrial plants and animals present on the territory

3.Historic landscape considered an important cultural asset (important archaeological sites, intricate terraced small field patterns)

4.All terrestrial habitats, in line with Annex I of the Habitats Directive (92/43/EEC)[1] and Schedule I of the Flora, Fauna and Natural Habitats Protection Regulations (S.L. 549.44)[2] represent terrestrial habitats of national and international importance for biodiversity

5.Comprehensive management planning for the highest value protected sites (Natura 2000)

[1] Council Directive 92/43EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora

[2] Flora, Fauna and Natural Habitats Protection

2.1.SO6.1.2 Weaknesses

1.Low levels of awareness of the existing and potential value of farmed landscape for biodiversity and the designated terrestrial Natura 2000 sites, among the farming and non-farming population. This is linked also to insufficient detailed data on the state of biodiversity

2.Biodiversity status of farmland is vulnerable and in decline (fragmented landholdings and a lack of upkeep of landscape features and management infrastructure for natural resources in some areas, also over-exploitation of resources leading to soil loss, water scarcity, nutrient pollution)

3.Lack of knowledge, training and insufficient incentives for farmers to engage in biodiversity management or organic farming

4.Small size of farm holdings, also of Malta's protected Natura 2000 sites on farmland, combined with strong winds and storms means pesticide drift from farms onto neighbouring areas is a risk

5.Biodiversity management not considered an integral part of farm management

6.Limited maintenance of landscape features

2.1.SO6.1.3 Opportunities

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

2.1.SO6.1.4 Threats

1. Limited unwillingness to engage with CAP support and low levels of awareness of farming's impact upon biodiversity (especially among small, part-time farmers)
2. Spreading of invasive alien species through agricultural practices
3. Overuse of pesticides
4. Increasing population density, urbanisation and the need for additional infrastructure

5. Decline of local indigenous populations and varieties for both livestock and endemic crops
6. Degradation of rural habitats and cultural landscapes (such as via abandonment, over-exploitation or urbanisation)
7. Changing climate patterns - potential increase in the number and variety of pests, water stress and biodiversity loss

2.1.SO6.1.5 Other comments

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

2.1.SO6.2 Identification of needs

Code	Title	Prioritisation at the level of the CAP Strategic Plan	Need is addressed in Cap Strategic Plan
6.1	Promote measures that protect and enhance biodiversity on agricultural holdings & wider rural areas	1	Yes
6.2	Disseminate knowledge amongst farmers to safeguard biodiversity on Natura 2000 sites	5	Yes
6.3	Promote the removal of invasive alien species and the planting of native and archaeophytic species	3	Yes
6.4	Improve and conserve the status of existing habitats protected under HBD & rural landscape features	2	Yes
6.5	Conserve endemic species with the aim of preserving local agricultural genetic resources	4	Yes

Other comments related to needs assessment.

Not applicable.

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

This SO has taken into account the relevant elements from Malta's National Biodiversity Strategy and Action Plan (NBSAP)[1], the Prioritised Action Framework (PAF), Natura 2000 Management Plans and National Pesticides Action Plan[2]. None of the other national plans emanating directly from Annex XI instruments – which cover water quality, nitrates, air pollution, and climate change and renewable energy generation – are directly incorporated into the SO6 needs assessment, as they are better covered under other SOs.

[1] Ministry for Tourism, Culture and the Environment, 'Malta's National Biodiversity Strategy and Action Plan 2012-2020', https://era.org.mt/wp-content/uploads/2019/05/MaltaNBSAP_2012-2020.pdf.
[2] MCCAA, 'Malta's National Action Plan for the Sustainable Use of Pesticides 2019-2023', http://extwprlegs1.fao.org/docs/pdf/mlt191680.pdf.

2.1.SO6.4 Intervention logic

Form of Intervention	Type of Intervention	Intervention Code (MS) - Name	Common Output Indicator

DPdecoupled	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare	DP ECO- Biodeg Mulch - Direct Payments (Eco-scheme: Biodegradable mulch)	O.8. Number of hectares or of livestock units benefitting from eco-schemes
DPdecoupled	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare	DP ECO-Biodiversity - Direct Payments (Eco-scheme) Land parcels dedicated for biodiversity purposes	O.8. Number of hectares or of livestock units benefitting from eco-schemes
DPdecoupled	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare	DP ECO-CPM - (Eco-scheme: Certified propagating material resistant to pathogens & cultivation of crop or plant varieties with less demand for water)	O.8. Number of hectares or of livestock units benefitting from eco-schemes
DPdecoupled	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare	DP ECO-IPM - Direct Payments (Eco-scheme: IPM)	O.8. Number of hectares or of livestock units benefitting from eco-schemes
DPdecoupled	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare	DP ECO-NPE - (Eco-scheme: Arable land for non-productive elements)	O.8. Number of hectares or of livestock units benefitting from eco-schemes
Sectoral - Apiculture products	ADVIBEES(55(1)(a)) - advisory services, technical assistance, training, information and exchange of best practices, including through networking, for beekeepers and beekeepers' organisations	Sectoral API T&I - Apiculture-Training, Information and Networks	O.37. Number of actions or units for beekeeping preservation or improvement
Sectoral - Apiculture products	INVAPI(55(1)(b)) - investments in tangible and intangible assets, as well as other actions	Sectoral API Product - Apiculture Products- Varroasis, restocking and transhumance	O.37. Number of actions or units for beekeeping preservation or improvement
Sectoral - Apiculture products	ACTLAB(55(1)(c)) - actions to support laboratories for the analysis of apiculture products, bee losses or productivity drops, and substances potentially toxic to bees	Sectoral API Labs - Apiculture Products: Support for labs	O.37. Number of actions or units for beekeeping preservation or improvement
Sectoral - Apiculture products	COOPAPI(55(1)(e)) - cooperation with specialised bodies for the implementation of research programs in the field of beekeeping and apiculture products	Sectoral API RESRCH - Apiculture - Research Programmes	O.37. Number of actions or units for beekeeping preservation or improvement
RD	ENVCLIM(70) - Environmental, climate-related and other management commitments	RD Gen Res - Conservation and sustainable use of genetic resources	O.19. Number of operations or units supporting genetic resources
RD	ENVCLIM(70) - Environmental, climate-related and other management commitments	RD MANG COMT - Land Based management commitments	O.14. Number of hectares (excluding forestry) or number of other units covered by environmental or climate-related commitments going beyond mandatory requirements
RD	ENVCLIM(70) - Environmental, climate-related and other management commitments	RD- Organic - Organic Farming Scheme	O.17. Number of hectares or number of other units benefitting from support for organic farming
RD	ANC(71) - Natural or other area-specific constraints	RD AN CONSTRAINTS - Areas under natural or other area-specific constraints	O.12. Number of hectares benefitting from support for areas facing natural or specific constraints, including a breakdown per type of areas
RD	INVEST(73-74) - Investments, including investments in irrigation	RD OnFarm NP Invest - On-Farm Non-Productive Investments	O.21. Number of supported on-farm non-productive investment operations or units
RD	INVEST(73-74) - Investments, including investments in irrigation	RD Off Farm NP INVST - Off-farm Non-Productive Investments and Afforestation	O.23. Number of supported off-farm non-productive investment operations or units
RD	INVEST(73-74) - Investments, including investments in irrigation	RD On-farm Invest P. - On-farm Productive Investments	O.20. Number of supported on-farm productive investment

			operations or units
RD	KNOW(78) - Knowledge exchange and dissemination of information	RD KNOW - Knowledge exchange, advice, training and dissemination of information	O.33. Number of supported training, advice and awareness actions or units

Overview

The interventions that will be most relevant to this SO under EAFRD will include non-productive and productive investments, conservation and sustainable use of genetic resources and land based management commitments. Interventions under EAGF will include Eco Schemes as well as interventions supporting the Apiculture sector including support for labs, varroasis, restocking and transhumance.

6.1 Promote measures that protect and enhance biodiversity on agricultural holdings and wider rural areas

The CAP SP will contribute to the promotion and protection of biodiversity through various initiatives. The eco-scheme related to land parcels dedicated for biodiversity purposes is expected to contribute directly to this SO since it will provide support for parcels of agricultural land on which biodiversity can flourish, which can have a positive impact on pollinator populations and on other natural flora and fauna. The IPM eco-scheme is expected to lead to more targeted pesticide use which will have a positive impact on farm biodiversity. Similarly, the management commitment related to the use of mechanical means for weed removal will reduce the use of herbicides on holdings. Furthermore, support for the maintenance and conversion to organic farming for horticulture, and for perennial crop production will also contribute towards this SO, thereby safeguarding the quality of agricultural produce while also reducing the use of fertilizers and pesticides.

On-farm productive investments can also support biodiversity. Organic farmers may benefit from this investment measures in the same way as conventional farmers and may modernise their holdings, purchase machinery and also construct greenhouses for growing agricultural produce, amongst others. The latter production method aims at reducing cross contamination from neighbouring conventional holdings. Given that organic farming is a more sustainable means to cultivate land and crop production, it enables better management of habitat and ecosystem conservation.

The apiculture programme is expected to contribute to this Need through the provision of training and information, investments related to varroasis, restocking and transhumance and support for labs. Supporting the beekeeping sector is important for the enhancement of local biodiversity since together with other pollinators, bees not only carry out pollination of agricultural species but also of wildflowers. Beekeeping is therefore not only important for agriculture but also for enhancing local biodiversity.

Farming practices can have an impact on bird species. The PAF aims to promote and develop farming guidelines in order to support the adoption of practices that are conducive to the aims of the Birds and Habitats Directives, and in line with the Maltese Code of Good Agricultural Practice (CoGAP), also in view of a decline in farmland bird species populations. Within this context, relevant interventions supported under the CAP SP take into account applicable farming guidelines in a effort to continue fostering improved farming practices that are more conducive to inclusive agriculture.

6.2 Disseminate knowledge amongst farmers to safeguard biodiversity on Natura 2000 sites land adjacent to Natura 2000, as well as Malta's rural landscape heritage

Under the knowledge and exchange intervention under EAFRD and complementing the crosscutting objective on knowledge and training, the CAP SP will offer the provision of training in line with the requirements established in the PAF, which includes amongst others development and promotion of good

practice guidelines policies and codes of good practice in relation to various aspects dealings with threats and pressures affecting Natura 2000 sites. Knowledge transfer interventions aim to provide farmers with the necessary skillset with regards to the protection of biodiversity. Training and advice will aim to address biodiversity loss and the preservation of genetic resources, through for example, the reduced use of pesticides and converting to organic farming practices, amongst others.

6.3 Promote the removal of invasive alien species and the planting of native and archaeophytic species

The removal of alien species and the planting of native species remains an important priority to safeguard Malta's biodiversity landscape. Support will be offered for introduction of newly planted trees as per ERA guidelines, through the on-farm and off-farm non-productive investments intervention. The management commitment related to the maintenance of trees will also support farmers who are committed to safeguarding trees on their holdings.

6.4 Improve and conserve the status of habitats protected under HBD through the extension of their coverage and rural landscape features

The off-farm non-productive investments intervention is expected to support the restoration of rubble walls and other rural landscape features including existing terrace walls, planting of trees as well as the creation and/or restoration of different types of terrestrial habitats, including inter alia garigue, steppe, maquis, woodland, rock pools, valleys and watercourses, saline marshlands and sand dunes. Similar investments can also be supported under the non-productive on-farm investments intervention.

6.5 Conserve endemic species with the aim of preserving local agricultural genetic resources

Interventions under EAFRD will preserve species that are vulnerable to genetic erosion and will therefore inevitably contribute to halting biodiversity loss and sustain habitats which are essential for environmental sustainability and agricultural growth. Through knowledge and research, the preservation of genetic resources will lead to further conservation actions and sustain future ecosystems. Through a management commitment, support shall be provided targeting specifically a number of tree and livestock species, namely: the carob tree, black and white mulberry, black chicken and Maltese ox. This intervention is meant to conserve endemic species with the aim of preserving local agricultural genetic resources.

From experience of the previous programming period, the expenditure profile under this SO is likely to be moderate, although it will be important to seek higher uptake of these interventions in the next period so as to ensure the minimum required allocation to environment and climate goals and to achieve an adequate contribution towards the halting and reversal of biodiversity decline in Malta. Some simplification of interventions should encourage a higher level of participation than was achieved up to 2020.

Actions supported through the CAP SP shall be in synergy with ERDF support aimed towards the conservation of species and habitats, restoration of ecosystems and effective management of protected areas. In addition, green infrastructure interventions under ERDF shall also be in synergy with nature protection, water management, climate change adaptation and mitigation. These ERDF interventions aim to mitigate the loss of biodiversity in line with the Biodiversity Strategy and the Green Deal and in anticipation of the upcoming EU Nature Restoration Law. EMFAF support will also contribute towards Malta's blue economy, mitigate the impacts of CO2 emissions and foster improved marine biodiversity and marine ecosystems. Interventions under a combination of EU funding instruments will holistically foster improved biodiversity and habitats.

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

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

2.1.SO6.7 Are you planning CAP contribution towards the LIFE programme (only for SO4, SO5, SO6)

: **No**

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

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

Result indicators [recommended Result indicators for this specific objective are fully displayed in bold]	Target value
R.7 PR - Enhancing support for farms in areas with specific needs Percentage of additional support per hectare in areas with higher needs (compared to average)	100.00 %
R.14 PR - Carbon storage in soils and biomass Share of utilised agricultural area (UAA) under supported commitments to reduce emissions or to maintain or enhance carbon storage (including permanent grassland, permanent crops with permanent green cover, agricultural land in wetland and peatland)	6.06 %
R.17 CU PR - Afforested land Area supported for afforestation, agroforestry restoration, including breakdowns	250.12 ha
R.19 PR - Improving and protecting soils Share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil quality and biota (such as reducing tillage, soil cover with crops, crop rotation included with leguminous crops)	59.31 %
R.21 PR - Protecting water quality Share of utilised agricultural area (UAA) under supported commitments for the quality of water bodies	9.00 %
R.22 PR - Sustainable nutrient management Share of utilised agricultural area (UAA) under supported commitments related to improved nutrient management	8.02 %
R.23 PR - Sustainable water use Share of utilised agricultural area (UAA) under supported commitments to improve water balance	9.54 %
R.24 PR - Sustainable and reduced use of pesticides Share of Utilised Agricultural Area (UAA) under supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides, such as pesticides leakage	9.94 %
R.25 - Environmental performance in the livestock sector Share of livestock units (LU) under supported commitments to improve environmental sustainability	0.07 %
R.26 CU - Investment related to natural resources Share of farms benifitting from CAP productive and non-productive investment support related to care for the natural resource	0.48 %
R.28 CU - Environmental or climate-related performance through knowledge and innovation Number of persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP related to environmental or climate-related performance	2,050.00
R.29 PR - Development of organic agriculture Share of utilised agricultural area (UAA) supported by the CAP for organic farming with a split between maintenance and conversion	2.54 %
R.31 PR - Preserving habitats and species Share of utilised agricultural area (UAA) under supported commitments for supporting biodiversity conservation or restoration including high-nature-value farming practices	54.86 %

R.32 CU - Investments related to biodiversity Share of farms benefitting from CAP investment support contributing to biodiversity	0.09 %
R.34 PR - Preserving landscape features Share of utilised agricultural area (UAA) under supported commitments for managing landscape features, including hedgerows and trees	0.97 %
R.35 CU - Preserving beehives Share of beehives supported by the CAP	66.50 %

Justification of the targets and related milestones

R.7 PR - Enhancing support for farms in areas with specific needs: Percentage of additional support per hectare in areas with higher needs (compared to average) – 100%

This indicator seeks to quantify the percentage of additional support for farms in areas with specific needs. The result target value established for this result indicator is based on the following considerations:

1) The average income support per hectare for beneficiaries with hectares in areas with specific needs
All beneficiaries who received an ANC payment are included in the numerator population. In total there are 8,856.09 hectares which are considered as an area of natural constraint. In this regard it is to be noted that as highlighted in Chapter 5, all of the territory of the Maltese Islands has been designated as areas affected by other area-specific constraints. This has been the case since EU accession in 2004. Although Regulation 1783/2003 stated that the total area covered by this measure must not exceed 10% of the area of a Member State, during negotiations the EU agreed that all of the agricultural land in the Maltese islands should qualify for funds eligible under the ANC. In addition to other direct payments, the total support per hectare for areas of natural constraint averages to about €1,346.86.

		Total Determined Area	Total Support	Support /ha	In area with special needs
2024	Total	8,856.09	11,927,877	1346.86	
	In area of specific need	8,856.09	11,927,877	1346.86	100%
2025	Total	8,856.09	11,927,877	1346.86	
	In area of specific need	8,856.09	11,927,877	1346.86	100%
2026	Total	8,856.09	11,927,877	1346.86	
	In area of specific need	8,856.09	11,927,877	1346.86	100%
2027	Total	8,856.09	6,931,760	782.71	
	In area of specific need	8,856.09	6,931,760	782.71	100%
2028	Total	8,856.09	2,337,742	263.97	
	In area of specific need	8,856.09	2,337,742	263.97	100%
2029	Total	8,856.09	2,337,742	263.97	
	In area of specific need	8,856.09	2,337,742	263.97	100%

2) Average income support per hectare paid to all beneficiaries
The denominator captures the average income support per hectare to all farmers taking into account the total support in relation to the total area which is also equivalent to 8,856.09 hectares.
On this basis the total target value set for R.7 is 100%. Consequently the areas considered to determine the

target value are of an equal nature and the value of the indicator is 100%.

R.14 PR - Carbon storage in soils and biomass: Share of utilised agricultural area (UAA) under supported commitments to reduce emissions or to maintain or enhance carbon storage (including permanent grassland, permanent crops with permanent green cover, agricultural land in wetland and peatland) – 6.06%

Within SO6, three Land Based Management Commitments and one Conservation and sustainable use of genetic resources commitment contribute to the target value established for R.14. More specifically these are:

·AECM 1 (Control of weeds for vineyards and orchards)

·AECM 2 (Maintenance of Trees)

·AECM 4 (Implementation of soil management and conservation plan on a parcel) and;

·AECM 5c (Integration and maintenance of autochthonous species: Carob & Mulberry).

Furthermore, the organic farming scheme is also deemed to directly contribute towards this indicator with a target of circa 272.10 ha.

On the basis of the planned support for each of these AECMs and that for the organic farming scheme in relation to the budget for the intervention, the annual amount of hectares to be supported for carbon storage in soils and biomass amount to circa 649.53 hectares, leading to a result target of 6.06% of total UAA.

R.17 CU PR - Afforested land: Area supported for afforestation, agroforestry restoration, including breakdowns - 250.12 ha

The allocation of off farm afforestation and non-productive environment contributes towards R17. Based on an estimated support rate of €10,000/ha, which takes into account the expected costs of tree planting and taking into consideration the contribution of on-farm non-productive investments towards this indicator, the total area supported for afforestation is estimated to amount to 250.12ha.

R.19 PR - Improving and protecting soils Share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil quality and biota (such as reducing tillage, soil cover with crops, crop rotation included with leguminous crops) – 59.31%

Within SO6, the intervention contributing to the target value set for R.19 is:

·Land Based Management Commitments, more specifically AECM 4 (Implementation of soil management and conservation plan on a parcel)

·Eco-Scheme: Biodegradable Mulch

-Eco-Scheme: Arable land for non-productive elements

-Eco-Scheme: Early harvesting of multi-species swards

·Eco-Scheme: Land parcels dedicated for biodiversity purposes

·Organic Farming Scheme

When calculating the proportion of R.19 attributed to Land Based Management Commitments, the amount of hectares is estimated to stand at circa 272 hectares based on the planned support rate for the AECM whereas the proportion attributed to Eco-Scheme: Biodegradable Mulch is 269.93 hectares (2023) and 20 ha (2024) and that for Eco-Scheme: Land parcels dedicated for biodiversity purposes is 380 ha (2023) and 20 ha (2024-2027). Eco-Scheme: Arable land for non-productive elements and Eco-Scheme: Early harvesting of multi-species swards contribute with circa 5432ha and 424ha respectively. The Organic Farming Scheme also contributes with 272.10 ha. The total hectares under supported commitments

beneficial for soil management to improve soil quality and biota amount to 6363 hectares. On this basis, the target value set for R.19 is 59.31 %.

R.21 PR - Protecting water quality: Share of utilised agricultural area (UAA) under supported commitments for the quality of water bodies - 9%

Within SO6, the interventions contributing to the target value set for R.21 are:
· Eco-Scheme: Land parcels dedicated for biodiversity purposes
· Eco-Scheme: Integrated Pest Management Plan (IPM)
· Organic Farming Scheme

In calculating the proportion of R.21 attributed to Eco-Scheme: Land parcels dedicated for biodiversity purposes, the amount of hectares is estimated to stand at 380 ha (2023), 20 ha (2024) and 2.75ha (2025-2027) whereas the proportion attributed to Eco-Scheme: Integrated Pest Management Plan (IPM) is 480.21 hectares (2023), 150 ha (2024), 233 ha (2025-2027). The Organic Farming scheme shall also contribute with about 272.10 ha being supported. In total these schemes lead to support for the protection of water quality on 965.21 hectares. On this basis, the target value set for R.21 is 9%.

R.22 PR - Sustainable nutrient management: Share of utilised agricultural area (UAA) under supported commitments related to improved nutrient management - 8.02%

Within SO6, the interventions contributing to the target value set for R.22 are:
• Eco-Scheme: Integrated Pest Management Plan (IPM)
• Eco-Scheme: Land parcels dedicated for biodiversity purposes

The planned annual support rate per hectares between 2023 and 2026 is estimated at €2,000 whereas that for 2027 is €958 leading to the support for 481.21 ha (2023), 150 ha (2024), 233 ha (2025-2027) for Integrated Pest Management Eco-scheme. The support targeting land parcels dedicated for biodiversity purposes is €2,500 between 2023-2026 and €1,197.70 leading to support for 380 ha (2023), 20 hectares (2024) and 2.75ha for 2025-2027. On this basis, with a total area of 860.21 ha, the target value for R.22 is established at 8.02%.

R.23 PR - Sustainable water use Share of utilised agricultural area (UAA) under supported commitments to improve water balance – 9.54%

Within SO6, the interventions contributing to the target value of R.23 are:
·Land Based Management Commitments, more specifically AECM 1(Control of weeds for vineyards and orchards) and AECM 4 (Implementation of soil management and conservation plan on a parcel).
-Eco-Scheme: Biodegradable Mulch
·Eco-Scheme: Land parcels dedicated for biodiversity purposes
-Eco-Scheme CPM: Certified propagating material resistant to pathogens & cultivation of crop or plant varieties with less demand for water

The annual hectares associated with AECM 1 and 4 are 375.43 ha for FY2024, 1086.09 ha for FY2025 and circa 1,601 ha for FY2026- FY2028. Those associated with Eco-Scheme: Biodegradable Mulch are 269.93 ha (2023) and 20ha for 2024, and those related to Eco-Scheme: Land parcels dedicated for biodiversity purposes are 380 ha for 2023, 20 ha for 2024 and 2.75ha 2025-2027. Eco-Scheme- CPM: Certified propagating material resistant to pathogens & cultivation of crop or plant varieties with less demand for water contributes with an additional 347.84ha for 2024, and 18.5ha for 2025-2027. The total hectares under supported commitments to improve water balance amount to 1023.36. On this basis, the target value set for R.23 is 9.54%.

R.24 PR - Sustainable and reduced use of pesticides: Share of Utilised Agricultural Area (UAA) under supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides, such as pesticides leakage - 9.94%

The interventions contributing to the target value of R.24 and the needs identified in SO6 are:

·Land Based Management Commitments, more specifically AECM 1 (Control of weeds for vineyards and orchards)

·Eco-Scheme: Integrated Pest Management Plan (IPM)

·Eco-Scheme: Land parcels dedicated for biodiversity purposes

-Eco-Scheme: Certified propagating material resistant to pathogens & cultivation of crop or plant varieties with less demand for water

·Organic Farming Scheme

The annual support rate for AECM1 is €1,282.45 per hectare leading to support for 101.79 ha over a period of five years. For Eco-Scheme: Integrated Pest Management Plan (IPM) the annual hectares supported through the intervention amount to 481.21 ha for 2023, 150 ha (2024) and 233 ha annually for 2025-2027, whereas about 380ha (2023), 20 ha (2024) and 2.75ha (2025-2027) shall contribute under the Eco-Scheme: Land parcels dedicated for biodiversity purposes. The organic farming scheme shall also directly contribute with circa 272.10ha supported. Eco-Scheme: Certified propagating material resistant to pathogen & cultivation of crop or plant varieties with less demand for water further contributes with circa 347.84ha. In this respect, the total hectares under supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides amount to 1067ha. On this basis, the target value set for R.24 is 9.94%.

R.26 CU Investment related to natural resources- Share of farms benifitting from CAP productive and non-productive investment support related to care for the natural resource -0.48%

Within SO6, On Farm Productive investments directly contribute to this result indicator with about 50 farms benifitting from CAP productive and non-productive investment support related to care for the natural resource resulting in a target value of circa 0.48%.

R.28 CU - Environmental or climate-related performance through knowledge and innovation: Number of persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP related to environmental or climate-related performance - 2,050.00 persons

Within SO6, Knowledge and dissemination of information (Article 78) and COOP EIP contribute towards R.28. The knowledge transfer intervention will provide training specifically targeted towards young farmers, to address the weakness related to training. This has been identified as a good approach during the implementation of the RDP 2014-2020 whereby young farmers have received complementary training to address their needs. This intervention may support both young farmers that have benefited from the start-up aid measure, but also those who have not. Half of the budget for training (Article 78) is earmarked towards environmental and climate related performance. The average support rate per person benefitting from training is based on the experience gained through the implementation of the 2014-2020 period and estimated at about € 1,100. Under COOP EIP 50 beneficiaries shall be targeted. On this basis the result indicator for R.28 of which a number will also be young farmers, is set at 2,050 participants.

R.29 PR - Development of organic agriculture Share of utilised agricultural area (UAA) supported by the CAP for organic farming with a split between maintenance and conversion - 2.54%

The intervention contributing to R.29 is Support for organic farming including support for maintenance and conversion. Based on the support rate of €4,377.60/ha and €3,614.40/ha for conversion and maintenance for horticulture respectively, and €3,222/ha and €1,057/ha for conversion and maintenance of organic perennial crop production, the number of hectares supported for organic farming are estimated at 272.10 hectares (100.05 converted, 172.05 maintained), which represent 2.54% of total UAA.

R.31 PR - Preserving habitats and species Share of utilised agricultural area (UAA) under supported commitments for supporting biodiversity conservation or restoration including high-nature-value farming practices – 54.86%

Within SO6, the interventions contributing to the target value of R.31 are:

·Land Based Management Commitments, more specifically AECM 3 (Introduction of bee boxes on holdings)

·Eco-Scheme: Land parcels dedicated for biodiversity purposes

·Eco-Scheme: IPM

-Eco-Scheme: NPE

·Organic Farming Scheme

The annual hectares associated with AECM 3 are 12.85 ha whereas those associated with Eco-Scheme: Land parcels dedicated for biodiversity purposes are 380 ha (2023), 20 ha (2024) and 2.75ha (2025-2027). Those associated with Eco-Scheme: IPM are 480.21 (2023), 150 ha (2024) and 233 ha annually for 2025-2027. ECO-NPE contributes with a maximum of 5,432ha. An additional 272.10 ha shall receive support for organic farming resulting with a total of 5,886.95 hectares under supported commitments for supporting biodiversity conservation or restoration including high-nature-value farming practices and an overall target of 54.86%.

R.34 PR - Preserving landscape features Share of utilised agricultural area (UAA) under supported commitments for managing landscape features, including hedgerows and trees - 0.97%

Within SO6, the interventions contributing to the target value of R.34 is Land Based Management Commitments, more specifically AECM 1 (Control of weeds for vineyards and orchards) and AECM 2 (Maintenance of Trees). The hectares associated with the relevant AECMs on the basis of the planned support rates are 103.79 ha. Furthermore, ECO-NPE contributes with circa 1ha. On this basis, the target value set for R.34 is 0.97%.

R.35 CU - Preserving beehives: Share of beehives supported by the CAP - 66.50%

Within SO6, the interventions contributing to R.35 are actions relating to the sectoral intervention in Apiculture more specifically those captured under Article 55, (1.b) of the CAP SP regulation, land based management commitments under AECM 3: *Introduction of bee boxes on holdings and on-farm productive investments* carried out by beekeepers. The total number of beehives which will be supported by these actions are 2938, which represent 66.5% of total beehives.

2.1.SO6.9 Justification of the financial allocation

The overall financial allocation for the identified interventions contributing to this Specific Objective takes into consideration the following factors:

• the total allocated MT budget under the CAP SP;

• the regulatory obligations of the CAP SP (minimum/ maximum allocations);

• the transfer of up to 25 % of the EAFRD allocation in financial years 2024 to 2027 to the direct payments allocation set out in Annex V for calendar years 2023 to 2026 in line with Article 103 of the CAP SP;

• the needs of the local context as identified through a bottom-up consultative approach;

• lessons learnt and historic data from previous periods allocations; and

• the changing context and emerging needs in relation to exceptional events/circumstances, threats and impacts such as food security issues and increased energy prices as a result of the invasion of Ukraine by Russia and other potential impacts/risks.

The following CAP SP interventions will directly contribute to achieving the needs identified under Specific Objective 6:

1. Decoupled Direct Payments: DP ECO-Biodeg Mulch - Direct Payments (Eco-scheme) Biodegradable Mulch, DP ECO-Biodiversity - Direct Payments (Eco-scheme) Land parcels dedicated for biodiversity purposes, DP ECO-IPM - Direct Payments (Eco-scheme: IPM) , DP ECO-CPM - Direct Payments (Eco-scheme: Certified propagating material resistant to pathogens & cultivation of crop or plant varieties with less demand for water) and DP ECO-NPE - Direct Payments (Eco-scheme: Arable land for non-productive elements).

2. Sectoral - Apiculture products: Sectoral API RESRCH - Apiculture - Research Programmes, Sectoral API Product - Apiculture Products- Varroasis, restocking and transhumance, Sectoral API Labs - Apiculture Products: Support for labs, Sectoral API T&I - Apiculture- Training, Information and Networks

3. Rural Development: RD AN CONSTRAINTS - Areas under natural or other area-specific constraints, Land Based Management Commitments, On-Farm Productive Investments, On-Farm Non-Productive Investments, Off-farm Non-Productive Investments and Afforestation, Organic Farming Scheme, Knowledge, exchange, training and dissemination of information and Conservation and sustainable use of genetic resources

DP ECO-Biodeg Mulch - Direct Payments (Eco-scheme) Biodegradable Mulch:

The total financial allocation for DP ECO Biodeg Mulch is circa €125,749 for the period 2023-2027. Support is based on the expected number of hectares that can be supported taking into consideration the identified needs as mentioned above, historic data and the local context. The planned uniform unit amount under this intervention is €430 for 2023-2026 and circa €206 for 2027 per hectare. Taking the expected number of hectares to be supported as 269.93 ha for 2023 and 20 ha for 2024, this would result in an annual financial allocation of circa €116,069.90 for 2023 and €9,680 for 2024.

Support under this eco-scheme goes directly towards enhancing biodiversity on agricultural holdings and wider rural areas. The total financial allocation is adequate to achieve the targeted 59.31% share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil quality and biota (such as reducing tillage, soil cover with crops, crop rotation included with leguminous crops (R.19). This intervention also contributes directly contributes to R.6 Redistribution to smaller farms, which allocation is also deemed to be adequate to achieve the targets set.

DP ECO-Integrated Pest Management - Direct Payments (Eco-scheme: IPM):

The total financial allocation for DP ECO IPM is circa €2.5 million for the period 2023-2027. Support is based on the expected number of hectares that can be supported taking into consideration the identified needs as mentioned above, historic data and the local context. The planned uniform unit amount under this intervention is €2,000 for 2023-2026 and €958 for 2027 per hectare. Taking the expected number of hectares to be supported each year as 480.21 for 2023,150 ha for 2024, and 233ha each year for 2025-2027, this would result in an average annual financial allocation of circa €960,420 for 2023, €349,200 for 2024, €520,000 for 2025-2026 and an annual financial allocation of about €201,900 for 2027.

Support under this eco-scheme goes directly towards enhancing biodiversity on agricultural holdings and wider rural areas. The total financial allocation of circa €2.5 million is adequate to achieve the targeted:

- 9% share of utilised UAA under supported commitments for the quality of water bodies (R.21);
- 8.02% share of utilised UAA under supported commitments related to improved nutrient management. (R.22);
- 9.54% share of utilised agricultural area (UAA) under supported commitments to improve water balance (R.23);
- 9.94% share of utilised agricultural area (UAA) under supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides, such as pesticides leakage (R.24); and
- 54.86% share of utilised agricultural area (UAA) under supported commitments supporting biodiversity conservation or restoration including high-nature-value farming practices (R.31).

This intervention shall also contribute directly contributes to R.6 Redistribution to smaller farms, which allocation is also deemed to be adequate to achieve the targets set.

DP ECO-Biodiversity - Direct Payments (Eco-scheme) Land parcels dedicated for biodiversity purposes):

The total financial allocation for DP ECO Biodiversity is circa €1 million for the period 2023-2027. Support is based on the expected number of hectares that can be supported taking into consideration the identified needs as mentioned above, historic data and the local context. The planned uniform unit amount under this intervention is €2,500 for 2023-2026 and €1,197.70 for 2027 per hectare. Taking the expected number of hectares to be supported as 380ha for 2023, 20 ha each year from 2024-2027, this would result in an average annual financial allocation of circa €950,000 for 2023, €60,720 for 2024, €8,300 for 2025-2026 and an annual financial allocation of about €3,025 for 2027.

Support under this eco-scheme goes directly towards enhancing biodiversity on agricultural holdings and wider rural areas. The total financial allocation of circa €1 million is adequate to achieve the targeted of:

- 9% share of utilised agricultural area (UAA) under supported commitments for the quality of water bodies (R.21);
- 9.54% share of utilised agricultural area (UAA) under supported commitments to improve water balance (R.23); and
- 54.86% share of utilised agricultural area (UAA) under supported commitments for supporting biodiversity conservation or restoration including high-nature-value farming practices (R.31).

This intervention also contributes directly contributes to the targeted share of R.6 Redistribution to smaller farms, which allocation is also deemed to be adequate to achieve the targets set.

DP ECO-CPM - (Eco-scheme: Certified propagating material resistant to pathogens & cultivation of crop or plant varieties with less demand for water):

The total financial allocation for DP ECO-CPM is circa €0.2 million for the period 2024-2027. Support is based on the expected number of hectares that can be supported taking into consideration the identified needs as mentioned above, historic data and the local context. The planned uniform unit amount under this intervention is €368 for 2024-2027 per hectare. Taking the expected number of hectares to be supported on average each year from 2024-2027 as circa 347.84 ha, this would result in an annual financial allocation of circa €189,085.82 for 2024, €10,000 for 2025-2026 and circa €5,790.50 for 2027.

Support under this eco-scheme goes directly towards enhancing biodiversity on agricultural holdings and wider rural areas. The total financial allocation of circa €0.2 million is adequate to achieve the targeted of:

· 3.28% share of utilised agricultural area (UAA) under supported commitments to improve climate adaptation (R.12);

· 9.54% share of utilised agricultural area (UAA) under supported commitments to improve water balance (R.23); and

· 9.94% share of utilised agricultural area (UAA) under supported commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides, such as pesticides leakage (R.24).

This intervention also contributes directly contributes to the targeted share of R.6 Redistribution to smaller farms, which allocation is also deemed to be adequate to achieve the targets set.

DP ECO-NPE - (Eco-scheme: Arable land for non-productive elements)

The total financial allocation for DP ECO-NPE is circa €5 million for the period 2024-2027. Support is based on the expected number of hectares that can be supported taking into consideration the identified needs as mentioned above, historic data and the local context. The planned uniform unit amount under this intervention is €112 for 2024-2027 per hectare. Taking the expected number of hectares to be supported on average each year from 2024-2027 as circa 5,432 ha, this would result in an average annual financial allocation of circa €1mn for 2024-2027.

Support under this eco-scheme goes directly towards enhancing biodiversity on agricultural holdings and wider rural areas. The total financial allocation of circa €5 million is adequate to achieve the target of:

• 59.31% share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil quality and biota (such as reducing tillage, soil cover with crops, crop rotation included with leguminous crops (R.19);

• 54.86% share of utilised agricultural area (UAA) under supported commitments supporting biodiversity conservation or restoration including high-nature-value farming practices (R.31); and

• 0.97% share of utilised agricultural area (UAA) under supported commitments for managing landscape features, including hedgerows and trees (R.34).

This intervention also contributes directly contributes to the targeted share of R.6 Redistribution to smaller farms, which allocation is also deemed to be adequate to achieve the targets set.

Apiculture products: Sectoral API RESRCH - Apiculture - Research Programmes:

The total financial allocation for the Apiculture - Research Programmes is circa €7,707.60 for the period 2023-2027. Support is based on the expected number of actions and share of beehives that can be supported taking into consideration the identified needs, historic data and the local context. The planned unit amount under this intervention is €770.76 for 2023- 2027 per action would result in an annual financial allocation of circa €1,541.52 for 2023- 2027.

Support under Apiculture - Research Programmes contributes directly towards addressing the needs identified as described above. The total financial allocation is adequate to achieve the targeted actions to be supported.

Sectoral API Product - Apiculture Products - Varroasis, restocking and transhumance:

The total financial allocation for the Apiculture Products- Varroasis, restocking and transhumance

interventions is circa € 92,709.80 for the period 2023-2027. Support is based on the expected number of beekeepers and the share of beehives that can be supported taking into consideration the identified needs, historic data and the local context. Three planned unit amounts for three different planned actions under this intervention have been identified as further described in Section 5 resulting in an annual financial allocation of circa €18,541.96 for 2023- 2027.

Support under Apiculture Products- Varroasis, restocking and transhumance contributes directly towards addressing the needs identified as described above. The total financial allocation is adequate to achieve the targeted actions to be supported and will contribute directly to the total target value of 70.21% share of beehives supported by the CAP under R.35.

Sectoral API Labs - Apiculture Products: Support for labs:

The total financial allocation for the Apiculture Products- Support for labs interventions is circa €13,525.40 for the period 2023-2027. Support is based on the expected number of actions, beekeepers and the share of beehives that can be supported taking into consideration the identified needs, historic data and the local context. Two planned unit amounts for two different planned actions under this intervention have been identified as further described in Section 5 resulting in an annual financial allocation of circa € 2,705.08 for 2023- 2027.

Support under Apiculture Products- Support for labs contributes directly towards addressing the needs identified as described above. The total financial allocation is adequate to achieve the targeted actions to be supported.

Sectoral API T&I - Apiculture - Training, Information and Networks:

The total financial allocation for the Apiculture- Training, Information and Networks interventions is circa € 27,427.20 for the period 2023-2027. Support is based on the expected number of actions and the share of beehives that can be supported taking into consideration the identified needs, historic data and the local context. Two planned unit amounts for two different planned actions under this intervention have been identified as further described in Section 5 resulting in an annual financial allocation of circa €5,485.44 for 2023- 2027.

Support under Apiculture- Training, Information and Networks contributes directly towards addressing the needs identified as described above. The total financial allocation is adequate to achieve the targeted actions to be supported.

Areas of Specific and Natural Constraints (ANC):

The total indicative financial allocation for this rural development intervention is about €14.02m (total public eligible expenditure) for the period 2023-2027. Support under this intervention is provided to farmers to assist them in farming in areas of land that have specific/natural constraints.

The financial allocation is justified on the basis of total number of hectares designated as subject to a natural or specific constraint and the proposed payment rate (which provide partial compensation to farmers for the costs incurred and income foregone for continuing to farm the land). Support under ANC addresses the need to support viable farm income, specifically those farmers farming in areas of natural/specific constraints. The annual financial allocation of €2.3 million is adequate to achieve the 100% of additional support per hectare in areas with higher needs under R.7.

Land Based Management Commitments:

The total financial allocation for this rural development measure is circa €18m and funding shall target grants for farmers in return for a service, in the form of a multi-annual commitment to observe a set of prescribed management practices over a period of 5 years. In line with Article 91 (3)(b) a contribution rate of 80% of the original investment is attributed to such interventions. Support is based on the expected

number of hectares that can be supported taking into consideration the identified needs as mentioned above, historic data and the local context. Planned uniform unit amounts per management commitment action for 2023-2027 per hectare have been established as described in Section 5 of this Plan. Taking the expected number of hectares to be supported each year from 2023-2027 as circa 387 ha, this would result in an annual financial allocation of circa €3.6mn for 2023- 2027.

The total financial allocation is sufficient to achieve the following targets of

- 3.28% share of utilised agricultural area (UAA) under supported commitments to climate change adaptation (R.12);
- 6.06 % share of utilised agricultural area (UAA) under supported commitments to reduce emissions or to maintain or enhance carbon storage (including permanent grassland, permanent crops with permanent green cover, agricultural land in wetland and peatland) (R.14);
- 59.31% share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil (R.19);
- 9.54% share of utilised agricultural area (UAA) under supported commitments to improve water balance (R.23);
- 9.94% share of Utilised Agricultural Area (UAA) under supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides, such as pesticides leakage (R.24);
- 54.86% share of utilised agricultural area (UAA) under supported commitments for supporting biodiversity conservation or restoration including high-nature-value farming practices (R.31); and
- 0.97% share of utilised agricultural area (UAA) under supported commitments for managing landscape features, including hedgerows and trees (R.34).

On-Farm Productive Investments:

The total financial allocation for this measure is circa €22.38m and funding shall target support for farmers to invest in productive equipment for their farms. In line with Article 91 (2)(c) an EAFRD contribution rate of 60% of the original investment is attributed to such investments. The needs for the identification and support of the investment needs of the sector as mentioned above are addressed by the provision of this financial support which affords farmers access to subsidised investments. The total financial allocation is sufficient to achieve the targets of 0.14% of farms benefitting from CAP investment support under (R.16) including the targeted 66.50% share of beehives supported by the CAP (R.35) and the 0.48% share of share of farms benefitting from CAP productive and non-productive investment support related to care for the natural resource.

On-Farm Non-Productive Investments:

The total financial allocation for this measure is circa €0.3m and funding shall target support for farmers in non-productive investment for their farms. In line with Article 91 (3)(b) an EAFRD contribution rate of 80% of the original investment is attributed to such investments. The investment needs of the sector as mentioned above are addressed by the provision of this financial support which affords farmers access to subsidised investments. The total financial allocation is sufficient to achieve the targets of 0.09% share of farms benefitting from CAP investment support contributing to biodiversity (R.32) and to the 250.12ha of afforested land area supported for afforestation, agroforestry restoration, including breakdowns (R.17).

Off-Farm Non-Productive Investments and Afforestation:

The total financial allocation for this measure is circa €9.63m and funding shall target support for off-farm non-productive investment and afforestation. In line with Article 91 (3)(b) an EAFRD contribution rate of

80% of the original investment is attributed to such investments. The investment needs of the sector as mentioned above are addressed by the provision of this financial support for subsidised investments. The total financial allocation is sufficient to achieve the targets of 250.12ha of afforested land area supported for afforestation, agroforestry restoration, including breakdowns (R.17).

Organic Farming Scheme:

The total financial allocation for the organic farming scheme is circa €0.9m and funding shall target the provision of financial support for the conversion to organic farming and the maintenance of organic farming practices. In line with Article 91 (3)(b) an EAFRD contribution rate of 80% of the original investment is attributed to such interventions. Support is based on the expected number of hectares that can be supported taking into consideration the identified needs as mentioned above, historic data and the local context. A planned uniform unit amount of €4,377.60/ha and €3,614.40/ha for conversion and maintenance of horticulture respectively, as well as €3,222/ha and €1,057/ha for conversion and maintenance respectively of perennial crop production for 2023-2029 has been established as justified and described in Section 5 of this Plan.

Taking the expected number of hectares to be supported between 2023-2029 as circa 100.05 ha for the conversion to organic farming and 172.05ha for the maintenance of organic farming, this would result in a total of circa 272.10 ha being supported throughout the period. The total financial allocation is sufficient to achieve the target of 2.54% share of utilised agricultural area (UAA) supported by the CAP for organic farming with a split between maintenance and conversion (R.29) while also contributing to the following targets:

• 6.06% share of utilised agricultural area (UAA) under supported commitments to reduce emissions or to maintain or enhance carbon storage (including permanent grassland, permanent crops with permanent green cover, agricultural land in wetland and peatland) (R.14),
• 59.31% share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil (R.19),
• 9% share of utilised agricultural area (UAA) under supported commitments related to improved nutrient management (R.21),
• 9.94% share of Utilised Agricultural Area (UAA) under supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides, such as pesticides leakage (R.24) and
• 54.86% share of utilised agricultural area (UAA) under supported commitments for supporting biodiversity conservation or restoration including high-nature-value farming practice (R.31).

Conservation and sustainable use of genetic resources:

The total financial allocation for this rural development measure is circa €1.21m and funding shall partly target grants for farmers in return for a service, in the form of a multi-annual commitment to observe a set of prescribed management practices over a period of 5 years. Additionally funding shall also support activities that will enable the valorisation of genetic resources (plant and animal) that are specifically vulnerable to genetic erosion. In line with Article 91 (3)(b) a contribution rate of 80% of the original investment is attributed to such interventions. Support is based on the expected number of operations, hectares or livestock units that can be supported taking into consideration the identified needs as mentioned above, historic data and the local context. Planned unit amounts per management commitment action for 2023-2027 per hectare/livestock unit have been established as described in Section 5 of this Plan.
The total financial allocation is sufficient to achieve the targeted share of livestock units (LU) under

supported commitments to improve environmental sustainability (R.25).

Knowledge, exchange, training and dissemination of information:

The total financial allocation for the measure is circa €4.37m and funding shall target support for training and advice. In line with Article 91 (2)(c) a contribution rate of 60% of the original investment is attributed to such investments. In this regard, related identified needs under this SO as mentioned in this section shall be addressed by the provision of grants for such actions. The total financial allocation contributes directly and is sufficient to achieve the targets of 4,100 persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP in order to enhance sustainable economic, social, environmental, climate and resource efficiency performance (R.1). Actions under this intervention shall also contribute directly to R.2 through the provision of support for advisors as integrated within Agricultural Knowledge and Innovation Systems (AKIS) which allocation is also deemed as adequate to achieve the targets set. This measure shall also contribute to the target of 2,050 persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP related to environmental or climate-related performance under R.28.

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

2.1.SO7.1 Summary of the SWOT Analysis

2.1.SO7.1.1 Strengths

1.Increasing awareness to innovate and learn about the latest techniques and farming methods among young farmers
2.Business diversity in rural areas is already quite high with many non-farming market opportunities and low unemployment rates[1]
3.High IT literacy and use of digital skills among young farmers

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

2.1.SO7.1.2 Weaknesses

1.Small percentage of young farmers (below 40y), sector dominated by older farmers
2.Very limited land availability for purchase or lease, and high cost
3.Limited access to new knowledge and training / workshops / networks
4.Limited access to credit
5.Mismatch issues, agriculture graduates not working in the sector
6.Farming perceived as low return, low value and little opportunity for growth and development

2.1.SO7.1.3 Opportunities

1.Opportunities for more innovative and creative enterprise in rural areas, especially for young farmers
2.Potential to stimulate new business activities
3.Upskilling for young farmers alongside improved access to education, research and markets
4.Improved recognition of education and skills
5.Improved access to land

2.1.SO7.1.4 Threats

1.Farming not offering adequate income - lower quality of life for farming communities
2.Cultural and practical knowledge gained through experience of longstanding generations of farmers may be lost if not transferred to an emerging generation of farmers
3.Higher incomes and greater financial security from other forms of employment attract young people away from the land
4.Poor perception of agriculture as a career option among young people
5.Land succession practices and old farmers not retiring

2.1.SO7.1.5 Other comments

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

2.1.SO7.2 Identification of needs

Code	Title	Prioritisation at the level of the CAP Strategic Plan	Need is addressed in Cap Strategic Plan
7.1	Provide start-up financial aid for young farmers	1	Yes

	(incl. full & part time farmers)		
7.2	Provide training, advice, mentoring and assistance for young farmers	3	Yes
7.3	Promote cooperation among young farmers to trade at a scale that is resilient and viable	4	No
7.4	Explore enhanced opportunities for access to land among young farmers	2	Yes
7.5	Facilitate land consolidation and farm transfer through legislative changes	5	No

Other comments related to needs assessment.

Not applicable

2.1.SO7.4 Intervention logic

Form of Intervention	Type of Intervention	Intervention Code (MS) - Name	Common Output Indicator
DPdecoupled	CIS-YF(30) - Complementary income support for young farmers	DP CIS-YF - Direct Payments (Complementary income support for young farmers)	O.6. Number of hectares benefitting from complementary income support for young farmers
RD	INVEST(73-74) - Investments, including investments in irrigation	RD On-farm Invest P. - On-farm Productive Investments	O.20. Number of supported on-farm productive investment operations or units
RD	INSTAL(75) - Setting up of young farmers and new farmers and rural business start-up	RD INSTAL YF - Setting up of young farmers	O.25. Number of young farmers receiving setting-up support
RD	KNOW(78) - Knowledge exchange and dissemination of information	RD KNOW - Knowledge exchange, advice, training and dissemination of information	O.33. Number of supported training, advice and awareness actions or units

Overview

Support under this SO will be provided through three interventions aimed at supporting young farmers. The SWOT identifies a number of weaknesses, including the small percentage of young farmers, the limited land availability, limited provision of training, limited access to credit, agriculture graduates not working in the sector and the limited return offered by farming. As explained below, the latter will be tackled through various initiatives under other SOs, other weaknesses shall be targeted specifically through this SO, as outlined further below.

Several actions programmed in the CAP SP have been targeted towards supporting farmers' income, both through direct payments (such as a BISS rate that has been enhanced compared to the 14-20 period), the possibility of benefitting from various eco-schemes and AECMs, and opportunities for investments. The aim is to enhance the viability and profitability of the sector, making it more attractive as a career path.

Provide start-up financial aid for young farmers (including full and part time farmers) to incentivize earlier generational renewal within farming households

In order to address the low number of young farmers, the setting up of young farmers intervention has been included in the CAP SP. This scheme aims to attract young farmers into the sector, whether they have just completed their education, are entering the sector for the first time or taking over a family farm, amongst others. Support shall be provided in the form of a lump sum that can be used for numerous investments, including farm modernization, construction of greenhouses and purchase of machinery, amongst others. The aim is therefore to support young farmers during the setting up stage, to increase the number of young farmers, attract graduates to the sector and support generational renewal.

Complementary income support for young farmers shall aim to alleviate income irregularity and provide support that can contribute towards the continued economic performance of the holding during the first

years of operations, complementing start up aid.

Provide training, advice, mentoring and assistance for young farmers

The knowledge transfer intervention will provide training specifically targeted towards young farmers, to address the weakness related to training. This intervention may support both young farmers that have benefited from the start-up aid measure, but also those who have not. Where necessary, training may take the form of an induction course, focusing on technical matters, environmental issues but also business planning. The aim is therefore to support the long-term sustainability of the holding.

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

Even though no specific support is being envisaged with regards to this Need under this SO, young farmers can also benefit from the mainstream cooperation intervention programmed in the CAP SP whereby increased cooperation amongst young farmers will be encouraged.

Facilitate land consolidation and farm transfer through legislative changes

With regards to this Need, legislative changes are ongoing as part of the land reform, to mitigate the situation. Such changes are primarily being carried out through national resources in view of their nature.

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

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

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

: **No**

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

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

Result indicators [recommended Result indicators for this specific objective are fully displayed in bold]	Target value
R.28 CU - Environmental or climate-related performance through knowledge and innovation Number of persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP related to environmental or climate-related performance	2,050.00
R.36 CU PR - Generational renewal Number of young farmers benefitting from setting up with support from the CAP, including a gender breakdown	260.00
R.37 CU - Growth and jobs in rural areas New jobs supported in CAP projects	260.00

Justification of the targets and related milestones

SO 7 – Supporting Generational Renewal

R.28: Environmental or climate-related performance through knowledge and innovation - 2,050 participants

Within SO7, Knowledge and dissemination of information (Article 78) and COOP EIP contribute towards R.28. The knowledge transfer intervention will provide training specifically targeted towards young

farmers, to address the weakness related to training. This has been identified as a good approach during the implementation of the RDP 2014-2020 whereby young farmers have received complementary training to address their needs. This intervention may support both young farmers that have benefited from the start-up aid measure, but also those who have not. Half of the budget for training (Article 78) is earmarked towards environmental and climate related performance. The average support rate per person benefitting from training is based on the experience gained through the implementation of the 2014-2020 period and estimated at about € 1,100. Under COOP EIP 50 beneficiaries shall be targeted. On this basis the result indicator for R.28 of which a number will also be young farmers, is set at 2,050 participants.

R.36 Generational Renewal - 260 young farmers

Within SO7, both Complementary Income Support for Young Farmers (CIS-YF) and the Young Farmer Scheme address the needs identified under this SO.

For the Young Farmer Scheme, the maximum lump sum support of Euro100,000 is expected to be awarded to young farmers. In total, about 60 farmers are expected to benefit through this intervention.

The target value established under the CISYF is 250 farmers benefitting from support between 2024 and 2028 (financial year). As explained above the financial allocation takes into account the identified needs, historic data and the local context.

The target value established considers double counting and assumes that the total number of farmers benefiting from the Young Farmer Scheme will also receive support under the CIS-YF. Therefore, total target values are calculated based only on those receiving support under the CIS-YF up to 2028. In 2029 the target considers the young farmer schemes. On this basis the target set under R.36 is established at 260 young farmers.

R.37 Growth and jobs in rural roads -260 jobs supported

Within SO7, both Complementary Income Support for Young Farmers (CIS-YF), and the Young Farmer Scheme address the needs identified under this SO.

For the Young Farmer Scheme, the maximum lump sum support of Euro100,000 is expected to be awarded to young farmers. In total, about 60 farmers are expected to benefit through this intervention.

The target value established under the CISYF is 250 farmers benefitting from support between 2024 and 2028 (financial year). As explained above the financial allocation takes into account the identified needs, historic data and the local context.

The target value established considers double counting and assumes that the total number of farmers benefiting from the Young Farmer Scheme will also receive support under the CIS-YF. Therefore, total target values are calculated based only on those receiving support under the CIS-YF up to 2028. In 2029 the target considers the young farmer schemes. On this basis the target set under R.37 is established at 260 young farmers.

2.1.SO7.9 Justification of the financial allocation

The overall financial allocation for the identified interventions contributing to this Specific Objective takes into consideration the following factors:

• the total allocated MT budget under the CAP SP;

• the regulatory obligations of the CAP SP (minimum/ maximum allocations);

• the transfer of up to 25 % of the EAFRD allocation in financial years 2024 to 2027 to the direct payments allocation set out in Annex V for calendar years 2023 to 2026 in line with Article 103 of the CAP SP;
• the needs of the local context as identified through a bottom-up consultative approach;
• lessons learnt and historic data from previous periods allocations; and
• the changing context and emerging needs in relation to exceptional events/circumstances, threats and impacts such as food security issues and increased energy prices as a result of the invasion of Ukraine by Russia and other potential impacts/risks.

The following CAP SP interventions will directly contribute to achieving the needs identified under Specific Objective 7:
• **Decoupled Direct Payments**: DP CIS-YF - Direct Payments (Complementary income support for young farmers)
• **Rural Development**: RD INSTAL YF - Setting up of young farmers and RD KNOW - Knowledge exchange, training and dissemination of information

Complementary Income Support for Young Farmers (CIS YF):

The total financial allocation for Complementary Income Support for Young Farmers is €723,840 for the period 2023-2027. Support is based on the expected number of hectares that can be supported taking into consideration the identified needs, historic data and the local context. The planned unit amount under this intervention is €560 for 2023-2026 and €80 for 2027 per young farmer. Taking the expected number of hectares to be supported each year from 2023-2027 as 312, this would result in an annual financial allocation of circa €174,720 for 2023-2026 and circa €24,960 for 2027.

Support under CIS YF also links directly with addressing the need to support viable farm income and address income disparities between the agri-food sector, young farmers and other sectors of the economy. The total financial allocation is adequate to achieve the targeted hectares mentioned above and will contribute to the total target value under R.4, to R.36 and R.37.

RD INSTAL YF - Setting up of young farmers:

The budgetary allocation towards the installation of young farmers intervention has been set within the context of the local agricultural community, that is small and has already been invested in significantly during the 14-20 programming period as still ongoing at the time of CAP SP drafting. In July 2022 applications under sub-measure 6.1 were still being received, following an increase in budget through an RDP modification carried out in 2021. Nevertheless, additional support for young farmers will continued to be supported through the CAP SP as described below and in Section 5 of this Plan.

The total financial allocation for this measure is circa €6.1m and funding shall target support for the setting up of young farmers. In line with Article 91 (2)(c) a contribution rate of 60% of the original investment is attributed to such investments. In this regard, related identified needs under this SO as mentioned above shall be addressed through the provision of financial support which affords young farmers access to a lump sum up to €100,000 The total financial allocation is sufficient to achieve the target of young farmers benefitting from setting up with support from the CAP (R.36) and jobs safeguarded under R.37.

Knowledge, exchange, training and dissemination of information:

The total financial allocation for the measure is circa €4.37m and funding shall target support for training and advice. In line with Article 91 (2)(c) a contribution rate of 60% of the original investment is attributed to such investments. In this regard, related identified needs under this SO as mentioned in this section shall be addressed by the provision of grants for such actions. The total financial allocation contributes directly and is sufficient to achieve the targets of 4,100 persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP in order to enhance sustainable economic, social, environmental, climate and resource efficiency performance (R.1). Actions under this intervention shall also contribute directly to R.2 through the provision of support for advisors as integrated within Agricultural Knowledge and Innovation Systems (AKIS) which allocation is also deemed as adequate to achieve the targets set. This measure shall also contribute to the target of 2,050 persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP related to environmental or climate-related performance under R.28.

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

2.1.SO8.1 Summary of the SWOT Analysis

2.1.SO8.1.1 Strengths

1. Favourable economic conditions and low unemployment rates pre-COVID-19
2. Decrease in the number of people that are at-risk-of-poverty or social exclusion pre-pandemic
3. Enthusiasm to maintain local culture and traditional events
4. Local Action Groups - reference points within their respective territories
5. Increasing female employment rate in Malta
6. Important role of female volunteers within rural communities
7. Ample culture and historical assets across the islands

2.1.SO8.1.2 Weaknesses

1. The scale of impact of CAP income support remains below the average income
2. Limited diversification
3. Emigration of young, highly skilled people from Gozo
4. Limited entrepreneurial confidence in agricultural sectors (shift in LEADER support)
5. Low levels of digital skills among rural population

2.1.SO8.1.3 Opportunities

1. Encourage more innovative and creative enterprise in rural areas - young entrepreneurs
2. Stimulate new business activities in rural areas (e.g. farm diversification, gastro tourism, local food labelling, investment in cultural and natural heritage, etc.)
3. High level of visitors/tourism creates a large potential market for local products and activities
4. Support feasibility studies on renewable energy using waste and development of bio-economy sectors on the islands

2.1.SO8.1.4 Threats

1. Growing population with some areas experiencing a high percentage of older people and high dependency ratios resulting in higher pressure on resources such as water, air and land as well as on infrastructure in rural areas
2. Older people (aged 65 and over) more at-risk of social exclusion or poverty
3. High influxes of economic migrants creating social challenges brought about by multiculturalism and a fast population growth rate

2.1.SO8.1.5 Other comments

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

2.1.SO8.2 Identification of needs

Code	Title	Prioritisation at the level of the CAP Strategic Plan	Need is addressed in Cap Strategic Plan
8.1	Support small projects within rural areas to foster local development	1	Yes

8.2	Promote and encourage community and social activities within rural areas	2	Yes
8.3	Improve farm access to rural roads	3	Yes

Other comments related to needs assessment.

Not applicable.

2.1.SO8.4 Intervention logic

Form of Intervention	Type of Intervention	Intervention Code (MS) - Name	Common Output Indicator
RD	INVEST(73-74) - Investments, including investments in irrigation	RD Off-Farm INFRA - Off Farm Investments – Infrastructure	O.22. Number of supported infrastructures investment operations or units
RD	INVEST(73-74) - Investments, including investments in irrigation	RD Off-Farm INFRARd - Off-Farm Infrastructure Rural Roads for Competitiveness	O.22. Number of supported infrastructures investment operations or units
RD	INVEST(73-74) - Investments, including investments in irrigation	RD On-farm Invest P. - On-farm Productive Investments	O.20. Number of supported on-farm productive investment operations or units
RD	COOP(77) - Cooperation	RD COOP LEADER - COOPERATION: LEADER	O.31. Number of supported local development strategies (LEADER) or preparatory actions

Overview

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

Support small projects within rural areas to foster local development, including heritage rehabilitation

Malta retains one of the highest employment rates in the EU. In addition, rural areas in Malta cannot be considered remote. Those inhabiting rural areas have access to similar services as those inhabiting urban areas, including access to jobs. Within this context, whilst through LEADER, the CAP SP will support small projects in rural areas, the main aim of such efforts will remain the improvement and well-being of local communities. Such actions will enable local communities, including local councils, to further sustain the upkeep, services, accessibility, facilities and safety within such communities. Actions may also include small scale restoration/regeneration of areas, including maintenance of open spaces, with a view to foster socio-economic development.

Promote and encourage community and social activities within rural areas

The social fabric in rural areas has been changing rapidly over recent years, including with the increase of women joining the labour market and increase in migrant populations residing in rural areas. As outlined in the draft 'Gender Equality & Mainstreaming Strategy & Action Plan (2022-2027)', a series of measures aimed at supporting gender equality within the local scenario are foreseen. The Migrant Integration Strategy and Action Plan[1] as well as the National Employment Policy 2021 - 2030[2] also foresee measures aimed at fostering increased integration and social inclusion. Considering that Malta's limited delineation between urban and rural areas in terms of such social circumstances, the national strategies referred to above aim to holistically address the needs across the Maltese territory. Within this context, actions to encourage and promote community activities thereby enhancing social inclusion and equality under LEADER, as also identified in the LDSs, will contribute towards the wider ambitions of the

national strategies.

Improve farm access to rural roads

The improvement of farm access to rural roads remains important to limit land abandonment and encourage farmers to make the best use of all their land parcels. Better rural roads ensure that farmers' equipment can also be accommodated. This intervention will have a positive impact on the agricultural sector given that better rural roads will also cut down on the time required by farmers to travel from one land parcel to another, keeping in mind the fragmented nature of local agricultural holdings.

[1] Ministry for European Affairs and Equality, Integration=Belonging Migrant Integration Strategy and Action Plan Vision 2020, https://meae.gov.mt/en/Documents/migrant%20integrationEN.pdf
[2] Ministry for Finance and Employment, The National Employment Policy 2021 – 2030, https://finance.gov.mt/nep/Documents/NATIONAL%20EMPLOYMENT%20POLICY%202021.pdf

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

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

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

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

Result indicators [recommended Result indicators for this specific objective are fully displayed in bold]	Target value
R.38 CU - LEADER coverage Share of rural population covered by local development strategies	100.00 %
R.41 CU PR - Connecting rural Europe Share of rural population benefitting from improved access to services and infrastructure through CAP support	100.00 %

Justification of the targets and related milestones

R.38 CU - LEADER coverage Share of rural population covered by local development strategies - *100% share*

The LEADER Programme is the single intervention contributing to R.38. The target value set for R.38 is 100%. This is due to the fact that the entire rural population is covered by the LAGs.

R.41 CU PR - Connecting rural Europe Share of rural population benefitting from improved access to services and infrastructure through CAP support - *100% share*

Off- Farm Infrastructure for Rural Roads for competitiveness contributes towards R.41. Support shall be addressed on the upgrade and modernisation of rural roads to improve accessibility to farmland, therefore providing farmers with better access to their holdings, with aim of preventing land abandonment and encourage farmers to make the best use of all their land parcels. Improved rural roads will also provide better access to machinery that can improve the efficiency of primary production. Investment in rural roads will also complement actions in arterial roads under Cohesion Funds 2021 – 2027. The amelioration of rural roads will benefit the entire rural population. Similarly off-Farm infrastructure interventions related to water will also contribute towards improved access to services and infrastructure. On this basis the result target is set at 100%.

2.1.SO8.9 Justification of the financial allocation

The overall financial allocation for the identified interventions contributing to this Specific Objective takes into consideration the following factors:

• the total allocated MT budget under the CAP SP;

• the regulatory obligations of the CAP SP (minimum/ maximum allocations);

• the transfer of up to 25 % of the EAFRD allocation in financial years 2024 to 2027 to the direct payments allocation set out in Annex V for calendar years 2023 to 2026 in line with Article 103 of the CAP SP;

• the needs of the local context as identified through a bottom-up consultative approach;

• lessons learnt and historic data from previous periods allocations; and

• the changing context and emerging needs in relation to exceptional events/circumstances, threats and impacts such as food security issues and increased energy prices as a result of the invasion of Ukraine by Russia and other potential impacts/risks.

The following CAP SP intervention will directly contribute to achieving the needs identified under Specific Objective 8:

Rural Development: **RD COOP LEADER - COOPERATION: LEADER**

The total financial allocation for this intervention is circa €5.24mn and funding shall target support for local investment in community infrastructure and activities under LEADER. In line with Article 91 (3)(b) a contribution rate of 80% of the original investment is attributed to such investments. In this regard, related identified needs under this SO as mentioned in this section shall be addressed by the provision of grants for such actions. The total financial allocation contributes directly and is sufficient to achieve the targets of 100% share of rural population covered by local development strategies (R.38).

Off-Farm Investments- Infrastructure Rural Roads for Competitiveness

The total financial allocation for the measure is circa €5.7m and funding shall target support for investment in enhanced access to rural roads. In line with Article 91 (2)(c) a EAFRD contribution rate of 60% of the original investment shall be attributed to such investments. The total financial allocation is sufficient to achieve the targets of 100% share of rural population benefitting from improved access to services and infrastructure through CAP support (R.41).

Off-Farm Investments- Water Infrastructure for agriculture

The total financial allocation for the measure is circa €14m and funding shall target support for investment in off-farm infrastructure in water. In line with Article 91 (2)(c) a EAFRD contribution rate of 60% of the original investment shall be attributed to such investments. The investment needs identified as described above shall be addressed by the provision of this financial support by providing enhanced provision of water management. The total financial allocation is sufficient to achieve the targets of 100% share of rural population benefitting from improved access to services and infrastructure through CAP support (R.41).

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

2.1.SO9.1 Summary of the SWOT Analysis

2.1.SO9.1.1 Strengths

1. Enhanced consumer awareness of Maltese products
2.Campaigns raising awareness about the benefits of supporting the local agricultural sector through seasonal consumption of fresh Maltese produce
3.National register of traditional Maltese Agro-Food products established
4.Strong antibiotic stewardship programmes in hospital care
5.National AMR Strategy outlining actions aimed at targeting this important threat
6. Promotion of the use of the electronic veterinary prescription as soon as this was launched in November 2021

2.1.SO9.1.2 Weaknesses

1. Low consumer awareness of source of food and how it is produced, particularly in Malta's hospitality sector
2. High level of food waste in the hospitality sector
3. Overuse of agricultural chemicals in the fresh produce sector
4. Limited veterinary services and laboratories for testing
5. Limited data on antimicrobial use
6. Limited analysis on biosecurity at farm level and application of effective measures by farmers
7. The uncontrolled way in which antimicrobials can be procured and used by farmers
8. High volume of antimicrobials sold without prescription
9. Other weaknesses have been identified and will be addressed through the national AMR strategy, e.g. gaps in the national legislation that thwart effective enforcement action, limited awareness on risks associated with imprudent use of antimicrobials and how impudent use in animals can effect human health.

2.1.SO9.1.3 Opportunities

1. Increased awareness and demand for organic farming
2. Foster improved animal welfare standards and practices
3. Development of a new holistic food policy
4. Promote low pesticide input, pest management (SO6)
5. Promote healthy, sustainable diets
6. Enhance knowledge and awareness on AMR
7.The new Long Term Waste Management Plan 2021-2030[1] provides a base for waste prevention and improved management, reduction of waste through prevention, reduction, recycling and reuse

1. [1] ERA & Ministry for the Environment, Climate Change and Planning 'Long Term Waste Management Plan 2021-2030', https://environment.gov.mt/en/Documents/closedMinisterialConsultations/longTermWasteManagementPlan.pdf.

2.1.SO9.1.4 Threats

1. Lack of consumer awareness
2. Lack of recognition towards the value of Maltese products
3. Reluctance of farmers to change practices and adopt new technologies
4. Poor confidence in the profitability of the farming sector
5. Absence of appropriate legislation in Animal Health providing tools for effective intervention and regulation, especially in food animal husbandry

2.1.SO9.1.5 Other comments

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

2.1.SO9.2 Identification of needs

Code	Title	Prioritisation at the level of the CAP Strategic Plan	Need is addressed in Cap Strategic Plan
9.1	Foster higher animal welfare standards to ensure well being among farmed animals	2	Yes
9.2	Introduce new measures aimed at reducing, reusing and recycling food waste along the supply chain	6	No
9.3	Promote products produced to higher standards for environmental and animal welfare	3	Yes
9.4	Provide support for farmers to invest in improved animal welfare measures	4	Yes
9.5	To reduce the use of antimicrobials	1	Yes
9.6	Enhance quality transparent environmental and animal welfare standards to increase traceability	5	Yes

Other comments related to needs assessment.

Not applicable.

2.1.SO9.4 Intervention logic

Form of Intervention	Type of Intervention	Intervention Code (MS) - Name	Common Output Indicator
DPdecoupled	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare	DP ECO-BDW - Eco-scheme: Bovine Dairy Welfare Scheme	O.8. Number of hectares or of livestock units benefitting from eco-schemes
DPdecoupled	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare	DP ECO-CPM - (Eco-scheme: Certified propagating material resistant to pathogens & cultivation of crop or plant varieties with less demand for water)	O.8. Number of hectares or of livestock units benefitting from eco-schemes
DPdecoupled	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare	DP ECO-IPM - Direct Payments (Eco-scheme: IPM)	O.8. Number of hectares or of livestock units benefitting from eco-schemes
DPdecoupled	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare	DP ECO-SGW - Eco-scheme: Sheep and Goats Welfare Scheme	O.8. Number of hectares or of livestock units benefitting from eco-schemes
RD	ENVCLIM(70) - Environmental, climate-related and other management commitments	RD- Animal Welfare - Animal Welfare Schemes	O.18. Number of livestock units (LU) benefitting from support for animal welfare, health or increased biosecurity measures

RD	ENVCLIM(70) - Environmental, climate-related and other management commitments	RD- Organic - Organic Farming Scheme	O.17. Number of hectares or number of other units benefitting from support for organic farming
RD	INVEST(73-74) - Investments, including investments in irrigation	RD On-farm Invest P. - On-farm Productive Investments	O.20. Number of supported on-farm productive investment operations or units
RD	COOP(77) - Cooperation	RD COOP - Cooperation- Quality Schemes	O.29. Number of beneficiaries receiving support to participate in official quality schemes
RD	KNOW(78) - Knowledge exchange and dissemination of information	RD KNOW - Knowledge exchange, advice, training and dissemination of information	O.33. Number of supported training, advice and awareness actions or units

Overview

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

EU agriculture has an important role in responding to societal demands on food and health in line with the objectives of the Farm to Fork Strategy. The dietary shift towards more plant-based diets to achieve environmental sustainability and health objectives is expected to be targeted outside the scope of the CAP Strategic Plan and the promotion of healthy eating is being addressed holistically at the national level. As outlined in the *Draft National Health Systems Strategy for Malta 2020-2030 (2021) and Annex II of this Plan, the main health determinants related to obesity and other diseases relate to an increase in sedentary, the consumption of more processed food and high alcohol and tobacco intake, amongst others.* Initiatives promoting healthy lifestyles more broadly are foreseen to be implemented outside of the scope of the CAP SP. Nevertheless, the CAP SP will foster the improvement and promotion of fresh, local products, including by improving the quality of products and reducing plants/animals subject to high AMR, amongst others.

Enhance quality transparent environmental and animal welfare standards to increase traceability

Environment standards are expected to be targeted under this SO through the eco-scheme related to IPMP. Through this eco-scheme, farmers will be compensated for implementing an IPMP on their holding, whose aim is to reduce pesticide use and ensure that such pesticide use is targeted and in line with the needs of the holding. Also targeting a reduction in the use of herbicide is the management commitment which promotes the use of mechanical means to remove weeds, rather than through the use of herbicides that have a negative impact on the environment. Organic farming will also target this Need since this method of agricultural production leads to various environmental benefits in view of the reduced input use. Support shall be provided in the form of annual payments for costs incurred and income forgone for farmers that are in the process of converting their holding to organic and also to certified organic farmers. The aim is to encourage more farmers to switch to this method of production, also in view of the EU Green Deal 2030 target.

Foster higher animal welfare standards to ensure wellbeing among farmed animals

The CAP SP includes a scheme related to broiler welfare, as well as welfare schemes for dairy cows, sheep and goats by incentivising the reduction of stocking densities of livestockin the targeted sectors. This will result in better housing conditions for these livestock sectors, improving overall wellbeing of the animals. These interventions targeting animal welfare are expected to improve the living arrangements

of livestock, possibly reducing disease prevalence, thereby resulting in decreased reliance and need for antimicrobials. Such efforts will complement investment in VET laboratory and equipment foreseen with a view to holistically reduce AMR. Knowledge transfer in the form of training and/or advice is also expected to be provided in relation to these schemes, to ensure that farmers' skills with regards to best practices in broiler, diary cow, sheep and goat farming are enhanced.

Promote products produced to higher standards for environmental and animal welfare

Support for quality schemes will target this Need since such schemes are expected to improve product quality, thereby enhancing consumer experience. This intervention will support farmers participating in such schemes, by financing the costs of certification in order to make these schemes more attractive. Promotion activities in relation to these schemes may also be supported, to increase awareness amongst farmers but also amongst the general public.

Measures under the CAP SP to improve the quality of local food produce and to promote local products and reduce the supply chain will aim to improve environmental sustainability. The long-term waste management plan also identifies the introduction of waste prevention measures, amongst others, to reduce waste generation, food waste and litter, and to encourage the reuse of products. The promotion of fruit and vegetables will continue to be promoted through the school fruit schemes in order to foster improved dietary habits amongst younger generations. In addition, over recent years, Government has continued to invest in free outdoor gyms, in order to promote a culture of healthy living and ensure accessibility of such equipment to all and in areas that are closer to communities, including the rural communities.

Provide support for farmers to invest in improved animal welfare measures

The on-farm productive investments intervention will be targeting this Need since it can support animal welfare investments that exceed the baseline set by the respective legislation. Animal welfare investments as part of the construction of new farms can also be supported. The aim is therefore to provide livestock breeders with the necessary financial support to improve animal welfare standards on their holding.

To reduce the use of antimicrobials

The enhancement of an electronic prescription system and upgrade of NV laboratory will contribute to lower the use of antimicrobials.

The electronic veterinary prescription has been implemented since November 2021. It is up-and-running and operational amongst some of the most active veterinary surgeons who visit livestock farms. The greatest challenge is the complete roll-out in the country, especially for small animals. This is also a cultural change. The next step, brought about also as a result of its own success, is its enhancement. The enhancement will permit linkage of the currently operating system with a wider electronic platform that contains documents related with the health of the animals, such as treatment records and vaccination schedules. This is necessary for veterinary surgeons, animal owners and the competent authority. The added value for the latter is that it can scrutinize and record prescribing trends. Direct added values of the complete system are related with the tightening of controls in the use of antimicrobials. Through the electronic veterinary prescription Malta will have a valuable tool to be able to identify the high users in the near future and take the appropriate actions in line with the planned objectives in the national strategy against AMR. This will contribute to the lower use of antimicrobials.

Other benefits of the electronic veterinary prescription include the following:

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- Facilitates collation and collation of data e.g. data on use of antimicrobials. Data from electronic

veterinary prescriptions can be extracted anytime in real time without need of a 'call' for it to be provided by data providers (wholesale dealers or veterinary surgeons). The competent authority will be able to collect more reliable data on the prescribing, dispensing and use of antimicrobials in a better and efficient way at the level of species. This will help Malta honour its legal obligations with regard to Article 57 of Regulation (EU) 2019/6. Such data will also enable the competent authority to monitor the therapeutic protocols situation and issue specific guidelines for veterinary surgeons and/or other key stakeholders.

- Improve traceability; this will enable the competent authority to process prescriptions and other documents efficiently.
- Increases accountability of prescribers and dispensers (whilst improving simplification).
- Tighter control on the use of substances that need extra control (includes, but not limited, to antimicrobials and narcotics)
- Captures data from backyard farms, companion animals, sheltered stray animals

Indirect benefits that are also in line with both national and EU policies include the reduction of costs and digitalization of services as well as the shift towards more environmentally friendly practices, whilst reducing bureaucracy, amongst others.

The system provides controls at all stages. It only allows access to authorised persons and dispensing can be carried out only from authorised premises. The uncontrolled way in which antimicrobials can be procured and used by farmers is thought as being one of the main factors that contributes to the imprudent use of antimicrobials in Malta. Improved farming practices is one of the main aims of the Farm to Fork Strategy.

The on-farm productive investments intervention is expected to support these projects intervention is expected to support these projects, which are in line with the *Strategy and Action Plan for the Prevention and Containment of Antimicrobial Resistance in Malta* (2020-2028).

Through the setting up and enhancement of an electronic veterinary prescription system, the competent authority will be able to collect better data on the prescribing, dispensing, use, and consumption trends of antimicrobials, at the level of all animal species (livestock and pets). Such data will enable the competent authority to improve monitoring and contribute to the drafting of detailed, specific guidelines for veterinary surgeons, aimed at better addressing the use of antimicrobials. In the long term, and complemented together with the other actions outlined in the respective strategy, as described below, this system will reduce the use of antimicrobials.

The National Veterinary Laboratory is the only laboratory in the country performing analysis in the veterinary field. Such upgrades in relation to AMR will enhance the testing capabilities of the laboratory and will allow for the introduction of molecular biology techniques which will enable the swift identification of pathogens on farm animals, enabling the improvement of treatment options and the quality of veterinary care. Currently local veterinary surgeons have to rely on foreign specialised laboratories, resulting in delayed identification of pathogens that leads to delayed treatment or the use of less optimum and targeted antibiotic use. These enhancements will therefore result in more timely, better targeted treatment and a reduction in the reliance on wide-spectrum antimicrobials. In line with the objectives under the AMR National Strategy, the strengthening of the laboratory capacity will increase access to microbiology support, sensitivity testing and extend surveillance systems of antibiotic resistance in other livestock species and domestic pets. Moreover, it will contribute to the implementation of the Animal Health Programmes required by legislation and provide the necessary data to elaborate

appropriate vaccination programmes.

It is to be emphasised that the competent authority is not relying solely on these 2 actions, i.e. enhancement of the electronic veterinary prescription and upgrading of the National Veterinary Laboratory, for an effective fight against antimicrobial resistance in Malta. These are 2 crucial actions, in a list of other actions that the competent authority is tackling and which in concert will reduce the imprudent use of antimicrobials and prevalence of AMR. The actions include both those inside and outside the CAP SP.

Below some of the up-and-running projects are being listed and classified in accordance with the relevant objective under which they fall in the '*The Strategy and Action Plan for the Prevention and Containment of Antimicrobial Resistance in Malta* (2020-2028)[1]. Such actions are being implemented/foreseen outside of the CAP SP. This strategy was prepared by the Ministry of Agriculture in conjunction with the Ministry of Health in the spirit of the 'One Health Approach'. The strategy also refers to additional measures including enhancing legislation, development of stewardship, education and training, infection prevention and control, amongst others.

The implementation of the strategy will contribute towards the objective of limiting antimicrobial use and a reduction in the sales of antimicrobials.

Actions within the strategy will holistically continue addressing the underlying causes related to the use of antimicrobials, how they complement each other and foster a proactive and preventive approach for future uses with a view to reduce the sales of antimicrobials and address antimicrobial resistance.

On-going/foreseen Projects (implemented/foreseen outside of the CAP SP)

Legislation and infrastructure: LN 179/2021 that amends S.L 437.47 was published on 23rd April 2021. It contains a number of provisions related with the prudent use of veterinary medicinal products, including antimicrobials. A summary of the main provisions related with antimicrobials in the published legislation has been prepared. It introduces new obligations for most stakeholders and corresponding fines in case of infringements. There is an important provision regarding Animal Health Programmes. As from 23rd of April 2023, all establishments where animals are kept should have an Animal Health Programmes under the responsibility of a person qualified to do so by the Veterinary Surgeon Council (Regulation 79(2). These legal provisions will allow effective enforcement and legal direction for all stakeholders, especially those who prescribe, dispense and administer antimicrobials. Guideline documents regarding the new provisions on AMR have also been prepared. Other new laws have also been drafted by the Department, the major of which include a bill to change the mother Act, Chapter 437, The Veterinary Services Act. This will allow stepping up of enforcement and add powers to the Minister. It is considered as a game changer and has been through its second Parliament reading in July 2022. The legislation will impact subject matters such as the veterinary prescription, medicated feed, veterinary pharmacies, wholesale distribution of Veterinary Medicinal Product's (VMP), role of the National Veterinary laboratory and powers to take enforcement action.

Stewardship/Awareness/Education: Several guidelines on antimicrobial or with an emphasis on antimicrobial use have been published on the Department website. These are based on the legislation (both national and EU) and also on good animal husbandry practice. The guidelines range from good biosecurity in farms how to deal with the supply, use, disposal and records of veterinary medicinal products. Several leaflets have been published which are given directly to farmers during official inspections, disseminated during Agricultural fairs, provided during informative/educative session and sent by post. They are also available on-line on the Department website. The subjects include the importance of Animal Health Programmes, the use of veterinary medicinal products and the prudent use

of antimicrobials in farms. All material used (basically presentations) during the informative/educative sessions with farmers is made available on the website.

A colorful leaflet targeting farmers on prudent use of AMR was printed and disseminated to farmers, including during official inspections. This introduces the character of 'the vet'. This character is being used in a variety of occasions, e.g. a kind of mascot on the cover of pen-drives given to people containing info on antimicrobials, printed on posters. It is hoped that people will identify with this character.

A Disease Guidebook for animals (pet-animals) has been published. The Department is currently working with the assistance of its EU Counterparts, to publish an antimicrobial treatment guideline booklet on the most common diseases in farm animals and the optimum treatment options.

To get the message across (related with the prudent use of antimicrobials), several tactics were employed. To mention just a few: messages on merchandise given free of charge during appropriate occasions (weight tapes, pen-drive with information), messages in the electronic monthly pay-slips of public officers, newsletters sent to public officers, messages on the SMS/E-mails received by veterinary surgeons and customers in the veterinary e-prescription.

Safe disposal of antimicrobials: A system for the safe disposal of antimicrobials in the community has been developed. Wastebins for expired/unused VMPs have been provided to veterinary pharmacies and collected at regular intervals. These contain expired/returned veterinary medicinal products from the general public.

Collaboration with stakeholders

Meetings with co-operatives have resulted in agreements with them for joint seminars to farmers and rules on AMR included in the agreements the co-operatives make with their members (e.g. quality of milk versus use of antimicrobials. On its social media a co-operative included a URL to the Department public website were guidelines/information are freely available. The links are on the Facebook private group, reaching about 47 dairy members (milk cows sector). Physical training sessions with farmers have also been conducted. Collaboration extends also in the EU/international sphere. Malta has participated in the OIE antimicrobial sales data since 2012 and with ESVAC since 2017.

A Maltese language infographic about new important legal provisions in Regulation (EU) 2019/6 prepared in conjunction with FVE can be found in the FVE website [2]. More such collaborations are expected, especially in the area of AMR.

Seminars to key stakeholders: A seminar was organized for key stakeholders (veterinary surgeons, wholesale dealers and pharmacist) on 15th October 2018 about AMR and also the importance of good prescribing and dispensing. Various experts in the fields gave talks and presentations regarding AMR, including experts from the Human Medicine area in the spirit of the 'One Health Approach'. The seminar also heard the views of these key stakeholders with regard to the electronic veterinary prescription A number of surveys were sent to veterinary surgeons regarding cascade use, prescription use and antimicrobial use, most common diseases encountered by veterinary surgeons and use of antibiograms and expired veterinary medicinal products The results and responses were used formulate educative and promotional material. It gave idea of the landscape in the relevant subject matter.

*Surveillance***:** Collaboration between different sections of the Department intensified. An SOP which defines and explains this co-operation has been updated. The collaboration is ongoing and is going steady. This also utilises the limited resources in the best possible way. Enforcement measures were taken when necessary. Assessments of application for new or renewed VMP containing antimicrobials are being made in the light of the new legislative requirements. Many applications are being refused or not renewed.

VMPs containing unauthorised antimicrobials were removed from the market.

Training, Continuous Professional Development and Education: Lectures on AMR were given to University and high school college students by officers of the Department as visiting lecturers. Educational sessions were also held internally at the Department, for professionals (veterinary surgeons and pharmacists) and representatives of professional bodies (Veterinary Surgeons Council). The latter included compulsory 'Continuing Professional Development' (CPD) to veterinary surgeons to maintain their warrant active. Discussions started with the University of Malta for the inclusion of specific lectures on AMR. Circular on the new categorization of antimicrobial and other relevant subjects were sent to the relevant stakeholders. These add up with other circulars issued in the last years on the same subject, namely: about the prudent use of cephalosporin about fluroquinolones about the prudent use of antimicrobials, about antimicrobial treatment of poultry flocks and about combination of lincomycin and spectinomycin. Officers from the Department participated in several TV programs which discussed AMR. One of these sessions was made jointly with a human health representative in the 'One Health' spirit. Officers of the Department penned several articles on the subject on popular magazines which have wide readerships amongst key stakeholders (e.g. farmers). Contribution in these magazines has become a routine practice.

To ensure the implementation of *The Strategy and Action Plan for the Prevention and Containment of Antimicrobial Resistance in Malta* (2020-2028) the actions for the implementation have been included into major activities undertaken by the government of Malta. These activities are described as 'Budget Measures' (BM no 108/2022, in this case), amongst others. These measures are instrumental in the allocation of the fair share of finances.

Action plans with monthly targets are drawn up for several documents, including those related to Budget Measures. Monthly reports are then sent by the end of each month to the Office of the Prime Minister in relation to the targets reached. In addition, an 'AMR Task Force' has been set up by the competent authority which oversees follow-ups and ensure the successful implementation of the AMR strategy, amongst others. The progress achieved is discussed at several levels of the Ministry.

[1]A Strategy and Action Plan for the Prevention and Containment of Antimicrobial Resistance in Malta (2020 – 2028). https://deputyprimeminister.gov.mt/en/nac/Documents/AMR%20Strategy%20Final%20Jul%202020.pdf

[2] European law on veterinary medicines: What's new? – FVE – Federation of Veterinarians of Europe *https://fve.org/cms/wp-content/uploads/PLAQUETTE_FVE_MT.pdf* .

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

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

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

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

Result indicators [recommended Result indicators for this specific objective are fully displayed in bold]	Target value
R.28 CU - Environmental or climate-related performance through knowledge and innovation Number of persons benefitting from advice, training, knowledge exchange, or	2,050.00

participating in European Innovation Partnership (EIP) operational groups supported by the CAP related to environmental or climate-related performance	
R.29 PR - Development of organic agriculture Share of utilised agricultural area (UAA) supported by the CAP for organic farming with a split between maintenance and conversion	2.54 %
R.43 PR - Limiting antimicrobial use Share of livestock units (LU) concerned by supported actions to limit the use of antimicrobials (prevention/reduction)	60.00 %
R.44 PR - Improving animal welfare Share of livestock units (LU) covered by supported actions to improve animal welfare	18.00 %

Justification of the targets and related milestones

R.28 CU - Environmental or climate-related performance through knowledge and innovation Number of persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP related to environmental or climate-related performance - 2,050.00 persons

Within SO9, Knowledge and dissemination of information (Article 78) and COOP EIP contribute towards R.28. The knowledge transfer intervention will provide training specifically targeted towards young farmers, to address the weakness related to training. This has been identified as a good approach during the implementation of the RDP 2014-2020 whereby young farmers have received complementary training to address their needs. This intervention may support both young farmers that have benefited from the start-up aid measure, but also those who have not. Half of the budget for training (Article 78) is earmarked towards environmental and climate related performance. The average support rate per person benefitting from training is based on the experience gained through the implementation of the 2014-2020 period and estimated at about € 1,100. Under COOP EIP 50 beneficiaries shall be targeted. On this basis the result indicator for R.28 of which a number will also be young farmers, is set at 2,050 participants.

R.29 PR - Development of organic agriculture Share of utilised agricultural area (UAA) supported by the CAP for organic farming with a split between maintenance and conversion - 2.54%

The intervention contributing to R.29 is Support for organic farming including support for maintenance and conversion. Based on the support rates of €4,377.60/ha and €3,614.40/ha for conversion and maintenance of horticulture respectively, as well as support rates of €3,222/ha and €1,057/ha for conversion and maintenance to organic for perennial crop production respectively, the number of hectares supported for organic farming are estimated at 272.10 hectares (100.05 converted, 172.05 maintained), which represent 2.54% of total UAA.

R.43PR Limiting antimicrobial use: Share of livestock units (LU) concerned by supported actions to limit the use of antimicrobials (prevention/reduction) - 60%

The intervention contributing to R.43 is on-farm productive investments. The planned intervention through the CAP SP, in terms of upgrading the AMR laboratory, will be accessible for all livestock in Malta.

However, its use and the attainment of the result target by 2029, depends on the following considerations:

·The use of the laboratory depends on the number of livestock which in a given year require testing for possible antimicrobial use. Data on the number of livestock which currently make use of antibiotics is not available. However, it is understood that despite the lack of information, the use of AMR in animals is a significant problem.[1]

· The use of the laboratory depends on the effectiveness of complementary measures such as improved awareness and education on AMR among healthcare professionals, veterinary professionals and livestock keepers.

These two variables have opposing effects on the attainment of the result target. The availability of tests by the lab is expected to lead to a greater number of tested livestock. On the other hand, the more effective complementary measures are the less likely there is the need for the provision of antibiotics for livestock.

Given the element of uncertainty, a prudent approach is considered in the establishment of the result indicator target. Consequently, the target for the result indicator is set at 60% of the total number of LU[2].

R.44PR Improving animal welfare: Share of livestock units (LU) covered by supported actions to improve animal welfare – 18%

Within SO9, the interventions contributing to the target value set for R.44 are the Animal Welfare Scheme for broilers and On-Farm Productive Investments, and the Eco-Schemes on Animal Welfare for the dairy and sheep and goats sectors, The objective of the animal welfare-related schemes is to incentivize broiler breeders to reduce the stocking density of broilers per square meter on their farm leading to enhanced welfare. The objective of the Eco Schemes for dairy cows, sheep and goat addressing animal welfare will be reducing the stocking density of livestock and thus improving their health and overall welfare.

In calculating R.44, the annual number of supported broilers has been taken into consideration based on a support rate of €0.35/head under the animal welfare scheme. The number of heads is converted to LU on the basis of Eurostat coefficients to convert animals in livestock units wherein the category of 'broilers' is taken into consideration. With a conversion factor of 0.007, the total number of LU supported through the scheme amounts to 4,000 under this scheme whereas 95 LUs shall be targeted under the On-Farm Productive investment.

For the Eco-scheme on Bovine Dairy Welfare, the calculation of R.44 has been taken in relation to the output value and the production costs, and the estimated net output value per cow is equivalent to €403.27 annually. Allocating it according to the number of cows retained given a 20% increase in stocking density, the estimated subsidy per retained cow is at €101. This shall be the basis for the minimum rate, with planned and maximum rates at €118 and €136 per retained dairy cow, respectively.

The calculation of R.44 for the Eco-Scheme on Goat and Sheep has been calculated by summing up the total output value and relevant costs, and result that the estimated net output value per animal head is €115.79. From the estimated net output value per animal head, the subsidy per retained animal head is calculated €28.95 according to the 20% stocking density improvement. This shall be the reference for the planned rate €29 with maximum and minimum rates €35 and €25 per retained animal head, respectively.

Altogether, these interventions contribute to the target of 18% of the total livestock units under R.44.

[1] A Strategy and Action Plan for the Prevention and Containment of Antimicrobial Resistance in Malta (2020 – 2028), Ministry for Health.

[2] Double counting is to be avoided.

2.1.SO9.9 Justification of the financial allocation

The overall financial allocation for the identified interventions contributing to this Specific Objective takes into consideration the following factors:

- the total allocated MT budget under the CAP SP;
- the regulatory obligations of the CAP SP (minimum/ maximum allocations);
- the transfer of up to 25 % of the EAFRD allocation in financial years 2024 to 2027 to the direct payments allocation set out in Annex V for calendar years 2023 to 2026 in line with Article 103 of the CAP SP;
- the needs of the local context as identified through a bottom-up consultative approach;
- lessons learnt and historic data from previous periods allocations; and
- the changing context and emerging needs in relation to exceptional events/circumstances, threats and impacts such as food security issues and increased energy prices as a result of the invasion of Ukraine by Russia and other potential impacts/risks.

The following CAP SP interventions will directly contribute to achieving the needs identified under Specific Objective 9:

1. Direct Payments Interventions:DP ECO-BDW - (Eco-scheme: Bovine Dairy Welfare Scheme); DP ECO-SGW- (Eco-scheme: Sheep and Goats Welfare Scheme).

2.Rural Development: RD On-Farm Productive, Organic Farming, RD- Animal Welfare - Animal Welfare Schemes and RD KNOW - Knowledge exchange, training and dissemination of information.

On-Farm Productive Investments:

The total financial allocation for this measure is circa €22.38m and funding shall target support for farmers to invest in productive equipment for their farms. In line with Article 91 (2)(c) an EAFRD contribution rate of 60% of the original investment is attributed to such investments. The needs for the identification and support of the investment needs of the sector as mentioned above are addressed by the provision of this financial support which affords farmers access to subsidised investments. The total financial allocation is sufficient to achieve the targets of 18% share of livestock units (LU) covered by supported action to improve animal welfare (R.44)

Animal Welfare:

The total financial allocation for all animal welfare-related schemes is circa €1,724,923 and funding shall target the provision of financial support to incentivize breeders in the Maltese Islands to reduce the stocking density per square meter on their farm. Eco schemes under Direct payments shall target animal welfare schemes for dairy cows, sheep and goat by lowering the stocking density of livestock and thus improving their health and overall welfare.

For the broiler breeder scheme in line with Article 91 (3)(b) an EAFRD contribution rate of 80% of the original investment is attributed to such interventions. Support is based on the expected number of livestock units that can be supported taking into consideration the identified needs as mentioned above, historic data and the local context., a planned uniform unit amount of €50 per livestock unit for 2023-2027 has been established as justified and described in Section 5 of this Plan.

Under direct payments with regards to the Eco-scheme on Bovine Dairy Welfare, the estimated subsidy per retained cow is at €101. This shall be the basis for the minimum rate, with planned and maximum rates at €118 and €136 per retained dairy cow, respectively. With regards to the Eco-Scheme on Goat and Sheep the estimated net output value per animal head is €115.79. From the estimated net output value per animal head, the subsidy per retained animal head is calculated €28.95 according to the 20% stocking density improvement. This shall be the reference for the planned rate €29 with maximum and minimum rates €35 and €25 per retained animal head, respectively.

The total financial allocation is sufficient to achieve the targets of 18% share of livestock units (LU) covered by supported actions to improve animal welfare (R.44).

Organic Farming:

The total financial allocation for the organic farming scheme is circa €0.9m and funding shall target the provision of financial support for the conversion to organic farming and the maintenance of organic farming practices. In line with Article 91 (3)(b) an EAFRD contribution rate of 80% of the original investment is attributed to such interventions. Support is based on the expected number of hectares that can be supported taking into consideration the identified needs as mentioned above, historic data and the

local context. A planned uniform unit amount of €4,377.60/ha and €3,614.40/ha for conversion and maintenance of horticulture respectively, as well as €3,222/ha and €1,057/ha for conversion and maintenance respectively of perennial crop production for 2023-2029 has been established as justified and described in Section 5 of this Plan.

Taking the expected number of hectares to be supported between 2023-2029 as circa 100.05 ha for the conversion to organic farming and 172.05ha for the maintenance of organic farming, this would result in a total of circa 272.10 ha being supported throughout the period. The total financial allocation is sufficient to achieve the target of 2.54% share of utilised agricultural area (UAA) supported by the CAP for organic farming with a split between maintenance and conversion (R.29) while also contributing to the following targets:

• 6.06% share of utilised agricultural area (UAA) under supported commitments to reduce emissions or to maintain or enhance carbon storage (including permanent grassland, permanent crops with permanent green cover, agricultural land in wetland and peatland) (R.14),
• 59.31% share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil (R.19),
• 9% share of utilised agricultural area (UAA) under supported commitments related to improved nutrient management (R.21),
• 9.94% share of Utilised Agricultural Area (UAA) under supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides, such as pesticides leakage (R.24) and
• 54.86% share of utilised agricultural area (UAA) under supported commitments for supporting biodiversity conservation or restoration including high-nature-value farming practice (R.31).

Knowledge, exchange, training and dissemination of information:

The total financial allocation for the measure is circa €4.37m and funding shall target support for training and advice. In line with Article 91 (2)(c) a contribution rate of 60% of the original investment is attributed to such investments. In this regard, related identified needs under this SO as mentioned in this section shall be addressed by the provision of grants for such actions. The total financial allocation contributes directly and is sufficient to achieve the targets of 4,100 persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP in order to enhance sustainable economic, social, environmental, climate and resource efficiency performance (R.1). Actions under this intervention shall also contribute directly to R.2 through the provision of support for advisors as integrated within Agricultural Knowledge and Innovation Systems (AKIS) which allocation is also deemed as adequate to achieve the targets set. This measure shall also contribute to the target of 2,050 persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP related to environmental or climate-related performance under R.28.

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

2.1.XCO.1 Summary of the SWOT Analysis

2.1.XCO.1.1 Strengths

1.Logistical small size of the Maltese islands and the proximity of urban and rural areas allows for farmers to attend training sessions
2.The small size of the agricultural community is advantageous to disseminate information among farmers
3.Some standards of knowledge are already in place, such as distributors and professional users of pesticides are required to undertake training, and on the use of organic and inorganic fertilizer
4.The share of farm managers below 35 years of age with at least a basic level of agricultural training in Malta (at 54% in 2016) is above the EU average for this age bracket, which shows how the younger generation of Maltese farmers have a higher level of knowledge than their older compatriots and peers in other countries
5.Collaborative working and social learning among farmers
6.Establishment of AgriConnect as one-stop shop for farmers in respect of advice
7.AgriHub-innovative agriculture applicative research, establishment of demonstration sites and provision of guidance documents
8.High broadband coverage and adequate digital literacy levels across the territory (urban-rural)
9.No evident digital divide, either between farms or between urban-rural area
10.Smart AgriHubs and participation in Horizon2020 programme

2.1.XCO.1.2 Weaknesses

1.Limited time devoted to knowledge exchange and research and development amongst farmers
2.Insufficient awareness of the potential benefits of cooperation, with farmers perceiving other farmers and farmer groups as competitors and limited knowledge networks
3.Limited capability to bridge research and knowledge needs of farmers
4.Limited research and knowledge exchange on climate-friendly production methods, including reduced reliance on chemical fertilisers and pesticides, water-saving practices, and alternatives to the use of fossil fuels
5.Lack of widespread use of tools to analyse soil data
6.Elderly or less educated farmers lack sufficient digital knowledge and access to data to develop adapted solutions for small farms
7.Limited opportunities for young farmers' continuous professional development related to both technical matters and business development skills and knowledge
8.Limited optimal use of AKIS system

2.1.XCO.1.3 Opportunities

1.Strengthen the AKIS in Malta, to ensure that all farmers can access appropriate training and advice
2.Investing in young farmers with the potential to grow market share in the longer-term
3.Increase the knowledge base of local food producers in nutrition, including through collaboration between the agriculture and health sectors
4.Potential for research and innovation in various sectors including plant varieties and livestock, novel or niche sectors for exports and/or processing and the production of bio-control agents for use in Integrated Pest Management, amongst others
5.Increased awareness of the operation of supply chains increasing farmers' bargaining power in value chains

6.Raising awareness about climate change and the benefits of digitalisation
7.Further digitalise the agricultural sector, through enhancing Maltese agricultural products, competitiveness in the local and foreign markets as well as increase sustainability
8.Raise farmers' awareness and capacity to act effectively to reduce water use and minimise water pollution by nutrients, wastes and pesticides
9.Encourage collaborative working and social learning among farmers
10.Creating an informal educational system to pass on the knowledge in respect of traditional trades, customs and culture

2.1.XCO.1.4 Threats

1.Poor knowledge and understanding of the scope and significance of climate-mitigating measures and strategies
2.Limited knowledge among farmers concerning the scope and importance of terrestrial Natura 2000 sites
3.Risk of knowledge transfer loss between generations of farmers

2.1.XCO.1.5 Other comments

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

2.1.XCO.2 Identification of needs

Code	Title	Prioritisation at the level of the CAP Strategic Plan	Need is addressed in Cap Strategic Plan
XCO.1	Developing a holistic and strategic approach to grow and enhance the AKIS in Malta	1	Yes
XCO.2	Ensuring that other SO's integrate knowledge exchange, advice, training and information provision	2	Yes

Other comments related to needs assessment.

Not applicable.

2.1.XCO.4 Intervention logic

Form of Intervention	Type of Intervention	Intervention Code (MS) - Name	Common Output Indicator
RD	INVEST(73-74) - Investments, including investments in irrigation	RD On-farm Invest P. - On-farm Productive Investments	O.20. Number of supported on-farm productive investment operations or units
RD	COOP(77) - Cooperation	RD COOP - EIP - EIP Operational Groups	O.1. Number of European Innovation Partnership (EIP) operational group projects
RD	KNOW(78) - Knowledge exchange and dissemination of information	RD KNOW - Knowledge exchange, advice, training and dissemination of information	O.33. Number of supported training, advice and awareness actions or units

Overview

Developing a holistic and strategic approach to grow and enhance digitalisation and AKIS in Malta

The investments under EAGF that will support this SO will include support for laboratories for the analysis of apiculture products, training and information networks as well as research programmes under the Apiculture sector, whilst under EAFRD this will include knowledge exchange, training and dissemination of information as well as on productive investments. Regarding digitalisation, the overall Digital Economy and Society Index[1] (2022 data) places Malta at the sixth place in the EU, with a

performance above the EU average in all the five dimensions of the index. Digital upskilling was addressed by Digital Malta 2014 – 2020 Strategy[2] in recent years, and such efforts will continue through a new overarching policy for digital investments in Malta, *Digital Strategy* 2022 – 2027. The digitalisation of agriculture will also benefit from the outputs of the Horizon 2020 project SmartAgriHubs. Through the cooperation measures of the RDP programme 2014 - 2020, a demonstration site has been set up at the National Agricultural Research and Development (AgriHub) farm where necessary infrastructural works have been carried out to serve as a demonstration site and a reference location for research in agriculture. The interventions foreseen under this SO may indirectly contribute towards increasing digital awareness. This will build on actions already implemented where specific digital apps are used to keep farmers abreast with updates related to the agricultural community, including funding opportunities and consultation processes.

Commonalities between the research program at the AgriHub and the objectives laid down in the Horizon Europe Mission 'soil deal for Europe" can be noted. The current projects can be linked to the improvement of soil structure and soil biodiversity and the reduction of soil pollution and enhanced restoration. Thus Malta is already investing the adequate infrastructure that would be compatible with this Horizon programme, out to serve as a demonstration site and a reference location for research in agriculture.

Action is already being undertaken at national level to optimize the use of Agrihubs, through the use of AI in various forms, which has already assisted in the identification and monitoring of notorious pests. Within this context, further support to farmers is envisaged through the CAP SP, including establishment of demonstration sites, precision livestock farming and related training through the use of data-based technologies, remote sensing, as well as online portals to manage crops and reduce the use of fertilizers. Malta also enjoys a high level of broadband connectivity across its territory which facilitates access to farmers to invest in digitalised technologies.

Ensuring that other SO's integrate knowledge exchange, advice, training and information provision

In line with the SWOT analysis, there is limited time dedicated for knowledge exchange. Whilst this is an issue pertaining to lifelong learning across sectors, going beyond agriculture, the CAP SP places a renewed emphasis on the importance of fostering increased knowledge across different generations of farmers, with a view to holistically uplift operations, promote the use of new technologies and foster improved business re-engineering practices, amongst others. Such support is foreseen to be addressed through interventions supporting training initiatives to farmers, through Knowledge exchange, which will also aim to enhance their understanding of organic farming, animal welfare, administration of anti-biotics in livestock, awareness raising on AMR, hygiene, biosecurity, health and safety on the farm, principles of conditionality, business development, innovation, environmental awareness including climate change mitigation and adaptation, and biodiversity related training. The Maltese authorities will undertake significant efforts to make sure that farmers are provided with information as regards investment opportunities in digitalisation, to maximise uptake as much as possible. Such information may be provided through information sessions and information leaflets, and demonstration activities amongst others.

[1] https://digital-strategy.ec.europa.eu/en/policies/countries-digitisation-performance
[2] MITA & MCA, 'Digital Malta: National Digital Strategy 2014-2020', https://digitalmalta.org.mt/en/Documents/Digital%20Malta%202014%20-%202020.pdf.

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

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

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

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

Result indicators [recommended Result indicators for this specific objective are fully displayed in bold]	Target value
R.1 CU PR - Enhancing performance through knowledge and innovation Number of persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP in order to enhance sustainable economic, social, environmental, climate and resource efficiency performance	4,100.00
R.2 CU - Linking advice and knowledge systems Number of advisors receiving support to be integrated within Agricultural Knowledge and Innovation Systems (AKIS)	18.00
R.3 CU - Digitalising agriculture Share of farms benefitting from support for digital farming technology through CAP	0.20 %
R.28 CU - Environmental or climate-related performance through knowledge and innovation Number of persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP related to environmental or climate-related performance	2,050.00

Justification of the targets and related milestones

R.1 CU PR - Enhancing performance through knowledge and innovation Number of persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP in order to enhance sustainable economic, social, environmental, climate and resource efficiency performance

Within this cross-cutting objective, Knowledge and dissemination of information (Article 78) and COOP EIP contribute towards R.1. The knowledge transfer intervention will provide training to farmers to address the needs identified in SO2, SO5, SO6, SO 8 and SO9. The average support rate per person benefitting from training is based on the experience gained through the implementation of the 2014-2020 period and estimated at about € 1,100. Under COOP EIP, 100 participants shall be targeted. On this basis the result indicator for R.1, is set at 4,100 participants.

R.2 Linking advice and knowledge systems: Number of advisors receiving support to be integrated within the Agricultural Knowledge and Innovation Systems (AKIS)

The interventions contributing towards R.2 are Knowledge Exchange and Information and COOP EIP. Based on the experience gained through the implementation of the 2014-2020 period, about 18 advisors will be receiving support to be integrated within the Agricultural Knowledge and Innovation Systems (AKIS).

R.3 Digitalising agriculture: Share of farms benefitting from support for digital farming technology through CAP

Based on an assessment of project applications under M4.1 in the RDP 2014-2020, about 5% of the expenditure has been allocated towards digitalisation. This is assumed to increase further to 10% in the CAP SP in relation to budget allocated for SO2. The support rate is based on average support provided under the same measure taking into account inflationary effects, such that the number of farms benefitting

from support for digital farming technology through CAP is estimated to stand at 21, representing around 0.20% of total farms.

R.28 CU - Environmental or climate-related performance through knowledge and innovation Number of persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP related to environmental or climate-related performance - 2,050.00 persons

Within this cross-cutting objective, Knowledge and dissemination of information (Article 78) and COOP EIP contribute towards R.28. The knowledge transfer intervention will provide training specifically targeted towards young farmers, to address the weakness related to training. This has been identified as a good approach during the implementation of the RDP 2014-2020 whereby young farmers have received complementary training to address their needs. This intervention may support both young farmers that have benefited from the start-up aid measure, but also those who have not. Half of the budget for training (Article 78) is earmarked towards environmental and climate related performance. The average support rate per person benefitting from training is based on the experience gained through the implementation of the 2014-2020 period and estimated at about € 1,100. Under COOP EIP 50 beneficiaries shall be targeted. On this basis the result indicator for R.28 of which a number will also be young farmers, is set at 2,050 participants.

2.1.XCO.9 Justification of the financial allocation

The overall financial allocation for the identified interventions contributing to this Specific Objective takes into consideration the following factors:

- the total allocated MT budget under the CAP SP;
- the regulatory obligations of the CAP SP (minimum/ maximum allocations);
- the transfer of up to 25 % of the EAFRD allocation in financial years 2024 to 2027 to the direct payments allocation set out in Annex V for calendar years 2023 to 2026 in line with Article 103 of the CAP SP;
- the needs of the local context as identified through a bottom-up consultative approach;
- lessons learnt and historic data from previous periods allocations; and
- the changing context and emerging needs in relation to exceptional events/circumstances, threats and impacts such as food security issues and increased energy prices as a result of the invasion of Ukraine by Russia and other potential impacts/risks.

The following CAP SP interventions will directly contribute to achieving the needs identified under Specific Objective 9:

- **Sectoral - Apiculture products**: Sectoral API RESRCH - Apiculture - Research Programmes, Sectoral API Labs - Apiculture Products: Support for labs and Sectoral API T&I - Apiculture - Training, Information and Networks
- **Rural Development**: RD On-farm Invest P. - On-farm Productive Investments and RD KNOW - Knowledge exchange, training and dissemination of information.

Sectoral API RESRCH - Apiculture - Research Programmes:

The total financial allocation for the Apiculture - Research Programmes is circa €7,707.60 for the period 2023-2027. Support is based on the expected number of actions and share of beehives that can be supported taking into consideration the identified needs, historic data and the local context. The planned unit amount under this intervention is €770.76 for 2023- 2027 per action would result in an annual

financial allocation of circa €1,541.52 for 2023- 2027.

Support under Apiculture - Research Programmes contributes directly towards addressing the needs identified as described above. The total financial allocation is adequate to achieve the targeted actions to be supported.

Sectoral API Labs - Apiculture Products: Support for labs:

The total financial allocation for the Apiculture Products- Support for labs interventions is circa €13,525.40 for the period 2023-2027. Support is based on the expected number of actions, beekeepers and the share of beehives that can be supported taking into consideration the identified needs, historic data and the local context. Two planned unit amounts for two different planned actions under this intervention have been identified as further described in Section 5 resulting in an annual financial allocation of circa € 2,705.08 for 2023- 2027.

Support under Apiculture Products- Support for labs contributes directly towards addressing the needs identified as described above. The total financial allocation is adequate to achieve the targeted actions to be supported.

Sectoral API T&I - Apiculture- Training, Information and Networks:

The total financial allocation for the Apiculture- Training, Information and Networks interventions is circa € 27,427.20 for the period 2023-2027. Support is based on the expected number of actions and the share of beehives that can be supported taking into consideration the identified needs, historic data and the local context. Two planned unit amounts for two different planned actions under this intervention have been identified as further described in Section 5 resulting in an annual financial allocation of circa €5,485.44 for 2023- 2027.

Support under Apiculture- Training, Information and Networks contributes directly towards addressing the needs identified as described above. The total financial allocation is adequate to achieve the targeted actions to be supported.

On-Farm Productive Investments:

The total financial allocation for this measure is circa €22.38m and funding shall target support for farmers to invest in productive equipment for their farms. In line with Article 91 (2)(c) an EAFRD contribution rate of 60% of the original investment is attributed to such investments. The needs for the identification and support of the investment needs of the sector as mentioned above are addressed by the provision of this financial support which affords farmers access to subsidised investments. The total financial allocation is sufficient to achieve the targets of 0.20% share of farms benefitting from support for digital farming technology through CAP (R.3).

Knowledge, exchange, training and dissemination of information:

The total financial allocation for the measure is circa €4.37m and funding shall target support for training and advice. In line with Article 91 (2)(c) a contribution rate of 60% of the original investment is attributed to such investments. In this regard, related identified needs under this SO as mentioned in this section

shall be addressed by the provision of grants for such actions. The total financial allocation contributes directly and is sufficient to achieve the targets of 4100 persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP in order to enhance sustainable economic, social, environmental, climate and resource efficiency performance (R.1). Actions under this intervention shall also contribute directly to R.2 through the provision of support for advisors as integrated within Agricultural Knowledge and Innovation Systems (AKIS) which allocation is also deemed as adequate to achieve the targets set. This measure shall also contribute to the target of 2,050 persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP related to environmental or climate-related performance under R.28.

2.2 Context Indicators and other values used for the calculation of the targets

Context indicators (PMEF Code)	Baseline value	Baseline year	Updated value	Updated year	Justification/Comments	Source of data
C.01 Total rural population – for LEADER (R.38) (Person)		2020	308,508.00	2018	This is in line with the definition for 'Rural Areas' as provided in Section 4.7.2.	National Statistics Office and Planning Authority (2020).
C.01b Total rural population – for services and infrastructure (R.41) (Person)		2020	308,508.00	2018	This is in line with the definition for 'Rural Areas' as provided in Section 4.7.2.	National Statistics Office and Planning Authority (2020).
C.05 Total forest area (Hectares)	5,788.00	2018				
C.12 Total number of farms (Farm)	9,210.00	2016	10,449.00	2020	This is in line with the data taking into account for indicator methodology.	National Statistics Office (2022). News Release 015/2022. Census of Agriculture 2020.
C.17 Total utilised agricultural area (UAA) (Hectares)	11,580.00	2019	10,730.00	2020	This is in line with the data taking into account for indicator methodology.	National Statistics Office (2022). News Release 015/2022. Census of Agriculture 2020.
C.19 Total agricultural area and forest area in Natura 2000 sites (Hectares)	1,317.00	2018	1,438.00	2023	SFC2021 provides an underestimated baseline value for the context indicator C.19. This causes an overestimation of milestones and targets.	European Commission
C.23 Total number of livestock units (Livestock units)	32,470.00	2016				
D.35 Total number of beehives notified to the EU Commission: average of the latest three years available at the time of establishing the plan. (Beehives)	4,418.00	2020				

2.3 Targets Plan

2.3.1 Recapitulative table

Result Indicator	Specific Objective	2023	2024	2025	2026	2027	2028	2029	Overall Target Value
R.1 CU PR Enhancing performance through knowledge and innovation Number of persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP in order to enhance sustainable economic,	SO2, SO3, XCO	205.00	615.00	1,271.00	1,968.00	2,706.00	3,403.00	4,100.00	4,100.00

Result Indicator	Specific Objective	2023	2024	2025	2026	2027	2028	2029	Overall Target Value
social, environmental, climate and resource efficiency performance									
R.2 [CU] Linking advice and knowledge systems Number of advisors receiving support to be integrated within Agricultural Knowledge and Innovation Systems (AKIS)	SO2, SO3, XCO	2.00	5.00	9.00	11.00	14.00	16.00	18.00	18.00
R.3 [CU] Digitalising agriculture Share of farms benefitting from support for digital farming technology through CAP	SO2, XCO	0.01 %	0.03 %	0.06 %	0.10 %	0.13 %	0.17 %	0.20 %	0.20 %
R.3 Numerator: Number of beneficiaries from relevant paid support		1.00 farm	3.00 farm	6.00 farm	10.00 farm	14.00 farm	18.00 farm	21.00 farm	21.00 farm
R.3 Denominator: Total number of farms		10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm
R.4 Linking income support to standards and good practices Share of utilised agricultural area (UAA) covered by income support and subject to conditionality	SO1		82.54 %	82.54 %	82.54 %	82.54 %	82.54 %	82.54 %	82.54 %
R.4 Numerator: Number of hectares paid			8,856.09 ha	8,856.09 ha	8,856.09 ha	8,856.09 ha	8,856.09 ha	8,856.09 ha	8,856.09 ha
R.4 Denominator: Total utilised agricultural area (UAA)		10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha
R.6 [PR] Redistribution to smaller farms Percentage of additional direct payments per hectare for eligible farms below average farm size (compared to average)	SO1		122.14 %	89.17 %	89.17 %	89.17 %	77.46 %		89.17 %
R.6 Numerator: Average DP/ha paid to beneficiaries below average farm size			1,587.65 EUR/ha	1,150.67 EUR/ha	1,150.67 EUR/ha	1,150.67 EUR/ha	482.30 EUR/ha		1,150.67 EUR/ha
R.6 Denominator: Average DP/ha paid to all beneficiaries			1,299.83 EUR/ha	1,290.40 EUR/ha	1,290.40 EUR/ha	1,290.40 EUR/ha	622.66 EUR/ha		1,290.40 EUR/ha
R.7 [PR] Enhancing support for farms in areas with specific needs Percentage of additional support per hectare in areas with higher needs (compared to average)	SO1, SO6		100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %

Result Indicator	Specific Objective	2023	2024	2025	2026	2027	2028	2029	Overall Target Value
R.7 Numerator: Average income support/ha for beneficiaries in areas with specific needs			7,590.93 EUR/ha	7,590.93 EUR/ha	7,590.93 EUR/ha	7,590.93 EUR/ha	7,590.93 EUR/ha	7,590.93 EUR/ha	7,590.93 EUR/ha
R.7 Denominator: Average income support/ha paid to all beneficiaries		7,590.93 EUR/ha	7,590.93 EUR/ha	7,590.93 EUR/ha	7,590.93 EUR/ha	7,590.93 EUR/ha	7,590.93 EUR/ha	7,590.93 EUR/ha	7,590.93 EUR/ha
R.8 Targeting farms in specific sectors Share of farms benefitting from coupled income support for improving competitiveness, sustainability or quality	SO1	0.00 %	3.95 %	3.95 %	3.95 %	3.95 %	3.95 %		3.95 %
R.8 Numerator: Number of beneficiaries of coupled income support		0.00 farm	413.00 farm	413.00 farm	413.00 farm	413.00 farm	413.00 farm		413.00 farm
R.8 Denominator: Total number of farms		10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm
R.9 CU PR Farm modernisation Share of farmers receiving investment support to restructure and modernise, including to improve resource efficiency	SO2	0.07 %	0.19 %	0.39 %	0.63 %	0.87 %	1.09 %	1.32 %	1.32 %
R.9 Numerator: Number of beneficiaries receiving relevant support		7.00 farm	20.00 farm	41.00 farm	66.00 farm	91.00 farm	114.00 farm	138.00 farm	138.00 farm
R.9 Denominator: Total number of farms		10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm
R.10 CU PR Better supply chain organisation Share of farms participating in producer groups, producer organisations, local markets, short supply chain circuits and quality schemes supported by the CAP	SO3	0.03 %	0.09 %	0.18 %	0.28 %	0.38 %	0.48 %	0.57 %	0.57 %
R.10 Numerator: Number of beneficiaries from relevant support		3.00 farm	9.00 farm	19.00 farm	29.00 farm	40.00 farm	50.00 farm	60.00 farm	60.00 farm
R.10 Denominator: Total number of farms		10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm
R.12 Adaptation to climate change Share of utilised agricultural area (UAA) under supported commitments to improve climate adaptation	SO4		0.04 %	3.28 %	0.21 %	0.21 %	0.21 %		3.28 %
R.12 Numerator: Number of hectares paid			4.00 ha	351.84 ha	22.50 ha	22.50 ha	22.50 ha		351.84 ha
R.12 Denominator: Total utilised agricultural area (UAA)		10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha
R.14 PR Carbon storage in soils and biomass Share of utilised agricultural area (UAA) under supported	SO4, SO5, SO6		4.49 %	11.65 %	16.64 %	16.87 %	17.09 %	2.54 %	6.06 %

Result Indicator	Specific Objective	2023	2024	2025	2026	2027	2028	2029	Overall Target Value
commitments to reduce emissions or to maintain or enhance carbon storage (including permanent grassland, permanent crops with permanent green cover, agricultural land in wetland and peatland)									
R.14 Numerator: Number of hectares paid			482.00 ha	1,249.64 ha	1,785.59 ha	1,809.79 ha	1,833.49 ha	272.10 ha	650.00 ha
R.14 Denominator: Total utilised agricultural area (UAA)		10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha
R.16 [CU] Investments related to climate Share of farms benefitting from CAP investment support contributing to climate change mitigation and adaptation, and to the production of renewable energy or biomaterials	SO4	0.01 %	0.02 %	0.04 %	0.07 %	0.09 %	0.12 %	0.14 %	0.14 %
R.16 Numerator: Number of farms benefitting from CAP investment support contributing to climate change mitigation and adaptation, and to renewable energy or biomaterials production		0.75 farm	2.25 farm	4.65 farm	7.20 farm	9.90 farm	12.45 farm	15.00 farm	15.00 farm
R.16 Denominator: Total number of farms		10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm
R.17 [CU PR] Afforested land Area supported for afforestation, agroforestry restoration, including breakdowns	SO4, SO6	12.50 ha	37.50 ha	77.50 ha	120.00 ha	165.08 ha	207.50 ha	250.12 ha	250.12 ha
R.19 [PR] Improving and protecting soils Share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil quality and biota (such as reducing tillage, soil cover with crops, crop rotation included with leguminous crops)	SO4, SO5, SO6		9.57 %	64.90 %	62.32 %	62.54 %	59.72 %	2.54 %	59.31 %
R.19 Numerator: Number of hectares paid			1,026.57 ha	6,963.69 ha	6,686.55 ha	6,710.75 ha	6,407.45 ha	272.10 ha	6,363.58 ha
R.19 Denominator: Total utilised agricultural area (UAA)		10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha
R.21 [PR] Protecting water quality Share of utilised agricultural area (UAA) under supported commitments for the quality of water bodies	SO5, SO6		9.00 %	3.07 %	3.87 %	4.10 %	4.32 %	2.54 %	9.00 %
R.21 Numerator: Number of hectares paid			965.21 ha	329.55 ha	415.55 ha	439.75 ha	463.45 ha	272.10 ha	965.21 ha

Result Indicator	Specific Objective	2023	2024	2025	2026	2027	2028	2029	Overall Target Value
R.21 Denominator: Total utilised agricultural area (UAA)		10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha
R.22 [PR] Sustainable nutrient management Share of utilised agricultural area (UAA) under supported commitments related to improved nutrient management	SO5, SO6		8.02 %	1.58 %	2.20 %	2.20 %	2.20 %		8.02 %
R.22 Numerator: Number of hectares paid			860.21 ha	170.00 ha	235.75 ha	235.75 ha	235.75 ha		860.21 ha
R.22 Denominator: Total utilised agricultural area (UAA)		10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha
R.23 [PR] Sustainable water use Share of utilised agricultural area (UAA) under supported commitments to improve water balance	SO4, SO5, SO6		9.54 %	13.74 %	15.13 %	15.13 %	15.13 %		9.54 %
R.23 Numerator: Number of hectares paid			1,023.36 ha	1,473.93 ha	1,623.04 ha	1,623.04 ha	1,623.04 ha		1,023.36 ha
R.23 Denominator: Total utilised agricultural area (UAA)		10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha
R.24 [PR] Sustainable and reduced use of pesticides Share of Utilised Agricultural Area (UAA) under supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides, such as pesticides leakage	SO4, SO5, SO6		9.94 %	7.26 %	4.99 %	5.22 %	5.44 %	2.54 %	9.94 %
R.24 Numerator: Number of hectares paid			1,067.00 ha	779.18 ha	535.84 ha	560.04 ha	583.74 ha	272.10 ha	1,067.00 ha
R.24 Denominator: Total utilised agricultural area (UAA)		10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha
R.25 Environmental performance in the livestock sector Share of livestock units (LU) under supported commitments to improve environmental sustainability	SO5, SO6		0.07 %	0.07 %	0.07 %	0.07 %	0.07 %		0.07 %
R.25 Numerator: Number of Livestock Units for which a related payment was made			21.33 LU	21.33 LU	21.33 LU	21.33 LU	21.33 LU	0.00 LU	21.33 LU
R.25 Denominator: Total number of livestock units		32,470.00 LU	32,470.00 LU	32,470.00 LU	32,470.00 LU	32,470.00 LU	32,470.00 LU	32,470.00 LU	32,470.00 LU
R.26 [CU] Investment related to natural resources Share of farms benifitting from CAP productive and non-	SO2, SO4, SO6	0.03 %	0.08 %	0.15 %	0.23 %	0.32 %	0.40 %	0.48 %	0.48 %

Result Indicator	Specific Objective	2023	2024	2025	2026	2027	2028	2029	Overall Target Value
productive investment support related to care for the natural resource									
R.26 Numerator: Number of farms receiving relevant support		3.00 farm	8.00 farm	16.00 farm	24.00 farm	33.00 farm	42.00 farm	50.00 farm	50.00 farm
R.26 Denominator: Total number of farms		10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm
R.27 [CU] Environmental or climate-related performance through investment in rural areas Number of operations contributing to environmental sustainability and the achievement of climate mitigation and adaptation goals in rural areas	SO5	1.00	2.00	4.00	9.00	15.00	18.00	24.00	24.00
R.28 [CU] Environmental or climate-related performance through knowledge and innovation Number of persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP related to environmental or climate-related performance	SO4, SO5, SO6, SO7, SO9, XCO	100.00	300.00	620.00	972.00	1,345.00	1,697.00	2,050.00	2,050.00
R.29 [PR] Development of organic agriculture Share of utilised agricultural area (UAA) supported by the CAP for organic farming with a split between maintenance and conversion	SO4, SO5, SO6, SO9		0.98 %	1.49 %	1.67 %	1.90 %	2.12 %	2.54 %	2.54 %
R.29 Numerator: Number of hectares paid			105.00 ha	159.55 ha	179.50 ha	204.00 ha	227.70 ha	272.10 ha	272.10 ha
R.29 Denominator: Total utilised agricultural area (UAA)		10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha
R.31 [PR] Preserving habitats and species Share of utilised agricultural area (UAA) under supported commitments for supporting biodiversity conservation or restoration including high-nature-value farming practices	SO4, SO5, SO6		9.12 %	53.82 %	46.68 %	46.90 %	44.08 %	2.54 %	54.86 %
R.31 Numerator: Number of hectares paid			978.06 ha	5,774.40 ha	5,008.40 ha	5,032.60 ha	4,729.30 ha	272.10 ha	5,886.95 ha
R.31 Denominator: Total utilised agricultural area (UAA)		10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha

Result Indicator	Specific Objective	2023	2024	2025	2026	2027	2028	2029	Overall Target Value
R.32 [CU] Investments related to biodiversity Share of farms benefitting from CAP investment support contributing to biodiversity	SO6	0.01 %	0.04 %	0.07 %	0.08 %	0.08 %	0.08 %	0.09 %	0.09 %
R.32 Numerator: Number of farms receiving relevant support		1.25 farm	3.75 farm	7.75 farm	8.00 farm	8.20 farm	8.60 farm	9.00 farm	9.00 farm
R.32 Denominator: Total number of farms		10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm	10,449.00 farm
R.34 [PR] Preserving landscape features Share of utilised agricultural area (UAA) under supported commitments for managing landscape features, including hedgerows and trees	SO4, SO5, SO6		0.97 %	0.98 %	0.98 %	0.98 %	0.98 %		0.97 %
R.34 Numerator: Utilised Agricultural Area (UAA) under supported commitments for managing landscape features, including hedgerows and trees			103.79 ha	104.79 ha	104.79 ha	104.79 ha	104.79 ha		103.79 ha
R.34 Denominator: Total utilised agricultural area (UAA)		10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha	10,730.00 ha
R.35 [CU] Preserving beehives Share of beehives supported by the CAP	SO6	66.50 %	66.50 %	66.50 %	66.50 %	66.50 %	66.50 %	66.50 %	66.50 %
R.35 Numerator: Number of beehives for which a related payment was made		2,938.00 beehives	2,938.00 beehives	2,938.00 beehives	2,938.00 beehives	2,938.00 beehives	2,938.00 beehives	2,938.00 beehives	2,938.00 beehives
R.35 Denominator: Total number of beehives notified to the EU Commission: average of the latest three years available at the time of establishing the plan.		4,418.00 beehives	4,418.00 beehives	4,418.00 beehives	4,418.00 beehives	4,418.00 beehives	4,418.00 beehives	4,418.00 beehives	4,418.00 beehives
R.36 [CU] [PR] Generational renewal Number of young farmers benefitting from setting up with support from the CAP, including a gender breakdown	SO7	0.00	250.00	250.00	250.00	250.00	250.00	260.00	260.00
R.37 [CU] Growth and jobs in rural areas New jobs supported in CAP projects	SO7	0.00	250.00	250.00	250.00	250.00	250.00	260.00	260.00
R.38 [CU] LEADER coverage Share of rural population covered by local development strategies	SO8		100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
R.38 Numerator: Rural population covered by LAG funded through		0.00 person	308,508.00	308,508.00	308,508.00	308,508.00	308,508.00	308,508.00	308,508.00

Result Indicator	Specific Objective	2023	2024	2025	2026	2027	2028	2029	Overall Target Value
LEADER over the programming period			person	person	person	person	person	person	person
R.38 Denominator: Total rural population – for LEADER (R.38)		308,508.00 person	308,508.00 person	308,508.00 person	308,508.00 person	308,508.00 person	308,508.00 person	308,508.00 person	308,508.00 person
R.41 CU PR Connecting rural Europe Share of rural population benefitting from improved access to services and infrastructure through CAP support	SO2, SO8		100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %
R.41 Numerator: Rural population benefiting from relevant improvements		0.00 person	308,508.00 person	308,508.00 person	308,508.00 person	308,508.00 person	308,508.00 person	308,508.00 person	308,508.00 person
R.41 Denominator: Total rural population – for services and infrastructure (R.41)		308,508.00 person	308,508.00 person	308,508.00 person	308,508.00 person	308,508.00 person	308,508.00 person	308,508.00 person	308,508.00 person
R.43 PR Limiting antimicrobial use Share of livestock units (LU) concerned by supported actions to limit the use of antimicrobials (prevention/reduction)	SO9	5.00 %	10.00 %	20.00 %	30.00 %	40.00 %	50.00 %	60.00 %	60.00 %
R.43 Numerator: Number of livestock units for which a related payment was made		1,623.50 LU	3,247.00 LU	6,494.00 LU	9,741.00 LU	12,988.00 LU	16,235.00 LU	19,482.00 LU	19,482.00 LU
R.43 Denominator: Total number of livestock units		32,470.00 LU	32,470.00 LU	32,470.00 LU	32,470.00 LU	32,470.00 LU	32,470.00 LU	32,470.00 LU	32,470.00 LU
R.44 PR Improving animal welfare Share of livestock units (LU) covered by supported actions to improve animal welfare	SO1, SO9		12.32 %	12.32 %	17.86 %	17.93 %	18.00 %	0.29 %	18.00 %
R.44 Numerator: Number of livestock units for which a related payment was made			4,000.00 LU	4,000.00 LU	5,798.21 LU	5,821.91 LU	5,846.00 LU	94.82 LU	5,846.00 LU
R.44 Denominator: Total number of livestock units		32,470.00 LU	32,470.00 LU	32,470.00 LU	32,470.00 LU	32,470.00 LU	32,470.00 LU	32,470.00 LU	32,470.00 LU

2.3.2 Planned interventions and outputs with a direct and significant link to result indicators

See the table in SFC2021 application

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

Malta's CAP SP aims to contribute towards the ambitions of the Farm to Fork Strategy and the EU Biodiversity Strategy for 2030 in as far as possible and taking into account the realities of the agricultural sector in Malta. The plan aims to foster a new impetus towards the provision of safe, nutritious, affordable and sustainable food whilst promoting an environment conducive to organic production and biodiversity preservation. Such contribution will be achieved through measures under EAGF and EAFRD in a manner which self-reinforces the efforts under both Pillars. Further information on the measures and Malta's indicative 2030 targets may be found under Chapter 5 and the other annexes to this document respectively.

3 Consistency of the Strategy and complementarities

3.1 Overview of the environmental and climate architecture

3.1.1 A description of the overall contribution of conditionality to the specific environmental- and climate-related objectives set out in points (d), (e) and (f) of Article 6(1)

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

In the case of Malta, the highest overall contributor to GHG emissions is the energy sector. By contrast, the contribution of agriculture to the total GHG emissions is insignificant and has throughout the last 30 years declined from 3.6% to 3%[1]. However, agriculture has an important role to play when it comes to climate change mitigation.

With regard to adaptation, Maltese agriculture needs to cope with higher summer temperatures, less annual rainfall and extreme weather events. In order to do so, there is the need to improve the resilience of agricultural systems to better withstand these impacts. A number of environmental and climate measures were included in this Plan to this aim, however, for these measures to be successful, there is the need to lay down standards for the basic protection of the most important resources which in the case of Malta are soil and water together with biodiversity. Thus, when designing the system of conditionality, priority was given to foster the sustainable development and efficient management of these resources.

Soil is one such valuable resource that through correct and efficient management can lead to positive impacts. Good soil management would better equip the sector to adapt to climate change. GAEC 3 banning the burning of stubble and vegetable residues on soil protects and helps maintain soil organic matter and thus avoids loss of soil structure. Burning stubble on soil also depletes the soil from organic carbon, which is key in the fight against climate change. Similarly, GAEC 5 on tillage management protects the soil from erosion and compaction. GAEC 6 seeks to protect the soil from erosion requiring a soil cover in periods and areas that are most sensitive. Having a soil cover promotes and maintains better soil conditions as it increases soil nutrients, fertility and organic matter while allowing more water retention leading to better levels of soil moisture. In view of the high temperatures during July and August and prolonged droughts that are becoming more prevalent, imposing a soil cover during these sensitive months shall aid in protecting the chemical and physical composition of the soil, preserving the biota within that soil. On the other hand, GAEC 7 obliges farmers to practice crop rotation for diversification to improve soil health, optimise nutrients in the soil and combat pests and weeks, thereby protecting the soil and ensuring its fertility. These standards provide basic protection while also serve as building blocks for other soil related measures, such as the implementation of a Soil Nutrient Management Plan (as detailed in Section 3.1.2).

Water is another important resource, especially when it is scarce and highly seasonal such as in the case of Malta. Council Directives on water framework policy and the protection of waters against pollution caused by nitrates were transposed into national legislation through Legal Notice 345 of 2015[2] and Subsidiary Legislation 549.66 of 2011[3]. Their provisions form part of the baseline conditions, SMR 1 and 2 respectively. Furthermore, GAEC 4 will help maintain water quality by protecting watercourses and underground water against pollution. Safeguarding water from pollution is the first step to improve the qualitative status of groundwater and then be able to invest in solutions that capture, recycle and store water and thus help the sector adapt to low water availability due to climate change. Other measures that go a step further and encourage farmers to move away from fertilisers have also been included in this Plan (as detailed in section 3.1.2). Besides soil and water, another important element is biodiversity and the

need to preserve habitats and landscapes to enhance ecosystem services.

Pesticides have a major effect on biodiversity and habitat loss. Through Subsidiary Legislation 430.08[4] and 430.07[5] transposing Directives on sustainable use of pesticides and placing of plant protection products on the market, form part of the baseline conditions for SMR 7 and 8 respectively. Furthermore, the National Action Plan for the Sustainable Use of Pesticides for 2019-2023, a requirement stemming from Directive 2019/782[6], regulates the handling, storage and disposal of plant production products and provides for measures to ensure the use of pesticides is minimised or prohibited in certain specific areas, including protected areas. This is further reinforced by GAEC 4 which ensures the establishment of buffer zones along watercourses to protect groundwater against pollution.

GAEC 2, on the other and, ensures the continued protection of wetlands, while GAEC 8 aims at preserving habitats and landscapes through the safeguarding of non-productive features. This standard provides for the protection of rubble walls, amongst other features. An integral feature of local agriculture, rubble walls have a dual purpose, that of containing soil on sloping land such as valleys designed as a means to slow surface run off and prevent soil erosion; and that of serving as habitats for local flora and fauna. Trees and shrubs provide food and habitat for wildlife, including birds have also been included in this standard. Further contributing to the protection of biodiversity are SMR 3 and 4 that aim at improving the status of biodiversity through the conservation of wild birds and of natural habitats and wild flora and fauna. In addition, the conservation of plant and animal genetic resources in agriculture will help preserve species that are vulnerable to genetic erosion, thereby to GAEC 5, 6 and 7 as well as SMR 1, 3 and 4. Protecting habitats and landscapes through conditionality allows for the inclusion of additional measures under this Plan that prioritise beekeeping, one of the most important pollinators in Malta.

Overall, these measures focus on the need to shift towards more sustainable agricultural practices and prioritise the efficient management of natural resources. These standards form the basis upon which eco-schemes and Rural Development interventions could then be applied whilst focusing on those areas of most importance to the local situation.

[1] United Nations Climate Change; Malta's National Inventory Report, 2019 accessed from: https://unfccc.int/documents/194992.

[2] Water Policy Framework Regulations, 2015 transposing the provisions of Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy; http://extwprlegs1.fao.org/docs/pdf/mlt150946.pdf

[3] Subsidiary legislation 549.66, Nitrates Action Programme Regulations 2011, transposing the provisions of Council Directive 7/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources; https://agrifish.gov.mt/en/agricultural_directorate/Documents/nitratesActionProgrammeRegulations/nitratesActionProgrammeRegulations.pdf

[4] Subsidiary Legislation 430.08, Sustainable use of Pesticides Regulations 2011, transposing the provision of Commission Directive (EU) 2019/782 of 15 May 2019 amending Directive 2009/128/EC of the European Parliament and of the Council as regards the establishment of harmonised risk indicators (Text with EEA relevance.); https://legislation.mt/eli/sl/430.8/eng/pdf

[5] Subsidiary Legislation 430.07, Plant Protection Products (Implementation) Regulations 2011, implementation Regulation (EC) No 1107/2009 of the European Parliament and of the Council of 21 October 2009 concerning the placing of plant protection products on the market and repealing Council Directives 79/117/EEC and 91/414/EEC, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32009R1107&qid=1605089747720

[6] Commission Directive (EU) 2019/782 of 15 May 2019 amending Directive 2009/128/EC of the European Parliament and of the Council as regards the establishment of harmonised risk indicators (Text with EEA relevance.)

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

A total of eight (8) eco-schemes have been included under this Plan aimed at incentivising farmers to be more ambitious in their environmental and climate-related commitments. These shall aim to promote soil conservation, reduce pesticide use, enhance biodiversity and pollination and improving sustainable agricultural practices through better soil and waste management.

As explained in the previous section, agriculture has an important role to play when it comes to climate change mitigation. Given that the impact of the agricultural sector upon air quality is not a significant concern for Malta, interventions were focused on those areas that require improvement, mainly good soil management, and harnessing biodiversity.

Good soil management must promote carbon sequestration and a decline in the use of Plant Protection Products. Interventions supporting forestry-related actions including afforestation and the creation of woodland areas were included as an investment measure that will contribute towards carbon sequestration. These interventions aim to fund afforestation and non-productive[1] environment related investments through the restoration of different types of terrestrial habitats and landscapes, soil conservation, and water management investments that may or may not be located within a Natura 2000 site, where there is no significant economic return to a farm or other rural business from such action. Such measures will go beyond SMR 1 on the water framework directive, SMR 3 and 4 on the Wild Birds and Natural Habitats directives following the improvement of water retention by soils and the protection of local flora and fauna. Furthermore, any investments involving soil conservation and the management commitment related to the implementation of soil management and conservation plan on a parcel will complement GAEC 6.

Other interventions, including investments and management commitments, supporting the planting and maintenance of trees both on and off agricultural parcels and encouraging the removal of alien tree species through the replanting and management of native and indigenous varieties of trees in farm fields were also included. These interventions go beyond GAEC 8, SMR 3 and 4. Besides contributing to the absorption of greenhouse gases through carbon sequestration, these measures will also contribute to a better management of natural resources as they aid in soil and water management. This is also expected to increase the environmental value of forest ecosystem, thereby improving biodiversity.

Whilst conditionality provides basic protection from soil erosion and compaction, and protects the soil carbon storage and structure, an intervention that incentivises farmers to implement a Soil Management Plan was also included. This Plan will target three main soil related threats, mainly erosion, compaction and low soil organic matter. Better management of soil nutrients will increase carbon sequestration as well as improved water retention and storage, thus reducing water pressures. It also provides microbial habitat, thus improving biodiversity. Finally, it will also result in lower usage of chemical fertilisers due to improved soil nutrients, thus contributing to SMR 8.

When it comes to reducing the use of Plant Protection Products, an eco-scheme encouraging farmers to follow an Integrated Pest Management Plan was included. Farmers under this scheme will be required to reconsider their approach towards pest control to a much more sustainable approach. This intervention is complementary to SMR 7 as it will also help reduce contamination from plant protection products, and also to SMR 8 as it shall oblige farmers to enhance the monitoring of pests and diseases, develop a better understanding on the different agronomic technicalities surrounding the sustainable use of Plant Protection Products (PPP's) whilst following a pre-established plan based on experts' advice. By reducing pesticides use, this intervention will significantly scale down surface and ground water contamination from PPPs. Thus, it also contributes to SMR 1 (Water Policy Directive) and SMR 2 (Nitrates Directive). Furthermore, it will improve soil nutrients and structure reversing the decline of beneficial soil organisms and soil organic matter as a result of extensive pesticides use. This will in turn lead to better water retention in soils. Ultimately, lowering the use of pesticides will enhance biodiversity and restore habitats,

thus, complementing SMR 3 (Wild Birds Directive) and SMR 4 (Natural Habitats Directive).

Switching to organic farming practices will also help reduce dependency on Plant Protection Products. For this reason, an intervention with the aim of encouraging conversion and maintenance of organic farming was included, with an enhanced support rate that aims to attract more farmers to convert their holdings to such practices. This is an important measure for Malta given its low share of total area under organic farming across the EU. This intervention was designed to address the difficulties encountered locally when it comes to organic production, mainly land fragmentation, and the small land parcels that make it very difficult for farmers to practice organic farming. Through this measure, farmers will be supported throughout the conversion and also to maintain their land under organic farming. Another way to help promote organic farming is through an investment measure that seek to help farmers set up organic greenhouses. This addresses another challenge, that of proximity to conventional farms and windy conditions leading to pesticide drifts and poor soil conditions. Support for quality schemes will complement these efforts, compensating farmers for certification costs incurred. Additionally, the promotion of quality schemes, including organic farming, can also be supported. Support towards promoting the maintenance and conversion to organic farming will also help in reducing the overall use and risk of chemical pesticides by 5% by 2030, thereby going beyond the conditionality requirements of GAEC 4, 5, 6, 7 and 8.

Another measure aimed at reducing herbicide usage in orchards and vineyards seeks to encourage farmers to control weeds using mechanical means by obliging them to use a grass cutter or mower instead of herbicides.

As water scarcity is set to increase due to climate change, efficient water harvesting remains an important factor. For this reason, investment measures aimed at facilitating rainwater collection, and at restoring traditionally built water channels were also included. Furthermore, the inclusion of a measure focusing on the rehabilitation of valleys around the Maltese islands will lead to a more efficient water management as it will reduce flooding and allow for the collection of rainwater which can then be used for irrigation purposes. This measure would not be effective without GAEC 4 which protects watercourses against pollution. Furthermore, through off-farm investment measures support will be provided for the extension of the treated sewage effluent distribution network that will provide a new source of irrigation water for numerous farmers, therefore reducing groundwater extraction. As part of on-farm investment measures, support will be given to farmers to invest in smart irrigation systems, and in water reservoirs for the reduction of water abstraction and for the sustainable capture of fresh water resources. Such investments will also contribute towards increasing farmers' competitiveness in view of savings made on water use. In addition, water conservation and quality improvement will contribute towards SMR 1 on the Water Framework Directive, GAEC 5 and 6 on reducing soil erosion and increasing soil protection and SMR 3 and 4 on the protection of wild birds and natural habitats.

There is also the need to promote measures that protect and enhance biodiversity on agricultural holdings and wider rural areas. For this reason, an eco-scheme where farmers will be rewarded for dedicating whole land parcels to biodiversity for two years was also included. This eco-scheme was designed with the fragmented and small-scale nature of land holdings in mind. It shall compensate farmers who decide to forego their income on whole parcels whilst cultivating plants of high ecological value on that parcel. Instead of cultivating high value crops that form an essential part of their revenue, farmers shall cultivate a selection of plants from a pre-defined list that serve as foraging plants for pollinators. Dedicating whole parcels of land for this purpose will protect the environment from halting and reverse biodiversity loss, enhance ecosystem services and preserve habitats and landscapes through the efficient management of natural resources such as water and soil. Flowering plants and spontaneous vegetative covers will provide a habitat for local flora and fauna. It thus complements SMR 3 (Wild Birds Directive) and SMR 4 (Natural Habitats Directive) and goes beyond GAEC 8 as instead of a minimum share of arable land, the whole land parcel will be designated as a non-productive area. This will also improve both water and soil quality since the amount of water that these plants need is significantly less when compared to other high value crops whilst the use of PPPs or fertilisers shall not be allowed. It will thus go beyond SMR 1 (Water Policy Directive) and SMR 2 (Nitrates Directive) as the land will not only have a higher water holding

capacity thus reducing water demand but will also lead to less pollution to groundwater resources as less plant protection products will be used. Thus, also going beyond SMR 7 (PPPs) and SMR 8 (Sustainable Use of Pesticides) given that no pesticides will be used. This also goes beyond GAEC 6 (soil cover) as the holding will not be used for crop production for the whole claim year. There will also be no tilling of land and thus better soil structure and less soil erosion.

As biodiversity also depends on pollinators, a measure encouraging farmers to set up bee boxes on their holdings has been included. The aim of this measure is to enhance biodiversity and provide for more stable ecosystems for endemic flora and fauna species which are particularly beneficial for local garrigue and maquis. Beekeeping provides an invaluable role for Malta's agriculture as they are important pollinators of mainstream crops and orchard fruits.

Restoration of habitats and rural landscape features is also important for encourage more biodiversity. Thus, interventions providing support for the establishment, restoration or reinstatement of the rural infrastructure needed for the management of habitats were also included. These cover rubble walls and other rural landscape features, including terrace walls that both farmers and public entities can benefit from. Thus, while GAEC 8 provides for the protection of existing landscape features, this measure builds on it by encouraging the reinstatement of these features.

To complement this, an intervention to support the integration and maintenance of indigenous Maltese species such as carob and mulberry trees, Maltese black chicken and Maltese ox was also included. This intervention is meant to conserve endemic species with the aim of preserving local agricultural genetic resources.

To promote a broader awareness on biodiversity protection and the adoption of lower input or less chemically dependent modes of production, support will be given to farmers to invest in cost-effective and environmentally efficient systems and equipment. The aim of this intervention is to encourage better management of water, soil, fertiliser and pesticide use as well as invest in better waste management practices. Furthermore, a measure aimed at supporting investments that promote efficient farm waste management systems has also been included. This complements the eco-scheme on biodegradable mulch that also aims at reducing farm waste by encouraging farmers to opt for more environmentally-friendly mulch options. These measures are meant to encourage farmers to consider new systems which are more climate-friendly and resilient.

The different types of interventions included under this Plan are aimed at incentivising farmers to be more ambitious in their environmental and climate-related commitments. Knowledge transfer through training and advice shall complement investments and area based commitments, further enhancing the environmental and climate commitment of the CAP Strategic Plan. By targeting those areas which require improvement, the agricultural sector should be in a better position to contribute to climate change mitigation and adaptation as the interventions seek to promote soil conservation, enhance biodiversity and pollination, and support sustainable agricultural practices through better soil, water and waste management.

Given the available application data from 2023, the funds allocated to eco-schemes cannot all be used for eco-schemes during the course of this year. Unused funds for 2023 shall be used for financing of BISS and BISS Small Farmer Payment (BISS-SF) up to the maximum unit amount outlined in the CAP SP V2.0. The Maltese authorities agree with the Commission's request that the amounts initially planned for eco-schemes and used for BISS and BISS-SF in 2023 due to this additional flexibility are being fully compensated by an increase in eco-schemes allocation in the coming years as outlined in the financial tables of the CAP SP V2.0. This is without prejudice to further improvements in eco-schemes and updates to the CAP SP.

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

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

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

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

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

1. Enhancing farm viability
2. Managing climate, biodiversity, and environmental sustainability
3. Improved public health and animal welfare based on quality food production

Managing climate, biodiversity, and environmental sustainability

Malta’s CAP Strategic Plan has allocated significant resources to address environmental sustainability, with increased ambition when compared to the 2014 – 2020 programming period (that includes both the RDP and Pillar 1 interventions). The CAP SP’s overall contribution in respect of Article 105 of the CAP SP regulation is estimated at circa 53% at initial programming stage which reflects an increased ambition over the 45.64% estimated contribution under 2014-2020 EAGF and EAFRD.

Under Pillar 1, the contribution is achieved through the three eco-schemes that will contribute to environmental sustainability whilst under Pillar 2, this will be achieved through area-based payments and investments that contribute to environmental sustainability. The combined allocation for such actions exceeds the regulatory minimum obligation. Considering the small programme for Malta and the inherent limitations in the sector, this continues to show Malta’s commitment towards environmental aspects within CAP SP.

The CAP Strategic Plan proposes a number of interventions targeting environmental sustainability that contribute towards the increased ambition with regard to environmental and climate-related objectives set out in Article 105 of the CAP SP regulation:

-The eco-scheme rewarding farmers for dedicating whole land parcels to biodiversity through the cultivation of plants of high ecological value aims at protecting the soil, enhancing biodiversity through the cultivation of species that attract pollinators and ultimately, resulting in less use of chemical fertilisers and other inputs. Similarly, by encouraging farmers to adopt appropriate management practices such as implementing a Soil Nutrient Management Plan, this will lead to better soil structure and less soil erosion.

This same eco-scheme is also expected to contribute towards Malta’s 9.5% target of agricultural areas under high-diversity landscape features. Rather than opting for a minimum share of agricultural area, whole land parcels need to be committed under this intervention. Thus, resulting in more benefits to the environment. Given that farmers will not be allowed to use any plant protection products, including

fertilisers, on these parcels, this intervention will enhance ecological biodiversity by providing habitats that increase species diversity.

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

-Furthermore, an eco-scheme related to the use of biodegradable mulch has also been included in the CAP SP, aimed at reducing the use of single use plastics on agricultural holdings engaged in the production of high value crops such as strawberries, melon, watermelon, other cucurbits, tomatoes and other Solanaceae. To further strengthen the environmental contribution of this eco-scheme, the use of herbicides for weed management will not be permitted under this scheme; de-weeding will need to be carried out manually or mechanically, leading to further benefits to the soil and biodiversity.

-A significant increase in ambition can also be noted with respect to organic farming, aimed at increasing the area under these management practices from the baseline of 0.6% to 2.54%, through support provided by the CAP Strategic Plan. The support rate for the organic farming scheme funded through the CAP SP has been enhanced and made more attractive to address the difficulties encountered by farmers switching to such farming practices.

-In line with Article 93 of the CAP SP Regulation 50% of the financial allocation for natural or other area-specific constraints is attributed towards environmental and climate-related specific objectives representing circa 4.24% of the total budget allocation.

-Management commitments under Article 70 contribute 100% towards the contribution to the achievement of the specific objectives set out in Article 6(1), points (d), (e) and (f), with circa 3.1% of the total budget of the CAP SP allocated to such measures. Four land-based management commitments have been programmed in the CAP Strategic Plan, all of which will contribute to various environment related aspects:

o The scheme related to the maintenance of trees is expected to encourage farmers to maintain trees on their holding and carry out the necessary interventions to ensure they are provided with the necessary environment to thrive;

o The scheme related to the control weeds in orchards and vineyards by mechanical, instead of chemical methods and green cover is expected to reduce the use of herbicides on agricultural holdings, therefore reducing the impact on soil and biodiversity;

o Support for the introduction of bee boxes on holdings shall incentivise farmers to set up bee boxes on their holding and to support established beekeepers;

o Support for the implementation of a soil management and conservation plan on a parcel aims to increase the organic content of the soil and promote the sustainable use of soil and its preservation.

-Several investment measures, including on-farm and off-farm non-productive investments are also expected to contribute towards environmental sustainability. Through these interventions the CAP Strategic Plan is expected to support the restoration of rubble walls and planting of trees both on and off the farm. Rubble walls are important landscape features since they provide a habitat for both flora and fauna while also preventing soil erosion. Planting of trees on the holding also helps prevent soil erosion while removing carbon dioxide from the atmosphere. Similarly, planting of trees off farm will also lead to more carbon capture, better water management and the creation or extension of woodland habitats and landscape improvement.

-With regards to off-farm infrastructure, the investments envisaged (excluding investments in rural roads which are not considered as contributing to this ambition) aim to target important environmental issues in relation to water. With regards to water, in order to reduce groundwater abstraction, support will be provided for the extension of the treated sewage effluent (also known as new water) network to areas that are predominantly agricultural but do not yet have access to this resource. The aim is therefore to provide farmers with an alternative source of water to reduce ground water abstraction, allowing for the natural replenishment of this important resource.

-On-farm productive investments are also expected to contribute towards better environmental sustainability, providing support for the modernisation of holdings and the purchase of machinery that are more resource efficient. The selection criteria that will be put in place shall also prioritise applications that contribute to reducing ammonia emissions.

In total, the abovementioned investment interventions have been allocated circa 37.7% of the CAP SP budget.

-Knowledge exchange and information shall also contribute towards this objective, in view of training and advice related to the environment. Training and farm advisory services will be targeted at sustainable use of resources, resource efficiency, protection of biodiversity, improved environmental awareness and knowledge, amongst others. It is assumed that 50% of the budget will contribute to environment related objectives.

-Albeit having a relatively small allocation in comparison to other CAP SP interventions, Apiculture actions also aim to contribute towards the overall green ambition through their direct link with Specific Objective 6.

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

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

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

Malta's biodiversity and historic cultural landscapes include all terrestrial habitats. These habitats exhibit high floristic diversity and unique fauna; as do the very small, terraced fields bound by rubble walls, between which channels carry rainwater from the highest points of the islands down towards the main valleys and out to the sea. Both landscapes and wildlife are threatened by population pressures and

demand for new development which must be kept in check through strict spatial planning policies. In addition, biodiversity suffers from pollution from farm and non-farm sources, with both livestock manures and imported fertilisers and pesticides affecting soil and water quality.

Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy transposed into national legislation through Legal Notice 345 of 2015 (Water Policy Framework Regulations, 2015)[1] and Council Directive 91/676/EEC[2] of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources transposed into Maltese legislation as Subsidiary Legislation 549.66 of 2011[3], both provide for long-term sustainable management of water resources on the basis of a high level of protection of the aquatic environment. These two Directives also form part of the baseline conditions (SMR 1 and 2 respectively) for farmers to be eligible for support.

Through the National Nitrates Database, local authorities will be able to obtain a clear picture of the environmental practices and waste management at farm level that may impact the water quality. The need for having this database was also highlighted in Malta's second water catchment management plan for 2015 – 2021. This database will also serve as a basis for the compilation of a crop plan and fertiliser plan that will prevent farmers from using excessive fertilisers that would in turn reduce nitrates levels into surface waters. It is for this reason that as part of the eligibility requirements of the interventions under the EAGF and EAFRD, farmers must be registered in this database. The Nitrates Action Programme Regulations have been updated to improve monitoring and control processes. Subsidiary Legislation 549.66 was amended in 2018 to reflect this. The regulation to date provides a consolidated approach towards the contained and controlled storage and application of fertilisers effectively both within the livestock farm and in the fields. Two inspection campaigns are prepared every year under the Cross Compliance Regulations by the Agriculture and Rural Payments Agency as well as a sample prepared by the National Competent Authority for the implementation of the Nitrates Action programme Regulations. In this regard the Maltese authorities have encompassed a holistic approach in ensuring an environmentally sustainable management system for the prevention of contamination of nitrogen into the groundwater from agricultural sources. The CAP SP includes interventions that will aim to contribute towards reducing the contamination of nitrates in groundwater through on-farm investments focusing on farm waste management.

The Water Services Corporation is currently also implementing 'The New Water' programme involving the development of three water polishing plants that will upgrade the quality of treated water from the islands' three Urban Wastewater Treatment Plants (UWWTPs) to irrigation standards. This will provide high-quality water suitable for safe crop irrigation and will have the capacity to potentially address up to 35% of the current total water demand coming from the agricultural sector. This will thus contribute to the achievement of good groundwater status. This project consists of three networks - one in Gozo, another one in the north of Malta and the third one in the south of Malta and will see the development of an annual production capacity of 7 million m^3 of high-quality water. Building upon these measures, an eco-scheme discouraging crop cultivation within at least two (2) metres from the watercourse to instead maintain a buffer strip by either spontaneous vegetative cover or by sowing species with the aim of increasing biodiversity has also been included in this Plan. Finally, investment aids under the EAFRD will promote farm-level investment in infrastructure including surface water storage and water efficiency equipment and facilities in order to reduce demand for water from groundwater sources, in the agricultural sector.

Regulation (EU) 2018/841 of the European Parliament and of the Council of 30 May 2018 on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry in the 2030 climate and energy framework, and amending Regulation (EU) No 525/2013[3] and Decision No 529/2013/EU[4] requires EU Member States to ensure that any greenhouse gas emissions from land use, land use change or forestry are offset by at least an equivalent removal of CO^2 from the atmosphere, the so-called 'no debit' rule, in the period 2021 to 2030.

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

Furthermore, an eco-scheme encouraging farmers to dedicate at least one land parcel to biodiversity for two years without the use of plant protection products, including fertilisers will also result in low input farming and reducing dependence on fertilisers. The eco-scheme encouraging farmers to adopt an integrated pest management plan will lead to sustainable land management practices including less fertilisers use.

Other baseline requirements mainly GAEC 5 on tillage management, ploughing and the use of heavy machinery and GAEC 6 requiring a soil cover in periods and areas that are most sensitive are being addressed through the CAP SP supporting Integrated Pest Management Plans, implementation of Soil Management and Conservation Plan and dedicated parcels for biodiversity, amongst others. In addition, a number of agri-environment climate measures have also been programmed including incentives to encourage farmers to convert land from seasonal to permanent crops for increased carbon sequestration as well as measures for the implementation of a soil management and conservation plan on a holding to enhance soil conservation and soil quality.

As regards water abstraction, this will be addressed through the construction of on-farm reservoirs to collect rainwater runoff thereby supporting water retention and will be supported through the EAFRD Off-farm Non-Productive Investments and Afforestation. The continuation of the new water distribution network that will upgrade the quality of treated water from the three Urban Wastewater Treatment Plants (UWWTPs) for agricultural use, will address water demand, alternative supply and over abstraction, thus providing high-quality water suitable for safe crop irrigation. This will also foster the circular economy by reusing waste into a water resource instead of increasing water demand.

Through investments in agricultural holdings, farmers will be encouraged to invest in the latest technologies that can help them reduce their inputs and become more efficient in the management of natural resource. This measure will support investments that improve soil management, water capture and use, and waste management. Waste management actions will complement infrastructure investments in the processing of farm waste, that are foreseen to be implemented outside of the CSP. Whilst investments in waste management remain a priority for Malta, the removal of waste infrastructure investments from the CSP is considered a strategic change in view of its impact on the contribution to waste management within the CSP.

Support towards improving the management of manure in the livestock industry is also foreseen under On Farm Productive investments.

Through knowledge exchange and information measures, actions related to knowledge transfer would also focus on training to farmers to further consolidate their knowledge in manure management. This knowledge dissemination will also provide the necessary information on technologies available in the

sector with the aim of attracting investments from the sector though the use of funds allocated under investments of agricultural holdings.

Regulation (EU) 2018/842 on the binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement, lays down obligations to be fulfilled by the Member States of the European Union (EU) as regards their contributions to the binding annual greenhouse gas emission reductions from 2021 to 2030[5]. On the other hand, Regulation (EU) 2018/1999 on the Governance of the Energy Union and Climate Action, requires Member States to prepare a National Energy and Climate Plan[6].

The agricultural sector accounts for only 3% of the national greenhouse gas (GHG) emissions, making its impact on national GHG emissions largely insignificant as outlined in Malta's 2030 National Energy and Climate Plan (NECP). Nevertheless, the latter identifies potential for further carbon emissions reduction from the sector in an effort to collectively reduce emissions across all sectors. In 2017, the agriculture sector accounted for 66.7% of total national nitrous oxide (N2O) emissions and to 19% of total national methane (CH4) emissions. Malta's NECP identified three categories that are responsible for the highest share of estimated emissions which are enteric fermentation, followed by agricultural soils and manure management. Notwithstanding, the NECP also recognised the low mitigation potential in the case of agriculture as one of the challenges. Despite enteric fermentation being identified as the biggest source of methane (CH4) emissions in the NECP, no grazing takes place in Malta as all cattle, pigs, sheep and goats are housed. This means that emissions arising from enteric fermentation and manure management is significantly limited, with the only manure that is used on land coming from small animals, mainly chicken and rabbits.

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

In the case of Directive 2008/50/EC on ambient air quality and cleaner air for Europe, transposed into Maltese legislation as Subsidiary Legislation 549.59[9] and which as part of its requirements provided that an Air Quality Plan had to be drafted, is not directly relevant to the agricultural sector given that it focuses on the major pollutants, that is, emissions from power generation and road traffic, as well as dust emissions from construction.

Because the local agriculture sector does not have a significant impact upon air quality, no measures directly targeting air quality were included in this Plan.

Directive 2009/147/EC on the conservation of wild birds transposed into national legislation through Subsidiary Legislation 549.42[10] as well as Council Directive 92/43/EEC on the conservation of natural

habitats and of wild fauna and flora transposed into national legislation through Subsidiary Legislation 549.44[11], establish the necessary conservation measures to enhance biodiversity as well as place restrictions on the use of pesticides through the designation of protected areas and the establishment of Natura 2000 site management plans. These Directives form part of the baseline conditions required (SMR 3 and 4 respectively) for receiving support under both pillars in the Plan. The eco-scheme foreseen to be implemented under the Plan and which will reward farmers for designating one of the land parcels for biodiversity by allowing spontaneous vegetative cover or by sowing flowering plants will aim to address conservation measures to enhance biodiversity. Biodiversity will also be enhanced through afforestation and non-productive environment related investments programmed under this Plan.

Pesticides have a major effect on biodiversity and habitat loss. Directive 2019/782 on the sustainable use of pesticides transposed into national legislation by Subsidiary Legislation 430.08[12], and Regulation (EC) No 1107/2009 concerning the placing of plant protection products on the market, both form part of the baseline conditions, SMR 12 and 13 respectively[13].

Furthermore, the National Action Plan for the Sustainable Use of Pesticides for 2019-2023, a requirement stemming from Directive 2019/782 regulates the handling, storage and disposal of plant production products and provides for measures to ensure the use of pesticides is minimised or prohibited in certain specific areas including protected areas.

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

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

Directive (EU) 2018/2001 of the European Parliament and of the Council of 11 December 2018 on the promotion of the use of energy from renewable sources requires Member States to achieve a share of energy of the gross final consumption from renewable resources[14]. In the case of Malta, renewable energy is addressed through a number of Strategic documents, including the NECP (providing an overview of Malta's 2030 RES contribution) as well as the LCDS which promote RE sources. Support for renewable energy is foreseen through other funding programmes which aim to diversify energy supply and decarbonise Malta’s economy.

In terms of animal waste management, Malta has one of the strictest regulations on animal manure where livestock are required to be kept under a roof and that adequate manure management systems are in place as to ensure that no leaching of nutrients generated from this activity is leached to the aquifer (SL 549.66). Furthermore, the liquid portion of the manure is stored in a leakproof cesspit which is emptied by a service provider who takes the generated waste to waste treatment facilities. These obligations are a pre-requisite for farms to be licensed to operate. The application of slurry is also not permissible under this local regulation thus, eliminating any risks of increased ammonia emission associated with this activity.

[1] Water Policy Framework Regulations, 2015 transposing the provisions of Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy ; http://extwprlegs1.fao.org/docs/pdf/mlt150946.pdf

[2] Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources

[3] Subsidiary legislation 549.66, Nitrates Action Programme Regulations 2011, transposing the provisions of Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters

against pollution caused by nitrates from agricultural sources; https://agrifish.gov.mt/en/agricultural_directorate/Documents/nitratesActionProgrammeRegulations/nitratesActionProgrammeRegulations.pdf

[4] Regulation (EU) No 525/2013 of the European Parliament and of the Council of 21 May 2013 on a mechanism for monitoring and reporting greenhouse gas emissions and for reporting other information at national and Union level relevant to climate change and repealing Decision No 280/2004/EC Text with EEA relevance;https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32013R0525

[5] Decision No 529/2013/EU of the European Parliament and of the Council of 21 May 2013 on accounting rules on greenhouse gas emissions and removals resulting from activities relating to land use, land-use change and forestry and on information concerning actions relating to those activities: https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32013D0529

[6] Regulation (EU) 2018/842 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013; https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018R0842&from=EN

[7] Regulation (EU) 2018/1999 of the European Parliament and of the Council of 11 December 2018 on the Governance of the Energy Union and Climate Action, amending Regulations (EC) No 663/2009 and (EC) No 715/2009 of the European Parliament and of the Council, Directives 94/22/EC, 98/70/EC, 2009/31/EC, 2009/73/EC, 2010/31/EU, 2012/27/EU and 2013/30/EU of the European Parliament and of the Council, Council Directives 2009/119/EC and (EU) 2015/652 and repealing Regulation (EU) No 525/2013 of the European Parliament and of the Council (Text with EEA relevance.); https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=uriserv%3AOJ.L_.2018.328.01.0001.01.ENG

[8] Malta's 2030 National Energy and Climate Plan; https://ec.europa.eu/energy/sites/ener/files/documents/malta_draftnecp.pdf

[9] Environment and Resources Authority, 2019, Malta's National Air Pollution Control Programme 2019 https://era.org.mt/wp-content/uploads/2020/06/NAPCP_ISBN_PDF_web.pdf

[10] Subsidiary Legislation 549.59, Ambient Air Quality Regulations 2010, transposing the provisions of Directive 2008/50/EC of the European Parliament and of the Council of 21 May 2008 on ambient air quality and cleaner air for Europe; https://legislation.mt/eli/sl/549.59/eng/pdf

[11] Subsidiary Legislation 549.42, Conservation of Wild Birds Regulations 2006, transposing Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds; https://legislation.mt/eli/sl/549.42/eng/pdf.

[12] Subsidiary Legislation 549.44, Flora, Fauna and Natural Habitats Protection Regulations,2006 transposing Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild fauna and flora; https://legislation.mt/eli/sl/549.42/eng/pdf.

[13] Subsidiary Legislation 430.08, Sustainable use of Pesticides Regulations 2011, transposing the provision of Commission Directive (EU) 2019/782 of 15 May 2019 amending Directive 2009/128/EC of the European Parliament and of the Council as regards the establishment of harmonised risk indicators (Text with EEA relevance.); https://legislation.mt/eli/sl/430.8/eng/pdf

[14] Regulation (EC) No 1107/2009 of the European Parliament and of the Council of 21 October 2009 concerning the placing of plant protection products on the market and repealing Council Directives 79/117/EEC and 91/414/EEC, https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32009R1107&qid=1605089747720

[15] Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC (Text with EEA relevance); https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A32009L0028

[16] Energy and Water Agency The national renewable energy action plan 2015-2020, https://meae.gov.mt/en/public_consultations/opm/documents/pr%20162438a.pdf

3.1.5 Where relevant, CAP contribution towards LIFE projects

3.2 Overview of the generational renewal strategy

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

In the case of Malta, the main barriers for young farmers include limited incomes, poor market returns, land access, and lack of access to capital for investment in technology, infrastructure and equipment that would help improve business performance[1]. In addition, the small size and fragmented nature of agricultural holdings and the geophysical characteristics of the Maltese Islands pose natural limitations on farmers that increase the production and input costs and limit economies of scale.

In view of this, specific measures have been included to support generational renewal. Foremost among them is the Basic Income Support for Sustainability (BISS) which although not specifically designed for young farmers, provides farmers with a stable income which is an important first step to encourage the installation and successful development of young farmers. In order to make it more attractive, an annual top-up payment per eligible hectare amounting to [87.81%] of the Basic Income Support for Sustainability (BISS) has also been included.

Under EAFRD, support for generational renewal is also included. The impact of the COVID-19 pandemic exacerbated the challenges faced by those young farmers who wanted to and even perhaps have engaged in their setting-up cycle during this unprecedented reality. The pandemic created uncertainties across all economic sectors, including the agricultural sector, thus, limiting the appetite for investment, particularly for young farmers entering the sector. Generational renewal, typically occurs gradually, whereby young farmers begin setting up their agricultural businesses in their early years. This cohort, apart from new entrants, represents a critical pillar in ensuring the future of farming in Malta, and their retention is essential for the long-term sustainability of the agricultural sector. Support is therefore being provided through the specific installation aid linked to a business plan, in line with the minimum threshold stipulated in the CAP SP Regulation. Malta will continue its positive implementation of the young farmers installation start-up support scheme with flanking aids for training and advice, to help give young farmers a real opportunity for successful establishment in business. The measure will support individuals who would have engaged in their setting up process as heads of their respective agricultural ventures within four years prior to their submission of an application for support.

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

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

Another obstacle for young farmers is the rigid inheritance and land tenure laws that further limit profit margins. In order to address this problem, after reviewing the land transfer regulations in 2017, the Lands Authority published Legal Notice 159 of 2017, referred to as the Agricultural Land Regulations. The latter

permits land transfers of agricultural land to bona fide farmers subject to the approval of the Board of Governors of the Lands Authority. This legal notice also caters for agricultural students by providing land on lease at a favourable rate for the first five (5) years[2]. This national action facilitates entry of young farmers and complements the interventions included in this plan.

[1] National Agricultural Policy for the Maltese Islands 2018 – 2028, https://meae.gov.mt/en/Public_Consultations/MSDEC/Documents/National%20Agricultural%20Policy%20for%20the%20Maltese%20Islands%202018%20-%202028.pdf.

[2] Ibid.

3.2.1 Where relevant, CAP contribution towards Erasmus projects

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

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

The 2nd Water Catchment Management Plan for the Malta Water Catchment District 2015 - 2021, prepared as per the requirements of the Water Framework Directive, transposed into national legislation through the Water Policy Framework Regulations (S.L. 549.100)[1] identifies agricultural practices as one of the drivers of land-based pressures on Maltese water resources. The consultation process leading to the 3rd Water Catchment Management Plan is ongoing. Concisely, it identifies two main issues that relate to:

(1) The use of fertiliser and plant protection products, including pesticides, in agricultural activities and their undesired movement through leaching, erosion, surface runoff, spray drift, and drainage discharges. This has affected groundwater bodies due to the presence of nitrates. Investigations carried out identify arable agriculture and animal manure as the main sources of nitrate pollution in groundwater.

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

On the other hand, this WCMP also takes into account the non-monetary value of the agricultural sector, mainly its contribution to the national food security and those related to the environmental, amenity and heritage values of agricultural land and on the cultural importance of the local artisan food and beverage 'cottage' industries. It concludes that these non-monetary values are difficult to estimate and that an increase in the cost of abstracting groundwater would have repercussions on food affordability and security. Building on the 2nd WCMP[2], actions contributing towards sustainable water management are foreseen through the draft *National Investment Plan for Water and Wastewater Sector 2022 – 2030*, which includes measures that address potable water, rainwater runoff and actions targeting the effective protection of groundwater resources, amongst others.

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

The local dairy sector supplies 85% of domestic fresh milk consumption in Malta, making it one of the most important sectors as it ensures a continuous supply of fresh dairy milk for the local market[3]. On the other hand, the beef sector is an offshoot of the dairy sector making it a marginal activity with minimal profit. Reliance on imported feed leads to higher production costs for these two sectors. Any fluctuations

in the price of feed due to external factors, such as increasing transport costs or drought, affect the productivity and profitability of these sectors.

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

Coupled support for the concerned sectors is granted based on the principle that the risk of pollution of any water bodies will be reduced and mitigated, on the mandatory condition of compliance with strict rules. The principal identified risk of contamination in the Maltese islands concerns leaching of Nitrates into the groundwater table, from the activities of sectors supported under Coupled Income Support for livestock, hence the emphasis on mitigating and reducing this specific risk. Since Malta under the national Nitrates Action Programme (SL 549.66) is designated as a NVZ (Nitrate Vulnerable Zone), all livestock farms that shall be supported must consequently adhere to strict baseline rules that are also enshrined under SMR 2 of the Conditionality. These requirements include:

·These farmers must store manure in leak-proof covered storage clamp connected to a cesspit, which cesspit must be professionally certified to be leak-proof and covered;
·The minimum storage capacity for solid manure must be sufficient to cover the statutory closed period between October 15th to March 15th;
·Cesspits must have sufficient capacity to collect all urine and washings for at least 15 days;
·Solid manure must be stored in covered clamps between October 15th to March 15th;
·All animal holdings and animal passageways shall be suitably covered at all times;
·Field storage of solid manure is allowed only during the dry season, and only if the dry matter content is at least 30%;
·Farmers are also obliged to keep records of slurry and manure transports and disposal, including dates, quantities and final destination.

These rules constitute a necessary restriction upon livestock farmers necessitated by the sensitive geo-physical context where their activity takes place and the careful management of material flows which they are required to undertake, and they also ensure that the support under CIS contributes positively to conserving the ecological status of water bodies in accordance with the Water Framework Directive.

Tomatoes for processing are another important segment in Malta eligible for coupled support given that they contribute to the value added of the domestic economy, particularly on the island of Gozo. The sector also contributes towards employment both directly and indirectly throughout the production and supply chain. Cultivated tomatoes are used to produce *Kunserva*, a tomato paste that is considered a local delicacy.

In this case, farmers are required to comply with SMR 1 (Water Policy Directive); SMR 2 (Nitrates Directive); GAEC 4, protecting watercourses against pollution and run-off from agricultural sources; GAEC 5 on tillage management and GAEC 6 on minimum soil cover that both aim to reduce soil erosion. This would in turn reduce fertiliser and plant protection products surface run-off. This is in addition to SMR 8 (Sustainable Use of Pesticides) that controls the use, handling, storage, and disposal of plant protection products. The Water Services Corporation is currently implementing 'The New Water' programme which is providing high-quality water suitable for safe crop irrigation. This project consists of upgrading three networks - one in Gozo, another one in the north of Malta and the third one in the south of Malta which have the capacity to potentially address up to 33% of the current total water demand of the

agricultural sector by 2030, and thus contribute to the achievement of good groundwater status.

Initiatives that have been undertaken at national level in relation to water measures include a governance system on water consumption that will be designed and developed involving key stakeholders in accordance with the provisions of the Second Water Catchment Management Plan. The main focus of this measure is the establishment of a groundwater abstraction management framework which will be complemented by an additional number of actions which are being undertaken, and will include the development of a distribution and optimisation system for New Water. This will enable this water to be available close to the point of use and be more accessible for agricultural operators. Further measures include the continuation of the borehole metering programme, currently being undertaken jointly by competent authorities. This action addresses those significant groundwater abstraction sources which are currently still not metered and their integration in the groundwater abstraction monitoring system. In addition, over abstraction of groundwater is also being mitigated through the supply of metered reclaimed water as a potential substitute. Other investments supporting the efficient use of water resources such as drip irrigation, digitalised systems, water valves, and irrigation sensors are also widely used and promoted[4]. A water conservation demonstration action known as 'Water Champions' launched by EWA supports operators in the agricultural sector to optimise their water use. Selected operators will be supported by a grant of up to Eur5,000 to undertake water management measures on their fields/farms. The scope of this action is to optimise water use efficiency and reduce the dependence on groundwater and will identify wasteful uses of water.

Initiatives related to research on water management at National level

In relation to research undertaken in the area of water management, the University of Malta is implementing a project entitled 'Wetsoil' which is financed by EWA, and seeks to provide a comprehensive, accurate and reliable system to monitor hydrological water balance, providing basic data to limit irrigation water consumption and monitor changes in water content for irrigation scheduling in order to optimise crop yield. Furthermore, the Agriculture Directorate within MAFA is currently investing in a software that can be used to calculate the amount of water required to irrigate specific plots of land cultivated with specific crops. This will be used to manage the allocation of New Water to farmers.

In an effort to ensure compliance with WFD under Coupled Income Support interventions, beneficiaries will be required to participate in mandatory data gathering exercises as required for such scope, including through the installation and use of new technologies which may be required to serve such purpose. Such conditions will ascertain maintenance of ecological status in line with the conditions stipulated under the Water Framework Directive.

[1]Water Policy Framework Regulations, 2015 transposing the provisions of Directive 2000/60/EC of the European Parliament and of the Council of 23 October 2000 establishing a framework for Community action in the field of water policy; Accessed from: http://extwprlegs1.fao.org/docs/pdf/mlt150946.pdf

[2] The consultation process leading to the 3rd Water Catchment Management Plan is ongoing.

[3]Agriculture and Fisheries 2014. National Statistics Office, Malta. Accessed from: https://nso.gov.mt/en/publicatons/Publications_by_Unit/Documents/B3_Environment_Energy_Transport_Agriculture_Statistics/Agriculture_and_Fisheries_2014.pdf

[4] National Agricultural Policy for the Maltese Islands 2018 – 2028. Parliamentary secretary for agriculture, fisheries and animal rights. Accessed from: https://agrikoltura.gov.mt/en/agricultural_directorate/Documents/nationalAgriculturalPolicy/napFinal.pdf

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

The redistribution of income support under CRISS is not suitable for the unique farming demographics of Malta. The farming population in the local agricultural sector consists entirely of micro farmers: half of the direct payments beneficiaries have a holding size of less than 1 Ha, most of which are under 0.6 Ha in size. Furthermore, the entire territory of Malta and Gozo is considered homogenous in terms of payment rate and is too small to allow for meaningful regionalisation.

Regionalisation refers to the need to apply any stratification of the local farming community in terms of locality/region or other aspects for the sake of redistribution. That is for the reasons provided Malta deems this impractical in the local context, as such redistribution does not capture the scope of CRISS in this regard.

In Malta, fairer application [redistribution] of direct payments can be sufficiently achieved via other interventions and instruments than CRISS, as eligible areas in Malta only concern land under cultivation; this means that the payment rate directly and proportionately rewards the farmer's efforts in cultivating the land, contributing to food security, provided that there are no permanent grasslands or pastures in Malta. This takes into account that redistribution needs are low given the specific farm structure and geographical situation which are being supported through direct payments.

Fairer application refers to the mechanisms on how farmers shall be compensated for their efforts. The reference to permanent grassland is linked to this aspect of homogeneity of local production and the fair compensation being referred to under these points. The differences in the types of production locally are not significant enough to create tangible disparities amongst the different type of farmers in terms of the payment that they shall be receiving, and thus do not necessitate the need to apply CRISS. The allocation of funds through the other interventions shall provide an equitable distribution in this regard.

All farmers benefitting from the BISS are micro farmers. In this context differentiating between "bigger farms" amongst a population of small farmers is unpractical, disproportionate and counterproductive to other objectives. Implementing such mechanisms carries a high risk of further fragmentation of holdings, which is already a prominent geophysical characteristic that brings about numerous challenges to the Maltese agricultural sector.

Additionally, the capping and degressivity mechanism do not fit within the realities of Maltese Agriculture since the largest farm is still comparatively small (31ha) and would get a maximum payment of €20,000 which is still way below the thresholds indicated under Article 17 of EC 2115/2021.

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

The vast majority of livestock farmers have either no land or a very small amount of land. Taking the dairy and beef sector as an example, only 6 livestock farmers have more than 5 Ha of land and only one of these farmers has more than 10 Ha. Apart from CIS support, the majority of dairy and beef farmers do not receive any other significant forms of direct payments. This also implies that most land farmers would not be eligible for CIS support, therefore, they would only receive direct payments related to land-based schemes, such as BISS or BISS SF. Redistribution of payments is therefore already taking place within this context.

Through the shift from Pillar II to Pillar I, MT is providing significant additional support to land farmers through the BISS and BISS for Small farmers (BISS SF) under EAGF to improve fairness and ensure equal opportunities for such farmers. This is further attested through the high unit amount allocated for BISS which amounts to 637 EUR per Ha for farms with up to 1 Ha, which takes into account the needs of the sector/gaps, such as the small size and fragmented nature of local agricultural holdings combined with challenging geophysical characteristics, which pose numerous challenges to farmers, most critical of which are increasing costs of production and limiting economies of scale. The fact that redistribution needs are sufficiently addressed is evidenced, among others, by R6 indicator that remains significantly above the 100% threshold over the programming period. At initial programming stage, Malta will avail

itself of the derogation outlined in Article 29 (1) of the CAP SP Regulation.

3.5 Overview of the sector-related interventions

3.5.1 Fruit and Vegetables

Tomatoes for processing

Tomatoes for processing are a key cropping sector of added-value significance to the domestic economy, particularly to that of Gozo. Coupled Income Support secures jobs along the supply chain and strengthens the socio-economic fabric of rural areas.

Supporting this sector ensures its competitiveness and is an investment in a quality Maltese traditional product, namely *Kunserva*. Since 2017, the number of hectares under tomato for processing cultivation has declined by 19% and this is mostly attributed to the costs of production and narrow profit margins. Supporting this type of production shall enable the sector to slow down and reverse this decline, by making it more financially sustainable.

For tomatoes to be used for processing, they must reach the necessary quality standards as provided for in the contracts between farmers and co-operatives/ processors. Such contracts are one of the eligibility criteria tied to this intervention. Such contractual relationships ensure that relationships in the supply chain are formalised and predictable, providing opportunity for better financial planning and hence sustainability.

Due to Malta's insularity, all inputs related to the production of tomatoes for processing have to be imported, which puts them at a significant disadvantage when compared to other farmers within the EU. To this end, coupled income support is expected to help alleviate such structural disadvantages allowing them to be more competitive.

3.5.2 Apiculture products

Background:

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

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

Overview of Apiculture Sector:

As highlighted in the National Apiculture Policy for the Maltese Islands (2018 - 2028), in Malta, beekeeping is mainly practised by recreational farmers that have a small number of colonies.

Due to the small and fragmented nature of land parcels in Malta, beekeepers also face difficulties with regards to space for beekeeping as well as risks posed by pesticide application by third parties.

The results of a survey carried out throughout 2017 and 2018 have shown that there are 230 registered

beekeepers holding 4,160 colonies. The majority of beekeepers, that is 66%, hold less than 10 colonies. In total these beekeepers maintain 17% of the total colonies. The number of beekeepers with larger colonies is limited, with only 7 beekeepers holding more than 100 colonies. However, these beekeepers maintain about 1,372 colonies which represents 33% of the total colonies.[1]

Throughout 2017 and 2018, beekeepers holding more than 50 colonies represented 7.8% of all registered beekeepers, together holding more than 50% of colonies. The total honey produced in Malta amounted to 21,120 kg in 2017 rising to 22,841 kg in 2018. The yield is relatively low, ranging between 4.5kg and 4.8kg per colony, between 2017 and 2018. Analysis of the yield across different sizes indicates that the yield increases as the number of colonies rises, referring to higher productivity which can be reaped due to economies of scale. Beekeepers with more than 100 colonies referred to an average yield of about 9kg/colony. [2]

Based on in-house research, 265 unique beekeepers applied for funding holding a total of 2,524 colonies between 2020 and 2021. Data indicates whilst beekeepers are aged between the ages of 28 and 82, the majority of beekeepers are aged between 61 and 70. 53% of beekeepers are active members in a beekeepers' association. Furthermore, the majority of beekeepers i.e., 63% hold a low number of colonies. Research shows that 39% of beekeepers do not sell their products to consumers indicating that beekeepers produce honey for personal use which leads this group of beekeepers to often end the year with a loss. The data also suggests that 61% of beekeepers produce honey for professional reasons.

Beekeepers holding more than 50 colonies represent 19% of all the beekeepers registered in Malta and together they hold more than 50% of all colonies in Malta. The total honey production in Malta amounted to 8,776 kgs in 2020 falling to 4,616 kgs in 2021. This implies that the yield (kg per colony) is overall relatively low ranging between 1.7 kg and 3 kg between 2020 and 2021. Analysis of the correlation between yield and colony sizes indicates that the yield increases as the number of colonies rises referring to higher productivity. The relatively overall low yield per colony in Malta could be due to a number of factors such as serious threats facing the sector driven mainly by the overuse of pesticides, climate change and unsustainable development practices that impinge on wildflower rich habitats. This in turn has an impact on the productivity of the sector. Furthermore, the prevailing weather conditions between 2020 and 2021 had an impact on flora and fauna and on the production yield. Rainfall in the rainy season in 2020 was 31% of the average total for a whole rainy season, raising concerns for farmers. Environmentalists also noted that 2020 was considerably drier than the previous two years. Lack of rain, particularly in the season leading to spring, results in less flora and fauna with negative implications on productivity. Other variables noted by beekeepers include the lack of land that can be used by bees and the greater use of pesticides. These variables are also leading to higher loss rates in honeybee colonies.

Between 2020 and 2021, the apiculture sector received a total of €44,939.99 in financial assistance of which € 21,769.77 was Union financial assistance[3] Four (4) interventions were programmed under this Plan that complemented the National Apiculture Programme 2020-22.

Thus, providing support to such sector is crucial given its small size and lack of economies of scale on the one hand and the invaluable role of bees as pollinators on the other.

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

Actions through sectoral interventions will continue building on these measures as well as focus on facilitating the dissemination of information and knowledge to beekeepers were also included. These include advisory services, technical assistance, training, information and exchange of best practices; as well as action that facilitate networking for beekeepers and beekeepers' organisations. The objective of

these measures is to promote quality honey production and increase the added value generated by apiculture products. The national co-financing rate for these interventions shall be 50%.

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

In order to ensure complementarity and demarcation, the Strategy and Implementation Division (SID) within the Ministry responsible for European Funds is responsible for the programming of EU funded programmes, including the CAP SP, that now also includes the apiculture programme. This approach aims to ensure complementarity and demarcation between interventions, to secure the highest leveraging effect. Risk of double funding between the sectoral interventions supporting apiculture and the rural development interventions which can also benefit beekeepers under EAFRD is also avoided through effective monitoring mechanisms. Beekeepers directly benefitting from support through the Apiculture Programme will not be eligible for identical support funded through EAFRD, including on-farm productive investments, as will be outlined in the respective national guidance notes.

Complementary support is also envisaged through EAFRD in the form of AECC to incentivise farmers to set up bee boxes on their holding and support established beekeepers by encouraging them to continue in the apiculture which holds an important role in terms of biodiversity, ecosystem, infrastructure and conservation. The same management commitment also aims to preserve the local honey bee, *Apis Milliferi ruttneri*, as its objective remains to sustain the overall pollinator populations, and increase the population of endemic species, in line with the green architecture of the CAP SP. The CAP SP includes other measures that will positively impact beekeeping. For the purpose of pollination, carob tree planting is possible under the land-based management commitments, and the cultivation of *sulla* may be supported through the eco-scheme supporting land parcels dedicated for biodiversity through the controlled use of pesticides and plant protection products as well as the eco-scheme supporting integrated pest management plans which will also foster improved biodiversity which is important for the beekeeping sector. Beekeepers can also apply for other interventions under EAFRD RD investments, including but not limited to, under the RD On-farm Invest P. - On-farm Productive Investments, AECCs, cooperation (quality schemes), amongst others, should they meet the eligibility criteria.

The objective of the apiculture interventions is to promote quality in honey production through actions that facilitate the dissemination of information and knowledge to beekeepers, control of diseases and support to the methods of production and quality control. These interventions contribute to the reduction of certain production costs, while providing assistance in certain activities, which enable beekeepers to increase the benefit generated by apiculture products, contributing to ensuring a fair standard of living for beekeepers and thus increasing their earnings. The apiculture programme is expected to contribute to the objectives of SO 6 through interventions that will focus on technical assistance and training to beekeepers, groups of beekeepers and beekeepers' organisations, under *ADIVBEES (55(1)(a)*), investments to combat beehive invaders and diseases, in particular varroasis; restocking of beehives including bee breeding; and rationalising transhumance under *INVAPI(55(1)(b))*.Other interventions will include support for cooperation with specialised bodies for the implementation of research programmes in the field of beekeeping and apiculture products through *COOPAPI(55(1)(e)),* as well as support for laboratories for the analysis of apiculture products under *Sectoral API Labs.* Such interventions will be in line with the needs of SO 6 since they will include measures that protect and enhance biodiversity on agricultural holdings & wider rural areas, disseminate knowledge to safeguard biodiversity and conserve endemic species.

Payments in relation to Apiculture Programme Year 2022 have already been processed and thus the National Apiculture Programme 2020-2022 is now considered to be closed. No measures will be implemented during the extension period covering 1 August 2022 until 31 December 2022. In view of this, no adjustment is required as the budgeted amounts for FY 2023 will cover the implementation of

sectoral interventions carried out between 1 January 2023 and 31 July 2023.

[1] E-cubed Consultants, *Collection of data on the Production and Marketing Structure of the Beekeeping Sector*
[2] Ibid.
[3] Ministry for Agriculture, Fisheries, Food and Animal Rights, 2019. Malta's National Apiculture Programme. Accessed from: https://ec.europa.eu/info/system/files/food-farming-fisheries/animals_and_animal_products/documents/nap-mt_mt.pdf
[4] E-cubed Consultants, *Collection of data on the Production and Marketing Structure of the Beekeeping Sector*

Description of an established reliable method for determining the number of beehives ready for wintering in the territory of the Member States between 1 September and 31 December each year

The Veterinary Regulation Department (VRD) collects data on the number of beehives kept by beekeepers through a census. This data is reported on a yearly basis to the Commission through ISAMM CM.

In Malta, as in other regions in the Mediterranean with similar climatic conditions, the honey bee colonies do not undergo a long brood break where the queen bee stops laying eggs during winter. However, the colonies still have to overcome the winter season with periods where they are not able to go out to forage and collect nectar and pollen (during rainy and very windy days). Indeed, the winter period is marked with very short brood breaks (a couple of days) both in winter and in summer when the temperature is excessively hot and no pollen is available.

In view of the above, honey bees do not winter in Malta and as such the Competent Authority (CA) keeps a database on every beekeeper with the current number of registered colonies managed by each beekeeper. Beekeepers notify the CA when the number of colonies increase. In order to tackle this issue the CA carries out a census from time to time whereby a direct visual inspection and manual count is carried out to determine the number of hives. Therefore, Malta's warm climate does not create the necessary conditions for brooding periods and hence, bees do not winter given that temperatures do not fall under 10 degrees Celsius. Hence, the number of beehives remain constant throughout the year.

In view of reporting obligations of ISAMM form no. 591, the ARPA requests information of the number of beehives ready for wintering from the CA i.e., the VRD. The number of colonies is then cross checked with the National Livestock Database in order to verify the data.

3.5.3 Wine

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

3.5.4 Hops

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

3.5.5 Olive oil and tables olive

This section is not applicable for Malta's CAP SP as per Article 88 (4) of Regulation (EU) 2021/2115 for which Malta does not have an allocation.

3.5.6 Beef and veal

The beef sector in Malta is an offshoot of the dairy industry, offering a diversified income to such farmers, increasing their financial sustainability. Circa 140 farmers are engaged in the sector, providing fresh beef for the local market. A drop in the production of beef would have repercussions on the dairy sector, on farmers who cultivate fodder and on the availability of fresh beef on the local market.

The beef sector faces high production costs, in view of imported inputs used for production. For example, the cost of imported feed has been experiencing a significant increase, especially following the COVID-19 pandemic and the invasion of Ukraine by Russia. The sector faces higher costs of production compared to other Member States, due to limited economies of scale coupled with Malta's insularity. Opportunity for growth is generally limited both due to the high cost of land and proximity to residential areas. Apart from the limited availability of land, limited natural resources such as water also limit the competitiveness of the sector. Maltese farmers have no land that can be used for grazing, therefore fodder and supplements need to be imported, resulting in additional costs.

The beef sector, besides functioning as a secondary outlet in taking excess calves from dairy farms, is historically structured to supply a part of the domestic demand. The small-island state transport logistics do not permit a lucrative export of animals or products, and the sector is therefore not export-oriented. Reductions in the herd size over the years is thus not attributable to such factors.

With the aid of the current VCS scheme the sector managed to retain stable levels of production since 2017, though with various fluctuations, as seen in the number of farmers applying for VCS. Production levels are still 16% less than the 2009 – 2013 period. FADN data has shown that EU subsidies make up circa 17% of their gross income. Provided that most farms have insignificant areas of land, these amounts are attributed to coupled income support. Coupled income support ensures that this important sector remains financially sustainable and competitive and can continue offering quality produce to consumers, maintaining a level of food security.

3.5.7 Milk and milk products

The dairy sector has been experiencing a significant decline over the years; from 96 farmers in 2016 to 85 in 2020. These farmers produce fresh milk for the local market that is packaged and sold by a local cooperative that also produces a variety of dairy products, also made from locally produced fresh milk. A drop in the production of milk would have repercussions on farmers who cultivate fodder, since the latter is produced on more than 50% of arable land in Malta and is mainly consumed by the dairy industry. Additionally, the dairy industry guarantees the provision of a fresh supply of milk and milk products to the local consumers, hence ensuring some degree of food security.

Similar to the beef sector, the dairy sector also faces high production costs, in view of imported inputs used for production. For example, the cost of imported feed has been experiencing a significant increase in costs, especially following the COVID-19 pandemic and the invasion of Ukraine by Russia. The Maltese dairy sector faces higher constraints when compared to other EU Member States, because of limited economies of scale, coupled with Malta’s insularity. Additionally, availability of land is limited and lack of natural resources such as water, compounded by prolonged droughts and heat waves, also contribute to the difficulties encountered by the sector. Furthermore, unlike most other EU member states, Maltese herders do not have access to grazing land, which translates in additional feed/ supplement costs since these must be imported. The high cost of land and the proximity to residential areas limits growth opportunities.

Supporting this sector is important to prevent further decline. Support will provide economic certainty to milk producers that already face high production costs due the abovementioned constraints. Given that dairy farmers tend to be landless, coupled income support provides an opportunity to provide support to an important sector which faces numerous difficulties. One of the eligibility criteria of this intervention is that famers must have a contractual agreement with the processor, which ensures a certain level of quality while facilitating economic transactions between the different actors in the supply chain, making financial planning more feasible and increasing sustainability of the sector.

3.5.8 Sheep and goat

Sheep sector

Similar to other livestock sectors, the sheep sector also faces high production costs, in view of inputs used for production. For example, the cost of imported feed has been experiencing a significant increase in costs, especially following the COVID-19 pandemic and the invasion of Ukraine by Russia. Additionally, the sheep sector faces numerous challenges due to limited supply chain organization, small farms and specific characteristics of the sector which inhibit competitiveness. This sector also depends on imported feed and other inputs, that lead to high production costs. The sector is also affected by the limited availability of land, lack of natural resources and no opportunity for grazing.

Support through the VCS scheme has enabled the sector to grow and increase the amount of production. Production levels remain 18% lower than 2010 levels. FADN data shows that VCS funds make up around 23% of their gross income, provided that the majority of farms are landless and have no access to other forms of direct payments. Supporting this sector is very important to ensure its sustainability and competitiveness, enabling it to keep offering quality produce to consumers.

3.5.9 Protein crops

Not Applicable.

3.5.10 Sugar beet

Not Applicable.

3.5.11 Other sectors

Not applicable.

3.6 Overview of the interventions that contribute to ensure a coherent and integrated approach to risk management, where relevant

Malta's efforts to address risk management through EAFRD in previous programming periods have not been implementable on the ground in view of the size, structural and market limitations. In fact, the measure was introduced in the Rural Development Programme 2014-2022 but, in agreement with the Commission services, it had to be removed because it was understood that this measure did not show fit for purpose in Malta. In light of this, Malta reiterates that whilst risk management mechanisms remain relevant and important, these tools do not appear to conform with the organisational structures and small-scale realities of Maltese farming and are not foreseen to be supported through the CAP SP.

In the past, in the case of adverse climatic events including natural disasters, which provoked losses for farmers, the state aid acquis provided more pragmatic and feasible means of redress. In the 2023-2027 period, Government intends to continue to resort to the State aid provisions of the Agriculture Block Exemption Regulation (ABER) in order to provide financial support to farmers and other operators to mitigate the impact of climatic conditions and other occurrences which may in certain instances be up to 100% of the damage incurred. In addition, support may also be provided through measures implemented under the Commission Regulation on De-minimis Aid in the agriculture sector. In both circumstances support is foreseen through national funds. The State aid regime allows for the Government to intervene in instances of adverse climatic events. Such mechanism has been used in the past and is foreseen to be continued to be utilised, considering the impossibility to use insurance tools.

In an effort to prevent the impact of climatic or natural disasters/events, such as flooding from torrential rain and hailstorms which damage crops, the CAP SP will continue supporting investments in the purchase of preventive equipment that aims to protect crops and provide security and greater stability in

the sector. In this regard, building on the experience of the RDP 2014-2022, Malta will continue supporting investments aimed at risk-prevention actions.

The proposed set up ensures consistency and a smooth transition between the programmes and should addresses sufficiently the risk of adverse climatic events.

3.7 Interplay between national and regional interventions

3.7.1 Where relevant, a description of the interplay between national and regional interventions, including the distribution of financial allocations per intervention and per fund

This is not applicable for Malta's CAP SP.

3.7.2 Where relevant, where elements of the CAP Strategic Plan are established at regional level, how does the interventions strategy ensure the coherence and the consistency of these elements with the elements of the CAP Strategic Plan established at national level

This is not applicable for Malta's CAP SP.

3.8 Overview of how the CAP Strategic Plan contributes to the objective of improving animal welfare and reducing antimicrobial resistance set out in point (i) of Article 6(1), including the baseline conditions and the complementarity

Support with regards to animal welfare will be provided for the broiler sector, through the programming of an environmental, climate-related and other management commitment scheme. This intervention aims to reduce stocking density of broilers on the farm thus improving the well-being of broilers. The aim is to reduce stocking density below the baseline set out in Legal Notice 441 of 2010 which establishes that any breeding space should not exceed the baseline of 33kg per square meter (kg/m²). The aim of this intervention is to increase the space per bird, with the stocking density dropping below the baseline, down to not more than 28.6kg/m², resulting also in enhanced ventilation.

Farmers benefitting from this scheme will be required to commence slaughter on the 35th day, rather than on the 38th day. Reducing stocking density will therefore reduce the level of stress and discomfort experienced by the bird, therefore improving their welfare. High stocking density in many cases results in increases in dermatitis, skin lesions, scratches, deteriorated feather cover and increased diseases. In this respect, reducing stocking density will aim to mitigate such impacts.

From an environmental perspective, this scheme will reduce the quantity of manure generated, reduce the amount of waste, with less gases and fuel usage required for it to be disposed of. Moreover, the amount of feed consumed by broilers will be considerably reduced as the older the broilers get, the more feed they consume. The latter has been taken into consideration in the calculation of the support rate whilst the environmental benefit relating to reduced emissions from the livestock sector is being captured through indicator R.13.

The introduction of two additional animal welfare eco-schemes reflects the intensification of efforts towards improved animal welfare practices in Malta. This is the first time that animal welfare related eco-schemes are being supported under the EAGF thereby introducing new types of interventions for direct payments in line with Title III, Chapter II of Regulation (EU) 2021/2115. In view of this, their introduction represents a strategic change of the CSP with a stronger intensification of animal welfare actions. One of the schemes shall target increased living space of sheep and goats to improve their health

and overall welfare and wellbeing by proposing housing conditions of 1.8 sqm per head allowance as opposed to 1.5 sqm which are the current housing conditions. The scheme will offer financial compensation to farmers for income forgone from the reduced headcount as a result of reducing stocking density for goat and sheep. Similarly, the animal welfare eco-scheme targeting dairy cows is being introduced in view of Malta having the second-highest livestock density in the European Union at 3.3 LSU/ ha and the highest grazing livestock density at 2.5 LSU/ha of fodder area in 2020 with the cattle industry comprising the biggest chunk of livestock population at 33.9%. The scheme will propose better housing conditions with enhanced stocking density of 9 sqm per bovine head. The scheme will offer financial compensation to farmers for income forgone as a result of the improved stocking density for cattle.

These animal welfare eco schemes will enhance the well-being of farm animals by giving them further room and shelter and allowing them to roam around in the extended available space. The living conditions, inclusive of available space for indoor livestock influence heavily the stress levels, disease resistance and immune systems, as well as production per head. Hence improving a key factor which involves better housing conditions for animals will enable better wellbeing for the animals through increased living space.

Complementary measures contributing towards Article 6(1) (i) in the CAP SP may include amongst others investments contributing to the enhancement of an electronic veterinary prescription system to enable the collection and monitoring of data, on the sales and use of antimicrobials (even from the electronic veterinary prescription). The data can be used to calculate the antimicrobial consumption and correlate this with trends in the development of antimicrobial resistance. The information will assist the relevant Departments in the implementation of the Anti-Microbial Resistance Strategy in Malta[1]. Support may also include upgrades to the NV laboratory, and assistance to farmers in the setting up of the Animal Health Control Programmes, in line with the *Strategy and Action Plan for the Prevention and Containment of Antimicrobial Resistance in Malta (2020 – 2028).*

Other complementary interventions may include on-farm productive investments related to precision livestock farming aimed at supporting on-site treatment of livestock waste. Additionally, on-farm productive investments can also support the upgrade of farms with regards to animal welfare standards exceeding baseline legislation, such as new/upgraded animal housing, new or upgrades to feeding systems and new/enhanced animal handling facilities. Such investments, apart from addressing animal welfare by reducing stress and improving ventilation and/or comfort, may result in reduced need for antimicrobial treatment. Training and advisory services supporting issues on enhancing the protection of biodiversity, animal welfare and antimicrobial resistance are also envisaged as part of knowledge exchange and dissemination of information.

In the area of welfare in the pig sector, Malta is already complementing regulatory actions with initiatives to improve welfare through housing conditions at national level and will continue to keep further possibilities under consideration.

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

[1] Ministry for Health & Ministry for Agriculture, Fisheries and Animal Rights, 'A Strategy and Action Plan for the Prevention and Containment of Antimicrobial Resistance in Malta (2020-2028), https://deputyprimeminister.gov.mt/en/nac/Documents/AMR%20Strategy%20Final%20Jul%202020.pdf

3.9 Simplification and reducing the administrative burden

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

Measures planned include:

- A range of simplified cost options will be used in order to streamline application and procurement processes, and for beneficiaries who have been awarded grants, to reduce the time between payment claim submission and actual payment;
- A simpler application process is planned with applications submitted available also online aiming to attract more beneficiaries;
- A special fast-track process will be introduced for small investments under €50,000, requiring a simpler justification and speeding up funding decisions;
- The Malta AGRICONNECT service will provide promotion and facilitation to assist applicants to access CAP interventions under both funds where the farmer is the primary intended recipient;
- Use of digital tools for monitoring and control purposes, such as mobile apps;
- Under EAFRD, it is acknowledged that from project design to project implementations, needs for project changes, which do not alter the original scope of the project and award, will invariably materialise. In view of this, the MA will ensure that a dedicated process will be in place to see to and consider for approval changes that are of certain significance. The MA may also allow, for changes that impact a capping contained in the original grant agreement, flexibility under which the beneficiary is not obliged to seek a formal approval for such change, subject that the change in project items and budgets remain within the eligible costs of the measure and project;
- The MA shall also see that requests and submissions of project progress reports, project closure reports and also project change requests will be made possible over a dedicated IT platform, rather than through WORD doc. submissions;
- A more streamlined list of selection criteria, when compared to the 14-20 period.

With respect to the requirements in Article 66(1)(b) of Regulation (EU) 2021/2116[1] covering the need to have geo-spatial application system (GSAA) in place as part of Integrated Administration and Control System (IACS), Malta would like to note that the GSAA is already in place. All the maximum eligible areas for each scheme and interventions are derived spatially from the Crop Plan data which is also in sync with the LPIS. Each year farmers receive pre-printed documentation and farmers can submit the application electronically online through IACS by a simplified process of Click and Confirm. Farmers can view their crop plan information from the mobile application BiedjaCam and propose changes the crop information.

With respect to the Area Monitoring System (AMS), MT's characteristics makes the use of Open Data such as Sentinel not usable. Despite this challenge, commercial satellites are used for the current operational CbM system. In 2020 a pilot project was carried out to automatically detect agricultural activities like ploughing in an attempt to extend the CbM and in preparation for the AMS system. The results obtained however were not satisfactory and of equivalent quality to the observations detected during the LPIS annual refresh exercise. Recent developments have also been made in the HHR satellite image domain, specifically with constellation operating on daily basis with a capability of eight spectral bands. The 2020 pilot project will be revisited with the attempt of achieving reliable results. If these algorithms will not be set up completely by 2023, MT will be using the LPIS update as a method for the AMS of the BISS and ANC.

The other ES and interventions will be monitored through the BiedjaCam application.

With reference to the Land Parcel Identification System (LPIS) updates, each year, following the aid application (approx. in May) the LPIS is updated on the basis of current year VHR satellite images which are procured from National funds. The updates include the updating of landcover through remote sensing and where necessary Rapid Field Visits are conducted. The duration is of 5 months 2 weeks and all updates are reflected and all area claimed by the beneficiary for each scheme are affected for the same campaign. E.g, if a farmer declared a parcel as Arable land and through the LPIS updates, it results that minimum requirement for agricultural activities were not conducted by the farmer, the landcover classification is updated from Arable land to a specific ineligible code No Minimum Agricultural Activity.

With respect to Article 67(6), farmers already have access to their data through a secured mobile application BiedjaCam:

https://play.google.com/store/apps/details?id=mt.gov.biedjacam

https://apps.apple.com/us/app/biedjacam/id1441399672

This app, amongst other functionalities, allow farmers to:

• View their parcels
• View their past and current aid applications + payments and also view control reports where necessary
• Receive and reply to notifications sent by ARPA
• Compile and manage crop plan information
• Submit a claim for storm damages

Subrogation requests, namely payments to assignees, can be made by beneficiaries receiving support through Pillar 2 non-IACS interventions, and approved at the discretion of the respective CAP funding authorities.
Subrogation is optional for beneficiaries and when the beneficiary adopts subrogation to an assignee, the following shall apply:
· Payments by the Paying Agency to the assignee are subject to the payment by the beneficiary of his/her own private contribution to the project costs, where applicable;
· No delay for payments can be imposed by the assignee to the Paying Agency;
· In case of financial corrections to the assignee (following controls), the latter can only claim the corresponding payment reduction to the beneficiary, and not to the Paying Agency.

[1] Regulation (EU) 2021/2116 of the European Parliament and of the Council of 2 December 2021 on the financing, management and monitoring of the common agricultural policy and repealing Regulation (EU) No 1306/2013.

3.10 Conditionality

3.10.1 Main issue: Climate change (mitigation of and adaptation to)

3.10.1.1 GAEC 1: Maintenance of permanent grassland based on a ratio of permanent grassland in relation to agricultural area

3.10.1.1.1 Summary of the farm obligation (e.g. prior authorisation system and reconversion obligation)

This standard is considered not to be relevant to the national context.

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

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

3.10.1.1.3 Value of the reference ratio (including calculation method)

Not Applicable.

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

Not Applicable.

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

Not Applicable.

3.10.1.2 GAEC 2: Protection of wetland and peatland

3.10.1.2.1 Summary of the on-farm practice

Farmers shall be prohibited from:

1.Damaging wetlands caused by agricultural activities;
2.Converting wetlands;
3.Carrying out activities such as hunting, littering and allowing sewage overflow in wetland areas;
4.Damage wetlands as a result tilling of the land;
5.Drainage of wetlands.

3.10.1.2.2 Year of application of the GAEC

Please select year: **2023**

Justification

There is no peatland in Malta. All wetlands in all eligible agricultural land in Malta are protected under this GAEC.

3.10.1.2.3 Territorial scope and area designated

Simar, Salini, il-Ballut and il-Magħluq sites

3.10.1.2.4 Type of farmers concerned

Active Farmers who cultivate the land and apply for funds under IACS interventions of the CAP SP.

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

This GAEC will aim to ensure the continued protection of the designated wetlands in Malta.

3.10.1.3 GAEC 3: Ban on burning arable stubble, except for plant health reasons

3.10.1.3.1 Summary of the on-farm practice

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

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

In those cases where harvested vegetable residues are collected in a heap and need to be destroyed for the prevention of transmissible plant diseases, this should be done in a limited area of the field, not exceeding 10m^2.

3.10.1.3.2 Territorial scope

This measure will apply to the entire territory of Malta.

3.10.1.3.3 Type of farmers concerned

All active farmers having arable land.

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

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

3.10.2 Main issue: Water

3.10.2.1 GAEC 4: Establishment of buffer strips along water courses

3.10.2.1.1 Summary of the on-farm practice

National legislation and standards in Malta protect natural watercourses and streams.

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

Farmers must comply with the storage and distance requirements listed in Annex IV and Annex V of Malta's National Action Plan for the Sustainable Use of Pesticides 2019-2023.

Organic and Synthetic fertilizer must not be applied:
·Directly or indirectly incorporated to water streams, valleys, ponds or any natural water courses
·Within a minimum distance of 5m from natural watercourses
·Within 5m from springs, galleries, gallery shafts, boreholes and karst features
·Within 30m of any borehole used for public water supply
·Within 100m from the coast
·To any type of natural water courses

Plant Protection Products applications should respect the following:
·Should not be applied on any type of water streams, ponds, or any natural water courses
·Should not be applied to a minimum distance of 5 meters from passages of natural water, streams, boreholes, and cracks in rocks
·Should not be applied to a minimum distance of 30 meters from boreholes used for the provisions of water to the public
·Should not be applied to a minimum of 30 meters from the coast

3.10.2.1.2 Minimal width of buffer strips (in m)

3.10.2.1.3 Territorial scope, including water courses definition

This measure will apply to the entire territory of Malta.

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

3.10.2.1.4 Type of farmers concerned

All active farmers having arable along watercourses.

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

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

3.10.3 Main issue: soil(protection and quality)

3.10.3.1 GAEC 5: Tillage management, reducing the risk of soil degradation and erosion, including consideration of the slope gradient

3.10.3.1.1 Summary of the on-farm practice

Rubble walls or 'dry' stone walls are used to retain soil in terraced agricultural holdings. These rubble walls help maintain soil quality, support conditions required for soil formation, allow crop cultivation and provide shelter for various species, whilst also serving as green corridors for Maltese biodiversity. The Subsidiary Legislation on the Conservation and Management of Rubble Walls and Rural Structures (https://legislation.mt/eli/sl/552.1/eng/pdf) provides regulations on the nature of rubble walls and may declare certain areas as rubble wall conservation areas. Loss of topsoil must be prevented, retaining rubble walls, contour ploughing and conservation tillage (State of the Environment Report 2018, Chapter 4: Land and Coast https://era.org.mt/wp-content/uploads/2019/05/Chapter4_LandCoast_26Nov2018.pdf).

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

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

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

3.10.3.1.2 Territorial scope (including erosion risks areas and the slope gradient)

This measure will apply to the entire territory of Malta.

3.10.3.1.3 Type of farmers concerned

All active farmers having arable land.

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

The aim of this GAEC standard is to avoid soil degradation and erosion.

3.10.3.2 GAEC 6: Minimum soil cover to avoid bare soils in period(s) that are most sensitive

3.10.3.2.1 Summary of the on-farm practice (including the period concerned)

The most sensitive period to soil erosion in Malta is between the 1st of November and the end of December. This is a result of two main elements: these two months on average account for most of the precipitation in the Maltese Islands; and during these months the soil would already have a higher water content than when compared to the summer months, meaning that soil's capacity to absorb water is at its lowest during these months. This combination increases the possibility of soil erosion due to flooding. Spontaneous vegetation during these months will effectively grow/be present in at least 80% of the arable

land of the holding, which vegetation offer an effective soil cover, increase aggregate strength, and water stability in a way that is deemed sufficient to prevent soil erosion.

To this end farmers who do not have a crop being cultivated during these months must:

1. Leave the plant residue and/or stubble on 80% of arable land of each holding to serve as a cover

Or

2.Leave spontaneous vegetation during these months on at least 80% of the arable land of each holding to serve as cover, weeds during these months can only be controlled with a mower/ grass cutter. Weeds removed during this period shall be retained as mulch.

And

3. Do not till or disturb the land during these months.

In the case of permanent crops, farmers must:

1.Leave the plant residue of temporary crops on 50% of permanent crops of each holding to serve as a cover.

Or

2. Leave spontaneous vegetation during these months on at least 50% of the permanent crops of each holding to serve as cover, weeds during these months can only be controlled with a mower/ grass cutter. Weeds removed during this period shall be retained as mulch.

And

3.Do not till or disturb the land during these months.

3.10.3.2.2 Territorial scope

This measure will apply to agricultural holdings with arable land and permanent crops in the entire territory of Malta.

3.10.3.2.3 Type of farmers concerned

All active farmers.

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

The aim of this GAEC standard is to maintain surface coverage to serve as protection against soil erosion by excessive rainfall.

3.10.3.3 GAEC 7: Crop rotation in arable land except for crops grown under water

3.10.3.3.1 Summary of the on-farm practice for crop rotation

Farmers with holdings consisting of up to 10ha of arable land are exempted from the obligations for this GAEC. Farmers who are not exempted shall satisfy this GAEC through crop rotation or crop diversification.

Farmers opting for Crop rotation:

Farmers managing holdings of over 10ha of arable land must each year in their geo-spatial application declare their primary crop and secondary crop for that claim year (where applicable), which crops each year must belong to a different botanical family than the primary and/or secondary crop of the previous year (as applicable but the primary crop must be different compared to the previous year). Crop rotation shall be based on parcel level and shall be carried out on all parcels. This is applicable for each parcel with arable land unless that parcel is being cultivated with multiannual crops, grasses, and other herbaceous forage, or is left fallow. In cases where the farmer opts for a secondary crop, he/she must maintain this crop for at least 12 weeks.

To this end:

·Farmers with more than 10 ha of arable land must carry out crop rotation

·Crop rotation implies following the alternation between family of crops, the following are some examples of such cycles (further examples may be added as approved by the Paying Agency):

Cycle	Plant Families			
1	Convolvulaceae	Asteraceae/Compositae	Rosaceae	Umbelliferae
2	Brassicas	Fabaceae	Cucurbitaceae	Poaceae/Gramineae
3	Solanaceae	Chenopodiaceae	Malvaceae	Convolvulaceae
4	Poaceae/Gramineae	Fabaceae	Asteraceae/Compositae	Umbelliferae
5	Rosaceae	Solanaceae	Amaryllidaceae	Poaceae/Gramineae
6	Solanaceae	Fallow	Fabaceae	Brassicas
7	Chenopodiaceae	Plumbaginaceae	Umbelliferae	Cucurbitaceae
8	Poaceae/Gramineae	Fallow	Cucurbitaceae	Fabaceae
9	Brassicas	Fabaceae	Chenopodiaceae	Amaryllidaceae
10	Poaceae/Gramineae	Rosaceae	Cucurbitaceae	Amaryllidaceae
11	Plumbaginaceae	Fabaceae	Poaceae/Gramineae	Malvaceae
12	Solanaceae	Umbelliferae	Fabaceae	Cucurbitaceae

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

3.10.3.3.2 Summary of the farm practice for crop diversification

As from CY 2024, farmers managing holdings of over 10 hectares shall satisfy the requirements of GAEC 7 through crop diversification subject to the following conditions:

- where the size of arable land of a holding is over 10 hectares and up to 30 hectares, crop diversification shall consist in cultivation of arable land of a holding with at least two different crops. The main crop shall not cover more than 75 % of that arable land.

- where the size of arable land of a holding is more than 30 hectares, crop diversification shall consist in cultivation of arable land of a holding with at least three different crops on that arable land. The main crop shall not cover more than 75 % of that arable land and the two main crops together shall not cover more than 95 % of that arable land.

3.10.3.3.3 Territorial scope

This GAEC will apply to agricultural holdings with 10ha of arable land or more in the entire territory of Malta.

3.10.3.3.4 Type of farmers concerned

☐All farmers who have at their disposal arable land (no exemption)

☑Exemptions that apply

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

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

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

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

3.10.4.1 GAEC 8: Retention of landscape features.Ban on cutting hedges and trees during the bird breeding and rearing season.As an option, measures for avoiding invasive plant species

3.10.4.1.1 Summary of the in-farm practice

Standard of minimum share:

☐At least 4% of arable land at farm level devoted to non-productive areas and features, including land lying fallow.

☐At least 3% of arable land at farm level devoted to non-productive areas and features, including land lying fallow when the farmer commits to at least 7% of arable land devoted to non-productive areas and features, including land lying fallow, under an enhanced eco-scheme in accordance with Article 31(5a).

☐At least 7% of arable land at farm level devoted to non-productive areas and features, including land lying fallow, and catch crops and nitrogen fixing crops, cultivated without the use of plant protection products, of which 3% shall be non-productive areas and features, including land lying fallow. Member States should use the weighting factor of 0,3 for catch crops.

List of features (Indicative list of features and non-productive areas eligible for calculating the minimum share)

☐Buffer strips

☐Cairns

☐cultural features

☐Ditches

☐Fiels margins, patches or parcelsbuffer strips

☐Hedgerows individual or group of treestrees rows

☐Land Lying fallow

☑Others

Explanation

For the retention of landscape features, all farmers must protect all landscape features on their holdings under GAEC 8. There should be no destruction or deposition of soil or dumping of sub layer material on garrigue, ditches, ponds or any other type of habitat lying within the perimeter of the holdings.

☑Small ponds

Explanation

[object Object]

☑Small wetlands

Explanation

[object Object]

☑Stonewalls
Explanation

[object Object]

☑Streams
Explanation

[object Object]

☑Terraces
Explanation

[object Object]

List of features (for retention)
- Buffer strips
- Ditches
- Fiels margins, patches or parcelsbuffer strips
- Hedgerows individual or group of treestrees rows
- Others
- Small wetlands
- Stonewalls
- cultural features

Ban on cutting hedges and trees during the bird breeding and rearing season (mandatory)

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

Protected trees listed in the Schedule I, II, III of LN 200 of 2011 should not be uprooted except when authorised by a permit from the national Competent Authority responsible for the Environment that is the Environment and Resources Authority (ERA).

Measures for avoiding invasive plant species

There must be no evidence of spreading of alien tree species (Second Schedule: SL 549.123: Coastal Wattle, Blue Leaved Wattle, Blue Leaved Acacia, Weeping Wattle, Karroo Thorn, Sweet Thorn, Tree of Heaven, False Sumach, Japanese Varnish Tree, Australian Pine Tree, She-Oak, Red Gum, Red River Gum, Tuart, Lead Tree, White Popinac, Cow Tamarind, Tree Tobacco, Mustard Tree, Shrubby Putterlick, Japanese Mock Orange, Castor Oil Tree, Brazilian Pepper).

There must be no evidence of damage to protected trees listed in the First Schedule of SL 549.123 (unless permitted by the Competent Authority (Environment and Resources Authority).

There must be no evidence of dangerous, harmful, combustible or explosive substances waste and scrap near any protected tree or any protected area unless the activity is duly authorised by the Competent Authority (Environment and Resources Authority).

Protected trees listed in the Schedule I, II, III of LN 200 of 2011 should not be uprooted except when authorised by a permit from the national Competent Authority.

3.10.4.1.2 Territorial scope (applicable for the "minimum share" standard)

N/A

3.10.4.1.3 Type of farmers concerned

☐All farmers who have at their disposal arable land (no exemption)

☑Exemptions that apply

☐Non Applicable

With a size of arable land up to 10 hectares (footenote 5 of annex III, point (1)(c))

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

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

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

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

3.10.4.2.1 Summary of the on-farm practice

This standard is considered not to be relevant to the national context.

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

3.10.4.2.2 Territorial scope

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

3.10.4.2.3 Type of farmers concerned

Not Applicable.

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

Not Applicable.

3.10.5 Additional GAEC (if applicable)

Code	Title	Description
GAEC10	Additional GAEC	Not Applicable.

4 Elements common to several interventions

4.1 Definition and minimum requirements

4.1.1 Agricultural activity

4.1.1.1 Definition of production

'agricultural activity' means the:
(i) production, rearing or growing of agricultural products, including harvesting, milking, breeding animals, and keeping animals for farming purposes, where agricultural products refer to those listed in Annex I to the TFEU with the exception of fishery products, as well as cotton and short rotation coppice,
(ii) maintaining of an agricultural area in a state which makes it suitable for grazing or cultivation without preparatory action going beyond usual agricultural methods and machineries, or;
(iii) carrying out a minimum activity; this refers to the general maintenance of the land that keeps it suitable for cultivation. Such activity must at least consist of tilling the land at least once a year and if trees are present on the holding these must be maintained in a good agricultural condition.

Livestock Farmers
Means a natural or legal person, or groups of natural or legal persons, engaged in at least a minimum level of agricultural activity, as defined in section *4.1.1.1 Definition of production*.

Livestock farmers must have their farming activity registered with the Veterinary Regulation Directorate, and must have at least a minimum production of:

- 3 heads if operating in the beef sector
- 20 heads if operating in the sheep sector
- 1 head if operating in the dairy sector

4.1.1.2 Definition of maintenance of agricultural area

4.1.1.2.1 Maintenance criteria in arable land

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

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

Land Farmers
Means a natural or legal person, or groups of natural or legal persons, engaged in at least a minimum level of agricultural activity, as defined in section *4.1.1.2 Definition of maintenance*.

Land farmers must have their land registered with the Agriculture Directorate in line with Subsidiary Legislation 549.66, and must carry out minimum maintenance on at least 0.1124 hectares of eligible land.

4.1.1.2.2 Maintenance criteria in permanent crops

'**permanent crops**' means the non-rotational crops other than permanent grassland and permanent pasture

that occupy the land for five years or more, which yield repeated harvests, including nurseries and short rotation coppice.

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

4.1.1.2.3 Maintenance criteria in permanent grassland

N/A

4.1.2 Agricultural area

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

4.1.2.1.1 Elements of agroforestry systems in arable land

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

'agricultural activity' means the:

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

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

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

Agroforestry system:

Land use systems where trees are grown in combination with agriculture on the same land.

Parcels under agroforestry: a parcel not smaller than 0.1124ha on which agroforestry actions provided in this scheme shall take place with planting density of at least 400 trees per Ha, with a view of having the whole parcel planted with trees. Trees planted must be as listed in the first schedule of S.L. 549.123 for planting.

4.1.2.1.2 Elements of agroforestry systems in permanent crops

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

4.1.2.1.3 Elements of agroforestry systems in permanent grassland

Not Applicable

4.1.2.2 Arable land

4.1.2.2.1 Other comments relating to the definition of arable land

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

4.1.2.3 Permanent crops

4.1.2.3.1 Definition of nurseries

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

4.1.2.3.2 Definition of Short Rotation Coppice

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

4.1.2.3.3 Other comments relating to the definition of permanent crops

Short rotation coppice is not grown in Malta.

4.1.2.4 Permanent grassland

4.1.2.4.1 Definition of grasses and other herbaceous forage

N/A in the case of Malta given that there is no permanent grassland.

4.1.2.4.2 Decision to use 'ploughing' criterion in relation to permanent grassland classification : **No**

4.1.2.4.3 Decision to use 'tilling' criterion in relation to permanent grassland classification : **No**

4.1.2.4.4 Decision to use 'reseeding with different types of grasses' criterion in relation to permanent grassland classification : **No**

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

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

Decision regarding the inclusion of other species, such as shrubs and/or trees, which could be grazed and/or which produce animal feed, where grasses and other herbaceous forage are traditionally not predominant or are absent in grazing areas : **No**

a) In case of affirmative, applicable to all MS/region? : **No**

b) in case of negative reply to question a), applicable only to land which forms part of established local practices? : **No**

c) in case of negative reply to question a), not limited to or applicable to other areas than established local practices? : **No**

4.1.2.4.9 Other comments relating to the definition of permanent grassland

N/A

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

N/A

4.1.3 Eligible hectare

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

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

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

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

For land at disposal, registered parcels will be required to provide documentary evidence of their legal title of the land in question for verification purposes.

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

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

4.1.3.4 Decision to include areas used for agricultural activity only every second year

: **No**

4.1.3.5 Decision regarding the inclusion of other landscape features (those not protected under GAEC), provided that they are not predominant and do not significantly hamper the performance of an agricultural activity due to the area they occupy

: **No**

4.1.3.6 Decision as regards permanent grassland with scattered ineligible features, to apply fixed reduction coefficients to determine the area considered eligible

: **No**

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

: **No**

4.1.4 Active farmer

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

Means a natural or legal person, or groups of natural or legal persons, engaged in at least a minimum level of agricultural activity, as defined in section *4.1.1.1 Definition of production*.

Livestock Farmers must have their farming activity registered with the Veterinary Regulation Directorate, and must have at least a minimum production of:
-3 heads if operating in the beef sector
-20 heads if operating in the sheep sector
-1 head if operating in the diary sector

Since Malta's accession, the entire territory of the Maltese islands has been designated as a less favoured area/area with specific constraints. Hence, whilst Malta's intention is to exclude farmers (circa 1900 farmers which amount to 30% of potentially eligible applicants under ANC) from benefitting from income support, it does not want to exclude the same farmers from benefitting under ANC given that such farmers deliver great public value in terms of not increasing the rate of land abandonment, carrying out minimum maintenance (e.g. on trees and rubble walls that are habitats for important flora and fauna) and subject themselves to conditionality and thus more rigorous controls.

Moreover, the 0.1124 hectare threshold shall be excluding at least 1700 of registered farmers which amount for a further 13% of registered farmers. The number of animals has been set in line with provisions set for Coupled Income Support (CIS) interventions, which levels have been discussed and encouraged during bilateral talks with EC and had to be set in an ambitious enough manner to motivate smaller farms to increase their production efforts to those levels, with the aim of ensuring a more competitive and sustainable future for the sectors.

Land Farmers
Means a natural or legal person, or groups of natural or legal persons, engaged in at least a minimum level of agricultural activity, as defined in section *4.1.1.2 Definition of maintenance.*

Land farmers must have their land registered with the Agriculture Directorate in line with Subsidiary Legislation 549.66, and must carry out minimum maintenance on at least 0.1124 hectares of eligible land.

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

: **Yes**

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

4.1.4.3 Decision to set an amount of direct payments not higher than EUR 5 000 under which farmers shall in any event be considered as 'active farmers'

: **No**

4.1.5 Young farmer

4.1.5.1 Maximum age limit

Maximum age limit: **40**

4.1.5.2 Conditions for being 'head of the holding'

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

b. In case of a legal person, the young farmer must demonstrate that they are in control of the management of the legal person. The farmer must demonstrate that they possess more than 50% of shareholding and are also one of the directors. The young farmer must present evidence that they are heading the company such as the presentation of the Memorandum of Association (updated where relevant).

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

4.1.5.3 Appropriate training and/or skills required

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

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

4.1.5.4 Other comments relating to Young farmer definition

N/A

4.1.6 New farmer

4.1.6.1 Conditions for being 'head of the holding' for the first time

N/A

4.1.6.2 Appropriate training and skills required

N/A

4.1.7 Minimum requirements for receiving direct payments

4.1.7.1 Threshold

Threshold in ha: **0.3**
Threshold in EUR: **250**

4.1.7.2 Explanation

Farm payments remain necessary to ensure the viability and sustainability of farms. In an effort to foster agricultural activity, a minimum threshold of 0.3 of eligible hectares will apply to new entrants in line with the minimum requirements of Basic Income Support for Sustainability. This is deemed balanced in terms of the administrative costs involved for the farmer. This also serves to curb so-called sofa farmers who tend to utilise small areas of land for non-agricultural activities and thus do not provide additionality in terms of the use of EU funding and their contribution to the objectives of the CAP. Furthermore, where applicants would have less area, the administrative cost of processing such payments would outweigh any benefit delivered by such payments. The minimum requirement to receive direct payments therefore simplifies administration for both applicants and the Authorities, and ensures effective use of EU funding.

4.1.8 Other definitions used in the CAP Plan

Title	Description
Large-scale infrastructure:	Large-scale infrastructure[1] – constitutes an operation of infrastructure whereby the total eligible cost exceeds €15,000,000. In line with Article 73, such infrastructure shall be ineligible for funding unless it is part of community led local development strategies. Investments in broadband, renewable energy and flood and coastal protection including those aimed at reducing the consequences of natural disasters, adverse climatic events or catastrophic events, shall be exempt from this provision. [1] Required in view of Article 73, para 3 (f).

4.2 Element related to Direct Payments

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

4.2.1.1 Entitlements

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

4.2.1.2 Territorialisation

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

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

4.2.1.3 System of internal convergence

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

4.2.1.4 Functioning of the reserve

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

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

Title of the category	Description	Rules	Priority

Rules on financial replenishment of the reserve

Rules on Payment Entitlements expiration and reversion to reserve

Other elements related to reserve

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

4.2.2 Reduction of direct payments

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

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

4.2.2.2 Subtraction of labour costs

Do you apply the subtraction of labour costs? : **No**

4.2.2.3 Estimated product of the reduction of direct payments and capping for each year

Claim year	2023	2024	2025	2026	2027	Explanations

Financial year	2024	2025	2026	2027	2028	
Total annual estimated product (EUR)	0	0	0	0	0	
- use for redistributive payment (EUR)	0	0	0	0	0	
- use for other Direct Payments interventions (EUR)	0	0	0	0	0	
- transfer to EAFRD (EUR)	0	0	0	0	0	

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

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

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

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

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

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

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

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

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

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

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

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

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

Article 73 of [SPR] Investments
Apply threshold : **No**

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

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

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

4.2.4 Contribution to risk management tools

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

What is the percentage?

Main elements

4.3 Technical Assistance

4.3.1 Objectives

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

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

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

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

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

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

b. Simplification of administrative work;

c. Improving selection procedures;

d. Enhancement of the IT systems;

e. Running of the National CAP Network/AgriConnect;

f. Ensuring quality reporting, monitoring and evaluation;

g. Management and implementation of information, promotion and publicity;

h. Supporting the operation of the Monitoring Committee;

i. Reimbursement of costs related to conference and other events;

j. Reimbursement of travel-related costs;

k. Development of plans, studies (including related to simplification and financial mechanisms) and roll-out of awareness actions; and

l. Re-programming of the CAP Strategic Plan and programming of CAP Strategic Plan or equivalent,

post-2027.

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

4.3.2 Scope and indicative planning of activities

1.Malta will be allocating [€3,171,521.10] for Technical Assistance amounting to 4% of the total EAFRD Union contribution to the CAP Strategic Plan pursuant to Article 94 (1) of Regulation (EU) No. 2021/2115.[1]

2.Reimbursement of Technical Assistance shall take the form of flat-rate financing with a contribution rate of 4%[2] of the total expenditure declared.

3.Eligibility of expenditure shall be in line with Article 86, paragraph 1, of the CAP SP Regulation.

4.As a general rule, activities financed by Technical Assistance shall be implemented within/for the direct benefit of the eligible territory, that is, the whole territory of the Republic of Malta.

5.Eligible expenditure must reflect the goods and/or services and/or works procured, as per contract, and delivered to the beneficiary's satisfaction through the presentation of invoices and relevant supporting documentation.

6.The following is a non-exhaustive list of activities eligible for Technical Assistance, which may be adapted by the Managing Authority as required:

7.Preparation and programming; which will comprise of the following activities:

8.Support of activities in relation to the preparation, programming, modifications, financial forecasts and management of the CAP Strategic Plan;

9.Training of the personnel involved in the operation of the Strategic Plan, including travel abroad;

10.Development and support of the Local Action Groups (LAGs);

11.Training of the personnel engaged with LAGs responsible for animation, including travel abroad;

12.Travel costs for EAFRD Managing Authority and Paying Agency personnel to attend EU-level committee meetings, seminars, information sessions, bilateral meetings, and other meetings and events as necessary, to ensure the continued successful implementation of the Plan;

13.Reimbursement of wages of the Managing Authority for EAFRD and the Agriculture and Rural Payments Agency.

14.Technical, administrative and managerial support; in order to ensure constant and appropriate support to the activities and phases linked to the CAP Strategic Plan, in terms of preparation, programming, financial execution and budgeting of the various measures within the Plan. It will comprise of:

15.Support of activities and personnel involved in the programming, implementation, monitoring and evaluation.

16.Monitoring and Evaluation; which will comprise of the following activities:

17.Support the evaluation of the CAP Strategic Plan, including: the assessment of needs as set out in Article 140; annual performance reports referred to in Article 134, including follow-up actions on Commission's observations on the said reports; support the ex-ante evaluation referred in Article 139; and support the evaluation plan referred to in Article 140;

18.The information and reports presented to the Monitoring Committee, Annual reports and associated documents and the logistics related to the meetings held;

19.Training of personnel involved in evaluation.

20.Information and Communication, in order to disseminate information on the CAP Strategic Plan objectives to potential beneficiaries but also to the general public. Pursuant to Article 90 of Regulation (EU) No. 2021/2116, it is the responsibility of the Managing Authority to ensure the publicity of the CAP Strategic Plan by informing potential beneficiaries, professional organisations, and the general public amongst others. It will comprise of:

21.Publicity, information and communication activities pertaining to the CAP Strategic Plan, targeting potential stakeholders, private and public entities on a local or national basis, on methodologies and

implementation process thereby catering for a transparent process;

22.Diffusion of information on the evaluation, call for proposals and selection activities, etc.;

23.Initiatives and activities identified as part of the communication strategy.

24.Control Systems; which will comprise of the following activities:

25.Provision of services to external controllers having the necessary competences to sustain and assist the Paying Agency (competent authorities) in all levels of controls/checks;

26.Provision of services to external controllers having the necessary competences to sustain and assist the Managing Authority (competent authorities) in all levels of controls/checks. The expenditure in this area can vary and can be of a tangible or intangible nature. It may include consultation services, purchase of hardware, software and wages of contracted personnel.

27.National CAP Network as set out in Article 126 of Regulation (EU) No. 2021/2115; which will comprise of the following activities:

28.Costs related to the setting up of the National CAP Network;

29.Dissemination of information, publicity and communication actions

30.Organisation of networking events, training, knowledge transfer, and information session.

31.Travel related costs to facilitate exchanges between stakeholders, including relevant exchanges with networks in third countries, and activities of the European CAP Network.

32.The categories of expenditure eligible for Technical Assistance are the following:

- Expenditure relating to the preparation of the Plan, selection, appraisal, management and monitoring of actions;
- Expenditure related to audits and on the spot checks of actions or projects;
- Expenditure relating to evaluations of actions or projects;
- Expenditure relating to information, dissemination and transparency in relation to actions;
- Expenditure on the acquisition, installation and maintenance of computerised systems for the management, monitoring and evaluation of the EAFRD;
- Expenditure on meetings of monitoring committees and sub-committees relating to the implementation of actions. This expenditure may also include the costs of experts and other participants in these committees, where their presence is essential to the effective implementation of actions;
- Expenditure for the reinforcement of the administrative capacity for the implementation of the EAFRD;
- Any other exigencies that may arise and are necessary for the implementation of the CAP SP.
- The administrative burden on beneficiaries will be reduced, including through continuous improvement of the IT system which is the main interface between the MA and the beneficiaries. This includes the rolling out of an online application system and the possibility for the beneficiaries to submit documentation requested during the implementation phase such as change requests to existing CSP projects. Project Progress Reports and Project Closure Reports are also being converged towards an online platform which will reduce the burden on the beneficiary as well as the administration.

Subrogation requests, namely payments to assignees, can be made by beneficiaries receiving support through this intervention, at the discretion of the respective CAP funding authorities.

[1] According to the CAP SP proposal, the EAFRD contribution may be increased to 6% for CAP Strategic Plans where the total amount of Union support for rural development is up to EUR 1.1 billion.

[2]Article 125(1)(e) of Regulation (EU) 2018/1046 states that " Union contributions under direct, shared and indirect management shall help achieve a Union policy objective and the results specified and may take any of the following forms: […] flat-rate financing, which covers specific categories of eligible costs, which are clearly identified in advance, by applying a percentage; Last sentence of the last sub-paragraph of Article 94 of Regulation (EU) No. 2021/2115, "This flat-rate shall represent the percentage set in the

CAP Strategic Plan for technical assistance of the total expenditure declared.

4.3.3 Beneficiaries

Eligible beneficiaries are those (primarily, horizontal) stakeholders involved in the preparation, implementation and closure of the CAP Strategic Plan.

The following are the beneficiaries eligible for support:

1.
    1. The Managing Authority for the CAP Strategic Plan;
    2. The Agriculture and Rural Payments Agency (the Paying Agency);
    3. Other relevant bodies in charge of the implementation of the CAP SP;
    4. Other relevant body or bodies in charge of the implementation of the National CAP Network;
    5. Other beneficiaries to whom the Managing Authority or ARPA delegate tasks related to the implementation of the Plan;
    6. The AKIS Coordination Structure;
    7. Other public bodies responsible for preparation of the next CAP support programming period, including tasks subcontracted by these.

The list of beneficiaries above is not exhaustive. Other beneficiaries may be supported as necessary to support actions which are necessary for the effective administration and implementation of the CAP Strategic Plan.

In those cases where the Managing Authority decides to subcontract work to third parties (such as evaluators, legal, financial and technical experts), whether these are public or private entities, both European and national procurement rules will be followed, as applicable. Beneficiaries shall be responsible for ensuring that the activities undertaken by them are in line with the relevant rules and regulations, including public procurement regulations.

Pursuant to Article 125(3) of Regulation (EU) No. 2021/2115, certification bodies in the meaning of Article 12 of Regulation (EU) [HzR] will not be financed through technical assistance.

4.3.4 Rate

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

4.4 CAP Network

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

Pursuant to Article 126 (1) of the CAP SP regulation, a National Common Agricultural Policy Network (hereinafter referred to as 'Malta's CAP Network') shall be set up within twelve (12) months after the approval of this Strategic Plan by the Managing Authority.

The newly formed Malta's CAP Network will replace the current National Rural Network for Malta (NRNM) that was active throughout the 2014-2020 programming period. An indicative budget of €200,000 will be allocated to this Network, that will be financed through Technical Assistance. This amount is comparable to the allocation for the NRN during the 2014-2020 period.

In line with Article 126 (4) of Regulation (EU) No 2021/2115, the Network's basic description of activities are:

·Bringing together and engaging with rural stakeholders;
·Developing and enhancing channels of communication through information activities;
·Supporting the dialogue between rural stakeholders on key issues of common concern directly linked to CAP SP;
·Collecting, analysing, disseminating and exchanging experiences, know-how and good practices amongst rural stakeholders of both Pillars of the CAP;
·Encouraging and enhancing bottom-up initiatives by targeted groups of relevant stakeholders;
·Maintain close contact with the European CAP Network in order strengthen relationships with other countries and the sharing of knowledge.

With regards to AKIS, 'Agri-Connect', which forms part of the Agricultural Directorate, is registered as a recognized Farm Advisory Service under S.L117.39 and serves to provide not only advisory services in line with the national and EU framework but also to serve as extension services, with a one stop shop in Ta' Qali, and branches in Mellieha, Qormi and Zabbar, thereby providing farmers with different points of contact around Malta.

The Agriculture Directorate also includes the Laboratory Services Unit and 'Agrihub'. 'Agri-connect' collaborates within a network with these units, ensuring that there is an efficient exchange of information from as well as to the farmer. The objective of these units is to request for soil analysis, understanding better crop diseases, provision of guidelines for best practices to target quality standards such as organic production as well as targeted crops and have this information at hand for farmers. The aim is therefore to serve as an effective reception, registry, research and information unit for farmers and hence provide targeted qualitative advice on best agronomic practices.

Within the Agriculture Directorate there is a consolidated set up whereby the policy and regulatory arms serve as the competent authority with regards to voluntary schemes, such as organic production and labelling and Product of National Quality Schemes (PQNS), in which producers and processors within the agronomic chain may opt to participate, to penetrate quality product markets with enhanced traceability systems.

The Agriculture Directorate also provides laboratory services to determine soil quality and fertility as well as provide the basis for the recommendations provided in, for example, soil management plans and fertilizer plans as required by the Nitrates action programme Regulations.

The Agri-research and innovation Centre (Agrihub) serves as the hub for research on innovative digital farming and sustainable farming management practices.

This Centre will seek to have a renewed focus on fostering innovation in agriculture and rural development and facilitate the involvement of relevant stakeholders in knowledge-exchange opportunities, including organising activities to incentivise individual EIP operational groups project ideas to be developed. The Centre will also endeavour to mobilise resources and facilitate, through existing set-ups but also through ad-hoc thematic groups aimed at facilitating the networking of relevant stakeholders such as researchers in the field. A renewed effort to ensure synergies amongst the stakeholders will ensure maximisation of available resources with a view of exchanging existing and new knowledge into the sector. Support for the development of grassroots innovative ideas will be available under the KNOW intervention of the CAP SP.

Through the Agri Hub Project, which has been funded through the previous CAP, a network has already been established that brought together academia, public sector, the private sector (including farmers and

advisors) and also international partners. This has laid the foundation for further collaboration and knowledge generation for the sector.

Several projects have been implemented as part of cooperation projects formed under the RDP 2014-2022 Programme focusing on:

1. AI Traps: The installation of AI, IOT probes to monitor the pest populations that influence the five major crops grown locally (tomatoes, potatoes, grapes, olives, and strawberries).
2. PPM: Pest prediction models – by utilising a variety of meteorological data inputs (such as temperature and humidity, amongst others) as well as applying expertise on pest population dynamics, pest prediction models are being developed to predict pest infestations thus safeguarding crop yields through precision farming (works in tandem with the IOT probes mentioned earlier).
3. AI Drone Technologies: Research on the application of drone technologies in agriculture – another step towards precision agriculture (that is still in the early days).
4. Siti for Farmer: The establishment of a holistic online platform for farmers to access data and information related to agriculture respective to their own plots. From here they can access:

a. Meteorological data from stations close to their plot

b. Pest capture rates

c. Crop plans

d. Fertilisation plans

e. Site maps of their plots

f. A farm management system

g. As well as other features still in development

5.Weather stations: There is also work being carried out towards establishing a national network of weather stations that collect Agri-Meteo data that will be very valuable in providing accurate weather data currently not available.

By opening in the new CAP 2023-2027 the EIP Operational Group intervention, innovation projects will be supported with a view to develop innovative methods aimed at improving the agricultural sector. Initiatives will also include networking and exchanges with other operational groups. Such actions will complement measures supported in previous years though other resources.

In line with Article 126(3) and (4), the main objective of Malta's CAP Network is to ensure an efficient exchange of information, good practices, experiences and ideas as well as enhancing communication flows between the various stakeholders, including support towards EIP.

The CAP network will link EIP Operational Groups with Horizon multi-actor projects, through very regular contact with the Horizon National Contact point in order to get OGs connected to running Horizon projects and involved in future Horizon projects. The network may further organise brokering events at the occasion of the publication of the annual Horizon work programme to connect OGs and AKIS actors to the researchers looking for OGs for collaboration in their Horizon 2020/Horizon Europe multi-actor consortia, etc.

4.4.2 Structure, governance and operation of the National CAP Network

The National CAP Network shall be composed of two separate entities that are distinct in nature but complement each other:

a. Network Support Unit (NSU): the NSU shall be composed of members of the Network Support Unit (NSU): the NSU shall be composed of members of the Agriculture Directorate, within the Ministry for Agriculture and shall act as the Secretariat to the National CAP Network. The NSU shall oversee the technical, administrative and organisational aspects of the Network;

b. National CAP Network: this stakeholder network shall be composed of various representatives from

different agricultural sectors (including both those under Pillar 1 and Pillar 2), representatives of other actors active in rural areas, Local Action Groups, advisors, researchers and public entities.

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

The Strategy and Implementation Division within the Ministry responsible for EU Funds, is responsible for the programming of the Agricultural funds (EAGF and EAFRD), Cohesion funds, funds under NextGen EU and Malta's RRF, amongst others. This centralized approach aims to ensure delineation in the types of activities supported under different funds already at programming stage as well as ensure coordination, demarcation and complementarities between different funds.

At implementation stage, coordination between funds falling within the remit of the CPR, the CAP Strategic Plan and relevant National funding instruments, will continue to be assured through the coordination mechanisms which have been set up during the previous programming periods. These coordination mechanisms will be maintained and, where necessary, optimized throughout the implementation of the Plan in order to facilitate synergies between the different programmes, while at the same time avoiding unnecessary duplication of effort. Without prejudice to Article 123 of the CAP SP Regulation, in terms of EAGF funds, ARPA shall be responsible for the entire cycle related to all Pillar I interventions, as well as administering the EAFRD IACS applications on behalf of the Managing Authority.

CAP SP investments shall complement efforts under Priority 2 of the ERDF/CF/JTF Programme and Component 1 of the RRP, by supporting investments in low carbon technology, green initiatives, biodiversity, waste, and water management in the agricultural sector, amongst others. Water management initiatives will complement interventions to strengthen the recycled wastewater distribution network in rural areas under the CAP SP. Actions implemented under the CAP SP will also complement, and aim to contribute towards Malta's circular economy that will also be targeted under the ERDF/CF/JTF Programme.

Priority 5 of the ERDF/CF/JTF Programme will focus on Gozo's urbanisation while complementary interventions in Gozo's rural and natural areas will primarily be supported under the CAP SP. Rural populations in Malta have access to similar services as those inhabiting urban areas, including access to jobs, broadband, medical and educational facilities.

Sector specific training and advice is envisaged under the CAP SP, including the promotion of research and training in agriculture and rural development, complementing actions for long term socio-economic integration and well-being supported through ESF+. Similar sector specific training and advice for fishers shall also be supported through the EMFAF Programme.

As outlined also in Malta's Partnership Agreement, the CAP SP has been mainly oriented towards agri-rural support and shall continue to build on the achievements of LEADER. Supported LAG operations shall be in line with the objectives of Malta's CAP SP and the respective Local Development Strategies, with the aim of strengthening the socio-economic fabric of rural areas through small-scale interventions that are specifically targeted towards the needs of the region. This will reinforce synergies with the EU Commission's Long-Term Vision for the EU's rural areas, providing rural communities with the opportunity to engage in cultural and social events, promote tourism and local agricultural produce and its origin, as well as possibilities for active participation in public and social life.

The CAP SP will contribute directly towards the European Green Deal, through the setting of national targets in relation to increasing landscape features, reducing nutrient losses and pesticide use, increasing land under organic farming and reducing the use of antimicrobials. The CAP SP is expected to

complement other initiatives aimed at reaching these targets. The CAP SP will also complement the aims of the Farm to Fork Strategy, accelerating the transition to a sustainable food system. Environment related interventions, including eco-schemes, area-based payments and non-productive investments and afforestation are all expected to contribute directly towards the protection of nature and reversing the degradation of ecosystems, putting biodiversity on a path to recovery.

4.6 Financial instruments

4.6.1 Description of the financial instrument

In an effort to address the challenges and barriers faced by young farmers, as outlined in the SWOT, efforts to increase the possibility for young farmers to access credit for the purchase of agricultural land remains important. In this regard, with the aim to support young farmers in increasing both entrepreneurial and investment activities, increasing and maintaining employment, as well as improving the sustainability of the sector, a financial instrument targeting the provision of a loan guarantee accessible to young farmers, to assist them in the purchase of agricultural land, was planned at programming stage.

An ex-ante assessment, in line with Article 58, paragraph 3 of Regulation 2021/1060, was carried out in relation to this planned financial instrument which however concluded that a financial instrument would be ineffective in bridging the gap between the high price of land and the financial capabilities of most agricultural operators, particularly young farmers, reducing the potential viability of a financial instrument aimed at supporting young farmers in land acquisition. The ex-ante assessment therefore concluded that the proposed financial instrument aimed at young farmers for the acquisition of land is not viable. In this respect, the financial instrument will not be implemented in view of the conclusions of the ex-ante assessment.

4.7 Common elements for Rural Development types of interventions

4.7.1 List of non eligible investments

With regards to investments in bee-boxes, Rural development will be limited to supporting the financing of new beehives/supers and trays as well as their replacement when these have come to an end of their useful lifespan.

On the other hand, Apiculture interventions will finance the acquisition of hive components such as beeswax foundation sheets, wireframes, etc., as well as their replacement when these have come to an end of their useful lifespan. These will be considered ineligible under Rural Development.

4.7.2 Definition of rural area and applicability

'rural areas' shall be defined as having:
- a population density that is lower than 5,000 persons per square kilometre;
- a minimum of 10% of the locality agricultural land; and
- a minimum 35% of the locality outside development zone (ODZ).

These criteria are in line with those adopted in previous programming periods.

The MA will identify the respective rural localities based on the above stipulated (Section 4.7.2) definition.

4.7.3 Additional elements common for Sectoral interventions, for rural development interventions, or common for both Sectoral and Rural Development interventions

In the case of farmers, they must be registered in the IACS Farmer Registry and the Nitrates Registry in order to be eligible. For activities outside Article 42 of the Treaty on the Functioning of the European Union (TFEU), an exclusion of undertakings in difficulty as well as undertakings still subject to an outstanding recovery order is applied following a Commission decision declaring aid illegal and incompatible with the internal market, except in the cases mentioned in the applicable State aid rules.

4.7.4 Contribution rate(s) applicable to Rural Development interventions

National contribution rate(s)

Article	Applicable rate	Min Rate	Max Rate
155(2)(c) - Early retirement		20.00%	43.00%
91(2)(a) - Less developed regions		20.00%	85.00%
91(2)(b) - Outermost regions and in the smaller Aegean islands		20.00%	80.00%
91(2)(c) - Transition regions within the meaning of Article 108(2), first subparagraph, point (b), of Regulation (EU) 2021/1060	60.00%	20.00%	60.00%
91(2)(d) - Other regions		20.00%	43.00%
91(3)(a) - Payments for natural or others area-specific constraints under Article 71	65.00%	20.00%	65.00%
91(3)(b) - Payments under Article 70, payments under Article 72, support for non-productive investments referred to in Article 73, support for the projects of EIP operational groups under Article 77(1), point(a), and LEADER under Article 77(1), point(b)		20.00%	80.00%
91(3)(c) - Operations receiving funding from funds transferred to the EAFRD in accordance with Articles 17 and 103		20.00%	100.00%
91(3)(b) - 70 - Payments under Article 70	80.00%	20.00%	80.00%
91(3)(b) - 72 - Payments under Article 72		20.00%	80.00%
91(3)(b) - 73 - Support for non-productive investments referred to in Article 73	80.00%	20.00%	80.00%
91(3)(b) - 77(1)(a) - Support for the European Innovation Partnership under Article 77(1), point(a)	80.00%	20.00%	80.00%
91(3)(b) - 77(1)(b) - LEADER under Article 77(1), point(b)	80.00%	20.00%	80.00%
91(3)(c) - 70 - Operations, under Article 70, receiving funding from funds transferred to the EAFRD in accordance with Articles 17 and 103		20.00%	100.00%
91(3)(c) - 71 - Operations, under Article 71, receiving funding from funds transferred to the EAFRD in accordance with Articles 17 and 103		20.00%	100.00%
91(3)(c) - 72 - Operations, under Article 72, receiving funding from funds transferred to the EAFRD in accordance with Articles 17 and 103		20.00%	100.00%
91(3)(c) - 73-74 - Operations, under Articles 73-74, receiving funding from funds transferred to the EAFRD in accordance with Articles 17 and 103		20.00%	100.00%
91(3)(c) - 75 - Operations, under Article 75, receiving funding from funds transferred to the EAFRD in accordance with Articles 17 and 103		20.00%	100.00%
91(3)(c) - 76 - Operations, under Article 76, receiving funding from funds transferred to the EAFRD in accordance with Articles 17 and 103		20.00%	100.00%
91(3)(c) - 77 - Operations, under Article 77, receiving funding from funds transferred to the EAFRD in accordance with Articles 17 and 103		20.00%	100.00%
91(3)(c) - 78 - Operations, under Article 78, receiving funding from funds transferred to the EAFRD in accordance with Articles 17 and 103		20.00%	100.00%

Regional contribution rate(s)

Region	Article	Applicable rate	Min Rate	Max Rate

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

Fund	Form of Intervention	Type of Intervention	Intervention Code (MS) - Name	Carry-over	Common Output Indicator	Gen. Renewal	Env.	ES rebate system	LEADER
EAGF	Decoupled Direct Payments	BISS(21)	DP BISS - Direct Payments (Basic Income Support for Sustainability)		O.4				
EAGF	Decoupled Direct Payments	BISS(21)	DP BISS SF - Direct Payments (Basic Income Support for Sustainability for Small Farmers)		O.5				
EAGF	Decoupled Direct Payments	CIS-YF(30)	DP CIS-YF - Direct Payments (Complementary income support for young farmers)		O.6				
EAGF	Decoupled Direct Payments	Eco-scheme(31) / Art. 31(7)(b) - Compensatory payment	DP ECO- Biodeg Mulch - Direct Payments (Eco-scheme: Biodegradable mulch)	No inclusion	O.8				
EAGF	Decoupled Direct Payments	Eco-scheme(31) / Art. 31(7)(b) - Compensatory payment	DP ECO-BDW - Eco-scheme: Bovine Dairy Welfare Scheme	No inclusion	O.8				
EAGF	Decoupled Direct Payments	Eco-scheme(31) / Art. 31(7)(b) - Compensatory payment	DP ECO-Biodiversity - Direct Payments (Eco-scheme) Land parcels dedicated for biodiversity purposes	No inclusion	O.8				
EAGF	Decoupled Direct Payments	Eco-scheme(31) / Art. 31(7)(b) - Compensatory payment	DP ECO-CPM - (Eco-scheme: Certified propagating material resistant to pathogens & cultivation of crop or plant varieties with less demand for water)	No inclusion	O.8				
EAGF	Decoupled Direct Payments	Eco-scheme(31) / Art. 31(7)(b) - Compensatory payment	DP ECO-IPM - Direct Payments (Eco-scheme: IPM)	No inclusion	O.8				
EAGF	Decoupled Direct Payments	Eco-scheme(31) / Art. 31(7)(b) - Compensatory payment	DP ECO-MSS - (Eco-scheme: Early harvesting of multi-species swards)	No inclusion	O.8				
EAGF	Decoupled Direct Payments	Eco-scheme(31) / Art. 31(7)(b) - Compensatory payment	DP ECO-NPE - (Eco-scheme: Arable land for non-productive elements)	No inclusion	O.8				
EAGF	Decoupled Direct Payments	Eco-scheme(31) / Art. 31(7)(b) - Compensatory payment	DP ECO-SGW - Eco-scheme: Sheep and Goats Welfare Scheme	No inclusion	O.8				
EAGF	Coupled Direct Payments	CIS(32)	DP CIS-Beef - Direct Payments:Coupled Income Support for the Beef Sector		O.11				

EAGF	Coupled Direct Payments	CIS(32)	DP CIS-Dairy - Direct Payments:Coupled Income Support for the Dairy Sector		O.11				
EAGF	Coupled Direct Payments	CIS(32)	DP CIS-Sheep - Direct Payments:Coupled Income Support for the Sheep Sector		O.11				
EAGF	Coupled Direct Payments	CIS(32)	DP CIS-Tomatoes - Direct Payments:Coupled Income Support for the Tomatoes Sector		O.10				
EAGF	Sectoral - Apiculture products	ADVIBEES(55(1)(a))	Sectoral API T&I - Apiculture-Training, Information and Networks		O.37				
EAGF	Sectoral - Apiculture products	INVAPI(55(1)(b))	Sectoral API Product - Apiculture Products- Varroasis, restocking and transhumance		O.37				
EAGF	Sectoral - Apiculture products	ACTLAB(55(1)(c))	Sectoral API Labs - Apiculture Products: Support for labs		O.37				
EAGF	Sectoral - Apiculture products	COOPAPI(55(1)(e))	Sectoral API RESRCH - Apiculture - Research Programmes		O.37				
EAFRD	Rural Development	ENVCLIM(70)	RD Gen Res - Conservation and sustainable use of genetic resources	No inclusion	O.19	No	Yes	Yes	No
EAFRD	Rural Development	ENVCLIM(70)	RD MANG COMT - Land Based management commitments	No inclusion	O.14	No	Yes	Yes	No
EAFRD	Rural Development	ENVCLIM(70)	RD- Animal Welfare - Animal Welfare Schemes	No inclusion	O.18	No	Yes	Yes	No
EAFRD	Rural Development	ENVCLIM(70)	RD- Organic - Organic Farming Scheme	No inclusion	O.17	No	Yes	Yes	No
EAFRD	Rural Development	ANC(71)	RD AN CONSTRAINTS - Areas under natural or other area-specific constraints	No inclusion	O.12	No	Yes	No	No
EAFRD	Rural Development	INVEST(73-74)	RD OnFarm NP Invest - On-Farm Non-Productive Investments	No inclusion	O.21	No	Yes	Yes	No
EAFRD	Rural Development	INVEST(73-74)	RD Off Farm NP INVST - Off-farm Non-Productive Investments and Afforestation	It does partially	O.23	No	Yes	Yes	No
EAFRD	Rural Development	INVEST(73-74)	RD Off-Farm INFRA - Off Farm Investments – Infrastructure	It does partially	O.22	No	Yes	Yes	No
EAFRD	Rural Development	INVEST(73-74)	RD Off-Farm INFRARd - Off-Farm Infrastructure Rural Roads for Competitiveness	It does partially	O.22	No	No		No

EAFRD	Rural Development	INVEST(73-74)	RD Off-Farm P.INVEST - Off-farm Productive Investment	No inclusion	O.24	No	No		No
EAFRD	Rural Development	INVEST(73-74)	RD On-farm Invest P. - On-farm Productive Investments	No inclusion	O.20	No	No		No
EAFRD	Rural Development	INSTAL(75)	RD INSTAL YF - Setting up of young farmers	No inclusion	O.25	Yes	No		No
EAFRD	Rural Development	COOP(77)	RD COOP - Cooperation- Quality Schemes	No inclusion	O.29	No	No		No
EAFRD	Rural Development	COOP(77)	RD COOP - EIP - EIP Operational Groups	No inclusion	O.1	No	No		No
EAFRD	Rural Development	COOP(77)	RD COOP LEADER - COOPERATION: LEADER	No inclusion	O.31	No	No		Yes
EAFRD	Rural Development	KNOW(78)	RD KNOW - Knowledge exchange, advice, training and dissemination of information	No inclusion	O.33	No	No		No

5.1 Direct Payments Interventions

BISS(21) - Basic income support for sustainability

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

Intervention Code (MS)	DP BISS
Intervention Name	Direct Payments (Basic Income Support for Sustainability)
Type of Intervention	BISS(21) - Basic income support for sustainability
Common Output Indicator	O.4. Number of hectares benefitting from for basic income support

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

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

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

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO1 Support viable farm income and resilience of the agricultural sector across the Union in order to enhance long-term food security and agricultural diversity as well as to ensure the economic sustainability of agricultural production in the Union

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
1.1	Sustain a viable farm income for farmers in Malta, across all sectors	1	Yes

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold
R.4 Share of utilised agricultural area (UAA) covered by income support and subject to conditionality
R.6 Percentage of additional direct payments per hectare for eligible farms below average farm size (compared to average)

5 Specific design, requirements and eligibility conditions of the intervention

Description

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

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

This intervention was designed on the current direct payments scheme. It will take the form of an annual

decoupled payment per eligible hectare, as declared by the farmer, and a uniform amount per hectare will be paid. It was also designed to target farmers with a minimum of 0.3 hectares of eligible hectares of eligible agricultural area, thus excluding those whose involvement in agricultural is marginal.

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

[1] EUROSTAT, Agriculture, forestry and fishery statistics — 2018 edition
https://ec.europa.eu/eurostat/web/products-statistical-books/-/KS-FK-18-001

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

Eligible beneficiaries must comply with the following eligibility criteria:

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

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

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

d. Must be registered in the IACS Farmer Registry as maintained by ARPA and the Nitrates Registry[1] as maintained by the Directorate of Agriculture at the time of application;

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

[1] In accordance with the obligations of Article 12 of the Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources; Subsidiary Legislation 549.66 (Nitrates Action Programme Regulations) of the Laws of Maltese brings into force the administrative provisions necessary to comply with this Directive through the Nitrates Registry.

6 Identification of relevant baseline elements

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

N/A

7 Range and amounts of support

Description

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

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

The Basic Income Support for Sustainability shall be paid at a flat rate per hectare and is payable to all farmers that comply with the Eligibility Conditions outlined in this section. The lump sum is payable to all farmers that comply with the Eligibility Conditions outlined in Section 5.1.5 of this intervention. The planned total funding allocated towards this intervention shall be of circa Euro 3,794,434 for year 2023, Euro 3,650,077.55 for year 2024, Euro 3,342,432.90 for year 2025 and 2026 and Euro 356,339.40 for 2027. It is expected that this intervention will support circa 5950 eligible hectares in 2023, and circa 6558 ha each year from 2024-2027. The planned amount shall be of circa Euro 637.72 per ha for 2023, Euro 556.61 per ha for 2024, Euro 501.11 per ha for 2025, Euro 501.11 for 2026 and Euro 54.34 for 2027.

8 Additional questions/information specific to the Type of Intervention

Is this BIS intervention a Payments for small farmers? (Art. 28)

☐ Yes ☑ No

9 WTO compliance

Green Box

Paragraph 5 of Annex 2 WTO

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

Design of Decoupled Direct Payments in accordance with the requirements of the CAP SP Regulation ensures compliance with the relevant criteria of Annex 2 to the WTO Agreement on Agriculture (Green Box).

11 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Planned Unit Amount	Region(s)	Result Indicator(s)
DP BISS Unit - Unit Amount for Basic Income Support for Sustainability	Uniform		R.4; R.6

Explanation and Justification (including the flexibility)

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

The planned unit amount for this Direct Payment is a uniform amount.

In terms of methodology for the support rate, the following was undertaken:

·An estimate of the total compensation to workers including entrepreneurs was derived from the Economic Accounts for Agriculture.

·In 2021, the total compensation to workers including entrepreneurs amounted to €69 million which is estimated at about **€12,797 per annual working unit** (AWU).

·This was compared to an annual **national average salary rate of about €19,814** such that the difference in annual compensation is about €7,017.

·This difference in compensation coupled with the annual working units of the sector allowed for the derivation of the value of compensation required by the sector. However, an adjustment was made to this compensation to cater specifically for the crop sector.

·Finally the value of this compensation was allocated to the number of utilised hectares, which on the basis of Eurostat data, amounted to about 10,730 hectares in 2021.

·An inflationary effect was also considered in the analysis.

·On this basis, the amount of support was estimated at a value of about €1,340/hectare for claim year 2022. The planned average BISS Unit amount has been established so as to partly cover the gap between farm income and the average wage in other sectors of the economy, while taking into account the available budgetary resources.

Taking into consideration the limited funds available, a lower support rate had to be applied in order to reach the expected number of beneficiaries and hectares to be supported.

12 Planned Unit Amounts - Financial table with outputs

Planned Unit Amount	Financial Year	2024	2025	2026	2027	2028	Total 2024 - 2028
	Calendar Year	2023	2024	2025	2026	2027	Total 2023 - 2027
DP BISS Unit - Unit Amount for Basic Income Support for Sustainability	Planned unit amount	637.72	556.61	501.11	501.11	54.34	
	Minimum Amount for the Planned unit amount	475.20	417.46	375.83	375.83	40.75	
	Maximum Amount for the Planned unit amount (EUR)	844.34	695.76	601.34	576.28	62.49	
	O.4 (unit: Hectares)	5,950.00	6,558.00	6,558.00	6,558.00	6,558.00	
	Planned output * Planned unit amount	3,794,434.00	3,650,248.38	3,286,279.38	3,286,279.38	356,361.72	14,373,602.86
TOTAL	O.4 (unit: Hectares)	5,950.00	6,558.00	6,558.00	6,558.00	6,558.00	**Sum:**

Planned Unit Amount	Financial Year	2024	2025	2026	2027	2028	Total 2024 - 2028
	Calendar Year	2023	2024	2025	2026	2027	Total 2023 - 2027
							32,182.00 **Max:** 6,558.00
	Annual indicative financial allocation (Union Contribution in EUR)	3,794,434.00	3,650,077.55	3,342,432.90	3,342,432.90	356,339.40	14,485,716.75
	Out of which needed to reach the minimum ringfencing requirement (Annex XII) (only under article 30) (Union contribution)	0.00	0.00	0.00	0.00	0.00	0.00

DP BISS SF - Direct Payments (Basic Income Support for Sustainability for Small Farmers)

Intervention Code (MS)	DP BISS SF
Intervention Name	Direct Payments (Basic Income Support for Sustainability for Small Farmers)
Type of Intervention	BISS(21) - Basic income support for sustainability
Common Output Indicator	O.5. Number of beneficiaries or hectares benefitting from payments for small farmers

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

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

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

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO1 Support viable farm income and resilience of the agricultural sector across the Union in order to enhance long-term food security and agricultural diversity as well as to ensure the economic sustainability of agricultural production in the Union

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
1.1	Sustain a viable farm income for farmers in Malta, across all sectors	1	Yes

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold
R.4 Share of utilised agricultural area (UAA) covered by income support and subject to conditionality
R.6 Percentage of additional direct payments per hectare for eligible farms below average farm size (compared to average)

5 Specific design, requirements and eligibility conditions of the intervention

Description

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

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

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

This intervention is designed to offer a simplified form of income support to active farmers with a

minimum of 0.3 hectares and not more than 1 hectares of eligible land, thus, excluding those whose involvement in agricultural is marginal.

The small farmers applying for the SFS must submit their applications for this aid in 2023.

Under the lump-sum method, every farmer is entitled to receive the same amount and the size of the holding has no impact on the payment to the farmer (as long as special conditions are respected). This amount shall be EUR 250.

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

[1] EUROSTAT, Agriculture, forestry and fishery statistics — 2018 edition https://ec.europa.eu/eurostat/web/products-statistical-books/-/KS-FK-18-001

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

Active farmers must meet the following conditions/requirements:

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

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

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

d. Active farmers must be registered in the IACS Farmer Registry as maintained by ARPA and the Nitrates Registry[1] as maintained by the Agriculture Directorate at the time of application;

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

f. Active farmers may opt out of this scheme by submitting an official declaration to ARPA.

[1] In accordance with the obligations of Article 12 of the Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources; Subsidiary Legislation 549.66 (Nitrates Action Programme Regulations) of the Laws of Maltese brings into force the administrative provisions necessary to comply with this Directive through the Nitrates Registry.

6 Identification of relevant baseline elements

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

N/A

7 Range and amounts of support

Description

Given the small size of the agriculture holdings, this support shall be paid as a lump sum per farmer, as provided for under Article 28 of Regulation (EU) No. 2021/2115.

The lump sum is payable to all farmers that comply with the Eligibility Conditions outlined in Section 5.1.5 of this intervention. The planned total funding allocated towards this intervention shall be of circa Euro 594,500 for year 2023, Euro 458,750 for year 2024 -2026 and Euro 64,225 for 2027. It is estimated that circa 918ha, 2378 small farmers (2023) and 1,835 (2024-2027) small farmers will be supported. The planned support rate shall be of circa Euro 250 per small farmer.

8 Additional questions/information specific to the Type of Intervention

Is this BIS intervention a Payments for small farmers? (Art. 28)

☑ Yes ☐ No

Which form of support do you use Payments for small farmers? (Art. 28)

☑ Lump sum(s) ☐ Payment(s) per hectare

9 WTO compliance

Green Box

Paragraph 5 of Annex 2 WTO

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

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

11 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Planned Unit Amount	Region(s)	Result Indicator(s)
DP BISS SF Unit - Unit Amount for Basic Income Support for Sustainability for Small Farmers	Uniform		R.4; R.6

Explanation and Justification (including the flexibility)

DP BISS SF Unit - Unit Amount for Basic Income Support for Sustainability for Small Farmers

The planned unit amount is based on past experience in terms of rates and number of small farmers supported whilst taking into consideration the rates applied for BISS beneficiaries of agricultural holdings with more than 1 hectare. The planned average SFS unit amount of EUR 250 per ha has been calculated so as to address the income support needs of small farmers, while taking into account the strategic needs at the CAP plan level, in particular in terms of the environmental ambition.

12 Planned Unit Amounts - Financial table with outputs

Planned Unit Amount	Financial Year	2024	2025	2026	2027	2028	Total 2024 - 2028
	Calendar Year	**2023**	**2024**	**2025**	**2026**	**2027**	**Total 2023 - 2027**
DP BISS SF Unit - Unit Amount for Basic Income Support for Sustainability for Small Farmers	Planned unit amount	250.00	250.00	250.00	250.00	35.00	
	Minimum Amount for the Planned unit amount	187.50	187.50	187.50	187.50	26.25	
	Maximum Amount for the Planned unit amount (EUR)	331.00	312.50	300.00	287.50	40.25	
	O.5 (unit: Beneficiaries)	2,378.00	1,835.00	1,835.00	1,835.00	1,835.00	
	Planned output * Planned unit amount	594,500.00	458,750.00	458,750.00	458,750.00	64,225.00	2,034,975.00
TOTAL	O.5 (unit: Beneficiaries)	2,378.00	1,835.00	1,835.00	1,835.00	1,835.00	**Sum:** 9,718.00 **Max:** 2,378.00
	Annual indicative financial allocation (Union Contribution in EUR)	594,500.00	458,750.00	458,750.00	458,750.00	64,225.00	2,034,975.00
	Out of which needed to reach the minimum ringfencing requirement (Annex XII) (only under article 30) (Union contribution)	0.00	0.00	0.00	0.00	0.00	0.00

CIS-YF(30) - Complementary income support for young farmers

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

Intervention Code (MS)	DP CIS-YF
Intervention Name	Direct Payments (Complementary income support for young farmers)
Type of Intervention	CIS-YF(30) - Complementary income support for young farmers
Common Output Indicator	O.6. Number of hectares benefitting from complementary income support for young farmers

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

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

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

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO1 Support viable farm income and resilience of the agricultural sector across the Union in order to enhance long-term food security and agricultural diversity as well as to ensure the economic sustainability of agricultural production in the Union
SO7 Attract and sustain young farmers and other new farmers and facilitate sustainable business development in rural areas

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
1.1	Sustain a viable farm income for farmers in Malta, across all sectors	1	Yes

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold
R.36 Number of young farmers benefitting from setting up with support from the CAP, including a gender breakdown
R.37 New jobs supported in CAP projects
R.4 Share of utilised agricultural area (UAA) covered by income support and subject to conditionality
R.6 Percentage of additional direct payments per hectare for eligible farms below average farm size (compared to average)

5 Specific design, requirements and eligibility conditions of the intervention

Description

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

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

Having more young farmers joining the sector would also address the problem of Malta's ageing farm population. This is also important in view of the perception of farming as a financially insecure and less rewarding career, especially when compared to higher income jobs available.

In order to ensure continued support to young farmers, those already receiving support under Article 50 of Regulation (EU) No 1307/2013[1] will be eligible for support for the remainder of the five (5) year period from the first year of submission of the application under this intervention.

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

[1] Regulation (EU) No 1307/2013 of the European Parliament and of the Council of 17 December 2013 establishing rules for direct payments to farmers under support schemes within the framework of the common agricultural policy and repealing Council Regulation (EC) No 637/2008 and Council Regulation (EC) No 73/2009.

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

Eligible beneficiaries must comply with the following eligibility criteria:

a. Comply with the definition of an *active farmer* as defined in this Plan;
b. Comply with the definition of a *young farmer* as defined in this Plan;
c. Must have a minimum of 0.3 hectares of eligible agricultural area;
d. Applications are to be submitted within the deadlines as established by ARPA;
e. All eligible hectares claimed should be unambiguously located on site and through satellite images and registered with ARPA at time of application;
f. Those already receiving support under Article 50 of Regulation (EU) No 1307/2013 are eligible for support for the remainder of the five (5) year period from the first year of submission of the application.

6 Identification of relevant baseline elements

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

N/A

7 Range and amounts of support

Description

The intervention shall take the form of an additional annual top-up payment per eligible hectare amounting to 87.81% of the Basic Income Support for Sustainability (BISS) rate.

The Complementary Income Support for Young Farmers shall be paid at a flat rate per hectare, as a top up on the Basic Income Support for Sustainability payment and is payable to young farmers that comply with the Eligibility Conditions outlined under this intervention. The planned total funding allocated towards this intervention shall be of circa Euro 174,720 per annum (2023-2026) and Euro 24,960 for 2027. It is expected that this intervention will support circa 312 ha annually, therefore, the planned support rate shall be of circa Euro 560 per ha per annum (2023-2026) and of circa Euro 80 per ha for 2027.

Support will be provided for five (5) years from the first year of submission of the application for this intervention or in the case of those already receiving support under Article 50 of Regulation (EU) No

1307/2013 for the remainder of the five (5) year period from the first year of submission of the application.

The significant increase in budget compared to the 14 – 20 period indicates an increased emphasis on implementation of such support for young farmers and achievement of the linked policy objectives. This will thereby ensure the necessary incentive and income support guarantee during the most crucial and difficult years for such farmers, i.e. during the setting up phase. The increase in budget allocated to this intervention is in line with Malta's commitment to support generational renewal, complementing efforts under Pillar 2 to provide support for setting up in the form of a lump sum aimed at supporting young farmers.

8 Additional questions/information specific to the Type of Intervention

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

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

Farmers who have been registered for a minimum of 5 years as per S.L. 549.66 on Nitrates Action Programme Regulation 13 that stipulates that "any person responsible for agricultural land and/or holdings shall register as such with the Department" or within the National Livestock Database (NLD) shall be deemed ineligible for support.

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

What is the amount of aid per hectare/lump-sum? **560**

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

☐ Yes ☑ No

Other comments on thresholds?

The largest holding in Malta is 31Ha.

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

Yes

Other comments

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

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

9 WTO compliance

Green Box

Paragraph 5 of Annex 2 WTO

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

Design of Decoupled Direct Payments in accordance with the requirements of the CAP SP Regulation ensures compliance with the relevant criteria of Annex 2 to the WTO Agreement on Agriculture (Green Box).

11 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Planned Unit Amount	Region(s)	Result Indicator(s)
DP CIS-YF Unit - Complemetary income support for young farmers Unit Amount	Uniform		R.36; R.37; R.4; R.6

Explanation and Justification (including the flexibility)

DP CIS-YF Unit - Complemetary income support for young farmers Unit Amount

The planned unit amount for this Direct Payment is a uniform amount established on the allocated budget divided by the potential area that can be supported (312 hectares).

12 Planned Unit Amounts - Financial table with outputs

Planned Unit Amount	Financial Year	2024	2025	2026	2027	2028	Total 2024 - 2028
	Calendar Year	2023	2024	2025	2026	2027	Total 2023 - 2027
DP CIS-YF Unit - Complemetary income support for young farmers Unit Amount	Planned unit amount	560.00	560.00	560.00	560.00	80.00	
	Minimum Amount for the Planned unit amount	520.64	520.64	520.64	520.64	70.00	
	Maximum Amount for the Planned unit amount (EUR)	560.00	700.00	672.00	644.00	92.00	
	O.6 (unit: Hectares)	312.00	312.00	312.00	312.00	312.00	
	Planned output * Planned unit amount	174,720.00	174,720.00	174,720.00	174,720.00	24,960.00	723,840.00
TOTAL	O.6 (unit: Hectares)	312.00	312.00	312.00	312.00	312.00	**Sum:** 1,560.00 **Max:** 312.00
	Annual indicative financial allocation (Union Contribution in EUR)	174,720.00	174,720.00	174,720.00	174,720.00	24,960.00	723,840.00
	Out of which needed to reach the minimum ringfencing requirement (Annex XII) (only under article 30) (Union contribution)	137,821.00	137,821.00	137,821.00	137,821.00	24,960.00	576,244.00

Eco-scheme(31) - Schemes for the climate, the environment and animal welfare

DP ECO- Biodeg Mulch - Direct Payments (Eco-scheme: Biodegradable mulch)

Intervention Code (MS)	DP ECO- Biodeg Mulch
Intervention Name	Direct Payments (Eco-scheme: Biodegradable mulch)
Type of Intervention	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare / Art. 31(7)(b) - Compensatory payment
Common Output Indicator	O.8. Number of hectares or of livestock units benefitting from eco-schemes

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

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

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

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO1 Support viable farm income and resilience of the agricultural sector across the Union in order to enhance long-term food security and agricultural diversity as well as to ensure the economic sustainability of agricultural production in the Union
SO5 Foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency
SO6 Contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes

CAP AREAS OF ACTION Code + Description
AOA-D prevention of soil degradation, soil restoration, improvement of soil fertility and of nutrient management [and soil biota]
AOA-E protection of biodiversity, conservation or restoration of habitats or species, including maintenance and creation of landscape features or non-productive areas

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
5.4	Increase efficient use of water and soil by restoring geographical and landscape features	3	Yes
6.1	Promote measures that protect and enhance biodiversity on agricultural holdings & wider rural areas	1	Yes
6.5	Conserve endemic species with the aim of preserving local agricultural genetic resources	4	Yes

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold
R.19 Share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil quality and biota (such as reducing tillage, soil cover with crops, crop rotation included with leguminous crops)
R.23 Share of utilised agricultural area (UAA) under supported commitments to improve water balance
R.6 Percentage of additional direct payments per hectare for eligible farms below average farm size (compared to average)

5 Specific design, requirements and eligibility conditions of the intervention

Description

Agricultural plastic mulch films are used in production of specialty crops to modify soil temperatures, conserve soil moisture and reduce weed pressure, ultimately improving crop productivity. Currently, non degradable plastic films are used. These are removed manually at the end of the season and disposed at proper agri-waste collection zones. Plastic mulch is used for strawberries, melon, watermelon and other cucurbits, especially when grown under plastic tunnels. It is also used for all processing tomatoes cultivation and some other Solanaceae crops.

The scheme intends to be tied to the purchase of biodegradable mulch given the positive environmental benefits associated with it, most notably the lack of remnants in soil which may exist following the use of plastic mulches and which are difficult to completely remove from a field. The biodegradable mulch films used in the scheme need to be compliant with EU standard EN 17033. This specific agri-plastic product is beyond the application of SUP product and EPR.

Also, the use of biodegradable mulch results in reduced waste generation as compared to conventional mulch, which is nonrecyclable material and is thus disposed of in landfill with negative externalities associated with such practice. Biodegradable mulch films do not have to be removed and disposed of at the end of the crop cycle, but can be ploughed under thanks to their biodegradation, ensuring the absence of an accumulation of plastic and no toxic effects. Should parts of the biodegrading mulch film be swept or blown into waterways they will sink to the bottom (due to a material density higher than 1) and are expected to continue biodegradation in the sediment layer.

This eco scheme aims at incentivising the shift to biomulch in conventional agriculture. The use of mulch is already linked to decrease use of herbicides and also decrease the possible of soil erosion given that it provides a soil cover. The added benefits of using biomulch is that it also decreases the use of plastic and also eliminates the risk that any run off of damaged plastics would remain in the environment for years to come. Thus, this measure will allow the use of this technology eliminating the risk of plastic contamination. Most crops in Malta are sown between 15th October and 15th of March, hence this scheme shall contribute to more soil cover during this period.

Under the CAP SP, organic farming will already be aided with adequate rates and as such this eco scheme will not be eligible to farmers benefiting from funds under the Organic Farming Scheme.

This scheme shall primarily target the sector that cultivates high value crops, mainly strawberries, melon, watermelon, other cucurbits, tomatoes for processing cultivation and some other Solanaceae crops.

In order to further strengthen the environmental contribution of this eco-scheme, the use of herbicides for weed management will not be permitting under this scheme; de-weeding will need to be carried out manually or mechanically. This will therefore lead to benefits to the soil and biodiversity on the holding.
The Maltese Authorities will endeavour to ensure a high level promotion of eco-schemes. This will involve numerous activities, including but not limited to:

- Media Events, Press Conference and Press Releases;
- Use of Government Social Media Pages and websites;
- Organisation of promotional information sessions with farmers providing detailed presentations about these schemes, and clarifying any queries participants may have;
- Publication of adverts in Government Gazette;
- Creation of promotional material (leaflets, booklets, etc.) concerning these schemes, and appropriate distribution;
- Use of SMS service notifying farmers of launch of schemes, dates of information sessions, any other information as necessary;
- Promotion via Front Office to visitors; and

- Continue to provide technical support and advice to farmers in the implementation of such schemes through the established Farm Advisory Services.

Description of commitments for eco-scheme

Beneficiaries must commit to use Bio-degradable mulch with EU standard EN 17033, instead of the conventional plastic mulch, for at least one growing cycle of a crop and limit weed management without the use of any herbicide; only manual and mechanical de-weeding shall be allowed.

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

Eligible beneficiaries must comply with the following eligibility criteria:

a. comply with the definition of an active farmer as defined in this Plan.
b. due to intervention compatibility Organic Farmers shall not be supported under this eco-scheme
c. comply with the eligibility criteria as set out under the Basic Income Support for Sustainability (BISS)
d. make use of ARPA's mobile app BiedjaCam under this measure
e. At application stage, beneficiaries must identify one or more parcels within their holding to implement this measure.
f. A parcel shall be deemed eligible if:
(i) it consists of arable land, permanent crops shall not be supported under this scheme
(ii) is maintained under annual minimum activity

Eligibility criteria:

-Farmers eligible for BISS
-Committed parcels must have a total eligible area of at least 0.04Ha or more
-Farmer must declare the crop on which the Bio-degradable mulch shall be used

6 Identification of relevant baseline elements

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

List of relevant GAEC and SMR

Code	Description
GAEC03	Ban on burning arable stubble, except for plant health reasons
GAEC05	Tillage management, reducing the risk of soil degradation and erosion, including consideration of the slope gradient
GAEC06	Minimum soil cover to avoid bare soil in periods that are most sensitive
GAEC07	Crop rotation in arable land, except for crops growing under water
GAEC08	Retention of landscape features.Ban on cutting hedges and trees during the bird breeding and rearing season.As an option, measures for avoiding invasive plant species
SMR01	Directive 2000/60/EC of 23 October 2000 of the European Parliament and of the Council establishing a framework for Community action in the field of water policy: Article 11(3), point (e), and point (h), as regards mandatory requirements to control diffuse sources of pollution by phosphates
SMR02	Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by

	nitrates from agricultural sources: Articles 4 and 5
SMR03	Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds: Article 3(1), Article 3(2), point (b), Article 4(1), (2) and (4)
SMR04	Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild flora and fauna: Article 6(1) and (2)
SMR05	Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, laying down procedures in matters of food safety: Articles 14 and 15, Article 17(1) and Articles 18, 19 and 20
SMR07	Regulation (EC) No 1107/2009 of the European Parliament and of the Council of 21 October 2009 concerning the placing of plant protection products on the market and repealing Council Directives 79/117/EEC and 91/414/EEC: Article 55, first and second sentence
SMR08	Directive 2009/128/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for Community action to achieve the sustainable use of pesticides: Article 5(2) and Article 8(1) to (5); Article 12 with regard to restrictions on the use of pesticides in protected areas defined on the basis of Directive 2000/60/EC and Natura 2000 legislation; Article 13(1) and (3) on handling and storage of pesticides and disposal of remnants

List of relevant mandatory national standards

There are no national regulations concerning the use of plastic mulch in crop production.

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

Beneficiaries under this intervention shall be compensated to opt for a more expensive but environmentally sensitive alternative to plastic mulch, that is bio-degradable mulch. The latter has associated with a number of environmental and practical benefits and hence farmers should be motivated to start making more use of such alternatives.

7 Range and amounts of support

Description

It will take the form of an annual payment per eligible hectare covered by the commitment. The total funding allocated towards this intervention shall be of circa Euro 116,069.90 for FY2024 and Euro 9,680 for FY2025.

8 Additional questions/information specific to the Type of Intervention

N/A

9 WTO compliance

Green Box

Paragraph 12 of Annex 2 WTO

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

This intervention is in line with paragraph 5 of Annex 2 to the WTO Agreement on Agriculture.

This support is payable to those beneficiaries that voluntarily utilize biodegradable mulch rather than conventional plastic mulch. Furthermore, no production will be required to receive this support.

A flat rate per eligible hectare will be applied.

11 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Planned Unit Amount	Region(s)	Result Indicator(s)
DP ECO-Mulch Unit - Eco-scheme: Biodegradable Mulch	Uniform		R.19; R.23; R.6

Explanation and Justification (including the flexibility)
DP ECO-Mulch Unit - Eco-scheme: Biodegradable Mulch

This scheme aims to incentivise the use of biodegradable mulch as a substitute for conventional mulch. The support rate is based on two elements:

·a consideration of the differences in the prices of biodegradable mulch compared to those of conventional mulch; and

·savings in labour costs associated with removal of mulch.

Based on information obtained from the main importers of agricultural mulch in Malta, the average selling price of conventional mulch is €4 per kilogram. A 20 micron plastic film mulch typically covers an area of 54m^2 per kg, such that a price of €4 per kg is equivalent to €0.074 per sqm of plastic mulch.

The price of biodegradable mulch is generally higher than that of conventional mulch. Although the price varies by the thickness of the film, suppliers indicated that on average, biodegradable films of circa 15 microns cost €0.165 per square metre. This implies that the price per square metre of biodegradable mulch is €0.091 higher than that of conventional mulch. When converted to hectares, this discrepancy in prices translates in around €1,000 per hectare. The inflationary effect is being taken into consideration.

The support rate also takes into consideration the expected savings from the use of biodegradable mulch. On the basis of information obtained from the Agriculture Directorate, the labour hours required to remove plastic mulch on one hectare of land amount to around 45 hours. When multiplied with the hourly labour rate of €12.71, this translates into around €570 of labour cost savings.

These are deducted from the additional costs associated with the use of biodegradable mulch to derive a support rate equivalent to €487 per hectare.

12 Planned Unit Amounts - Financial table with outputs

Planned Unit Amount	Financial Year	2024	2025	2026	2027	2028	Total 2024 - 2028
	Calendar Year	2023	2024	2025	2026	2027	Total 2023 - 2027
DP ECO-Mulch Unit - Eco-scheme: Biodegradable Mulch	Planned unit amount	430.00	430.00	430.00	430.00	206.03	
	Minimum Amount for the Planned unit amount	400.00	400.00	400.00	400.00	200.00	
	Maximum Amount for the Planned unit amount (EUR)	430.00	484.00	484.00	484.00	225.12	
	O.8 (unit: Hectares)	269.93	20.00	0.00	0.00	0.00	
	Planned output * Planned unit amount	116,069.90	8,600.00	0.00	0.00	0.00	124,669.90
TOTAL	O.8 (unit: Hectares)	269.93	20.00	0.00	0.00	0.00	**Sum:** 289.93 **Max:** 269.93
	Annual indicative financial allocation (Union Contribution in	116,069.90	9,680.00	0.00	0.00	0.00	125,749.90

Planned Unit Amount	Financial Year	2024	2025	2026	2027	2028	Total 2024 - 2028
	Calendar Year	2023	2024	2025	2026	2027	Total 2023 - 2027
	EUR)						
	Out of which needed to reach the minimum ringfencing requirement (Annex XII) (only under article 30) (Union contribution)						

DP ECO-BDW - Eco-scheme: Bovine Dairy Welfare Scheme

Intervention Code (MS)	DP ECO-BDW
Intervention Name	Eco-scheme: Bovine Dairy Welfare Scheme
Type of Intervention	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare / Art. 31(7)(b) - Compensatory payment
Common Output Indicator	O.8. Number of hectares or of livestock units benefitting from eco-schemes

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

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

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

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO1 Support viable farm income and resilience of the agricultural sector across the Union in order to enhance long-term food security and agricultural diversity as well as to ensure the economic sustainability of agricultural production in the Union
SO9 Improve the response of Union agriculture to societal demands on food and health, including high quality, safe, and nutritious food produced in a sustainable way, the reduction of food waste, as well as improving animal welfare and combatting antimicrobial resistances

CAP AREAS OF ACTION Code + Description
AOA-G actions to enhance animal welfare or address antimicrobial resistance

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
1.1	Sustain a viable farm income for farmers in Malta, across all sectors	1	Yes
9.1	Foster higher animal welfare standards to ensure well being among farmed animals	2	Yes
9.4	Provide support for farmers to invest in improved animal welfare measures	4	Yes

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold
R.44 Share of livestock units (LU) covered by supported actions to improve animal welfare

5 Specific design, requirements and eligibility conditions of the intervention

Description

Malta registered the second-highest livestock density in the European Union at 3.3 LSU/ ha and the highest grazing livestock density at 2.5 LSU/ha of fodder area in 2020[1] with the cattle industry comprising the biggest chunk of livestock population at 33.9%. Furthermore, it is reported that out of 14,447 cattle in the country, 5,996 or 42% are dairy cows as of the same year[2]. Therefore, lowering the stocking density of dairy cows will significantly contribute to lowering the stocking density of Malta's livestock industry.

The level of stocking density affects both the welfare of cattle and the quality and quantity of dairy production. Increasing stocking density levels can negatively affect a cow’s rumination time, stress levels

and amount of time spent resting[3]. Consequently, dairy farms with densities that are beyond their holding capacity can suffer from lower milk production, decreased milkfat percentage and yields, and a higher chance of a cow being culled[4]. Additionally, breeding pens with larger stocking densities may result in lower conception rates[5]. Hence, it is in the interest of each farmer to ensure that the stocking densities are kept at a manageable level while maximizing the area of their dairy farms.

In addition, national environmental legislation prevents farm animals from being kept outdoors primarily due to all of Malta being declared a nitrates-vulnerable zone (NVZ). In Malta, there is no specific regulation on the indoor stocking density of animals for farming. Instead, as common practice, the industry and regulators observe the same indoor stocking density level provided by SL439.20 for animals kept for scientific purposes, which is at 7.5 sqm for adult bovine[6]. From this, authorities have derived holding capacities for each holding on a case-by-case basis to ensure habitable areas for adult bovines.

As a means of improving overall well-being via a reduction in stocking density, this commitment proposes a 9 sqm indoor adult bovine stocking density that would see enhanced well-being over the existing density conditions. Thus, welcoming a 20% improvement in stocking density for beneficiaries who may opt to commit. It should be noted that outdoor areas are excluded. Consultations held with relevant stakeholders ensured that the proposed minimum is realistic and relatively achievable, and hence may bring about applicants. Whilst the targeted audience is all holdings with dairy livestock, the scheme seeks to identify a balance so as not to steer or tilt dairy farming communities to a major decrease that may destabilise or threaten food and job security. The dairy industry across the Maltese Islands produces numerous fresh and local products subject to daily consumption and of cultural/traditional significance. Moreover, almost half of the worked arable land is cultivated for forage crops that contribute towards livestock feed.

The proposed 9 sqm allocation is also in line with the recommendation of the European Food Safety Authority which states "…that each cow has enough space to move and lie down comfortably, by providing at least 9m2 of space per cow in indoor housing"[7]. Incentivising farmers to allot adequate space per dairy cow shall not only contribute to achieving the animal welfare targets of the country but also assist dairy farms in achieving efficiency in milk production and less income forgone on tending to bovine stress- or density-borne diseases and issues.

[1] European Commission. *Agri-environmental Indicator- Livestock Patterns.* Eurostat: January 2023. https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Agri-environmental_indicator_-_livestock_patterns#Livestock_density_at_country_level_in_2020

[2] Government of Malta. *Census of Agriculture 2020.* NSO: January 2023. https://nso.gov.mt/themes_publications/agricensus-2020/

[3] University of Kentucky. *What is the Optimum Stocking Density for Your Housing System?* College of Agriculture, Food and Environment. https://afs.ca.uky.edu/content/what-optimum-stocking-density-your-housing-system#:~:text=Fresh%20cows%20are%20at%20a,1.6%20lbs%20per%20day%20less.

[4] Ibid.

[5] Ibid.

[6] Government of Malta. *Subsidiary Legislation 439.20 Protection of Animals Used for Scientific Purposes Regulations.* https://legislation.mt/eli/sl/439.20/eng/pdf

[7] European Food Safety Authority. *Welfare of dairy cows.* May 2023. https://www.efsa.europa.eu/en/infographics/welfare-dairy-cows#:~:text=Dairy%20cows%20need%20more%20space,the%20welfare%20of%20dairy%20cows.

Description of commitments for eco-scheme

A beneficiary applying to the scheme shall commit to the dedicated area allocated for the eligible animals for a minimum of 2 years.

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

Eligibility criteria

- Active farmers as defined under Malta's CAP SP
- Eligible beneficiaries for the dairy sector as defined under Coupled Income Support for Dairy

Sector (CIS M1), must have the following:

- A contract or agreement with a dairy processor which clearly stipulates the milk yield (in kgs) to be supplied;
- Fulfil 75% of the milk yield set out in the contract or agreement with the dairy processor. If this yield is not reached, beneficiaries will not be eligible for support under this intervention unless proven that it was due to a Force majeure or due to a direction provided by the competent authority;
- For an animal to be eligible for funding, by the time of data extraction, it must be registered under the name of the applicant, in the National Livestock Database (NLD) for a period of at least three (3) months from 1st October till end of December; is a female appertaining to a dairy cow breed; and has at least one calf registered to that animal. The animals that remain on the same farm when a farm is transferred from one farmer to another, are still deemed eligible for funding if this is done throughout the indicated retention period (e.g., transfer from father/mother to son/daughter) and if the transfer is a result of Force Majeure and has been recognised by the Force Majeure Board.
- The number of eligible heads shall be determined by an automated extraction from the NLD that shall be checked for correctness by the Land Based Measures Unit (LBMU) within ARPA;
- Conform with the minimum requirements on the identification and registration of bovine animals as set out in Regulation (EC) No 1760/2000, and as amended by Council Regulation (EU) No 517/2013, Regulation (EU) No 653/2014 and Regulation (EU) No 2016/429.Express their interest on an annual basis in line with the deadlines established by ARPA.

- Beneficiaries must own at least one dairy cow, with one calf registered to that cow, to be eligible for this scheme.
- Each holding is currently subject to a holding capacity that is calculated based on adult dairy cows and the 7.5 sqm stocking density requirement. This scheme aims to improve stocking densities by 20%, thus having holdings maintain an indoor stocking density of 9 sqm or better.
- The amount of aid provided by this scheme shall be calculated based on the number of retained adult dairy cows in compliance with the stocking density of a minimum of 9 sqm for potentially eligible animals.

6 Identification of relevant baseline elements

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

List of relevant GAEC and SMR

Code	Description
SMR11	Council Directive 98/58/EC of 20 July 1998 concerning the protection of animals kept for farming purposes: Article 4

List of relevant mandatory national standards

Animal Welfare Act – CAP. 439

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

Cattle that are raised or kept for farming purposes are not subject to local regulations on stocking density, as was previously mentioned; instead, the industry and authorities adhere to the same standards established for animals kept for research[1] meaning that the required stocking density for adult bovines is at 7.5 sqm. By setting a 9sqm per dairy cow, this intervention goes beyond the national standard that is being observed in the industry. The scheme shall also target SMR 11 and shall improve the welfare of animals kept for farming purposes by providing adequate space and accommodation and ensuring that animals have freedom of movement.

[1] Government of Malta. “Subsidiary Legislation 439.20 Protection of Animals Used for Scientific Purposes Regulations”

7 Range and amounts of support

Description

It will take the form of an annual payment per eligible head covered by the commitment. The planned total funding allocated towards this intervention shall be of circa Euro 187,266 annually (2025-2027).

8 Additional questions/information specific to the Type of Intervention

N/A

9 WTO compliance

Green Box

Paragraph 12 of Annex 2 WTO

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

This intervention is in line with paragraph 5 of Annex 2 to the WTO Agreement on Agriculture.

This support is payable to those beneficiaries that comply with a set of clearly defined criteria related to the commitments under this eco-scheme which involve committing to the dedicated area allocated for the eligible animals for a minimum of 2 years. Furthermore, no production will be required to receive this support.

A flat rate per eligible head will be applied.

11 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Planned Unit Amount	Region(s)	Result Indicator(s)
DP BDW-Dairy Welfare - Unit - Eco-scheme: Dairy Welfare	Uniform		R.44

Explanation and Justification (including the flexibility)
DP BDW-Dairy Welfare - Unit - Eco-scheme: Dairy Welfare

The planned rate for this scheme was determined according to the potential net output value that will be forgone due to the reduced headcount of dairy cows as a result of this scheme. The data on income was based on the Farm Accountancy Data Network of 2018[1] which was taken from a sample of dairy specialist farms. Meanwhile, information on the production costs was taken from the 2022 farm costings per milk produced as provided by ARPA.

On the output value, it should be considered that dairy production yields a joint product – milk and livestock (i.e., dairy animals that are culled and sold). The estimated annual value of raw milk produced per cow is at €4,103 while the net sale value of a cow is at €353.25[2] which leads to a total output value of €4,455.91 per annum.

Table 1 Calculation of the proposed rate for

new AECC 6 Bovine Dairy Welfare Scheme

Output value* (€)	**4,455.91**
Raw milk	4,102.66
Net sale of livestock	353.25
Production costs (€)	**4,052.64**
Feed	3,336.33
Overhead	221.01
Labor	1,108.48
Subsidies (-)	(613.17)
Net output value per dairy cow	403.27
Estimated subsidy per cow retained (€)	**100.82**
Planned rate (€)	118
Maximum rate (€)	136
Minimum rate (€)	101

**adjusted for 2022 through agricultural price index*

On the other side, labour, overhead, and feed expenses make up the production costs. As observed in the table, feeding costs are the primary driver of production costs, which are estimated to be at €3,336 per dairy cow annually. The labour costs, on the other hand, are calculated to be at €1,108. The overhead costs were also adjusted as several expense types will still be incurred by the farmers regardless of the number of reduced dairy cows (e.g., fixed

costs). Finally, subsidies were also integrated into the calculation as they reduced the production costs incurred by farmers. In total, the annual production cost per dairy cow is at €4,052.64.

Using the output value and the production costs, the estimated net output value per cow is equivalent to €403.27 annually. Allocating it according to the number of cows retained given a 20% increase in stocking density, the estimated subsidy per retained cow is at €101. This shall be the basis for the minimum rate, with planned and maximum rates at €118 and €136 per retained dairy cow, respectively.

[1] Data was adjusted to 2022 using agricultural price index of cow's milk. Refer to here

[2] The net sale value is calculated by deducting the value of average cattle purchases to the average cattle sales.

12 Planned Unit Amounts - Financial table with outputs

Planned Unit Amount	Financial Year	2024	2025	2026	2027	2028	Total 2024 - 2028
	Calendar Year	2023	2024	2025	2026	2027	Total 2023 - 2027
DP BDW-Dairy Welfare - Unit - Eco-scheme: Dairy Welfare	Planned unit amount			118.00	118.00	118.00	
	Minimum Amount for the Planned unit amount			101.00	101.00	101.00	
	Maximum Amount for the Planned unit amount (EUR)			136.00	136.00	136.00	
	O.8 (unit: Livestock units)			1,587.00	1,587.00	1,587.00	
	Planned output * Planned unit amount			187,266.00	187,266.00	187,266.00	561,798.00
TOTAL	O.8 (unit: Livestock units)			1,587.00	1,587.00	1,587.00	**Sum:** 4,761.00 **Max:** 1,587.00
	Annual indicative financial allocation (Union Contribution in EUR)			187,266.00	187,266.00	187,266.00	561,798.00
	Out of which needed to reach the minimum ringfencing requirement (Annex XII) (only under article 30) (Union contribution)						

DP ECO-Biodiversity - Direct Payments (Eco-scheme) Land parcels dedicated for biodiversity purposes

Intervention Code (MS)	DP ECO-Biodiversity
Intervention Name	Direct Payments (Eco-scheme) Land parcels dedicated for biodiversity purposes
Type of Intervention	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare / Art. 31(7)(b) - Compensatory payment
Common Output Indicator	O.8. Number of hectares or of livestock units benefitting from eco-schemes

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

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

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

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO1 Support viable farm income and resilience of the agricultural sector across the Union in order to enhance long-term food security and agricultural diversity as well as to ensure the economic sustainability of agricultural production in the Union
SO4 Contribute to climate change mitigation and adaptation, including by reducing greenhouse gas emission and enhancing carbon sequestration, as well as promote sustainable energy
SO5 Foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency
SO6 Contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes

CAP AREAS OF ACTION Code + Description
AOA-E protection of biodiversity, conservation or restoration of habitats or species, including maintenance and creation of landscape features or non-productive areas
AOA-F actions for a sustainable and reduced use of pesticides, particularly pesticides that present a risk for human health or environment

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
6.1	Promote measures that protect and enhance biodiversity on agricultural holdings & wider rural areas	1	Yes

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold
R.19 Share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil quality and biota (such as reducing tillage, soil cover with crops, crop rotation included with leguminous crops)
R.21 Share of utilised agricultural area (UAA) under supported commitments for the quality of water bodies
R.22 Share of utilised agricultural area (UAA) under supported commitments related to improved nutrient management
R.23 Share of utilised agricultural area (UAA) under supported commitments to improve water balance
R.24 Share of Utilised Agricultural Area (UAA) under supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides, such as pesticides leakage
R.31 Share of utilised agricultural area (UAA) under supported commitments for supporting biodiversity conservation or restoration including high-nature-value farming practices
R.6 Percentage of additional direct payments per hectare for eligible farms below average farm size (compared to average)

5 Specific design, requirements and eligibility conditions of the intervention

Description

This intervention was designed with the objective of enhancing and restoring biodiversity and pollination.

In view of the small size of land parcels, it was decided to dedicate the whole area of a land parcel to biodiversity and pollination rather than opt for a minimum share of agricultural area. Besides taking advantage of the fragmented nature of local land parcels, overall larger areas will be dedicated to biodiversity resulting in more benefits to the environment.

Under this intervention, farmers will be required to dedicate at least one land parcel for plant species that enhance biodiversity and that attract pollinators. Farmers will not be allowed to use any Plant Protection Products, including fertilisers, on these parcels. Thus, will have a zero gross nitrogen balance.

Besides enhancing ecological biodiversity by providing habitats that increase species diversity, this intervention will also provide soil erosion control, improve soil health, and facilitate water conservation by providing cover over ground surface. In addition, these parcels would require less water than if they had been used for crop production. By increasing plant habitat for pollinator species, this intervention will improve fruit set and quality of nearby agricultural land in production and will also benefit the local apiculture sector. Given that this intervention will apply to the entire region of Malta, it offers the potential to improve biodiversity across the islands.

Besides the environmental benefits, incentivising farmers to set aside parcels of land for biodiversity will indirectly raise awareness about the importance of biodiversity management and lead farmers to experience first-hand the potential benefits of biodiversity that could eventually lead to improved agricultural practices.

The Maltese Authorities will endeavour to ensure a high level promotion of eco-schemes. This will involve numerous activities, including but not limited to:

- Media Events, Press Conference and Press Releases;
- Use of Government Social Media Pages and websites;
- Organisation of promotional information sessions with farmers providing detailed presentations about these schemes, and clarifying any queries participants may have;
- Publication of adverts in Government Gazette;
- Creation of promotional material (leaflets, booklets, etc.) concerning these schemes, and appropriate distribution;
- Use of SMS service notifying farmers of launch of schemes, dates of information sessions, any other information as necessary;
- Promotion via Front Office to visitors; and
- Continue to provide technical support and advice to farmers in the implementation of such schemes through the established Farm Advisory Services.

Description of commitments for eco-scheme

Beneficiaries must commit to dedicating a whole area of at least one land parcel to biodiversity for 3 years by refraining from cultivating the land for crop production and without the use of Plant Protection Products, including fertilisers.

Committed parcels must have a total eligible area of at least 0.04Ha or more

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

Eligible beneficiaries must comply with the following eligibility criteria:

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

b. comply with the eligibility criteria as set out under the Basic Income Support for Sustainability (BISS)

c. make use of ARPA's mobile app BiedjaCam under this measure

d. At application stage, beneficiaries must identify one or more parcels within their holding to implement this measure as long as it covers the whole area of the parcel.

e. A parcel shall be deemed eligible if:

(i) it consists of arable land

(ii) is maintained under annual minimum activity

f. At least three (3) or more of the following plant species are to be cultivated on the identified parcel: Sulla (Hedysarum coronariumn), Coriander (Coriandrum sativum), Borage (Borago officinalis),White clover (Trifolium repens), Rosemary (Rosmarinus officinalis), Chaste tree (Vitex agnus-castus), Sage (Salvia officinalis), Common Lavender/True Lavender (Lavandula angustifolia), Peppermint (Mentha x piperita), Peppermint/Pennyroyal Mint/European Pennyroyal (Mentha pulegium), Fern-leaved Lavender (Lavandula multifida), Thyme (thymus vulgaris), Marjoram (Origanum majorana), Oregano (origanum vulgare), Great Sage (Phlomis fruticosa), Maltese Rock-Centaury (Cheirolophus crassifolius), Maltese Helichrysium (Helichrysium melitense), Mediterranea Heath/Mediterranean Heather (Erica multiflora), Olive-leaved Germander/Evergreen Germander/Shrubby Germander (Teucrium fruticans), Tree Spurge (Euphorbia dendroides), Hoary Rockrose/Cretan Rockrose (Cistus creticus), Grand Statice (Limoniastrum monopetalum), Spanish broom (Spartium junceum), Sicilian silver ragwort (Jacobaea maritima sicula), Common myrtle (Myrthus comunis), Caper (Capparis spinosa), Dill (Anethum graveolens), Basil (Ocimum basilicum), Blue Alkanet (Anchusa azurea / Anchusa italica), Bugle (Ajuga reptans), Pot Marigold (Calendula officinalis), Field Marigold (Calendula arvensis), Corn Chamomile (Anthemis arvensis), Agglomerated bellflower (Campanula glomerata), Carrot "Open Pollinated" (Daucus carota "Open Pollinated"), Artichoke (Cynara cardunculus var. scolymus/Syn. Cynara scolymus), Milk thistle (Silybum marianum), Chicory "Open Pollinated" (Cichorium intybus "Open Pollinated"), Bridesmaid/ Black damask rose (Rosa × damascene), Rough Hawkbit (Leontodon hispidus), Alfalfa (Medicago sativa), Favino (Vicia faba minor variety), Fenugreek (Trigonella foenum-graecum), Cornflower (Centaurea cyanus), Blackish cornflower (Centaurea nigrescens), Widow's Cornflower (Centaurea scabiosa), Broom (Lotus corniculatus), Sunflower (Helianthus annuus), Sunflower Elena (Helianthus annuus var. elena), Sunflower Peredovich (Helianthus annuus var. peredovich), Sunflower "Open Pollinated" (Helianthus annuus var. peredovich), Common corn-cockle (Agrostemma githago), Buckwheat (Fagopyrum esculentum), Narrow-leaved Lavender (Lavanda angustifolia), Wild lavender (Lavanda stoechas), Common Mallow (Malva sylvestris), Black Medick (Medicago lupulina), White Melilot (Melilotus albus), Common Melilot / Sweet Clover (Melilotus officinalis), Balm (Melissa officinalis), Green mint /Spear Mint (Mentha spicata), Common mint (Calamintha nepeta /Syn. Satureja calamintha), Common poppy (Papaver rhoeas), European plumbago (Plumbago europaea), Creeping Cinquefoil (Potentilla reptans), Annual Daisy (Bellis annua), Southern Daisy (Bellis sylvestris), Holy Land Hawskbeard (Crepis sancta), Meadow Hawksbeard (Crepis biennis), Horseradish (Armoracia rusticana), Meadow buttercup (Ranunculus acris), Bulbous buttercup (Ranunculus bulbus), Wild Radish (Raphanus raphanistrum), Rapeseed (Brassica rapa), White mignonette (Reseda alba), Perennial Wall Rocket (Diplotaxis tenuifolia), Savory (Satureja sp.), Boar Thistle (Galactites tomentosus), Wild Celery (Apium graveolens), White mustard (Sinapis alba), Brown mustard (Brassica juncea), Catchfly (Silene (e.g.: S.alba, S.vulgaris, S.nutans)), Mirror of Venus / Large Venus's-looking-glass (Legousia speculum-veneris), Sicilian witchcraft (Stachys italica (Syn. Sideritis italica)), Reversed Clover (Trifolium resupinatum), Red Clover (Trifolium pratense), Subterranean Clover (Trifolium subterraneum), Common vetch (Vicia sativa). Velvety /Hairy Vetch (Vicia villosa), Common Verbena (Verbena officinalis), Asphodel (Asphodelus fistulosus, Asphodelus ramosus), Elacampane (Inula crithmoides), Cuckoo Flower (Cardamine hirsuta), Wild Mint (Mentha aquatica, Mentha pulgeum, Mentha suaveolens).

g. Duration: 3-year commitment

h. No plant protection products or fertilisers must be used.

6 Identification of relevant baseline elements

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

List of relevant GAEC and SMR

Code	Description
GAEC03	Ban on burning arable stubble, except for plant health reasons
GAEC04	Establishment of buffer strips along water courses
GAEC05	Tillage management, reducing the risk of soil degradation and erosion, including consideration of the slope gradient
GAEC06	Minimum soil cover to avoid bare soil in periods that are most sensitive
GAEC07	Crop rotation in arable land, except for crops growing under water
GAEC08	Retention of landscape features.Ban on cutting hedges and trees during the bird breeding and rearing season.As an option, measures for avoiding invasive plant species
SMR01	Directive 2000/60/EC of 23 October 2000 of the European Parliament and of the Council establishing a framework for Community action in the field of water policy: Article 11(3), point (e), and point (h), as regards mandatory requirements to control diffuse sources of pollution by phosphates
SMR02	Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources: Articles 4 and 5
SMR03	Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds: Article 3(1), Article 3(2), point (b), Article 4(1), (2) and (4)
SMR04	Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild flora and fauna: Article 6(1) and (2)
SMR05	Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, laying down procedures in matters of food safety: Articles 14 and 15, Article 17(1) and Articles 18, 19 and 20
SMR07	Regulation (EC) No 1107/2009 of the European Parliament and of the Council of 21 October 2009 concerning the placing of plant protection products on the market and repealing Council Directives 79/117/EEC and 91/414/EEC: Article 55, first and second sentence
SMR08	Directive 2009/128/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for Community action to achieve the sustainable use of pesticides: Article 5(2) and Article 8(1) to (5); Article 12 with regard to restrictions on the use of pesticides in protected areas defined on the basis of Directive 2000/60/EC and Natura 2000 legislation; Article 13(1) and (3) on handling and storage of pesticides and disposal of remnants

List of relevant mandatory national standards

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

S.L. 549.66 (Nitrates Action Programme Regulations)

S.L. 549.25 Protection of Waters against pollution caused by Nitrates from agricultural sources Regulation

S.L. 549.42 L.N. 79 of 2006 Conservation of Wild Birds Regulations 2006

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

Food Safety Act, 2002 (Act No. XIV of 2002)
S.L 430.07 L.N 284 of 2011 Plant Protection Products (Implementation) Regulations, 2011
S.L 430.08 & L.N.489 of 2011 (Sustainable Use of Pesticides Regulation)

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

Farmers under this eco-scheme shall go beyond the baseline on various fronts:

-The ban on the use of fertilisers goes beyond the baseline requirements set in SMR 1 and SMR 2 protecting waters against pollution caused by nitrates from agricultural sources;
-This scheme also goes beyond the baselines set by SMRs 3, 4, 7 and 8 provided the total ban on plant protection products;
-It goes beyond GAEC 7 as the scheme is requiring a shift to non-intensive plants that shall serve as a forage to plants, moreover the scheme is moving away from the risk of having a monocropping agriculture as it requires the cultivation of at least three plants from the given plant species;
-This intervention shall result in a very low input farming systems, and an enhanced protection to Agri-biodiversity with the plants chosen being specifically chosen to serve as a forage area attracting pollinators
-This intervention will go beyond GAEC 6 as it provides a soil cover outside the sensitive period as well, it improves soil health, and facilitate water conservation.

7 Range and amounts of support

Description

It will take the form of an annual payment per eligible hectare covered by the commitment. A uniform flat rate amount per hectare will be paid. The total funding allocated towards this intervention shall be of circa Euro 950,000 for 2023, Euro 60,720 for 2024), Euro 8,300 per annum for 2025- 2026 and circa Euro 3,025 for 2027.

8 Additional questions/information specific to the Type of Intervention

N/A

9 WTO compliance

Green Box

Paragraph 12 of Annex 2 WTO

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

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

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

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

11 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Planned Unit Amount	Region(s)	Result Indicator(s)
DP ECO-Bio Unit - Eco-scheme: Land parcels dedicated for biodiversity purposes Unit Amount	Uniform		R.19; R.21; R.22; R.23; R.24; R.31; R.6

Explanation and Justification (including the flexibility)

DP ECO-Bio Unit - Eco-scheme: Land parcels dedicated for biodiversity purposes Unit Amount

The scheme shall compensate farmers who decide to forego their income on whole parcels whilst cultivating plants of high ecological value on that parcel. Justification for the rate: Instead of cultivating high value crops that form an essential part of their revenue, farmers shall cultivate a selection of plants from a pre-defined list that serve as foraging plants for pollinators. No PPPs or fertilisers shall be allowed and the amount of water that these plants need is less when compared to other high value crops. This shall be a direct contribution by the farmer towards the enhancement of agro-biodiversity that comes at a huge opportunity cost, hence they need to be compensated appropriately.

The scheme will not incentivise holdings that are currently planting fodder given the dependency of the livestock sector on fodder. Indeed, fodder which is produced on more than 50% of the arable land in Malta is mainly consumed by the dairy industry. Therefore, the income to be considered as income foregone for this scheme considers other sectors such as production of potatoes and fruit. The inflationary effect is being taken into consideration.

On the basis of the assessment carried out by independent experts as attached to this Plan titled Derivation of support rates - direct payments, the final support required amounts to around €3,036 per hectare. It should be noted that due to the budgetary allocation constraints amongst others, the planned unit amount was adjusted to €2,500.

12 Planned Unit Amounts - Financial table with outputs

Planned Unit Amount	Financial Year	2024	2025	2026	2027	2028	Total 2024 - 2028
	Calendar Year	2023	2024	2025	2026	2027	Total 2023 - 2027
DP ECO-Bio Unit - Eco-scheme: Land parcels dedicated for biodiversity purposes Unit Amount	Planned unit amount	2,500.00	2,500.00	2,500.00	2,500.00	1,197.70	
	Minimum Amount for the Planned unit amount	1,700.00	1,700.00	1,700.00	1,700.00	1,100.00	
	Maximum Amount for the Planned unit amount (EUR)	2,500.00	3,036.00	3,036.00	3,036.00	1,335.84	
	O.8 (unit: Hectares)	380.00	20.00	2.75	2.75	2.75	
	Planned output * Planned unit amount	950,000.00	50,000.00	6,875.00	6,875.00	3,293.68	1,017,043.68
TOTAL	O.8 (unit: Hectares)	380.00	20.00	2.75	2.75	2.75	**Sum:** 408.25 **Max:** 380.00
	Annual indicative financial allocation (Union Contribution in EUR)	950,000.00	60,720.00	8,300.00	8,300.00	3,025.00	1,030,345.00
	Out of which needed to reach the minimum ringfencing requirement	0.00	0.00	0.00	0.00	0.00	0.00

Planned Unit Amount	Financial Year	2024	2025	2026	2027	2028	Total 2024 - 2028
	Calendar Year	2023	2024	2025	2026	2027	Total 2023 - 2027
	(Annex XII) (only under article 30) (Union contribution)						

DP ECO-CPM - (Eco-scheme: Certified propagating material resistant to pathogens & cultivation of crop or plant varieties with less demand for water)

Intervention Code (MS)	DP ECO-CPM
Intervention Name	(Eco-scheme: Certified propagating material resistant to pathogens & cultivation of crop or plant varieties with less demand for water)
Type of Intervention	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare / Art. 31(7)(b) - Compensatory payment
Common Output Indicator	O.8. Number of hectares or of livestock units benefitting from eco-schemes

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

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

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

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO1 Support viable farm income and resilience of the agricultural sector across the Union in order to enhance long-term food security and agricultural diversity as well as to ensure the economic sustainability of agricultural production in the Union
SO4 Contribute to climate change mitigation and adaptation, including by reducing greenhouse gas emission and enhancing carbon sequestration, as well as promote sustainable energy
SO5 Foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency
SO6 Contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes
SO9 Improve the response of Union agriculture to societal demands on food and health, including high quality, safe, and nutritious food produced in a sustainable way, the reduction of food waste, as well as improving animal welfare and combatting antimicrobial resistances

CAP AREAS OF ACTION Code + Description
AOA-B climate change adaptation, including actions to improve resilience of food production systems, and animal and plant diversity for stronger resistance to diseases and climate change
AOA-C protection or improvement of water quality and reduction of pressure on water resources
AOA-D prevention of soil degradation, soil restoration, improvement of soil fertility and of nutrient management [and soil biota]
AOA-E protection of biodiversity, conservation or restoration of habitats or species, including maintenance and creation of landscape features or non-productive areas
AOA-F actions for a sustainable and reduced use of pesticides, particularly pesticides that present a risk for human health or environment

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
1.1	Sustain a viable farm income for farmers in Malta, across all sectors	1	Yes
1.3	Improve prevention actions related to possible risks and enable farmers to be financially resilient	5	Yes
1.6	Improving product quality and traceability	4	Yes

4.1	Improved distribution & utilisation of treated wastewater & ensure sustainable irrigation for crops	2	Yes
4.2	Improve risk management in Maltese agriculture and make farmers more financially resilient	7	No
5.4	Increase efficient use of water and soil by restoring geographical and landscape features	3	Yes
5.5	Encourage farmers to invest in efficient farming systems that make efficient use of resources	7	Yes
5.7	Identify ways to reduce nutrient loading to air, soil and water from agricultural activity	5	Yes
6.1	Promote measures that protect and enhance biodiversity on agricultural holdings & wider rural areas	1	Yes

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold
R.12 Share of utilised agricultural area (UAA) under supported commitments to improve climate adaptation
R.23 Share of utilised agricultural area (UAA) under supported commitments to improve water balance
R.24 Share of Utilised Agricultural Area (UAA) under supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides, such as pesticides leakage
R.6 Percentage of additional direct payments per hectare for eligible farms below average farm size (compared to average)

5 Specific design, requirements and eligibility conditions of the intervention

Description

This Eco-scheme aims to promote the use of certified disease and pathogen-resistant plant materials and/or the cultivation of crop and plant varieties with less demand for water along with at least an additional environmental practice intended to enhance the protection of biodiversity. This will ensure a higher impact of the eco-scheme in terms of improved biodiversity and long term sustainability of agricultural practices. Furthermore, farmers are encouraged to combine these elements when technically feasible and such propagating material is available.

The use of certified disease and pathogen-resistant plant materials, including seeds, grafts, varieties and other certified propagating materials will lead to strengthening crop resilience, reducing PPPs use (chemical inputs), and contributing to sustainable crop production and the overall resiliency and adaptation of the agricultural industry.

By compensating farmers for costs incurred on certified propagating materials that are resistant to pathogens, farmers can receive financial support whilst reducing the need for PPPs and treatment and contributing to overall agricultural sustainability. The rationale is asserted with pathogen-resistant propagation requiring less necessitation of PPPs. This aligns with the European Union's efforts to ensure food security sustenance and environmental protection in agriculture.

This scheme extrapolates practices from Integrated Pest Management (IPM) principles that locally play a vital role in aligning with the European Union's goal of reducing pesticide risks. Farmers are encouraged to use proactive techniques by utilizing disease-resistant propagating materials at the sowing stage to prevent pathogen outbreaks and crop losses. This approach aligns with practices outlined in Directive 2009/128/EC, which emphasizes economically and ecologically justified interventions to reduce pesticide use.

One of the most threatening effects of climate change is the increase in the frequency and level of extreme weather events. Trends across Malta’s semi-arid climate inclusive of already hot and dry summers

illustrate warming temperatures, and longer drought conditions and heatwaves. Among European Member States, Malta is found to be the most impacted by water scarcity which in turn is exacerbated by the deterioration of the country's groundwater quality[1]. For the agricultural sector, droughts and significant heatwaves lead to challenges in natural resource management with expected losses in crop yields and failure and overarching issues revolving around water recovery, accessibility, storage, abstraction and heightened salinisation.

A significant mechanism in climate adaptation would be the cultivation of crops and varieties with less demand for water. The promotion of such varieties across the farming community can be key to beneficiaries' production stability, thereby sustaining national food security. Additionally, commitments would be alleviating groundwater stressors and allowing for the regeneration and recovery from the reduced need for abstraction. Lastly, excessive aquifer extraction has induced saltwater intrusion leading to the salinisation of water resources; the use of such waters for irrigation on agricultural land contributes to soil salinisation, a further dominant threat, to which this scheme would further decelerate the consequences of such soil degradation.

In light of this, the proposed eco-scheme shall also assist farmers in developing a crop plan with less demand for water, where applicable. This intervention shall contribute to dealing with climate change effects through resistant crop varieties, whilst solidifying food security and farmers' income and allowing for recuperation of water balance and soil health. This intervention shall make use of the proposed board to pre-determine the acceptable crops and varieties deemed fit for purpose. At the application stage, the beneficiaries may then declare from such, their committed types within the crop plan.

The Maltese Authorities will endeavour to ensure a high level promotion of eco-schemes. This will involve numerous activities, including but not limited to:

·Media Events, Press Conference and Press Releases;

·Use of Government Social Media Pages and websites;

·Organisation of promotional information sessions with farmers providing detailed presentations about these schemes, and clarifying any queries participants may have;

·Publication of adverts in Government Gazette;

·Creation of promotional material (leaflets, booklets, etc.) concerning these schemes, and appropriate distribution;

·Use of SMS service notifying farmers of launch of schemes, dates of information sessions, any other information as necessary;

·Promotion via Front Office to visitors; and

Continue to provide technical support and advice to farmers in the implementation of such schemes through the established Farm Advisory Services.

[1] Environment & Resource Authority. "Drought" https://era.org.mt/topic/drought/#:~:text=Climate%20change%20is%20also%20expected,high%2Dend%20climate%20(RCP4.

Description of commitments for eco-scheme

Farmer commitments

Farmers must commit to use a certified pathogen resistant propagating material and/ or a certified drought resistant variety as approved by an appropriate board set up within MAFA for at least one crop cycle. In all instances, farmers must commit to at least one of the following:

1. Refrain from using synthetic feritliser; or
2. Develop a fertilser plan on fertilizer use which includes a reduction in the level of synthetic Nitrogen to be used on that crop; or,
3. At holding level, committing to another IACS intervention in Eco schemes and or/AECCs and/or AECMs.

Eligible applicants may be required to use ARPA's mobile software application (Biedjacam) to submit their crop plan and declare which of the board-verified pathogen-resistant materials and/or crop or

varieties with less demand for water they are committing to;

·Eligible farmers should declare their commitment to one (1) consecutive year with a seasonal or annual crop rotation system; The selected pathogen-resistant materials and/or crop or varieties with less demand for water that shall be included in the submitted crop plan have to be part of the pre-established propagating material deemed fit by the board;

·The committed area must be sown in full with the certified materials;

·The dedicated area is to be maintained under annual minimum activity;

·Farmers must keep records of fiscal documents related to the purchase of the certified pathogen-resistant propagating material and/or crop or varieties with less demand for water and shall be made readily available for any on-the-spot checks by officials;

·ARPA may require the beneficiary to submit any requested photos and/or proof of purchase by ARPA as indicated and in line with the submitted crop plan.

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

- Active farmers as defined under Malta's CAP Strategic Plan;
- Beneficiaries eligible for BISS;
- Committed parcels must at least have a total eligible area of 0.04 Ha (of cultivated pathogen-resistant materials and/or crop or plant varieties with less demand for water) throughout the commitment period;
- At the commitment level the minimum area is 0.04 Ha;
- The scheme provides for a one (1) consecutive year commitment period;
- Farmers shall declare the list of committed materials and varieties and their selected commitment period in the IACS digital crop plan;
- Farmers who commit to refrain from using synthetic fertilizer as an additional environmental practice, they shall present a declaration clearly indicating their refrain from using synthetic fertilizer;
- Farmers who commit to develop a fertilizer plan as an additional environmental practice shall present a copy of an action plan on fertilizer usage which clearly indicates a reduction in synthetic fertilizer usage to be achieved;
- Farmers who at holding level, commit to another IACS intervention in Eco schemes and or/AECCs and/or AECMs as an additional environmental practice, shall provide evidence that they have other commitment/s under an IACS intervention in ES and/or AECCs and/or AECMs;
- Farmers shall use certified disease- pathogen resistant plant materials, including seeds, grafts, varieties and other certified propagating materials to strengthen crop resilience, where this action is identified by the farmer;
- Declared pathogen-resistant materials and varieties with less demand for water must be part of the verified list that is deemed fit by competent bodies as designated by MAFA, where this action is identified by the farmer. Beneficiaries may commit to this scheme by making an annual payment claim and be able to present proof of purchase of eligible and verified materials and varieties when requested;
- Applicants shall at the application stage indicate at least one crop they are committing to via the crop plan;
- Designated parcel of land shall be deemed eligible if:
    - it is arable land
    - is maintained under annual minimum activity.

6 Identification of relevant baseline elements

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

List of relevant GAEC and SMR

Code	Description
GAEC01	Maintenance of permanent grassland based on a ratio of permanent grassland in relation to agricultural area at national, regional, sub-regional, group-of-holdings or holding level in comparison to the reference year 2018.Maximum decrease of 5% compared to the reference year.
GAEC06	Minimum soil cover to avoid bare soil in periods that are most sensitive
SMR02	Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources: Articles 4 and 5
SMR05	Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, laying down procedures in matters of food safety: Articles 14 and 15, Article 17(1) and Articles 18, 19 and 20
SMR07	Regulation (EC) No 1107/2009 of the European Parliament and of the Council of 21 October 2009 concerning the placing of plant protection products on the market and repealing Council Directives 79/117/EEC and 91/414/EEC: Article 55, first and second sentence
SMR08	Directive 2009/128/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for Community action to achieve the sustainable use of pesticides: Article 5(2) and Article 8(1) to (5); Article 12 with regard to restrictions on the use of pesticides in protected areas defined on the basis of Directive 2000/60/EC and Natura 2000 legislation; Article 13(1) and (3) on handling and storage of pesticides and disposal of remnants

List of relevant mandatory national standards

L.N. 345 of 2015 (WaterPolicy Framework Regulations).
S.L. 549.66 (Nitrates Action Programme Regulations)
S.L. 549.25 Protection of Waters against pollution causedby Nitrates from agricultural sourcesRegulation
Food Safety Act, 2002 (Act No. XIV of 2002)
S.L 430.07 &L.N 284 of 2011 Plant Protection Products (Implementation) Regulations, 2011
S.L 430.08 & L.N.489 of 2011 (Sustainable Use of Pesticides Regulation)

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

This eco-scheme exceeds the baseline requirements set out in the identified GAECs and SMRs. Specifically, the following:
- GAEC 6: Patogen-resistant CPM and/or varieties with less demand for water combined with the applicable fertiliser obligations under this scheme will result in increased SOM, moisture retainment, and soil protection. Such commitments should also reduce the reliance on nitrogen fertilizers, which can help to reduce nitrous oxide emissions.
-SMR 1: Prohibiting synthetic fertilizer under the eco-scheme eliminates a major source of excess phosphorus application that can pollute waterways. At the same time, it rules out the impacts of synthetic nitrogen fertilizers. This ambitious approach regulates diffuse phosphate pollution by eliminating one of the primary sources rather than just controlling amounts.
-SMR 2: The beneficial effects brought about by this scheme defuel aquifer saltwater intrusion and soil salinisation. Both of these align with, and contribute to, the protection of waters from agriculturally derived pollution. Further direct applicability of this financial instrument to SMR 2 is the plausibility of lower nitrates leaching into aquifers when combined with lower irrigation rates and involvement of a crop rotation system as inferred by this scheme[1]; particularly as all of the Maltese Islands are labelled as NVZs.

-SMR 5: The commitments under this Eco-scheme go beyond the general principles and requirements enshrined under food law, particulary concerning the necessary record-keeping and the reduction in the use of synthetic fertilisers which can seriously deplete the nutritional resources of food, and also be a health-hazard through consumption.

-SMR 7: In line with the proposed scheme, the Eco-scheme promotes reduced use of PPPs. By encouraging the adoption of resistant varieties, the scheme complements SMR 7's prohibition on unauthorized pesticide use. This synergy encourages a shift towards less chemically dependent approaches.

SMR 8: The proposed scheme aligns closely with SMR 8's emphasis on Integrated Pest Management (IPM) approaches. The Eco-scheme goes further by offering financial incentives and support to facilitate the implementation of IPM-derived practices through proactive usage and application of pathogen-resistant propagating material. By extension, this enables less PPPs usage due to lower susceptibility of growth material and therefore less handling, storage and disposal of pesticides. The Eco-scheme thus contributes to fostering sustainable pest management and crop production practices that assert and provide supplemental pushes in line with the regulatory framework.

[1]*Further dependent on the crop types selected, soil types present and fertiliser type.*

7 Range and amounts of support

Description

It will take the form of an annual payment per eligible hectare covered by the commitment. The planned total funding allocated towards this intervention shall be of circa Euro 189,085.82 (2024), Euro 10,000 per annum (2025- 2026) and circa Euro 5,790.50 for 2027.

8 Additional questions/information specific to the Type of Intervention

N/A

9 WTO compliance

Green Box

Paragraph 12 of Annex 2 WTO

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

This intervention is in line with paragraph 5 of Annex 2 to the WTO Agreement on Agriculture.

This support is payable to those beneficiaries that comply with a set of clearly defined criteria related to the commitments under this eco-scheme which involve costs incurred on certified propagating materials that are resistant to pathogens, as well as crop and plant varieties with less demand for water. Furthermore, no production will be required to receive this support.

A flat rate per eligible hectare will be applied.

11 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Planned Unit Amount	Region(s)	Result Indicator(s)
DP ECO-CPM Unit - DP ECO-CPM Unit - Unit Amount for Eco-scheme: Certified propagating material resistant to pathogens	Uniform		R.12; R.23; R.24; R.6

Explanation and Justification (including the flexibility)

DP ECO-CPM Unit - DP ECO-CPM Unit - Unit Amount for Eco-scheme: Certified propagating material resistant to pathogens

The proposed rate for this combined eco-scheme is based on the additional cost of crop varieties to be cultivated under this scheme in comparison to their conventional counterparts. The National Statistics Office reported that the cost of seed and planting stocks within the Maltese agro-economy in 2021 is at €4.8 Million or 6.6% of the total intermediate costs. The cost of seed and grafts for product groups under arable land (i.e., vegetables, potatoes, flower and seeds, and forage) was estimated based on their output share. Finally, the cost of seed per hectare was calculated by dividing the estimated cost of seed of each product type by its utilized agricultural area (UAA) from the 2020 Census of Agriculture.

The weighted average cost of seed per hectare is at €565.83. Stakeholder consultations reaffirmed that plant variants that are pathogen-resistant are typically more expensive than their regular counterparts with price differences of up to 50%-80%. Similarly, crop variants with less demand for water are deemed to have higher price premium in comparison to the conventional types. Using the midpoint figure of 65%, the additional cost for the plant variants under this scheme is estimated to be €368/ha on average. This shall be the planned rate for this new eco-scheme with the minimum and maximum amount equivalent to €313/ha and €543.60/ha, respectively. The implementation of the maximum and minimum rate shall be based on the discretion of the managing authority, budgetary constraints, regulatory requirements, and level of farmer uptake. In instances where the farmer applies solely for the action to use certified disease and pathogen-resistant plant material without the cultivation of crop and plant varieties with less demand for water, the maximum unit amount that may be applied will not exceed €441.60.

12 Planned Unit Amounts - Financial table with outputs

Planned Unit Amount	Financial Year	2024	2025	2026	2027	2028	Total 2024 - 2028
	Calendar Year	**2023**	**2024**	**2025**	**2026**	**2027**	**Total 2023 - 2027**
DP ECO-CPM Unit - DP ECO-CPM Unit - Unit Amount for Eco-scheme: Certified propagating material resistant to pathogens	Planned unit amount		368.00	368.00	368.00	368.00	
	Minimum Amount for the Planned unit amount		313.00	313.00	313.00	313.00	
	Maximum Amount for the Planned unit amount (EUR)		543.60	543.60	543.60	543.60	
	O.8 (unit: Hectares)		347.84	18.50	18.50	18.50	
	Planned output * Planned unit amount		128,005.12	6,808.00	6,808.00	6,808.00	148,429.12
TOTAL	O.8 (unit: Hectares)		347.84	18.50	18.50	18.50	**Sum:** 403.34 **Max:** 347.84
	Annual indicative financial		189,085.82	10,000.00	10,000.00	5,790.50	214,876.32

Planned Unit Amount	Financial Year	2024	2025	2026	2027	2028	Total 2024 - 2028
	Calendar Year	2023	2024	2025	2026	2027	Total 2023 - 2027
	allocation (Union Contribution in EUR)						
	Out of which needed to reach the minimum ringfencing requirement (Annex XII) (only under article 30) (Union contribution)	0.00	0.00	0.00	0.00	0.00	0.00

DP ECO-IPM - Direct Payments (Eco-scheme: IPM)

Intervention Code (MS)	DP ECO-IPM
Intervention Name	Direct Payments (Eco-scheme: IPM)
Type of Intervention	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare / Art. 31(7)(b) - Compensatory payment
Common Output Indicator	O.8. Number of hectares or of livestock units benefitting from eco-schemes

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

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

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

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO1 Support viable farm income and resilience of the agricultural sector across the Union in order to enhance long-term food security and agricultural diversity as well as to ensure the economic sustainability of agricultural production in the Union
SO4 Contribute to climate change mitigation and adaptation, including by reducing greenhouse gas emission and enhancing carbon sequestration, as well as promote sustainable energy
SO5 Foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency
SO6 Contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes
SO9 Improve the response of Union agriculture to societal demands on food and health, including high quality, safe, and nutritious food produced in a sustainable way, the reduction of food waste, as well as improving animal welfare and combatting antimicrobial resistances

CAP AREAS OF ACTION Code + Description
AOA-B climate change adaptation, including actions to improve resilience of food production systems, and animal and plant diversity for stronger resistance to diseases and climate change
AOA-C protection or improvement of water quality and reduction of pressure on water resources
AOA-D prevention of soil degradation, soil restoration, improvement of soil fertility and of nutrient management [and soil biota]
AOA-E protection of biodiversity, conservation or restoration of habitats or species, including maintenance and creation of landscape features or non-productive areas
AOA-F actions for a sustainable and reduced use of pesticides, particularly pesticides that present a risk for human health or environment

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
5.4	Increase efficient use of water and soil by restoring geographical and landscape features	3	Yes
5.5	Encourage farmers to invest in efficient farming systems that make efficient use of resources	7	Yes
6.1	Promote measures that protect and enhance biodiversity on agricultural holdings & wider rural areas	1	Yes
6.4	Improve and conserve the	2	Yes

	status of existing habitats protected under HBD & rural landscape features		

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold
R.21 Share of utilised agricultural area (UAA) under supported commitments for the quality of water bodies
R.22 Share of utilised agricultural area (UAA) under supported commitments related to improved nutrient management
R.24 Share of Utilised Agricultural Area (UAA) under supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides, such as pesticides leakage
R.31 Share of utilised agricultural area (UAA) under supported commitments for supporting biodiversity conservation or restoration including high-nature-value farming practices
R.6 Percentage of additional direct payments per hectare for eligible farms below average farm size (compared to average)

5 Specific design, requirements and eligibility conditions of the intervention

Description

This intervention was designed with the objective of encouraging farmers to adopt and follow an Integrated Pest Management Plan (IPMP).The IPMP must be developed in line with the Guidelines for Integrated Pest Management for Malta that were developed in line with Legal Notice 489 of 2011, Sustainable Use of Pesticides Regulation, transposing Directive (EU) 2009/128/EC. Currently there is no requirement to have an Integrated Pest Management Plan (IPMP) on the whole parcel, but rather the current legislation in place encourages the implementation of an IPMP on a voluntary basis as per SL.430.08, Article 13 (5) *Sustainable Use Of Pesticides* and CAP. 433 Article 3(2)(h) of the *Plant Quarantine Act.*

This intervention aims to install sustainable land management practices that will allow farmers to move away from the conventional, systematic, and habitual practice of using Plant Protection Products. Besides introducing better management and controlled use of pesticides, this intervention will also lead to less pesticides use by encouraging alternative pest control measures. This will have a positive impact on biodiversity, as well as soil maintenance and structure. This intervention promotes and rewards agricultural practices that work in harmony with local ecosystems, reduces the need for pesticides and balances agriculture productivity with natural pest control concepts.

With this in mind, Malta intends to start producing specific IPMP's for individual farmers that foresee the use of products that have a lower toxicity than the ones that have been used so far. This will allow farmers to have awareness on the new products and at the same knowledge on how these can be used. Adequate plant nutrition is also required as to ensure that the plan is physiologically sound to be able to combat the stresses and react to the pests. Thus proper nutrition is needed. In this regard, this IPMP measure will require the farmer to follow a programme that will include both fertiliser recommendation and also the alternative less toxic PPP which are being introduced in Malta. Furthermore, farmers subscribed to this measure will also be required to attend specific training linked to the products that they will be cultivating as declared n the crop plan. Furthermore, the farmer will be subscribing to an early pest warning system, where farmers will be notified of the likelihood of an infestation according to predictive modelling.

This measure is aimed at guiding the farming sector to cultivate in a more holistic manner taking into consideration the health of the crop and at the same time using more non-toxic PPP and allowing the farmer to have constant access to knowledge. This measure is considered a key measure to help Malta reach its pesticide reduction targets.

The Maltese Authorities will endeavour to ensure a high level promotion of eco-schemes. This will involve numerous activities, including but not limited to:

- Media Events, Press Conference and Press Releases;
- Use of Government Social Media Pages and websites;
- Organisation of promotional information sessions with farmers providing detailed presentations about these schemes, and clarifying any queries participants may have;
- Publication of adverts in Government Gazette;

- Creation of promotional material (leaflets, booklets, etc.) concerning these schemes, and appropriate distribution;
- Use of SMS service notifying farmers of launch of schemes, dates of information sessions, any other information as necessary;
- Promotion via Front Office to visitors; and
- Continue to provide technical support and advice to farmers in the implementation of such schemes through the established Farm Advisory Services.

Description of commitments for eco-scheme

Beneficiaries must commit to follow an Integrated Pest Management Plan on the whole area of the land parcel/s, as identified at application stage, for at least three (3) consecutive years.

• The IPM Plan must be drafted by competent individuals
• Installation of traps on parcels to allow the farmers to identify the kind of pest/severity of infestation. Installation of traps must be based on the plans
• Farmers will be required to retain a record, which must cover the date when monitoring was performed, the pest the farmer was monitoring for, and the number of pest(s) recorded (if any)
- Committed parcels must have a total eligible area of at least 0.04Ha or more
• The IPMP must include at least 3 of the following techniques

- Agricultural practices that can help prevent build-up of pests (e.g. pruning and tillage methods);
- Field sanitation and seed bed sanitation;
- Use of pest-resistant varieties;
- Managing sowing, planting or harvesting dates;
- Water/irrigation management;
- Soil and nutrient management (including mulching, zero/low tillage, fertilizer management);
- Practices to enhance the build-up of naturally existing predator populations;
- Use of traps or trap crops;
- Biological inputs;
- Biological control through release of predators, parasites or pathogens;
- Bio-pesticides;
- Biological preparations (e.g. name extract);
- Chemical inputs;
- Chemicals that disrupt insect behaviour (e.g. pheromones);
- Growth-regulators.

Directive 2009/128/EC[1] provides that MS should promote integrated pest management, and farmers are encouraged to follow general principles of IPM. This same approach is reiterated under LN 489 of 2011 (Laws of Malta), whereby schedule 3 lays down general principles that farmers should follow. The proposed eco-scheme shall go beyond these requirements as:
• Farmers shall be voluntarily subjecting themselves to stricter control regimes specifically on IPM
• Farmers shall have to obtain and follow crop specific plan, taking into consideration the growth and development cycles of the most common pests in Malta. This plan must be followed which implies limited choice of PPPs, and moving away from ad-hoc approaches that could still be considered in line with the guidance provided in the regulations referred to and may still be improved upon through this plan
• These plans must be in line with guidelines issued by the Agriculture Directorate with enhanced emphasis on specific monitoring, prevention and control mechanisms that favour the protection of biodiversity and de-risking of contamination from PPPs.

Inevitably farmers shall have to educate themselves systematically on the different monitoring mechanisms and mitigation measures in the plan in order for them to follow it correctly.

Beneficiaries may be exempted from the above point if in possession of a relevant qualification (diplomas/degree) supported by documentation which clearly demonstrates its relevance to the commitments to be undertaken under DP ECO-IPM.

[1] Directive 2009/128/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for Community action to achieve the sustainable use of pesticides.

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

Eligible beneficiaries must comply with the following eligibility criteria:

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

b. comply with the eligibility criteria as set out under the Basic Income Support for Sustainability (BISS)

c. At application stage, beneficiaries must identify one or more parcels within their holding to implement this measure.

d. A parcel shall be deemed eligible if:

(i) it consists of arable land and/or permanent crop land

(ii) is maintained under annual minimum activity

e. Beneficiaries will be required to follow an Integrated Pest Management Plan by a recognised competent advisor for at least three (3) consecutive years.

Eligible beneficiaries will be required to use ARPA's mobile apps to submit and update their crop plan and their use of Plant Protection Products.

6 Identification of relevant baseline elements

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

List of relevant GAEC and SMR

Code	Description
GAEC03	Ban on burning arable stubble, except for plant health reasons
GAEC05	Tillage management, reducing the risk of soil degradation and erosion, including consideration of the slope gradient
GAEC06	Minimum soil cover to avoid bare soil in periods that are most sensitive
GAEC07	Crop rotation in arable land, except for crops growing under water
GAEC08	Retention of landscape features.Ban on cutting hedges and trees during the bird breeding and rearing season.As an option, measures for avoiding invasive plant species
SMR01	Directive 2000/60/EC of 23 October 2000 of the European Parliament and of the Council establishing a framework for Community action in the field of water policy: Article 11(3), point (e), and point (h), as regards mandatory requirements to control diffuse sources of pollution by phosphates
SMR02	Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources: Articles 4 and 5
SMR05	Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, laying down procedures in matters of food safety: Articles 14 and 15,

	Article 17(1) and Articles 18, 19 and 20
SMR07	Regulation (EC) No 1107/2009 of the European Parliament and of the Council of 21 October 2009 concerning the placing of plant protection products on the market and repealing Council Directives 79/117/EEC and 91/414/EEC: Article 55, first and second sentence
SMR08	Directive 2009/128/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for Community action to achieve the sustainable use of pesticides: Article 5(2) and Article 8(1) to (5); Article 12 with regard to restrictions on the use of pesticides in protected areas defined on the basis of Directive 2000/60/EC and Natura 2000 legislation; Article 13(1) and (3) on handling and storage of pesticides and disposal of remnants

List of relevant mandatory national standards

L.N. 345 of 2015 (Water Policy Framework Regulations).
S.L. 549.66 (Nitrates Action Programme Regulations)
S.L. 549.25 Protection of Waters against pollution caused by Nitrates from agricultural sources Regulation
Food Safety Act, 2002 (Act No. XIV of 2002)
S.L 430.07 & L.N 284 of 2011 Plant Protection Products (Implementation) Regulations, 2011
S.L 430.08 & L.N.489 of 2011 (Sustainable Use of Pesticides Regulation)

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

Adopting an Integrated Pest Management Plan will lead to sustainable land management practices that are well-suited to the local climatic conditions. This will ultimately reduce the use of pesticides and fertilisers, as well as improve water management. This intervention will oblige farmers to enhance the monitoring of pest and diseases, develop a better understanding of the different agronomic technicalities surrounding the sustainable use of Plant Protection Products whilst following a pre-established plan based on experts' advice.

By reducing pesticides use, this intervention will significantly scale down surface and ground water contamination from Plant Protection Products. Furthermore, it will improve soil nutrients and structure reversing the decline of beneficial soil organisms and soil organic matter as a result of extensive pesticides use. This will in turn lead to better water retention in soils. Ultimately, lower use of pesticides will enhance biodiversity and restore habitats.

Farmers under this scheme shall be asked to follow an integrated approach in their agricultural activity, advocating a paradigm shift from adhering to a set of rules as provided in the GAEC towards a more ambitious agriculture activity incorporating various agronomic practices, monitoring through enhanced knowledge and apply targeted solutions to specific problems.

7 Range and amounts of support

Description

It will take the form of an annual payment per eligible hectare covered by the commitment. The planned total funding allocated towards this intervention shall be of circa Euro 960,420 for 2023, Euro 349,200 for 2024, Euro 520,000 per annum (2025-2026) and circa Euro 201,900 for 2027.

8 Additional questions/information specific to the Type of Intervention

N/A

9 WTO compliance

Green Box
Paragraph 12 of Annex 2 WTO

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

This intervention is in line with paragraph 5 of Annex 2 to the WTO Agreement on Agriculture. This support is payable to those beneficiaries that comply with a set of clearly defined criteria related to production methods and inputs that reduce the use of Plant Protection Products. Furthermore, no production will be required to receive this support. A flat rate per eligible hectare will be applied.

11 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Planned Unit Amount	Region(s)	Result Indicator(s)
DP ECO-IPM Unit - Unit Amount for Eco-scheme: IPM	Uniform		R.21; R.22; R.24; R.31; R.6

Explanation and Justification (including the flexibility)
DP ECO-IPM Unit - Unit Amount for Eco-scheme: IPM

Farmers under this scheme shall be asked to revisit what has been their approach towards pest control towards a much more sustainable approach. This will involve various challenges: 1. They shall be asked to submit and keep an updated crop-plan using Biedjacam (Mobile app) 2. They shall have to follow a strict plan as provided by a recognised competent advisor. They will have to keep records in line with the plan provided 4. They will have to submit themselves to stricter controls 5. The loss of a portion of their yield is likely especially until together with technical experts they get a better understanding of the different pedoclimatic conditions of their holding 6. This shall involve an increase in administrative burden for the farmers. Hence they should be compensated appropriately.

The support rate for this eco-scheme is comprised of four cost elements: the cost of consultancy, labour cost, monitoring expenses and income foregone. The inflationary effect is being taken into consideration.

In order to estimate the income foregone, the annual income generated from vegetables, potatoes, fruits, vineyards and orchards and forage was extracted from the Economic Accounts published by the NSO and then weighted by the number of hectares which are extracted from the Farm Structure Survey (2013). The total annual income foregone from growing productive crops is estimated to stand at €4,566 per hectare.

Based on the above considerations, the overall support rate estimated by the independent body for this eco-scheme is equivalent to around €2,100. Due to budgetary constraints, amongst others, the estimated planned unit amount was adjusted to €2,328. This is outlined in the assessment carried out by independent experts as attached to this Plan titled Derivation of support rates - direct payments.

Complementarity with AECC-SMP

An analysis carried out by the Maltese authorities has determined that implementation of this Eco-Scheme on IPM is complementary to the implementation of AECC on SMP on the same parcel of land. In this regard, in cases where beneficiaries are implementing both schemes on the same parcel of land, an appropriate combined rate of support amounting to a total of €3,212.93/ha/annum has been established.

The exercise also identified the overlapping support amount or shared costs between both schemes, at €1,232.25/ha. Deducing this amount, irrespective of which ES-IPM support rate (min. or max.), ascertains the exclusion of the risk double funding of potential overlapping greening and management practices under this eco-scheme and AECC.

Thus, in instances of combined implementation, the MT authorities have decided that the amount of €1,232.25/ha/annum will be deducted from the support rate provided under AECC-SMP resulting in a revised support rate of €1,146.10/ha/annum while leaving the support rate for ES-IPM established in the table below unchanged.

12 Planned Unit Amounts - Financial table with outputs

Planned Unit Amount	Financial Year	2024	2025	2026	2027	2028	Total 2024 - 2028

	Calendar Year	2023	2024	2025	2026	2027	Total 2023 - 2027
DP ECO-IPM Unit - Unit Amount for Eco-scheme: IPM	Planned unit amount	2,000.00	2,000.00	2,000.00	2,000.00	958.00	
	Minimum Amount for the Planned unit amount	1,500.00	1,500.00	1,500.00	1,500.00	900.00	
	Maximum Amount for the Planned unit amount (EUR)	2,000.00	2,328.00	2,328.00	2,328.00	1,047.60	
	O.8 (unit: Hectares)	480.21	150.00	233.00	233.00	233.00	
	Planned output * Planned unit amount	960,420.00	300,000.00	466,000.00	466,000.00	223,214.00	2,415,634.00
TOTAL	O.8 (unit: Hectares)	480.21	150.00	233.00	233.00	233.00	**Sum:** 1,329.21 **Max:** 480.21
	Annual indicative financial allocation (Union Contribution in EUR)	960,420.00	349,200.00	520,000.00	520,000.00	201,900.00	2,551,520.00
	Out of which needed to reach the minimum ringfencing requirement (Annex XII) (only under article 30) (Union contribution)	0.00	0.00	0.00	0.00	0.00	0.00

DP ECO-MSS - (Eco-scheme: Early harvesting of multi-species swards)

Intervention Code (MS)	DP ECO-MSS
Intervention Name	(Eco-scheme: Early harvesting of multi-species swards)
Type of Intervention	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare / Art. 31(7)(b) - Compensatory payment
Common Output Indicator	O.8. Number of hectares or of livestock units benefitting from eco-schemes

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

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

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

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO1 Support viable farm income and resilience of the agricultural sector across the Union in order to enhance long-term food security and agricultural diversity as well as to ensure the economic sustainability of agricultural production in the Union
SO5 Foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency

CAP AREAS OF ACTION Code + Description
AOA-B climate change adaptation, including actions to improve resilience of food production systems, and animal and plant diversity for stronger resistance to diseases and climate change
AOA-C protection or improvement of water quality and reduction of pressure on water resources
AOA-D prevention of soil degradation, soil restoration, improvement of soil fertility and of nutrient management [and soil biota]
AOA-E protection of biodiversity, conservation or restoration of habitats or species, including maintenance and creation of landscape features or non-productive areas
AOA-F actions for a sustainable and reduced use of pesticides, particularly pesticides that present a risk for human health or environment

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
1.1	Sustain a viable farm income for farmers in Malta, across all sectors	1	Yes
1.3	Improve prevention actions related to possible risks and enable farmers to be financially resilient	5	Yes
1.6	Improving product quality and traceability	4	Yes
5.6	Demonstrate the value to farm profitability of crops and livestock produced to higher standards	2	Yes
5.7	Identify ways to reduce nutrient loading to air, soil and water from agricultural activity	5	Yes

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of

this intervention are displayed in bold
R.19 Share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil quality and biota (such as reducing tillage, soil cover with crops, crop rotation included with leguminous crops)
R.6 Percentage of additional direct payments per hectare for eligible farms below average farm size (compared to average)

5 Specific design, requirements and eligibility conditions of the intervention

Description

This eco-scheme supports early harvesting of forage and fodder crops whilst prohibiting synthetic fertiliser and fostering multi-species swards, specifically mixtures of *Gramineae* (cereals like wheat, barley, oats) and *Leguminosae* (legumes like peas, beans, lentils). Growing mixed varieties of *Gramineae* and *Leguminosae* promotes crop diversity and reduces the risk of crop failure[1]. In a Member State with monocropping predominance, the introduction of multi-species embraces the enhancement of soil fertility, health, and erosion dampening in sensitive periods. Over the years, pathogen and pest activity has been reported all across the Maltese Archipelago.[2] Traditional practices of harvesting without collection, particularly of forage and fodder serve as growing grounds for many of such pests. Thus, promoting early harvesting and collection aids in addressing and preventing such high pest activity and infiltration. The benefit of this also improves production quality, as early harvests imply higher nutrient and protein content, as well as plausibly greater yield output[3].

The scheme further promotes sustainable farming by regulating nutrient imbalance and chemical dependency by prohibiting the use of synthetic fertilisers. This prohibition excessively reduces the carbon footprint of industry beneficiaries given the energy-intensive processes involved in synthetic fertilizer production. With more than half of Malta's UAA producing forage crops, this financial instrument furthers the promotion of silage fermentation and production. In turn indirectly initiates the improvement of livestock feed quality which may further reduce GHG emissions, particularly [enteric] methane (CH_4)[4]. Further shifting the reliance on organic fertilizer ensures local sectors sustain in agri-economic circularity by identifying and strengthening local exchanges over imported fertilizer.

Participants are to commit to mixed-seed types with a minimum of two crop types, refrain from applying synthetic fertilisers, and harvest and collect produce at pre-mature growth stages between April 1 and May 15. Thus, this eco-scheme provides a proactive approach towards achieving environmental targets, related to pest management, poly-cropping, improving soil structure etc. Applicants shall be required to commit to sowing and harvesting varieties of Gramineae and/or *Leguminosae* crops earlier than the conventional maturing period. The multi-faceted approach in this scheme would aim to provide several environmental benefits:

- Benefits to soil structure: Species of the *Leguminosae* family can fix nitrogen from the air and transform it into a form that can be utilized by plants, enhancing the fertility and structure of the soil. Additionally, cultivating mixed varieties of *Leguminosae* and *Gramineae* can encourage the growth of advantageous rhizobacterial communities, which can enhance soil health and nutrient availability.[5][6]
- Improved grain quality: Grain quality is improved by early wheat harvesting at a high moisture content, which lowers drying costs and boosts economic return.[7][8]
- Reduced post-harvest losses: Harvesting crops at the optimal maturity and moisture content can reduce post-harvest losses due to mould growth and insect infestation. This also implies a reduction in pest population build-up.[9]
- Increased forage quality: Silage made from forage crops that have been harvested during the vegetative stage has a high energy content and nutritional value. Farmers may be encouraged as a result to make high-quality, nutrient-rich silage.[10][11]
- Reduced carbon footprint: Harvesting mixed varieties of *Gramineae* and *Leguminosae* sooner can lessen the carbon footprint of agriculture by encouraging sustainable practices like intercropping and lowering the need for synthetic fertilizers.[12][13]
- Improved pest management: Harvesting crops at the optimal maturity and moisture content can reduce the incidence of pests and diseases.[14][15]
- The increased potential for silage through these crops can also improve local circularity by enhancing on-farm feed self-sufficiency, which also contributes to the reduction of the carbon

footprint associated with import reliance for forage crops and feeds, as reliance on such goods decreases. Using silage instead of grain as animal feed can also reduce methane emissions from livestock and the animal husbandry sector.

- The prohibition on synthetic fertilizers will further decrease the greenhouse gas emissions related to this agricultural activity.
- Overall, this eco-scheme shall promote more sustainable practices that benefit air quality, soil health, and local food systems and markets.

The Maltese Authorities will endeavour to ensure a high level promotion of eco-schemes. This will involve numerous activities, including but not limited to:

- Media Events, Press Conference and Press Releases;
- Use of Government Social Media Pages and websites;
- Organisation of promotional information sessions with farmers providing detailed presentations about these schemes, and clarifying any queries participants may have;
- Publication of adverts in Government Gazette;
- Creation of promotional material (leaflets, booklets, etc.) concerning these schemes, and appropriate distribution;
- Use of SMS service notifying farmers of launch of schemes, dates of information sessions, any other information as necessary;
- Promotion via Front Office to visitors; and
- Continue to provide technical support and advice to farmers in the implementation of such schemes through the established Farm Advisory Services.

[1] Kocira, Anna, Mariola Staniak, Marzena Tomaszewska, Rafał Kornas, Jacek Cymerman, Katarzyna Panasiewicz, and Halina Lipińska. "Legume cover crops as one of the elements of strategic weed management and soil quality improvement. A review." *Agriculture* 10, no. 9 (2020): 394. https://doi.org/10.3390/agriculture10090394

[2Carabott, September 3, 2023

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Description of commitments for eco-scheme

Farmer commitments

- Eligible applicants may be required to use ARPA's mobile software application *(BiedjaCam)* to submit their crop plan inclusive of at minimum (2) different eligible crops and declare which of varieties they are committing to;
- The committed area must be sown in full with the eligible varieties;
- Farmers must keep records of fiscal documents related to the purchase of the varieties which shall be made readily available for any on-the-spot checks by officials;
- Harvesting must occur between April 1st and May 15th of each year.
- Throughout the committed period, no synthetic fertilisers and arable stubble burning are allowed.
- The eco-scheme requires the beneficiary to submit any requested photos and/or proof of purchase by ARPA as indicated and in line with the submitted crop plan.

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

Eligibility criteria

- Active farmers as defined under Malta's CAP Strategic Plan;
- Beneficiaries eligible for BISS;
- Committed parcels must at least have a total eligible area of 0.04 Ha throughout the commitment period;
- At the commitment level the minimum area is 0.04 Ha;
- The scheme provides for a one (1) year commitment period;
- Eligible crops shall be a variety of cultivars from the *Gramineae* and *Leguminosae* families;
- Farmers shall declare the list of committed cultivars in the IACS digital crop plan;
- Applicants shall at the application stage indicate at minimum a mixture of two (2) different crops they are committing to via the crop plan on each parcel;
- Designated parcel of land shall be deemed eligible if it is:

i. arable land

ii. maintained under annual minimum activity.

6 Identification of relevant baseline elements

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

List of relevant GAEC and SMR

Code	Description
GAEC03	Ban on burning arable stubble, except for plant health reasons
GAEC05	Tillage management, reducing the risk of soil degradation and erosion, including consideration of the slope gradient
GAEC06	Minimum soil cover to avoid bare soil in periods that are most sensitive
SMR01	Directive 2000/60/EC of 23 October 2000 of the European Parliament and of the Council establishing a framework for Community action in the field of water policy: Article 11(3), point (e), and point (h), as regards mandatory requirements to control diffuse sources of pollution by phosphates

List of relevant mandatory national standards

L.N. 345 of 2015 (WaterPolicy Framework Regulations).
S.L. 549.66 (Nitrates Action Programme Regulations)
S.L. 549.25 Protection of Waters against pollution causedby Nitrates from agricultural sourcesRegulation
Food Safety Act, 2002 (Act No. XIV of 2002)
S.L 430.07 &L.N 284 of 2011 Plant Protection Products (Implementation) Regulations, 2011
S.L 430.08 & L.N.489 of 2011 (Sustainable Use of Pesticides Regulation)

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

This eco-scheme exceeds the baseline requirements set out in the identified GAECs and SMRs. Specifically, the following:
-GAEC 3: This good practice applies to the whole Maltese Archipelago, and as such ensures that organic carbon is not lost from soil whilst maintaining SOM and soil structure. This eco-scheme further reinforces carbon uptake with multi-species swards and furthers soil structure and stability throughout.
-GAEC 5 & 6: Multi-species swards can help to reduce soil erosion and degradation by improving soil structure, biodiversity, and fertility. The interaction between the different plant species in the sward allows them to work off each other, with the result in SOM, moisture retainment, and soil protection often greater than the sum of monocropping. The various species root at varying depths, allowing them to both access and contribute different elevations of [primarily] the topsoil. Multi-species swards can also reduce the reliance on nitrogen fertilizers, which can help to reduce nitrous oxide emissions.
SMR 1: Prohibiting synthetic fertilizer under the eco-scheme eliminates a major source of excess phosphorus application that can pollute waterways. At the same time, it rules out the impacts of synthetic nitrogen fertilizers. This ambitious approach regulates diffuse phosphate pollution by eliminating one of the primary sources rather than just controlling amounts.

7 Range and amounts of support

Description

It will take the form of an annual payment per eligible hectare covered by the commitment. The planned total funding allocated towards this intervention shall be of circa Euro 219,556.61 (2024), Euro 300,000 (2025- 2026) and circa Euro 189,528 for 2027.

8 Additional questions/information specific to the Type of Intervention

N/A

9 WTO compliance

Green Box

Paragraph 12 of Annex 2 WTO

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

This intervention is in line with paragraph 5 of Annex 2 to the WTO Agreement on Agriculture.

This support is payable to those beneficiaries that comply with a set of clearly defined criteria related to the commitments under this eco-scheme which involves early harvesting of multi-species swards. Furthermore, no production will be required to receive this support.

A flat rate per eligible hectarewill be applied.

11 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Planned Unit Amount	Region(s)	Result Indicator(s)
DP ECO- EarlyHarvest - Eco-scheme: EarlyHarvest	Uniform		R.19; R.6

Explanation and Justification (including the flexibility)
DP ECO- EarlyHarvest - Eco-scheme: EarlyHarvest

The proposed rate is based on the expenses related to the selected crops to be used for this scheme. The information on the costs of the selected crops and the price premium was provided by the Agriculture Consultative Council. The costs of the selected crops – namely Tricale Titania, Forage Pea Arvika, Vetch Miluka, and Hairy Vetch Variety – are based on the number of seeds needed to cover a land area of 0.7306 ha (or 6.5 tumoli in local terms) in Mgarr region. As shown below, the weighted average unit cost of the selected crops is at €1.85 per kg with Tricale Titania as the cheapest at €1.58 per kg and Hairy Vetch Variety being the most expensive at €3.38 per kg.

The amount of seed needed per hectare was derived to estimate the corresponding weighted average cost per hectare. The total amount of seed needed for 1 hectare is at 1,136.05 kgs corresponding cost per hectare at €2,103.61. The ACC confirmed that the price premium of these seeds is at 25% in contrast to its conventional counterpart. This translates to €526/ha as the additional costs due to the cultivation of the selected crops. This should be the planned rate for this scheme with the minimum and maximum rates at €447/ha and €631.20/ha, respectively.

12 Planned Unit Amounts - Financial table with outputs

Planned Unit Amount	Financial Year	2024	2025	2026	2027	2028	Total 2024 - 2028
	Calendar Year	2023	2024	2025	2026	2027	Total 2023 - 2027
DP ECO- EarlyHarvest - Eco-scheme: EarlyHarvest	Planned unit amount		526.00	526.00	526.00	526.00	
	Minimum Amount for the Planned unit amount		447.00	447.00	447.00	447.00	
	Maximum Amount for the Planned unit amount (EUR)		631.20	631.20	631.20	631.20	
	O.8 (unit: Hectares)		347.84	424.00	424.00	424.00	
	Planned output * Planned unit amount		182,963.84	223,024.00	223,024.00	223,024.00	852,035.84
TOTAL	O.8 (unit: Hectares)		347.84	424.00	424.00	424.00	**Sum:** 1,619.84 **Max:** 424.00
	Annual indicative financial allocation (Union Contribution in EUR)		219,556.61	300,000.00	300,000.00	189,528.00	1,009,084.61
	Out of which needed to reach the minimum ringfencing requirement (Annex XII) (only under article 30)						

Planned Unit Amount	Financial Year	2024	2025	2026	2027	2028	Total 2024 - 2028
	Calendar Year	2023	2024	2025	2026	2027	Total 2023 - 2027
	(Union contribution)						

DP ECO-NPE - (Eco-scheme: Arable land for non-productive elements)

Intervention Code (MS)	DP ECO-NPE
Intervention Name	(Eco-scheme: Arable land for non-productive elements)
Type of Intervention	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare / Art. 31(7)(b) - Compensatory payment
Common Output Indicator	O.8. Number of hectares or of livestock units benefitting from eco-schemes

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

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

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

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO1 Support viable farm income and resilience of the agricultural sector across the Union in order to enhance long-term food security and agricultural diversity as well as to ensure the economic sustainability of agricultural production in the Union
SO5 Foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency
SO6 Contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes

CAP AREAS OF ACTION Code + Description
AOA-B climate change adaptation, including actions to improve resilience of food production systems, and animal and plant diversity for stronger resistance to diseases and climate change
AOA-C protection or improvement of water quality and reduction of pressure on water resources
AOA-D prevention of soil degradation, soil restoration, improvement of soil fertility and of nutrient management [and soil biota]
AOA-E protection of biodiversity, conservation or restoration of habitats or species, including maintenance and creation of landscape features or non-productive areas
AOA-F actions for a sustainable and reduced use of pesticides, particularly pesticides that present a risk for human health or environment

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
1.1	Sustain a viable farm income for farmers in Malta, across all sectors	1	Yes
1.3	Improve prevention actions related to possible risks and enable farmers to be financially resilient	5	Yes
5.4	Increase efficient use of water and soil by restoring geographical and landscape features	3	Yes
5.7	Identify ways to reduce nutrient loading to air, soil and water from agricultural activity	5	Yes
6.1	Promote measures that protect and enhance biodiversity on agricultural holdings & wider	1	Yes

	rural areas		

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold
R.19 Share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil quality and biota (such as reducing tillage, soil cover with crops, crop rotation included with leguminous crops)
R.31 Share of utilised agricultural area (UAA) under supported commitments for supporting biodiversity conservation or restoration including high-nature-value farming practices
R.34 Share of utilised agricultural area (UAA) under supported commitments for managing landscape features, including hedgerows and trees
R.6 Percentage of additional direct payments per hectare for eligible farms below average farm size (compared to average)

5 Specific design, requirements and eligibility conditions of the intervention

Description

This land-based eco-scheme aligns with the goal of recovering soil health and quality whilst promoting sustainable practices by incentivising farmers to allocate a minimum of continuous 7% of arable land to land lying fallow, that must not in any case be less than 0.03ha of continuous arable land. The minimum 7% can also be reached through the creation of new landscape features. This element contributes to in-situ natural pest control, ecosystem recovery, carbon sequestration, and other benefits. As land lying fallow reduces the adverse stressors of the agricultural sector on natural resources, this rest period allows for a time frame that contributes to fertility regeneration that ensures the longevity of soil, whilst also lessening water consumption during harsh conditions. Therefore, this scheme further puts forward beneficial adaptation practices against the climate change threats posed.

The scheme setup conforms with Article 31 Subsection 7(a) of Regulation 2115/2021, which is to build on the BISS program. This Eco scheme bridges agricultural productivity with ecological preservation. Should BISS beneficiaries allocate 7% of eligible land from their holding, they will be automatically eligible for this additional payment. Their commitment under this eco-scheme shall include maintaining non-productive areas and managing them sustainably. Subsequently, farmers may, on an annual basis shift the dedicated non-productive area to a new section of the parcel thereby rendering short-term sectional recovery of arable land, its soil and organic content; or maintain the existing allocation and establish ecological and biodiversity benefits complementary to the surroundings.

Through adaptation and holistic land management, farmers, through this scheme, will contribute towards a balanced landscape of crop production and resource regeneration. Farmers will be required to allocate a portion of their agricultural land for non-productive endeavors and/or new landscape features. The areas left lying fallow are to be kept this way from the 1st May till 15th October, and will contribute to the agri-environmental gains outlined. Malta's agricultural community is characterised by fragmented land parcels with small agricultural holdings where 70% of UAA holdings registered by 2020 are less than 1 ha in size. Hence, minimum commitments are set based on an inclusive range of agricultural holdings. All applicants shall be required to comply with the below minimum requirements.

This commitment extends to the diligent upkeep but minimum land management and soil cover of these non-productive areas to optimize their ecological impact.

The Maltese Authorities will endeavour to ensure a high level promotion of eco-schemes. This will involve numerous activities, including but not limited to:

- Media Events, Press Conference and Press Releases;
- Use of Government Social Media Pages and websites;
- Organisation of promotional information sessions with farmers providing detailed presentations about these schemes, and clarifying any queries participants may have;
- Publication of adverts in Government Gazette;
- Creation of promotional material (leaflets, booklets, etc.) concerning these schemes, and appropriate distribution;

- Use of SMS service notifying farmers of launch of schemes, dates of information sessions, any other information as necessary;
- Promotion via Front Office to visitors; and
- Continue to provide technical support and advice to farmers in the implementation of such schemes through the established Farm Advisory Services.

Description of commitments for eco-scheme

Farmer commitments

Applicants that are eligible for BISS will be required to allocate a minimum of continuous 7% arable land as land lying fallow, that must not in any case be less than 0.03ha of continuous arable land. The minimum 7% can also be reached through the creation of new landscape features.

-The allocated portion shall be land lying fallow between 1st May and 15th October. Minimum activity is to be maintained during the scheme's implementation period. Minimum activity refers to the general maintenance of the land that keeps it suitable for cultivation.

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

Eligibility criteria

-Active farmers as defined under Malta's CAP Strategic Plan

-Farmers eligible and registered under BISS

-Eligible areas shall be arable land. Furthermore, new landscape features shall also be eligible. Permanent cropland shall not be supported under this scheme

- At parcel level the minimum area is of 0.01 Ha

-Committed Parcels must not be associated already with AECC 4 or any other AECC or eco-schemes not complementary to this proposed scheme

- Land is maintained under annual minimum activity.

- List of eligible landscape features:
- Buffer strips
- Ditches
- Fiels margins, patches or parcel buffer strips
- Hedgerows individual or group of trees / trees rows
- Others
- Small wetlands
- Stonewalls
- Cultural features

6 Identification of relevant baseline elements

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

List of relevant GAEC and SMR

Code	Description
GAEC03	Ban on burning arable stubble, except for plant health reasons
GAEC05	Tillage management, reducing the risk of soil degradation and erosion, including consideration of the slope gradient
GAEC08	Retention of landscape features.Ban on cutting hedges and trees during the bird breeding and rearing season.As an option, measures for avoiding invasive plant species
SMR01	Directive 2000/60/EC of 23 October 2000 of the European Parliament and of the Council establishing a framework for Community action in the field of water policy: Article 11(3),

	point (e), and point (h), as regards mandatory requirements to control diffuse sources of pollution by phosphates
SMR02	Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources: Articles 4 and 5
SMR07	Regulation (EC) No 1107/2009 of the European Parliament and of the Council of 21 October 2009 concerning the placing of plant protection products on the market and repealing Council Directives 79/117/EEC and 91/414/EEC: Article 55, first and second sentence
SMR08	Directive 2009/128/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for Community action to achieve the sustainable use of pesticides: Article 5(2) and Article 8(1) to (5); Article 12 with regard to restrictions on the use of pesticides in protected areas defined on the basis of Directive 2000/60/EC and Natura 2000 legislation; Article 13(1) and (3) on handling and storage of pesticides and disposal of remnants

List of relevant mandatory national standards

L.N. 345 of 2015 (WaterPolicy Framework Regulations).
S.L. 549.66 (Nitrates Action Programme Regulations)
S.L. 549.25 Protection of Waters against pollution causedby Nitrates from agricultural sourcesRegulation
Food Safety Act, 2002 (Act No. XIV of 2002)
S.L 430.07 &L.N 284 of 2011 Plant Protection Products (Implementation) Regulations, 2011
S.L 430.08 & L.N.489 of 2011 (Sustainable Use of Pesticides Regulation)

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

This eco-scheme exceeds and replaces the previous baseline requirements set out in the identified GAEC 8.
The first requirement of the GAEC standard 8 provides that farmers shall devote a minimum share of their arable land to non-productive areas and features. Annex III to Regulation (EU) 2021/2115 provides three options which Member States can propose to farmers for fulfilling this obligation. The main objective of GAEC standard 8, including also the second, third and possible fourth requirement is the maintenance of non-productive features and area to improve on-farm biodiversity.

Adopting this intervention will lead to parts of the holding to recover on the natural biological processes essential for the regeneration of soil biota, chemical and physical structure. This will ultimately reduce the use of pesticides and fertilisers, as well as improve water management. This intervention will oblige farmers to allocate a minimum of continuous 7% arable land as land lying fallow, that must not in any case be less than 0.03ha of continuous arable land, with the prohibition on the use of inputs. The minimum 7% can also be reached through the creation of new landscape features.
By reducing pesticides use, this intervention will scale down surface and ground water contamination from Plant Protection Products. Furthermore, it will improve soil nutrients and structure reversing the decline of beneficial soil organisms and soil organic matter as a result of intensive agriculture. This will in turn lead to better water retention in soils. Ultimately, lower use of inputs will enhance biodiversity and restore habitats.
To this end this approach goes above and beyond the baselines established under conditionality, both on a technical level and also spatially, directing farmers to engage in higher environmental ambition than that set by the GAECs.

7 Range and amounts of support

Description

It will take the form of an annual payment per eligible hectare covered by the commitment. The planned total funding allocated towards this intervention shall be of circa Euro 1,478,353.92 (2024), Euro

1,534,300 Euro (2025-2026), and circa Euro 506,620.75 for 2027.

8 Additional questions/information specific to the Type of Intervention

N/A

9 WTO compliance

Green Box

Paragraph 12 of Annex 2 WTO

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

This intervention is in line with paragraph 5 of Annex 2 to the WTO Agreement on Agriculture.

This support is payable to those beneficiaries that comply with a set of clearly defined criteria related to the commitments under this eco-scheme which involve dedicating a minimum of 7% of eligible land as land lying fallow and/or new landscape features. With respect to leaving arable land fallow, this must be done during the indicated period, while maintaining minimum activity. Furthermore, no production will be required to receive this support.

A flat rate per eligible hectare will be applied.

11 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Planned Unit Amount	Region(s)	Result Indicator(s)
DP ECO-Fallow Unit - Eco-scheme: Fallow Land Top-Up	Uniform		R.19; R.31; R.34; R.6

Explanation and Justification (including the flexibility)

DP ECO-Fallow Unit - Eco-scheme: Fallow Land Top-Up

These rates are calibrated to provide adequate compensation for the farmers that shall comply with the eco-scheme commitments, specifically in leaving the land fallow and non-productive.

The 2021 economic accounts of the agricultural sector were used for figures related to annual output and net income for the selected crops while data from the 2020 Census of Agriculture was utilized for the utilized agricultural area (UAA) per product. In this exercise, crop products including forage, vegetables, potatoes, and flowers and seeds were considered.

The net income per crop was estimated based on its share of output. The estimated net income was then divided by its corresponding UAA. As shown in the estimates, flowers and seeds have the highest net income at €14,902/ha while forage has the lowest net income at €388/ha. Using the UAA figures as weights for each crop, the weighted average net income of the selected product types is €2,791.74/ha. This shall be the basis of the rate for this scheme. For every eligible hectare, a 4% allocation translates to 0.04 ha in which the aid equals to €112. (*€2,791.74 per ha*0.04 ha)*

The maximum support rate recognises the greater income impacts of devoting a larger share of land to non-productive areas and new landscape features. A 1.2 weight factor in the weighted average net income is applied proportionate to the increased commitment, resulting in the maximum rate of the ES. Thus, farmers should allocate at least 0.07 ha in fallow/landscape features per each eligible hectare (7%) to receive the maximum support rate of €335 (*€2,791.94/ha *1.2*0.10 ha).*

The rate offers sufficient incentive for participation while being aligned with the eco-scheme's objectives revolving around resource protection, sustainable land use and biodiversity. Following Article 82, the relevant calculations have been deemed adequate and accurate and were established in advance on a fair, equitable and verifiable calculation method.

12 Planned Unit Amounts - Financial table with outputs

Planned Unit Amount	Financial Year	2024	2025	2026	2027	2028	Total 2024 - 2028
	Calendar Year	2023	2024	2025	2026	2027	Total 2023 - 2027
DP ECO-Fallow Unit - Eco-scheme: Fallow Land Top-Up	Planned unit amount		112.00	112.00	112.00	112.00	
	Minimum Amount for the Planned unit amount		112.00	112.00	112.00	112.00	
	Maximum Amount for the Planned unit amount (EUR)		335.00	335.00	335.00	335.00	
	O.8 (unit: Hectares)		5,432.00	4,580.00	4,580.00	4,253.00	
	Planned output * Planned unit amount		608,384.00	512,960.00	512,960.00	476,336.00	2,110,640.00
TOTAL	O.8 (unit: Hectares)		5,432.00	4,580.00	4,580.00	4,253.00	**Sum:** 18,845.00 **Max:**

Planned Unit Amount	Financial Year	2024	2025	2026	2027	2028	Total 2024 - 2028
	Calendar Year	2023	2024	2025	2026	2027	Total 2023 - 2027
							5,432.00
	Annual indicative financial allocation (Union Contribution in EUR)		1,478,353.92	1,534,300.00	1,534,300.00	506,620.75	5,053,574.67
	Out of which needed to reach the minimum ringfencing requirement (Annex XII) (only under article 30) (Union contribution)						

DP ECO-SGW - Eco-scheme: Sheep and Goats Welfare Scheme

Intervention Code (MS)	DP ECO-SGW
Intervention Name	Eco-scheme: Sheep and Goats Welfare Scheme
Type of Intervention	Eco-scheme(31) - Schemes for the climate, the environment and animal welfare / Art. 31(7)(b) - Compensatory payment
Common Output Indicator	O.8. Number of hectares or of livestock units benefitting from eco-schemes

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

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

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

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO1 Support viable farm income and resilience of the agricultural sector across the Union in order to enhance long-term food security and agricultural diversity as well as to ensure the economic sustainability of agricultural production in the Union
SO9 Improve the response of Union agriculture to societal demands on food and health, including high quality, safe, and nutritious food produced in a sustainable way, the reduction of food waste, as well as improving animal welfare and combatting antimicrobial resistances

CAP AREAS OF ACTION Code + Description
AOA-G actions to enhance animal welfare or address antimicrobial resistance

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
1.1	Sustain a viable farm income for farmers in Malta, across all sectors	1	Yes
9.1	Foster higher animal welfare standards to ensure well being among farmed animals	2	Yes
9.4	Provide support for farmers to invest in improved animal welfare measures	4	Yes

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold
R.44 Share of livestock units (LU) covered by supported actions to improve animal welfare

5 Specific design, requirements and eligibility conditions of the intervention

Description

This scheme shall target reducing the stocking density of sheep and goats to improve their health and overall welfare. The Council of Europe, under their recommendation concerning Goats and Sheep, has stipulated that good stockman ship should be kept fulfilling the animal's need for appropriate nutrition and physical comfort in connection to their normal behavior such as getting up, lying down, resting and sleeping, ruminating, eating, and grooming among others [1].

Stocking density has a critical role in the welfare of sheep and goats and their productivity. A smaller floor space, which results in higher stress levels, can also adversely affect the reproductive capacity of both sheep and goats and their social and feeding behaviors [2]. Furthermore, a larger space allowance can

increase their meat and milk yield and improve the quality of their wool. Stocking density was also found to have an impact on sheep's immune system; specifically, greater space allowance leads to higher humoral immune response for ewes.

Local legislation on the required space allowance establishes at least 1.5 sqm for each calf of at least six months old. However, there is no national mandate for adult sheep and goats and thus the Competent Authority has established that, as common practice, the industry follows the same 1.5 sqm per head space allowance for animals used for scientific purposes. Through this scheme, a 1.8 sqm per head space allowance shall be committed by the farmers which is equivalent to a 20% improvement in stocking density.

[1] Council of Europe. *Recommendations concerning sheep.* https://www.coe.int/en/web/cdcj/1992-rec-sheep

[2] El Sabry, Mohamed I., and Obaida Almasri. "Stocking density, ambient temperature, and group size affect social behavior, productivity and reproductivity of goats-A review." *Tropical Animal Health and Production* 55, no. 3 (2023): 181. https://doi.org/10.1007/s11250-023-03598-0; Holmøy, Ingrid H., Camilla Kielland, Solveig Marie Stubsjøen, Lisbeth Hektoen, and Steinar Waage. "Housing conditions and management practices associated with neonatal lamb mortality in sheep flocks in Norway." *Preventive Veterinary Medicine* 107, no. 3-4 (2012): 231-241. https://doi.org/10.1016/j.prevetmed.2012.06.007

Description of commitments for eco-scheme

-A beneficiary applying to the scheme shall commit to the dedicated indoor area allocated for the animals for a minimum of 2 years.

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

Eligibility criteria

- Active farmers as defined under Malta's CAP SP
- Eligible beneficiaries for the sheep and/or goat sector must have the following:
  - At least 20 adult female sheep/goat of twelve (12) months or older;
  - The ewes registered under their name, in the National Livestock Database for a minimum period of six (6) months, from 1st June till December. The animals that remain on the same farm when a farm is transferred from one farmer to another, are still deemed eligible for funding if this is done throughout the indicated retention period (e.g. transfer from father/mother to son/daughter) and if the transfer is a result of Force Majeure and has been recognised by the Force Majeure Board.
  - The number of eligible heads shall be determined by an automated extraction from the NLD that shall be checked for correctness by the Land Based Measures Unit (LBMU) within ARPA;
  - Conform with the minimum requirements on the identification and registration of animals as set out in Regulation (EU) No 2016/429.
  - Express their interest on an annual basis in line with the deadlines established by ARPA.
- Each holding is currently subject to a holding capacity that is calculated based on the adult animal head and the 1.5 sqm stocking density requirement established by the Competent Authority as common practice. This scheme aims to improve stocking densities by 20%, thus having holdings maintain a stocking density of 1.8 sqm or better.
- The amount of aid provided by this scheme shall be calculated based on the number of retained adult animal heads in compliance with the indoor stocking density of a minimum of 1.8 sqm for potentially eligible animals.

6 Identification of relevant baseline elements

(relevant GAEC, statutory management requirements (SMR) and other mandatory requirements established by national and Union law), where applicable, description of the specific relevant obligations

under the SMR, and explanation as to how the commitment goes beyond the mandatory requirements (as referred to in Art. 28 (5) and Art. 70 (3) and in Art. 72 (5))

List of relevant GAEC and SMR

Code	Description
SMR11	Council Directive 98/58/EC of 20 July 1998 concerning the protection of animals kept for farming purposes: Article 4

List of relevant mandatory national standards

Animal Welfare Act – CAP. 439.

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

The local regulation SL 439.01 mandates an unobstructed indoor space allowance of at least 1.5 sqm available for each calf of at least six months old[1]; however, adult sheep and goats are not subject to any local laws. Instead, as common practice, the industry and regulators observe the same indoor space allowance provided for animals used for scientific purposes which is at 1.5 sqm per head[2]. The estimated indoor space allocation per head will rise to 1.8 sqm, which is above the industry average, by permitting a reduction capacity of up to 20%. The scheme will also focus on SMR 11, and it will enhance the well-being of farm animals by giving them further room and shelter and allowing them to roam around in the extended available space. Living conditions, inclusive of available space for indoor livestock influence heavily the stress levels, disease resistance and immune systems, as well as production per head. Hence improving a key factor enables an overarching enhancement of well-being.

[1] Government of Malta. Subsidiary Legislation 439.01 Calves (Protection Regulation)

[2] Government of Malta. “Subsidiary Legislation 439.20 Protection of Animals Used for Scientific Purposes Regulations”

7 Range and amounts of support

Description

It will take the form of an annual payment per eligible head covered by the commitment. The planned total funding allocated towards this intervention shall be of circa Euro 54,375 annually (2025-2027).

8 Additional questions/information specific to the Type of Intervention

N/A

9 WTO compliance

Green Box

Paragraph 12 of Annex 2 WTO

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

This intervention is in line with paragraph 5 of Annex 2 to the WTO Agreement on Agriculture.

This support is payable to those beneficiaries that comply with a set of clearly defined criteria related to the commitments under this eco-scheme which involve committing to the dedicated area allocated for the animals for a minimum of 2 years. Furthermore, no production will be required to receive this support.

A flat rate per eligible head will be applied.

11 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Planned Unit Amount	Region(s)	Result Indicator(s)
DP ECO-SGW - Unit - Eco-scheme: Sheep and Goats Welfare	Uniform		R.44

Explanation and Justification (including the flexibility)
DP ECO-SGW - Unit - Eco-scheme: Sheep and Goats Welfare

The financial justification for this scheme was determined according to the potential net output value that will be forgone from the reduced headcount from the scheme. The information for the relevant costs and outputs was provided by Xirka Produtturi Naghag u Moghoz.

Table - Calculation of the proposed rate for the new AECC 6 Sheep and Goats Welfare Scheme

Output value (€)	**2,200.00**
Dairy products	2,000.00
Meat products	200.00
Production Cost (€)	**2,084.21**
Feed concentrates	365.00
Hay	839.50
Labour	790.00
Others	114.71
Subsidy (CIS M2)	(25.00)
Net output value per animal head	115.79
Estimated subsidy per retained animal head	**28.95**
Planned rate (€)	29
Maximum rate (€)	35
Minimum rate (€)	25

The output for the sheep and goats sector is derived from the value of dairy and meat products per animal head. On average, each sheep/ goat produces milk which is used mainly for the production of *Gbejna* and ricotta, which in total would amount to €2,000 per year. The value of lamb meat was also considered, which is estimated to be €200. In total, the estimated output value per animal head is €2,200 per annum.

For the production costs, hay and feed concentrates constitute the biggest chunk at €840 and €365 per year, respectively. Annual labour costs, which include the farmer's salary and other additional labour, are estimated to be €790 per animal head. Other costs such as veterinary fees, vitamins, and milk tests, among others totalling €115 were also considered in the calculation. The subsidy as per the CIS M3 - Sheep, which is considered to be a foregone inflow of funds,

was also taken into account and is equivalent to €25 per head. Yearly water consumption per animal head was also factored in, which on average is 2.56 m^3, equivalent to €6.07[1]. Note that the costs considered here only include variable costs while fixed costs such as equipment were excluded.

Summing up the total output value and relevant costs, the estimated net output value per animal head is €115.79. From the estimated net output value per animal head, the subsidy per retained animal head is calculated €28.95 according to the 20% stocking density improvement. This shall be the reference for the planned rate €29 with maximum and minimum rates €35 and €25 per retained animal head, respectively.

[1] Rate calculated using non-residential tarrif of €2.375 per m^3 anually. Refer here

12 Planned Unit Amounts - Financial table with outputs

Planned Unit Amount	Financial Year	2024	2025	2026	2027	2028	Total 2024 - 2028
	Calendar Year	2023	2024	2025	2026	2027	Total 2023 - 2027
DP ECO-SGW - Unit - Eco-scheme: Sheep and Goats Welfare	Planned unit amount			290.00	290.00	290.00	
	Minimum Amount for the Planned unit amount			250.00	250.00	250.00	
	Maximum Amount for the Planned unit amount (EUR)			350.00	350.00	350.00	
	O.8 (unit: Livestock units)			187.50	187.50	187.50	
	Planned output * Planned unit amount			54,375.00	54,375.00	54,375.00	163,125.00
TOTAL	O.8 (unit: Livestock units)			187.50	187.50	187.50	**Sum:** 562.50 **Max:** 187.50
	Annual indicative financial allocation (Union Contribution in EUR)			54,375.00	54,375.00	54,375.00	163,125.00
	Out of which needed to reach the minimum ringfencing requirement (Annex XII) (only under article 30) (Union contribution)						

CIS(32) - Coupled income support

DP CIS-Beef - Direct Payments:Coupled Income Support for the Beef Sector

Intervention Code (MS)	DP CIS-Beef
Intervention Name	Direct Payments:Coupled Income Support for the Beef Sector
Type of Intervention	CIS(32) - Coupled income support
Common Output Indicator	O.11. Number of heads benefitting from coupled income support

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

Coupled income support will be used to support those sectors that are highly disadvantaged and that are important for socioeconomic or environmental purposes, namely, the dairy, beef, sheep, and tomatoes (for processing) sectors.

The small size of Malta combined with the island's insularity creates a number of natural and structural disadvantages for these sectors. For this reason, this intervention will apply to the beef sector of the entire Maltese territory.

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

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO1 Support viable farm income and resilience of the agricultural sector across the Union in order to enhance long-term food security and agricultural diversity as well as to ensure the economic sustainability of agricultural production in the Union

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
1.1	Sustain a viable farm income for farmers in Malta, across all sectors	1	Yes

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold
R.6 Percentage of additional direct payments per hectare for eligible farms below average farm size (compared to average)
R.8 Share of farms benefitting from coupled income support for improving competitiveness, sustainability or quality

5 Specific design, requirements and eligibility conditions of the intervention

Description

Compared to the dairy sector, the beef sector is a much smaller sector consisting of animals that are specifically raised for beef production and animals coming from the dairy sector. This sector faces numerous challenges as it is a marginal activity with minimal profit. The sector relies on imported animal feed which increases production costs.

Aid granted to the beef sector shall be calculated by dividing the annual financial allocation for this intervention by the total number of potentially eligible heads for slaughter for that particular year in order to determine the unit amount of support per eligible head. The total number of potentially eligible heads for slaughter will be based on the data available in the National Livestock Database. Consequently, the unit amount of support per eligible head may vary from one year to another according to the total number of potentially eligible heads for that particular year.

Any unused funds will be used to increase the value of the unit amount of support per eligible head of that particular year.

Financial allocations for this intervention and other interventions under Coupled Income Support shall be in line with Article 96(5) whereby Malta will use up to Euro 3 million per year.

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

Eligible beneficiaries must comply with the following eligibility criteria:

a. Must have their bovines registered in the National Livestock Database under their name for a minimum period of six (6) months before the date of slaughter;

b. Must have slaughtered at least three (3) eligible bulls or female of a beef breed or cross breed with a beef breed having between eight (8) and twenty (20) months of age, in the year of application;

c. Comply with the minimum requirements on the identification and registration of bovine animals as set out in Regulation (EC) No 1760/2000[1];

d. Must express their interest in this intervention on an annual basis in line with the deadlines established by ARPA.

[1] Regulation (EC) No 1760/2000 of the European Parliament and of the Council of 17 July 2000 establishing a system for the identification and registration of bovine animals and regarding the labelling of beef and beef products and repealing Council Regulation (EC) No 820/97

6 Identification of relevant baseline elements

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

N/A

7 Range and amounts of support

Description

The intervention shall take the form of an annual payment per animal.

Support under this intervention shall be paid at a flat rate per head and is payable to livestock breeders that comply with the Eligibility Conditions outlined under this intervention. The total funding allocated towards this intervention shall be of circa Euro 427,234.50 per annum. In 2018, this intervention supported circa 2,055 heads, therefore, the support rate shall be of circa Euro 207.90 per head. The rate may vary according to the total number of potentially eligible heads for the respective year.

Financial allocations for this intervention and other interventions under Coupled Income Support shall be in line with Article 96(5) whereby Malta will use up to Euro 3 million per year.

8 Additional questions/information specific to the Type of Intervention

Justification of the difficulty(ies) that the targeted sector(s)/production(s) or type(s) of farming therein undergo.

The sector faces high production costs related to products used for the production of milk and the importation of feed that has been experiencing a significant increase in costs especially following the difficulties brought about by the Covid-19 pandemic. Like the dairy sector, it is facing similar constraints related to high production costs, housing and fierce competition from external markets. Opportunity for growth is greatly limited due to barriers such as very high cost of land and proximity to residential areas. There is a significant lack of availability of land and lack of natural resources such as water is another factor which contributes to the difficulties encountered by the sector which has been worsened by severe

prolonged droughts and heat waves that Malta has been increasingly experiencing in recent years. Maltese farmers have no grazing land and this translates in additional feed/ supplement costs. The beef sector in Malta is an offshoot of the dairy industry and therefore its support is linked to the dairy industry. Circa 140 farmers engaged in the sector provide fresh beef to the locals. A drop in the production of beef will have repercussions on the dairy sector, farmers who cultivate fodder and also the availability of fresh beef.

With the aid of the current VCS scheme the sector managed to retain stable levels of production since 2017, though with various fluctuations in the number of farmers applying for VCS and with production levels still 16% less than 2009 - 2013. Through the FADN it was noted that the subsidies these farmers receive makes up circa 17% of their gross income, provided that the majority of farms have insignificant amount of land these amounts are attributed to coupled support.

The beef sector in Malta is an offshoot of the dairy industry. There are about 140 farmers engaged in the sector providing fresh beef in the local market. This sector also faces pressing challenges including high production costs, in view of imported inputs used for production such as feed costs. Limitations in the size of the sector also imply that it faces challenges in exploiting economies of scale with relatively higher unit costs compared to similar farms in the EU. The sector has also been dwindling in size. Data on the number of slaughtered bovines in Malta indicate the sector has since 2016, faced a persistent decline in the number of slaughtered heads with the exception of 2020. Indeed between 2021 and 2016 the number of slaughtered heads declined by 8%. The increase in the number of slaughtered heads in 2020 is to be considered in light of the impact of COVID whereby due to logistical challenges on the importation of beef, the local sector increased the number of slaughtered heads to meet domestic demand. Hence support to this sector remains very important to make sure that the sector remains financially sustainable and competitive and keep offering quality produce to consumers.

This sector is perceived as being a secondary sub-sector of the Dairy sector in view of the operational links; however, it is increasingly becoming of strategic importance in the food chain as it provides for a diversified source of income for bovine farmers and additionally contributes to strategic priorities such as ensuring a diversified supply of food products through short value-chains. To this end it is important to provide support for this sector with the aim of improving its competitive capacity in the long term. To foster this aspect funds shall target farmers with a minimum production of at least 3 eligible heads. In 2021 there were 23% of the applicants requesting income support for the Beef sector who did not have at least this level production. This threshold should encourage such farmers to increase their production and benefit from CIS. Additionally, it is understood that provided the specificities of the sector, the viable alternative to economies of scale is to direct the sector to focus on quality, in this regards this intervention shall target farmers who opt to slaughter their bovine for beef production under 21 months. These elements should guide farmers within this sector towards a more sustainable future and become more competitive.

What is the aim of the intervention with regard to the targeted sector(s)/production(s) or type(s) of farming therein?

☑ to improve competitiveness
☑ to improve quality
☑ to improve sustainability'

How will the intervention address the identified difficulty(ies) by this aim (i.e. explanation about the targeting)?

This support will provide economic certainty to the marginal activity with limited profit that also faces high feed costs due to the double insularity of the island status.

What is (are) the sector(s) concerned?

Beef and veal

Justification of the importance of the targeted sector(s)/production(s) or type(s) of farming therein

This intervention is the only means to support this important sector given that these farmers are landless.

Furthermore, dependent on this sector are more than 40% of the local Utilised Agricultural Area (UAA) that cultivate forage for animal feed.

Explanation how the intervention is consistent with the Water Framework Directive (i.e. 2000/60/EC).

Coupled support for this sector is granted on the condition of compliance with the rules under SMR 1 (Water Policy Directive) and SMR 2 (Nitrates Directive) that protect groundwater from nitrate pollution. This will significantly limit any undesired movement through leaching, surface runoff, and drainage discharges of animal manure that affect groundwater bodies.

Is the intervention financed, partly or completely, from the protein crop top up (maximum 2% in total) in accordance with Art. 96(3) of SPR?

☐ Yes ☑ No

If the intervention targets a mix between legumes and grasses: please indicate the minimium percentage of legumes in the mix.

N/A

Coupled income support granted to silkworms is an animal based support, where the use of 'head' as the support's basic unit requires prior clarification of the followings:

please clarify the conversion rate between this unit and 'head' (i.e. how many of this unit corresponds to '1 head'?) for the purpose of e.g. indicators.

N/A

It is possible to give further clarification in comment (e.g. the weight of eggs that a box must contain)

9 WTO compliance

Amber Box

Explanation of whether and, if so, how the intervention respects relevant provisions of Article 6.5 or Annex 2 to the WTO Agreement on Agriculture (Blue Box)

No WTO conditions attached which would need to be specified in the CAP Plan.

11 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Planned Unit Amount	Region(s)	Result Indicator(s)
DP CIS-Beef Unit - Unit Amount for Coupled Income Support for the Beef Sector	Uniform		R.6; R.8

Explanation and Justification (including the flexibility)

DP CIS-Beef Unit - Unit Amount for Coupled Income Support for the Beef Sector

The planned unit amount is based on results of an analysis undertaken whose methodology was based on a similar assessment for BISS. This took the following into consideration:

•The difference in income between the agricultural sector and the economy‘s average provided the basis of the assessment.

•The Annual Working Units of the respective sectors was also considered to determine the extent of compensation required for each sector.

•The amount of heads in each of the respective sectors was also taken into consideration to determine the support required per head.

•An estimate of the cost of land was also considered.

•Inflationary effect is also being considered.

12 Planned Unit Amounts - Financial table with outputs

Planned Unit Amount	Financial Year	2024	2025	2026	2027	2028	Total 2024 - 2028
	Calendar Year	**2023**	**2024**	**2025**	**2026**	**2027**	**Total 2023 - 2027**
DP CIS-Beef Unit - Unit Amount for Coupled Income Support for the Beef Sector	Planned unit amount	207.90	207.90	207.90	207.90	207.90	
	Minimum Amount for the Planned unit amount	200.00	200.00	200.00	200.00	200.00	
	Maximum Amount for the Planned unit amount (EUR)	220.00	670.00	670.00	670.00	670.00	
	O.11 (unit: Head)	2,055.00	2,055.00	2,055.00	2,055.00	2,055.00	
	Planned output * Planned unit amount	427,234.50	427,234.50	427,234.50	427,234.50	427,234.50	2,136,172.50
TOTAL	O.11 (unit: Head)	2,055.00	2,055.00	2,055.00	2,055.00	2,055.00	**Sum:** 10,275.00 **Max:** 2,055.00
	Annual indicative financial allocation (Union Contribution in EUR)	427,234.50	427,234.50	427,234.50	427,234.50	427,234.50	2,136,172.50
	Out of which needed to reach the minimum ringfencing requirement (Annex XII) (only under article 30) (Union contribution)	0.00	0.00	0.00	0.00	0.00	0.00

DP CIS-Dairy - Direct Payments:Coupled Income Support for the Dairy Sector

Intervention Code (MS)	DP CIS-Dairy
Intervention Name	Direct Payments:Coupled Income Support for the Dairy Sector
Type of Intervention	CIS(32) - Coupled income support
Common Output Indicator	O.11. Number of heads benefitting from coupled income support

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

Coupled income support will be used to support those sectors that are highly disadvantaged and that are important for socioeconomic or environmental purposes, namely, the dairy, beef, sheep, and tomatoes (for processing) sectors.

The small size of Malta combined with the island's insularity creates a number of natural and structural disadvantages for these sectors. For this reason, this intervention will apply to the dairy sector of the entire Maltese territory.

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

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO1 Support viable farm income and resilience of the agricultural sector across the Union in order to enhance long-term food security and agricultural diversity as well as to ensure the economic sustainability of agricultural production in the Union

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
1.1	Sustain a viable farm income for farmers in Malta, across all sectors	1	Yes

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold
R.6 Percentage of additional direct payments per hectare for eligible farms below average farm size (compared to average)
R.8 Share of farms benefitting from coupled income support for improving competitiveness, sustainability or quality

5 Specific design, requirements and eligibility conditions of the intervention

Description

The local dairy sector consists primarily of cows' milk and is one of the most important agricultural sectors in Malta. Whilst being the main source of fresh milk supply, it also faces significant challenges, such as its reliance on imported animal feed. Local dairy farmers are landless, and thus cannot be supported through any other direct payments intervention. Furthermore, dependent on this sector are more than 40% of the local Utilised Agricultural Area (UAA) that cultivate forage for animal feed.

Aid granted to the dairy sector shall be calculated by dividing the annual financial allocation for this intervention by the total number of potentially eligible heads for that particular year in order to determine the unit amount of support per eligible head. The total number of potentially eligible heads will be based on the data available in the National Livestock Database and is determined on the basis of milk yield contracted. 10,000 kilogrammes of milk translates into one eligible head. Consequently, the unit amount of support per eligible head may vary from one year to another according to the total number of potentially eligible heads for that particular year.

Any unused funds will be used to increase the value of the unit amount of support per eligible head of that particular year.

Financial allocations for this intervention and other interventions under Coupled Income Support shall be in line with Article 96(5) whereby Malta will use up to Euro 3 million per year.

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

Eligible beneficiaries must comply with the following eligibility criteria:

a. Must have a contract or agreement with a dairy processor which clearly stipulates the milk yield (in kgs) to be supplied;

b. Must fulfil 75% of the milk yield set out in the contract or agreement with the dairy processor. In the case that this yield is not reached, beneficiaries will not be eligible for support under this intervention unless it can be proven that it was due to a Force majeure or due to a direction provided by the competent authority.

c. For an animal to be eligible for funding, by the time of data extraction, it must be registered under the name of the applicant in the National Livestock Database for a period of at least three (3) months from 1st October till the end of December; is a female appertaining to a dairy cow breed; and has at least one calf registered to that animal.

d. Comply with the minimum requirements on the identification and registration of bovine animals as set out in Regulation (EC) No 1760/2000

e. Must express their interest in this intervention on an annual basis in line with the deadlines established by ARPA.

6 Identification of relevant baseline elements

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

N/A

7 Range and amounts of support

Description

The intervention shall take the form of an annual payment per head.

Support under this intervention shall be paid at a flat rate per head and is payable to livestock breeders that comply with the Eligibility Conditions as outlined under this intervention. The total funding allocated towards this intervention shall be of circa Euro 1,558,845 per annum. In 2018, this intervention supported circa 3,849 heads, therefore, the support rate shall be of circa Euro 405 per head. The rate may vary according to the total number of potentially eligible heads for the respective year.

Financial allocations for this intervention and other interventions under Coupled Income Support shall be in line with Article 96(5) whereby Malta will use up to Euro 3 million per year.

8 Additional questions/information specific to the Type of Intervention

Justification of the difficulty(ies) that the targeted sector(s)/production(s) or type(s) of farming therein undergo.

The Maltese dairy sector is considered to be a sector of strategic importance as it provides and guarantees the Maltese population and visitors with a daily supply of a variety of high quality fresh milk products. The sector has been facing pressing challenges particularly with the rise in feed costs which is more pronounced for the local dairy sector given the high dependence on imported feed. Indeed with these rising challenges, the sector has continued to decline in size with the number of dairy heads declining from 6,740 heads in 2010 to 5,996 in 2020, a decline of 11% (Agricultural Census data 2020). Data on the number of dairy holdings also shows a decline with holdings within the sector declining from 130 in 2013

to 100 in 2016 (Farm Structure Survey, Eurostat). The sector faces high production costs related to products used for the production of milk and the importation of feed that has been experiencing a significant increase in costs especially following the difficulties brought about by the Covid-19 pandemic. This sector experienced further difficulties following the removal of the milk quota system in 2015 as Maltese producers are facing fierce competition from external markets that benefit from a more advantageous position. The Maltese dairy sector faces higher constraints when compared to other EU Member States, because of its insularity. There is a significant lack of availability of land and lack of natural resources such as water which is another factor that contributes to the difficulties encountered by the sector which has been worsened by severe prolonged droughts and heat waves that Malta has been increasingly experiencing in recent years. Maltese farmers have no grazing land and this translates in additional feed/ supplement costs. Unlike most European countries, in Malta dairy herds are reared in confined housing without access to grazing due to the unavailability of land. In addition, the high value of the land and the close proximity to residential areas poses difficulty for their expansion and additional costs for these farmers who have to engage in additional costs to reduce the impact on residential areas. The dairy industry guarantees the provision of a fresh supply of milk to the local consumers, hence ensuring food security. Furthermore, the dairy sector exerts important influence on the use of arable land through the cultivation of fodder. Fodder which is produced on more than 50% of the arable land in Malta is mainly consumed by the dairy industry. In a livestock sector where the level of co-operation is very low, this sector is the most organised and hence serve as the main model on which other sectors may follow. In this respect, it is important to support the operators involved in the industry. Farmers in the sector have significantly decreased from 96 in 2016 to 85 in 2020. Hence support to this sector is very important to prevent further decline. This support will provide economic certainty to milk producers that face high costs due to the double insularity of the island status, and the high feed costs. Such measure is the only way to provide support to this sector given that these farmers are landless. One of the eligibility criteria of this intervention is that famers must have a contractual agreement with the processor, this ensures a certain level of quality produce, moreover it facilitates economic transactions between the different actors in the supply chain making financial planning more feasible hence increasing sustainability of the sector.

The structure of this intervention seeks to foster a healthy economic environment whereby farmers in the sector may achieve long term financial sustainability and competitiveness. The main element identified that could set beneficiaries on this path is by strengthening their position in the supply chain. To this end this intervention shall only target farmers who produce milk and shall target farmers who enter into a contractual agreement with the Dairy. This relationship is further strengthened by linking CIS support to a minimum hurdle of production of at least 75% of their contractual arrangement to foster efficiency in the sector. These elements should guide farmers within this sector towards a more sustainable future helping them become more competitive.

What is the aim of the intervention with regard to the targeted sector(s)/production(s) or type(s) of farming therein?

☑ to improve competitiveness

☑ to improve quality

☑ to improve sustainability'

How will the intervention address the identified difficulty(ies) by this aim (i.e. explanation about the targeting)?

This support will provide economic certainty to milk producers that face high costs due to the double insularity of the island status, and the high feed costs. Such measure is the only way to provide support to this sector given that these farmers are landless.

What is (are) the sector(s) concerned?

Milk and milk products

Justification of the importance of the targeted sector(s)/production(s) or type(s) of farming therein

This intervention is the only means to support this important sector given that these farmers are landless.

Furthermore, dependent on this sector are more than 40% of the local Utilised Agricultural Area (UAA) that cultivate forage for animal feed.

Explanation how the intervention is consistent with the Water Framework Directive (i.e. 2000/60/EC).

Coupled support for this sector is granted on the condition of compliance with the rules under SMR 1 (Water Policy Directive) and SMR 2 (Nitrates Directive) that protect groundwater from nitrate pollution. This will significantly limit any undesired movement through leaching, surface runoff, and drainage discharges of animal manure that affect groundwater bodies.

Is the intervention financed, partly or completely, from the protein crop top up (maximum 2% in total) in accordance with Art. 96(3) of SPR?

☐ Yes ☑ No

If the intervention targets a mix between legumes and grasses: please indicate the minimium percentage of legumes in the mix.

N/A

Coupled income support granted to silkworms is an animal based support, where the use of 'head' as the support's basic unit requires prior clarification of the followings:

please clarify the conversion rate between this unit and 'head' (i.e. how many of this unit corresponds to '1 head'?) for the purpose of e.g. indicators.

N/A

It is possible to give further clarification in comment (e.g. the weight of eggs that a box must contain)

9 WTO compliance

Amber Box

Explanation of whether and, if so, how the intervention respects relevant provisions of Article 6.5 or Annex 2 to the WTO Agreement on Agriculture (Blue Box)

No WTO conditions attached which would need to be specified in the CAP Plan.

11 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Planned Unit Amount	Region(s)	Result Indicator(s)
DP CIS-Dairy Unit - Unit Amount for Coupled Income Support for the Dairy Sector	Uniform		R.6; R.8

Explanation and Justification (including the flexibility)

DP CIS-Dairy Unit - Unit Amount for Coupled Income Support for the Dairy Sector

The planned unit amount is based on results of an analysis undertaken whose methodology was based on a similar assessment for BISS. This took the following into consideration:

•The difference in income between the agricultural sector and the economy's average provided the basis of the assessment.

•The Annual Working Units of the respective sectors was also considered to determine the extent of compensation required for each sector.

•The amount of heads in each of the respective sectors was also taken into consideration to determine the support required per head.

•An estimate of the cost of land was also considered

••Inflationary effect is also being considered.

12 Planned Unit Amounts - Financial table with outputs

Planned Unit Amount	Financial Year	2024	2025	2026	2027	2028	Total 2024 - 2028
	Calendar Year	**2023**	**2024**	**2025**	**2026**	**2027**	**Total 2023 - 2027**
DP CIS-Dairy Unit - Unit Amount for Coupled Income Support for the Dairy Sector	Planned unit amount	405.00	405.00	405.00	405.00	405.00	
	Minimum Amount for the Planned unit amount	380.00	380.00	380.00	380.00	380.00	
	Maximum Amount for the Planned unit amount (EUR)	440.00	520.00	520.00	520.00	520.00	
	O.11 (unit: Head)	3,849.00	3,849.00	3,849.00	3,849.00	3,849.00	
	Planned output * Planned unit amount	1,558,845.00	1,558,845.00	1,558,845.00	1,558,845.00	1,558,845.00	7,794,225.00
TOTAL	O.11 (unit: Head)	3,849.00	3,849.00	3,849.00	3,849.00	3,849.00	**Sum:** 19,245.00 **Max:** 3,849.00
	Annual indicative financial allocation (Union Contribution in EUR)	1,558,845.00	1,558,845.00	1,558,845.00	1,558,845.00	1,558,845.00	7,794,225.00
	Out of which needed to reach the minimum ringfencing requirement (Annex XII) (only under article 30) (Union contribution)	0.00	0.00	0.00	0.00	0.00	0.00

DP CIS-Sheep - Direct Payments:Coupled Income Support for the Sheep Sector

Intervention Code (MS)	DP CIS-Sheep
Intervention Name	Direct Payments:Coupled Income Support for the Sheep Sector
Type of Intervention	CIS(32) - Coupled income support
Common Output Indicator	O.11. Number of heads benefitting from coupled income support

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

Coupled income support will be used to support those sectors that are highly disadvantaged and that are important for socioeconomic or environmental purposes, namely, the dairy, beef, sheep, and tomatoes (for processing) sectors.

The small size of Malta combined with the island's insularity creates a number of natural and structural disadvantages for these sectors. For this reason, this intervention will apply to the sheep sector of the entire Maltese territory.

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

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO1 Support viable farm income and resilience of the agricultural sector across the Union in order to enhance long-term food security and agricultural diversity as well as to ensure the economic sustainability of agricultural production in the Union

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
1.1	Sustain a viable farm income for farmers in Malta, across all sectors	1	Yes

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold
R.6 Percentage of additional direct payments per hectare for eligible farms below average farm size (compared to average)
R.8 Share of farms benefitting from coupled income support for improving competitiveness, sustainability or quality

5 Specific design, requirements and eligibility conditions of the intervention

Description

This sector is relatively small as herds continue to decline but is nonetheless a very important sector for the production of the traditional Ġbejna (cheeselet). Similar to the dairy sector, this sector has to rely on imported feed which continues to increase production costs for this small and fragmented sector.

Aid granted to the sheep sector shall be calculated by dividing the annual financial allocation for this intervention by the total number of potentially eligible heads for that particular year in order to determine the unit amount of support per eligible head.

The total number of potentially eligible heads will be based on the data available in the National Livestock Database. Consequently, the unit amount of support per eligible head may vary from one year to another according to the total number of potentially eligible heads for that particular year.

Any unused funds will be used to increase the value of the unit amount of support per eligible head of that

particular year.

Financial allocations for this intervention and other interventions under Coupled Income Support shall be in line with Article 96(5) whereby Malta will use up to Euro 3 million per year.

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

Eligible beneficiaries must comply with the following eligibility criteria:

a. Must have at least 20 ewes of twelve (12) months or older;

b. Must have the ewes registered in the National Livestock Database under their name for a minimum period of six (6) months from 01 June till the end of December;

- Comply with the minimum requirements on the identification and registration of ovine animals as set out in Regulation (EC) No. 21/2004[1]

[1] Council Regulation (EC) No. 21/2004 of 17 December 2003 establishing a system for the identification and registration of ovine and caprine animals and amending Regulation (EC) No 1782/2003 and Directives 92/102/EEC and 64/432/EEC.

6 Identification of relevant baseline elements

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

N/A

7 Range and amounts of support

Description

The intervention shall take the form of an annual payment per head.

Support under this intervention shall be paid at a flat rate per head and is payable to livestock breeders that comply with the Eligibility Conditions outlined under this intervention. The total funding allocated towards this intervention shall be of circa Euro 109,875 per annum. In 2018, this intervention supported circa 4,395 heads, therefore, the support rate shall be of circa Euro 25 per head. The rate may vary according to the total number of potentially eligible heads for the respective year.

Financial allocations for this intervention and other interventions under Coupled Income Support shall be in line with Article 96(5) whereby Malta will use up to Euro 3 million per year.

8 Additional questions/information specific to the Type of Intervention

Justification of the difficulty(ies) that the targeted sector(s)/production(s) or type(s) of farming therein undergo.

The sector faces high production costs related to products used for the production of milk and the importation of feed that has been experiencing a significant increase in costs especially following the difficulties brought about by the Covid-19 pandemic. The sheep sector faces numerous challenges due to lack of organization, small units and specific characteristics of the sector which inhibit competitiveness. Like other livestock sectors in Malta, it depends on imports of feed and other products used for the production that lead to high production costs. There is a significant lack of availability of land and lack of natural resources such as water which is another factor that contributes to the difficulties encountered by the sector which has been worsened by severe prolonged droughts and heat waves that Malta has been increasingly experiencing in recent years. Maltese farmers have no grazing land and this translates in additional feed/ supplement costs. With the aid of the current VCS scheme the sector managed to increase the amount of production in recent years. Nevertheless, production levels are still 18% less when compared to 2010, showing that the increase has mostly contributed to mitigate the contraction. Through the FADN it was noted that the funds these farmers receive makes up circa 23% of their gross income, provided that the majority of farms have insignificant amount of land these amounts are attributed to

coupled support.

As outlined in the CAP SP, similar to other livestock sectors, the sheep sector also faces high production costs, in view of the inputs used for production. Indeed, the cost of imported feed has risen sharply, especially following the COVID-19 pandemic and the invasion of Ukraine by Russia. Additionally, the sheep sector faces numerous challenges due to limited supply chain organization, small farms and specific characteristics of the sector which inhibit competitiveness. This sector also depends on imported feed and other inputs, that lead to high production costs. The sector is also affected by the limited availability of land, lack of natural resources and no opportunity for grazing.

This is reflected in the profitability of the sector whereby on the basis of FADN data, the net value added of the sheep and goats sector has declined. Indeed, gross farm income has declined by 34% between 2020 and 2016 and farm net value added has declined by 43% over the same period of time. Despite the increase in the number of livestock heads for sheep, rising by 36% between 2010 and 2020, the economic sustainability of the sector has not improved. The average economic size of each holding has declined from Euro 20,000 in 2016 to Euro 17,000 in 2020 implying that while the heads have increased the average economic size of each holding has declined. Therefore the sector continues to face economic challenges with support required to maintain the income viability of the sector.

This sector supports a diversified approach towards the production of milk and its traditional derivatives; though modest in terms of produced volumes it is of strategic socio-economic importance and has the potential to be developed into a more quality-oriented sustainable sector. To achieve this requires a significant part of the sector to upscale the level of production to facilitates the farmers to be able to meet the demands of a more broadly diversified range of products, and thus to become more competitive and economically resilient.

To this end it is important to direct funds towards this sector with the aim of improving its competitive capacity in the long term. To foster this aspect this CIS intervention shall target farmers with a minimum production of at least 20 eligible heads. In 2021 there were 37% of the applicants who expressed interest in receiving income support for the Sheep sector who did not have at least this level production throughout the year, on average they had 15 heads. This threshold should encourage such farmers to increase their production and benefit from this intervention improving their long-term economic sustainability in the process.

Support to this sector is very important to make sure that the sector remains financially sustainable and competitive and keep offering quality produce to consumers.

What is the aim of the intervention with regard to the targeted sector(s)/production(s) or type(s) of farming therein?

☑ to improve competitiveness

☑ to improve quality

☑ to improve sustainability'

How will the intervention address the identified difficulty(ies) by this aim (i.e. explanation about the targeting)?

This support will improve the viability of the sector in view of the small production and reliance on imported feed. It will also safeguard one of Malta's traditional products, Ġbejna.

What is (are) the sector(s) concerned?

Sheepmeat and goatmeat

Justification of the importance of the targeted sector(s)/production(s) or type(s) of farming therein

This intervention is the only means to support this important sector given that these farmers are landless. It improves farm viability and ensures the protection of Ġbejna, a Maltese traditional product.

Explanation how the intervention is consistent with the Water Framework Directive (i.e. 2000/60/EC).

Coupled support for this sector is granted on the condition of compliance with the rules under SMR 1 (Water Policy Directive) and SMR 2 (Nitrates Directive) that protect groundwater from nitrate pollution. This will significantly limit any undesired movement through leaching, surface runoff, and drainage discharges of animal manure that affect groundwater bodies.

Is the intervention financed, partly or completely, from the protein crop top up (maximum 2% in total) in accordance with Art. 96(3) of SPR?

☐ Yes ☑ No

If the intervention targets a mix between legumes and grasses: please indicate the minimium percentage of legumes in the mix.

N/A

Coupled income support granted to silkworms is an animal based support, where the use of 'head' as the support's basic unit requires prior clarification of the followings:

please clarify the conversion rate between this unit and 'head' (i.e. how many of this unit corresponds to '1 head'?) for the purpose of e.g. indicators.

N/A

It is possible to give further clarification in comment (e.g. the weight of eggs that a box must contain)

9 WTO compliance

Amber Box

Explanation of whether and, if so, how the intervention respects relevant provisions of Article 6.5 or Annex 2 to the WTO Agreement on Agriculture (Blue Box)

No WTO conditions attached which would need to be specified in the CAP Plan.

11 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Planned Unit Amount	Region(s)	Result Indicator(s)
DP CIS-Sheep Unit - Unit Amount for Coupled Income Support for the Sheep Sector	Uniform		R.6; R.8

Explanation and Justification (including the flexibility)

DP CIS-Sheep Unit - Unit Amount for Coupled Income Support for the Sheep Sector

The planned unit amount is based on results of an analysis undertaken whose methodology was based on a similar assessment for BISS. This took the following into consideration:

•The difference in income between the agricultural sector and the economy‘s average provided the basis of the assessment.

•The Annual Working Units of the respective sectors was also considered to determine the extent of compensation required for each sector.

•The amount of heads in each of the respective sectors was also taken into consideration to determine the support required per head.

•An estimate of the cost of land was also considered.

•Inflationary effect is also being considered.

12 Planned Unit Amounts - Financial table with outputs

Planned Unit Amount	Financial Year	2024	2025	2026	2027	2028	Total 2024 - 2028
	Calendar Year	**2023**	**2024**	**2025**	**2026**	**2027**	**Total 2023 - 2027**
DP CIS-Sheep Unit - Unit Amount for Coupled Income Support for the Sheep Sector	Planned unit amount	25.00	25.00	25.00	25.00	25.00	
	Minimum Amount for the Planned unit amount	20.00	20.00	20.00	20.00	20.00	
	Maximum Amount for the Planned unit amount (EUR)	30.00	119.00	119.00	119.00	119.00	
	O.11 (unit: Head)	4,395.00	4,395.00	4,395.00	4,395.00	4,395.00	
	Planned output * Planned unit amount	109,875.00	109,875.00	109,875.00	109,875.00	109,875.00	549,375.00
TOTAL	O.11 (unit: Head)	4,395.00	4,395.00	4,395.00	4,395.00	4,395.00	**Sum:** 21,975.00 **Max:** 4,395.00
	Annual indicative financial allocation (Union Contribution in EUR)	109,875.00	109,875.00	109,875.00	109,875.00	109,875.00	549,375.00
	Out of which needed to reach the minimum ringfencing requirement (Annex XII) (only under article 30) (Union contribution)	0.00	0.00	0.00	0.00	0.00	0.00

DP CIS-Tomatoes - Direct Payments:Coupled Income Support for the Tomatoes Sector

Intervention Code (MS)	DP CIS-Tomatoes
Intervention Name	Direct Payments:Coupled Income Support for the Tomatoes Sector
Type of Intervention	CIS(32) - Coupled income support
Common Output Indicator	O.10. Number of hectares benefitting from coupled income support

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

Coupled income support will be used to support those sectors that are highly disadvantaged and that are important for socioeconomic or environmental purposes, namely, the dairy, beef, sheep, and tomatoes (for processing) sectors.

The small size of Malta combined with the island's insularity creates a number of natural and structural disadvantages for these sectors. For this reason, this intervention will apply to the tomatoes for processing sector of the entire Maltese territory.

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

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO1 Support viable farm income and resilience of the agricultural sector across the Union in order to enhance long-term food security and agricultural diversity as well as to ensure the economic sustainability of agricultural production in the Union

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
1.1	Sustain a viable farm income for farmers in Malta, across all sectors	1	Yes

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold
R.4 Share of utilised agricultural area (UAA) covered by income support and subject to conditionality
R.6 Percentage of additional direct payments per hectare for eligible farms below average farm size (compared to average)
R.8 Share of farms benefitting from coupled income support for improving competitiveness, sustainability or quality

5 Specific design, requirements and eligibility conditions of the intervention

Description

Tomatoes for processing is one of the most important crops in Malta owing to the presence of the agro-processing industry that produces a range of tomato products and employs a significant number of persons. The sector faces challenges from market instability and structural constraints arising from the island's lack of economies of scale in tomato production.

The intervention shall take the form of an annual payment per eligible hectare.

The value of payments per hectare will be calculated every year taking the lowest number of eligible hectares and the area under cultivation of tomatoes for processing. The number of eligible hectares will be determined by dividing the contracted amount as specified in the farmer's contract with the

organisation/co-op by the established yield of 82 tons per hectare. The value of payment per eligible hectare shall be uniform for all applicants.

Financial allocations for this intervention and other interventions under Coupled Income Support shall be in line with Article 96(5) whereby Malta will use up to Euro 3 million per year.

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

Eligible beneficiaries must comply with the following eligibility criteria:

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

b. Must have a contract with a Producer Organisation or cooperative within the tomatoes for processing sector by the end of the application campaign, and fulfil at least 50% of the yield as set out in the said contract unless it can be proven by the applicant that due to a Force majeure or direction from a competent authority they could not reach this yield;

c. Cultivate the tomatoes (for processing) in the agricultural parcels as declared

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

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

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

6 Identification of relevant baseline elements

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

N/A

7 Range and amounts of support

Description

The intervention shall take the form of an annual payment per eligible hectare.

Support under this intervention shall be paid at a flat rate per hectare and is payable to farmers that comply with the Eligibility Conditions outlined under this intervention. The total funding allocated towards this intervention shall be of circa Euro 904,036.85 per annum. In 2018, this intervention supported circa 115 hectares, the support rate shall be of circa Euro 7,861.19 per hectare. The rate may vary according to the total number of potentially eligible hectares for the respective year.

Financial allocations for this intervention and other interventions under Coupled Income Support shall be in line with Article 96(5) whereby Malta will use up to Euro 3 million per year.

8 Additional questions/information specific to the Type of Intervention

Justification of the difficulty(ies) that the targeted sector(s)/production(s) or type(s) of farming therein undergo.

Tomatoes for processing are a key cropping sector of particular added-value significance to the domestic economy, particularly to the economy of Gozo. By providing support to this sector one would be securing jobs and strengthening the socio-economic fabric of rural areas.

Growing tomatoes for processing is very labour intensive. In view of the small size of the fields and holdings, planting and harvesting of the product is mainly carried out by hand. Labour costs and the high cost of inputs due to the island's insularity, lead to high production costs making the product not viable without financial support. The survival of this sector is important in order to preserve the production of the traditional tomato products. Hence, support for this sector is important for farmers to continue production and maintain current production levels to avoid any possible high socio-economic

repercussions in the processing industry. Tomatoes are the most important crop in Malta because of their presence in the processing industry that produces tomato products, such as the production of the traditional tomato paste (*Kunserva*). Therefore, this sector is important for the preservation of these traditional products. Farmers in the sector have significantly decreased from 156 in 2016 to 105 in 2020.

Support to these farmers will also ensure the sector's competitiveness and is an investment in a quality Maltese traditional product, Kunserva. Since 2017 Hectares under cultivation with tomatoes for processing declined by 19%, this is mostly attributed to the costs involved in the production of this crop and narrow profit margins. Supporting this type of production shall enable the sector to slow and reverse this decline by making it more financially sustainable. For the tomatoes to be used for processing they must obtain the necessary qualitative standards as provided for in the contracts that farmers have with the co-operatives/ processors which contract are one of the eligibility criteria of this intervention, moreover this contractual relationship ensures that the relationships in the supply chain are formalised and predictable in terms of financial planning and hence sustainability. Due to Malta's insularity farmers have to import everything that has to do with the production of such tomatoes from abroad and this puts them at a significant disadvantage when compared to other farmers within the EU. To this end this intervention shall help alleviate such structural disadvantages allowing them to be more competitive.

Support for this sector seeks to foster an economic pathway allowing farmers to achieve long-term financial sustainability and increased competitiveness. The main element identified that could help guide beneficiaries on this path is through prioritizing the strengthening of their position in the supply chain thorough an increased level of organization. To this end this intervention shall only target farmers who produce tomatoes for processing forming part of Co-operative or producer organisation, this aims to better their planning, marketing strategy and possibly stimulate the sharing of financial and administrative burdens.

Moreover, to ensure that there are necessary elements in the supply chain for a thriving economic relationship and that the necessary value added is delivered to the market, this intervention shall target farmers who enter into a contractual agreement with the Producer Organisation or co-operative. This relationship is further strengthened by linking CIS support to a minimum hurdle of production of at least 50% of their contractual arrangement to foster efficiency in the sector.

These elements should guide farmers within this sector towards a more sustainable future helping them become more competitive.

What is the aim of the intervention with regard to the targeted sector(s)/production(s) or type(s) of farming therein?

☑ to improve competitiveness
☑ to improve quality
☑ to improve sustainability'

How will the intervention address the identified difficulty(ies) by this aim (i.e. explanation about the targeting)?

Tomatoes for processing are a key cropping sector of particular added-value significance to the domestic economy, particularly to the economy of Gozo. By providing support to this sector one would be securing jobs and strengthening the socio-economic fabric of rural areas.

Support to these farmers will also ensure the sector's competitiveness and is an investment in a quality Maltese traditional product, *Kunserva*.

What is (are) the sector(s) concerned?

Fruit and vegetables

Justification of the importance of the targeted sector(s)/production(s) or type(s) of farming therein

Tomatoes for processing is another important sector in Malta as it contributes to the value added of the

domestic economy, particularly on the island of Gozo.

The sector generates a considerable amount of economic activity by providing employment both directly and indirectly throughout the production and supply chain.

Cultivated tomatoes are used to produce *Kunserva*, a tomato paste that is considered as a local delicacy.

Explanation how the intervention is consistent with the Water Framework Directive (i.e. 2000/60/EC).

Coupled support for this sector is granted on the condition of compliance with SMR 1 (Water Policy Directive); SMR 2 (Nitrates Directive); GAEC 4, protecting watercourses against pollution and run-off from agricultural sources; GAEC 6 on tillage management and GAEC 7 on minimum soil cover that both aim to reduce soil erosion, and SMR 13 (Sustainable Use of Pesticides). This will significantly limit any undesired movement through leaching, erosion, surface runoff, and spray drift of fertiliser and plant protection products that affect groundwater bodies.

Is the intervention financed, partly or completely, from the protein crop top up (maximum 2% in total) in accordance with Art. 96(3) of SPR?

☐ Yes ☑ No

If the intervention targets a mix between legumes and grasses: please indicate the minimium percentage of legumes in the mix.

N/A

Coupled income support granted to silkworms is an animal based support, where the use of 'head' as the support's basic unit requires prior clarification of the followings:

please clarify the conversion rate between this unit and 'head' (i.e. how many of this unit corresponds to '1 head'?) for the purpose of e.g. indicators.

N/A

It is possible to give further clarification in comment (e.g. the weight of eggs that a box must contain)

9 WTO compliance

Amber Box

Explanation of whether and, if so, how the intervention respects relevant provisions of Article 6.5 or Annex 2 to the WTO Agreement on Agriculture (Blue Box)

No WTO conditions attached which would need to be specified in the CAP Plan.

11 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Planned Unit Amount	Region(s)	Result Indicator(s)
DP CIS (Tomatoes) Un - Unit Amount for Coupled Income Support for the Processing of Tomatoes	Uniform		R.4; R.6; R.8

Explanation and Justification (including the flexibility)

DP CIS (Tomatoes) Un - Unit Amount for Coupled Income Support for the Processing of Tomatoes

The planned unit amount is based on an analysis undertaken on the basis of the following factors: cost of tomato production, cost of land and expected revenue. Cost of land is taken at a lower value as it is based on a rate of return on lease value of 1.75% derived from a recent judgement heard before the Civil Court and the Rural Leases Control Board. Inflationary effect is also being considered. The support rate per hectare also takes into consideration the limited funds available and the expectation to reach the maximum number of hectares that can be supported. Further information can be found in the related report on direct payments support rates as annexed to the CAP SP.

12 Planned Unit Amounts - Financial table with outputs

Planned Unit Amount	Financial Year	2024	2025	2026	2027	2028	Total 2024 - 2028
	Calendar Year	**2023**	**2024**	**2025**	**2026**	**2027**	**Total 2023 - 2027**
DP CIS (Tomatoes) Un - Unit Amount for Coupled Income Support for the Processing of Tomatoes	Planned unit amount	7,861.19	7,861.19	7,861.19	7,861.19	7,861.19	
	Minimum Amount for the Planned unit amount	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	
	Maximum Amount for the Planned unit amount (EUR)	8,500.00	9,422.00	9,422.00	9,422.00	9,422.00	
	O.10 (unit: Hectares)	115.00	115.00	115.00	115.00	115.00	
	Planned output * Planned unit amount	904,036.85	904,036.85	904,036.85	904,036.85	904,036.85	4,520,184.25
TOTAL	O.10 (unit: Hectares)	115.00	115.00	115.00	115.00	115.00	**Sum:** 575.00 **Max:** 115.00
	Annual indicative financial allocation (Union Contribution in EUR)	904,036.85	904,036.85	904,036.85	904,036.85	904,036.85	4,520,184.25
	Out of which needed to reach the minimum ringfencing requirement (Annex XII) (only under article 30) (Union contribution)	0.00	0.00	0.00	0.00	0.00	0.00

5.2 Sectoral Interventions

Apiculture products

ADVIBEES(55(1)(a)) - - advisory services, technical assistance, training, information and exchange of best practices, including through networking, for beekeepers and beekeepers' organisations

Sectoral API T&I - Apiculture- Training, Information and Networks

Intervention Code (MS)	Sectoral API T&I
Intervention Name	Apiculture- Training, Information and Networks
Type of Intervention	ADVIBEES(55(1)(a)) - advisory services, technical assistance, training, information and exchange of best practices, including through networking, for beekeepers and beekeepers' organisations
Common Output Indicator	O.37. Number of actions or units for beekeeping preservation or improvement

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

Beekeepers face identical socio-economic and environmental conditions due to the small size of the island. Thus, this intervention will apply to the entire Maltese territory.

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

CAP SECTORAL OBJECTIVE Code + Description

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO6 Contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
6.1	Promote measures that protect and enhance biodiversity on agricultural holdings & wider rural areas	1	Yes
6.2	Disseminate knowledge amongst farmers to safeguard biodiversity on Natura 2000 sites	5	Yes
6.4	Improve and conserve the status of existing habitats protected under HBD & rural landscape features	2	Yes
6.5	Conserve endemic species with the aim of preserving local agricultural genetic resources	4	Yes

4 Result indicator(s)

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

5 Specific design, requirements and eligibility conditions of the intervention

Description

This intervention will provide technical assistance and training to beekeepers, groups of beekeepers and beekeepers' organisations.

This will cover the following actions:
(a) Organisation of training, information seminars and workshops on various topics related to beekeeping with special emphasis on beehive invaders, pests and disease management and identification, including modern varroa management techniques by local and foreign experts;
(b) Subscription to apiculture literature containing updated and recent information (e.g. DVDs, course materials, presentations, and subscriptions to specialist beekeeping journals/magazines);
(c) Publication and distribution costs of informative material on local beekeeping context and apiculture products (e.g. website and other knowledge transfer tools).

Complementarity under this intervention is foreseen with the rural development intervention supporting Knowledge exchange and dissemination of information.

Specific Objective 6: to contribute to the halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes

The measures under *ADIVBEES (55(1)(a)*), are expected to contribute to the objectives of SO 6 through interventions that will focus on technical assistance and training to beekeepers, groups of beekeepers and beekeepers' organisations. Such measures will be in line with the needs of SO 6 since they will include measures that protect and enhance biodiversity on agricultural holdings & wider rural areas and disseminate knowledge to safeguard biodiversity and conserve endemic species.

Eligibility Conditions:

Beneficiaries must satisfy one of the following criteria in order to be eligible:
a. Be registered with the Apiculture Register held by the Veterinary Regulation Department (VRD);
b. Qualify as a Beekeeping Association or producer organisation;

- In the case of cooperatives, organisations and associations, all the documentation required by the ARPA inter alia details identifying the registered and active members, statute of the organization, financial plans and an activities programme should also be submitted in order to be eligible;
- In the case of companies, the directors must be registered with the Apiculture Register held by the Veterinary Regulation Department (VRD);
- In the case of beekeepers, these must be registered in the IACS Farmer Registry in order to be eligible.

The following documents would need to be submitted:

- A site plan where the bee boxes are kept
- Invoice and proof of payment of the relevant costs incurred
- If relevant, evidence of participation in relevant training, information seminar or workshop
- If relevant, evidence of the publication or informative material
- Applications are to be submitted within the deadlines as established by ARPA

6 Form and rate of support/amounts/calculation methods

This intervention will reimburse the costs actually incurred by a beneficiary/beneficiaries for the types of actions to be implemented as mentioned above. In this respect, three planned unit amounts have been established on the basis of costs incurred for similar activities in previous Apiculture programmes and

taking into account the expected outputs to be addressed.

(a) Organise training, information seminars or workshops in line with the documentation and proof provided.
(b) Subscription to apiculture literature containing updated and recent information (e.g. DVDs, course materials, presentations, and subscriptions to specialist beekeeping journals/magazines);
(c) Publication and distribution costs of informative material on local beekeeping context and apiculture products (e.g. website and other knowledge transfer tools).

The total funding allocated towards this intervention shall be of Euro 5,485.44 per annum (50% co-financed EAGF and MT Funds).

7 Additional information specific to the Type of Intervention

Not applicable

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

This intervention is in line with paragraph 2 (c & d) of Annex 2 to the WTO Agreement on Agriculture. It is aimed at reimbursing expenditure incurred in relation to the apiculture product sector. This support is payable to those eligible beneficiaries as specified in Section 5.2.6.1.

Support shall take the form of reimbursement for expenditure incurred for training services and technical assistance services on various topics related to beekeeping.

9 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Planned Unit Amount	Region(s)	Result Indicator(s)
API T&I Unit 1 - Unit Amount 1 for Sectoral API Training & Information	Uniform		
API T&I Unit 2 - Unit Amount 2 for Sectoral API Training & Information - Publications	Uniform		

Description

API T&I Unit 1 - Unit Amount 1 for Sectoral API Training & Information

This planned amount relates to the organisation of training, information seminars and workshops on various topics related to beekeeping with special emphasis on beehive invaders, pests and disease management and identification, including modern varroa management techniques by local and foreign experts.

The established planned amount is in line with current budgetary allocations under Apiculture Aid.

API T&I Unit 2 - Unit Amount 2 for Sectoral API Training & Information - Publications

This planned amount relates to publications and has been established on the basis of current budgetary allocations under Apiculture Aid.

10 Planned Unit Amounts - Financial table with output

Planned Unit Amount	Financial Year	2023	2024	2025	2026	2027	Total 2023 - 2027
API T&I Unit 1 - Unit Amount 1 for Sectoral API Training & Information	Planned unit amount (Total Union expenditure in EUR)	1,211.41	1,211.41	1,211.41	1,211.41	1,211.41	
	O.37 (unit: Actions)	2.00	2.00	2.00	2.00	2.00	**Sum:** 10.00 **Max:** 2.00
	Annual indicative financial allocation (Total Union expenditure in EUR)	2,422.81	2,422.81	2,422.81	2,422.81	2,422.81	12,114.05
API T&I Unit 2 - Unit Amount 2 for Sectoral API Training & Information - Publications	Planned unit amount (Total Union expenditure in EUR)	106.64	106.64	106.64	106.64	106.64	
	O.37 (unit: Actions)	3.00	3.00	3.00	3.00	3.00	**Sum:** 15.00 **Max:** 3.00
	Annual indicative financial allocation (Total Union expenditure in EUR)	319.91	319.91	319.91	319.91	319.91	1,599.55
TOTAL	Annual indicative financial allocation (Total public Expenditure in EUR)	5,485.44	5,485.44	5,485.44	5,485.44	5,485.44	27,427.20

	Annual indicative financial allocation (Total Union expenditure in EUR)	2,742.72	2,742.72	2,742.72	2,742.72	2,742.72	13,713.60
	EU co-financing rate in %	50.00	50.00	50.00	50.00	50.00	

INVAPI(55(1)(b)) - - investments in tangible and intangible assets, as well as other actions

Sectoral API Product - Apiculture Products- Varroasis, restocking and transhumance

Intervention Code (MS)	Sectoral API Product
Intervention Name	Apiculture Products- Varroasis, restocking and transhumance
Type of Intervention	INVAPI(55(1)(b)) - investments in tangible and intangible assets, as well as other actions
Common Output Indicator	O.37. Number of actions or units for beekeeping preservation or improvement

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

Beekeepers face identical socio-economic and environmental conditions due to the small size of the island. Thus, this intervention will apply to the entire Maltese territory.

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

CAP SECTORAL OBJECTIVE Code + Description

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO6 Contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
6.1	Promote measures that protect and enhance biodiversity on agricultural holdings & wider rural areas	1	Yes
6.4	Improve and conserve the status of existing habitats protected under HBD & rural landscape features	2	Yes
6.5	Conserve endemic species with the aim of preserving local agricultural genetic resources	4	Yes

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold
R.35 Share of beehives supported by the CAP

5 Specific design, requirements and eligibility conditions of the intervention

Description

This intervention will support investments in tangible and non-tangible assets and actions to combat beehive invaders and diseases, in particular varroasis; restocking of beehives including bee breeding; and rationalising transhumance.

This intervention will cover:

(a) Measures to control varroasis including:

- Beekeepers will be supported to replace or convert normal hive floors with varroa floors. This will form part of the National Integrated Pest Management (IPM) Programme against varroa in the Maltese Islands. Other useful techniques such as drone-brood trapping will also be implemented and supported in order to reduce the frequency of use of varroacides (e.g. Varroa flooring);
- Acquisition of the appropriate varroacides (e.g. strips, powder, sterilization);
- Costs related to the continuous screening for varroa resistance (e.g. laboratory analysis);

(b) Measures to support the restocking of hives including:
- Acquisition of new healthy queens, colonies and nuclei following colony losses due to outbreaks of disease, pesticides and other factors which are beyond the control of the beekeeper, as well as eliminating losses as a result of human action.
- Costs incurred on activities to promote queen rearing (e.g. breeder boxes, Queen cages, hair roller cages, specialised tweezers, Queen cups, etc.);
-Acquisition of hive components such as beeswax foundation sheets, wireframes, etc., as well as their replacement when these have come to an end of their useful lifespan.

(c) Measures rationalising transhumance
- Acquisition of small equipment like closure belts and other implements which are necessary for transhumance (e.g. belts, netting screens);
- Mapping of areas having the best foraging potential for nomadic beekeeping with special reference to garigue areas where wild thyme grows naturally (e.g. submission of mapped areas).

Specific Objective 6: to contribute to the halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes

The measures under *INVAPI(55(1)(b))* are expected to contribute to the objectives of SO 6 through interventions that will focus on combating beehive invaders and diseases, in particular varroasis; restocking of beehives including bee breeding; and rationalising transhumance. Such measures will be in line with the needs of SO 6 since they will protect and enhance biodiversity on agricultural holdings & wider rural areas, and improve and conserve endemic species and existing habitats protected under the Habitats and Birds Directives and in line with the Prioritised Action Framework (PAF).

Eligibility Conditions

Beneficiaries must satisfy one of the following criteria in order to be eligible:
a. Be registered with the Apiculture Register held by the Veterinary Regulation Department (VRD);
b. Qualify as a Beekeeping Association or producer organisation;

- In the case of cooperatives, organisations and associations, all the documentation required by the ARPA inter alia details identifying the registered and active members, statute of the organization, financial plans and an activities programme should also be submitted in order to be eligible;
- In the case of companies, the directors must be registered with the Apiculture Register held by the Veterinary Regulation Department (VRD);
- In the case of beekeepers, these must be registered in the IACS Farmer Registry in order to be eligible.

The following documents would need to be submitted:

- A site plan where the bee boxes are kept

- Invoice and proof of payment of the relevant costs incurred
- If relevant, evidence of participation in relevant training, information seminar or workshop
- If relevant, evidence of the publication or informative material
- Applications are to be submitted within the deadlines as established by ARPA

6 Form and rate of support/amounts/calculation methods

This intervention will reimburse the costs actually incurred by a beneficiary/beneficiaries upon presentation of documentation and proof of payment.

The total funding allocated towards this intervention shall be of Euro 18,541.96 per annum (co-financed 50% EAGF and 50% MT Funds).

7 Additional information specific to the Type of Intervention

Not Applicable

8 WTO compliance

Green Box

Paragraph 2 of Annex 2 WTO

Attention! Interventions under Article 55(1)b subpoints (i) and (ii) according to Article 10 and Annex II are obliged to comply with WTO Green Box crireria. Explanation of how the intervention respects the relevant provisions of Annex 2 to the WTO Agreement on Agriculture as specified in Article 10 of this Regulation and in Annex II to this Regulation (Green Box)

This intervention is in line with paragraph 2 (b) of Annex 2 to the WTO Agreement on Agriculture for combatting beehives diseases. It is aimed at reimbursing expenditure incurred in relation to the apiculture product sector. This support is payable to those beneficiaries that are registered as beekeepers as specified in this document.

Support shall take the form of reimbursement for expenditure incurred.

Interventions supporting the restocking of hives and rationalising transhumance will comply with WTO Amber Box criteria.

9 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Planned Unit Amount	Region(s)	Result Indicator(s)
API Products Unit 1 - Unit Amount 1 for Investments & actions for API -Combatting beehive invaders and diseases, in particular varroasis	Average		R.35
API Products Unit 2 - Unit Amount 2 for Investments & actions for API - Restocking of beehives in the Union including bee breeding	Uniform		R.35
API Products Unit 3 - Unit Amount 3 for Investments & Actions for API -Rationalising transhumance	Uniform		R.35

Description

API Products Unit 1 - Unit Amount 1 for Investments & actions for API -Combatting beehive invaders and diseases, in particular varroasis

This planned unit relates to investments in tangible and non-tangible assets and actions aimed at combatting beehive invaders and diseases, in particular varroasis. The planned amount has been established in line with current budgetary allocations under Apiculture Aid taking also into account the planned outputs and/beneficiaries to be supported.The Planned Unit Amount for Financial Year 2025 onwards shall apply from the said Financial Year (as from 16th October 2024 onwards) as specified in Section 10.

API Products Unit 2 - Unit Amount 2 for Investments & actions for API - Restocking of beehives in the Union including bee breeding

This planned unit relates to the restocking of beehives including bee breeding and has been established in line with current budgetary allocations under Apiculture Aid taking also into account the planned outputs and/beneficiaries to be supported.The Planned Unit Amount for Financial Year 2025 onwards shall apply from the said Financial Year (as from 16th October 2024 onwards) as specified in Section 10.

API Products Unit 3 - Unit Amount 3 for Investments & Actions for API -Rationalising transhumance

This planned unit relates to rationalising transhumance and has been established in line with current budgetary allocations under Apiculture Aid taking also into account the planned outputs and/beneficiaries to be supported. The Planned Unit Amount for Financial Year 2025 onwards shall apply from the said Financial Year (as from 16th October 2024 onwards) as specified in Section 10.

10 Planned Unit Amounts - Financial table with output

Planned Unit Amount	Financial Year	2023	2024	2025	2026	2027	Total 2023 - 2027
API Products Unit 1 - Unit Amount 1 for Investments & actions for API -Combatting beehive invaders and diseases, in particular varroasis	Planned unit amount (Total Union expenditure in EUR)	93.34	93.34	99.58	99.58	99.58	
	O.37 (unit: Beekeepers)	84.00	84.00	36.00	36.00	36.00	**Sum:** 276.00 **Max:** 84.00
	Annual indicative financial allocation (Total Union expenditure in EUR)	7,840.82	7,840.82	3,584.88	3,584.88	3,584.88	26,436.28
API Products Unit 2 - Unit Amount 2 for	Planned unit amount (Total Union expenditure in EUR)	32.38	32.38	192.73	192.73	192.73	

Investments & actions for API - Restocking of beehives in the Union including bee breeding	O.37 (unit: Beekeepers)	34.00	34.00	29.00	29.00	29.00	**Sum:** 155.00 **Max:** 34.00
	Annual indicative financial allocation (Total Union expenditure in EUR)	1,100.85	1,100.85	5,589.17	5,589.17	5,589.17	18,969.21
API Products Unit 3 - Unit Amount 3 for Investments & Actions for API -Rationalising transhumance	Planned unit amount (Total Union expenditure in EUR)	109.77	109.77	96.93	96.93	96.93	
	O.37 (unit: Beekeepers)	3.00	3.00	1.00	1.00	1.00	**Sum:** 9.00 **Max:** 3.00
	Annual indicative financial allocation (Total Union expenditure in EUR)	329.31	329.31	96.93	96.93	96.93	949.41
TOTAL	Annual indicative financial allocation (Total public Expenditure in EUR)	18,541.96	18,541.96	18,541.96	18,541.96	18,541.96	92,709.80
	Annual indicative financial allocation (Total Union expenditure in EUR)	9,270.98	9,270.98	9,270.98	9,270.98	9,270.98	46,354.90
	EU co-financing rate in %	50.00	50.00	50.00	50.00	50.00	

ACTLAB(55(1)(c)) - - actions to support laboratories for the analysis of apiculture products, bee losses or productivity drops, and substances potentially toxic to bees

Sectoral API Labs - Apiculture Products: Support for labs

Intervention Code (MS)	Sectoral API Labs
Intervention Name	Apiculture Products: Support for labs
Type of Intervention	ACTLAB(55(1)(c)) - actions to support laboratories for the analysis of apiculture products, bee losses or productivity drops, and substances potentially toxic to bees
Common Output Indicator	O.37. Number of actions or units for beekeeping preservation or improvement

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

Beekeepers face identical socio-economic and environmental conditions due to the small size of the island. Thus, this intervention will apply to the entire Maltese territory.

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

CAP SECTORAL OBJECTIVE Code + Description

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO6 Contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
6.1	Promote measures that protect and enhance biodiversity on agricultural holdings & wider rural areas	1	Yes
6.4	Improve and conserve the status of existing habitats protected under HBD & rural landscape features	2	Yes
6.5	Conserve endemic species with the aim of preserving local agricultural genetic resources	4	Yes

4 Result indicator(s)

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

5 Specific design, requirements and eligibility conditions of the intervention

Description

Pursuant to Article 55(1)(c), this intervention will support actions to support laboratories for the analysis of apiculture products, bee losses or productivity drops, and substances potentially toxic to bees. In this regard, this intervention will cover:

(a) Analysis of honey samples to characterise the different productions during the three major honey flows with the aim to improve correct labelling and marketing of the product. The analysis of the physico-

chemical properties of honey according to its botanical origin provides beekeepers with precise knowledge of the quality of the honey.
- Costs incurred by beekeepers for the analysis of honey samples.
- Costs incurred by beekeepers for the analysis of the physico-chemical properties of honey.

(b) Research on different varroacides.
- Costs related to testing of different varroacides for their efficiency and suitability for usage in the local climatic conditions.

Specific Objective 6: to contribute to the halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes

The measures under *Sectoral support for labs* are expected to contribute to the objectives of SO 6 through interventions that will focus on support for laboratories that will analyse bee losses, productivity drops and substances potentially toxic to bees. Such measures will be in line with the needs of SO 6 since they will protect and enhance biodiversity on agricultural holdings & wider rural areas, and improve and conserve endemic species and existing habitats protected under the Habitats and Birds Directives in line with the Prioritised Action Framework (PAF).

Eligible actions:

- Research, testing of treatments and screening for varroa resistance and other diseases

Eligible beneficiaries:

- Registered beekeepers, POs and Associations.

Eligibility conditions

The following documents would need to submitted:
- the laboratory accreditation certificate
- description of the analyses carried out, including the need for such analysis, details on the honey samples analysed and details of the findings
- invoice and proof of payment for services rendered.

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

6 Form and rate of support/amounts/calculation methods

This intervention will reimburse the costs actually incurred by a beneficiary/beneficiaries upon presentation of documentation.

The total funding allocated towards this intervention shall be of Euro 2,705.08 per annum (co-financed 50% EAGF and 50% MT Funds).

7 Additional information specific to the Type of Intervention

Not Applicable

8 WTO compliance
Green Box
Paragraph 2 of Annex 2 WTO

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

This intervention is in line with paragraph 2 (e) of Annex 2 to the WTO Agreement on Agriculture. It is aimed at reimbursing expenditure incurred in relation to the apiculture product sector. This support is payable to those laboratories as specified in this document. Support shall take the form of reimbursement for expenditure incurred.

9 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Planned Unit Amount	Region(s)	Result Indicator(s)
API LABS Unit 1 - Unit Amount 1 for API Support for Labs -Analysis of the physico-chemical properties of honey	Average		
API LABS Unit 2 - Unit Amount 2 for API Support for Labs -Research on different varroacides	Average		

Description

API LABS Unit 1 - Unit Amount 1 for API Support for Labs -Analysis of the physico-chemical properties of honey

This planned amount relates to the analysis of honey samples to characterise the different productions during the three major honey flows with the aim to improve correct labelling and marketing of the product. The analysis of the physico-chemical properties of honey according to its botanical origin provides beekeepers with precise knowledge of the quality of the honey. Value has been established on current budgetary allocations under Apiculture Aid taking also into account the planned outputs and/beneficiaries to be supported.

API LABS Unit 2 - Unit Amount 2 for API Support for Labs -Research on different varroacides

This planned amount relates to research on different varroacides and has been established on current budgetary allocations under Apiculture Aid taking also into account the planned outputs and/beneficiaries to be supported.

10 Planned Unit Amounts - Financial table with output

Planned Unit Amount	Financial Year	2023	2024	2025	2026	2027	Total 2023 - 2027
API LABS Unit 1 - Unit Amount 1 for API Support for Labs -Analysis of the physico-chemical properties of honey	Planned unit amount (Total Union expenditure in EUR)	940.90	940.90	940.90	940.90	940.90	
	O.37 (unit: Actions)	1.00	1.00	1.00	1.00	1.00	**Sum:** 5.00 **Max:** 1.00
	Annual indicative financial allocation (Total Union expenditure in EUR)	940.90	940.90	940.90	940.90	940.90	4,704.50
API LABS Unit 2 - Unit Amount 2 for API Support for Labs -Research on different varroacides	Planned unit amount (Total Union expenditure in EUR)	82.33	82.33	82.33	82.33	82.33	
	O.37 (unit: Beekeepers)	5.00	5.00	5.00	5.00	5.00	**Sum:** 25.00 **Max:** 5.00
	Annual indicative financial allocation (Total Union expenditure in EUR)	411.64	411.64	411.64	411.64	411.64	2,058.20
TOTAL	Annual indicative financial allocation (Total public Expenditure in EUR)	2,705.08	2,705.08	2,705.08	2,705.08	2,705.08	13,525.40
	Annual indicative financial allocation (Total Union expenditure in EUR)	1,352.54	1,352.54	1,352.54	1,352.54	1,352.54	6,762.70
	EU co-financing rate in %	50.00	50.00	50.00	50.00	50.00	

COOPAPI(55(1)(e)) - - cooperation with specialised bodies for the implementation of research programs in the field of beekeeping and apiculture products

Sectoral API RESRCH - Apiculture - Research Programmes

Intervention Code (MS)	Sectoral API RESRCH
Intervention Name	Apiculture - Research Programmes
Type of Intervention	COOPAPI(55(1)(e)) - cooperation with specialised bodies for the implementation of research programs in the field of beekeeping and apiculture products
Common Output Indicator	O.37. Number of actions or units for beekeeping preservation or improvement

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

Beekeepers face identical socio-economic and environmental conditions due to the small size of the island. Thus, this intervention will apply to research relevant to the Maltese territory.

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

CAP SECTORAL OBJECTIVE Code + Description

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO6 Contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
6.1	Promote measures that protect and enhance biodiversity on agricultural holdings & wider rural areas	1	Yes
6.4	Improve and conserve the status of existing habitats protected under HBD & rural landscape features	2	Yes
6.5	Conserve endemic species with the aim of preserving local agricultural genetic resources	4	Yes

4 Result indicator(s)

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

5 Specific design, requirements and eligibility conditions of the intervention

Description

Pursuant to Article 55(1)(e), this intervention will support cooperation with specialised bodies for the implementation of research programmes in the field of beekeeping and apiculture products.

This intervention will thus cover:

(a) Cooperation with specialised bodies for the implementation of research programmes in the field of beekeeping and apiculture products.

- Research on the incidence of serious bee diseases and pests present in the Maltese Islands will be carried out in collaboration with foreign stakeholders to prevent further spreading. Sampling will also be taken for surveillance against the possible introduction of new pests, such as the Small Hive Beetle.
- Studies in relation to the benefits of new hive products for the general well-being of humans.
- The use and effectiveness of modern advanced beekeeping techniques for the control of bee diseases, queen-rearing and harvest of bee products, amongst others, will be tried and tested in the local context.

Specific Objective 6: to contribute to the halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes

The measures under *COOPAPI(55(1)(e)),*are expected to contribute to the objectives of SO 6 through interventions that will focus on support for cooperation with specialised bodies for the implementation of research programmes in the field of beekeeping and apiculture products. Such measures will be in line with the needs of SO 6 since they will protect and enhance biodiversity on agricultural holdings & wider rural areas, and improve and conserve endemic species and existing habitats protected under the Habitats and Birds Directives and in line with the Prioritised Action Framework (PAF).

Eligible beneficiaries:

- Cooperation on the implementation of research programmes involves cooperation between registered beekeepers or group of beekeepers, beekeepers associations or producer organisations or institutions/competent authority with accredited laboratories.

Eligible actions:

- Cost of research carried out on the improvement of the quality of the apiculture products through physio-chemical and microbiological analysis and studies related to the typification of the same products on the basis of botanical and geographical origin
- Research carried out on bee diseases.

Eligibility Conditions

Laboratories must be accredited by the National Accreditation Board of Malta (NAB-MALTA).

The following documents would need to submitted:

- Description of the research carried out, including the need for such research, its relevance to the local context and details of the findings
- Invoice and proof of payment of the relevant costs incurred

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

6 Form and rate of support/amounts/calculation methods

This intervention will reimburse the costs actually incurred by a beneficiary/beneficiaries upon presentation of documentation.

The total funding allocated towards this intervention shall be of Euro 1,541.52 per annum (co-financed 50% EAGF and 50% MT Funds).

7 Additional information specific to the Type of Intervention

Not Applicable

8 WTO compliance

Green Box

Paragraph 2 of Annex 2 WTO

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

This intervention is in line with paragraph 2 (a) of Annex 2 to the WTO Agreement on Agriculture. It is aimed at reimbursing expenditure incurred in relation to the apiculture product sector. This support is payable to specialised bodies carrying out research as specified in this document. Support shall take the form of reimbursement for expenditure incurred.

9 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Planned Unit Amount	Region(s)	Result Indicator(s)
API RESEARCH Unit - Unit Amount for Apiculture- Applied Research Programmes	Average		

Description

API RESEARCH Unit - Unit Amount for Apiculture- Applied Research Programmes

This planned amount relates to cooperation with specialised bodies for the implementation of research programmes in the field of beekeeping and apiculture products. It has been established on the basis of current budgetary allocations for Apiculture Aid taking also into account the planned outputs and/beneficiaries to be supported.

10 Planned Unit Amounts - Financial table with output

Planned Unit Amount	Financial Year	2023	2024	2025	2026	2027	Total 2023 - 2027
API RESEARCH Unit - Unit Amount for Apiculture- Applied Research Programmes	Planned unit amount (Total Union expenditure in EUR)	385.38	385.38	385.38	385.38	385.38	
	O.37 (unit: Actions)	2.00	2.00	2.00	2.00	2.00	**Sum:** 10.00 **Max:** 2.00
	Annual indicative financial allocation (Total Union expenditure in EUR)	770.76	770.76	770.76	770.76	770.76	3,853.80
TOTAL	Annual indicative financial allocation (Total public Expenditure in EUR)	1,541.52	1,541.52	1,541.52	1,541.52	1,541.52	7,707.60
	Annual indicative financial allocation (Total Union expenditure in EUR)	770.76	770.76	770.76	770.76	770.76	3,853.80
	EU co-financing rate in %	50.00	50.00	50.00	50.00	50.00	

5.3 Rural Development Interventions

ENVCLIM(70) - Environmental, climate-related and other management commitments

RD Gen Res - Conservation and sustainable use of genetic resources

Intervention Code (MS)	RD Gen Res
Intervention Name	Conservation and sustainable use of genetic resources
Type of Intervention	ENVCLIM(70) - Environmental, climate-related and other management commitments
Common Output Indicator	O.19. Number of operations or units supporting genetic resources
Contributing to ringfencing requirement for/on	Generational Renewal: No Environment: Yes ES rebate system: Yes LEADER: No

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

This intervention aims to support activities that will enable the valorisation of varieties of plant and animals that are specifically vulnerable to genetic erosion, focusing on the entire territory of Malta.

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

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO4 Contribute to climate change mitigation and adaptation, including by reducing greenhouse gas emission and enhancing carbon sequestration, as well as promote sustainable energy
SO6 Contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
6.5	Conserve endemic species with the aim of preserving local agricultural genetic resources	4	Yes

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold
R.12 Share of utilised agricultural area (UAA) under supported commitments to improve climate adaptation
R.14 Share of utilised agricultural area (UAA) under supported commitments to reduce emissions or to maintain or enhance carbon storage (including permanent grassland, permanent crops with permanent green cover, agricultural land in wetland and peatland)
R.25 Share of livestock units (LU) under supported commitments to improve environmental sustainability
R.31 Share of utilised agricultural area (UAA) under supported commitments for supporting biodiversity conservation or restoration including high-nature-value farming practices

5 Specific design, requirements and eligibility conditions of the intervention

Describe what are the specific objectives and content of the intervention including specific targeting, principles of selection, links with relevant legislation, complementarity with other interventions/sets of operations in both pillars and other relevant information.

The limited land and the need to produce more and varied products have all led to the introduction of new species and varieties, the end result being that our local genotypes have already been lost or are in danger of becoming extinct. This sub-measure intends to support activities that will enable the valorisation of

these varieties (plant and animal) that are specifically vulnerable to genetic erosion. Under this intervention, Malta is supporting Conservation, sustainable use and development of genetic resources in agriculture and in forestry as referred to in Article 70 of Regulation (EU) 2021/2115 and as per Commission Delegated Regulation (EU) 2022/126, Art 45 1(a) and (b).

Support for conservation and sustainable use and development of genetic resources in agriculture (Regulation (EU) 2022/126, Art 45 1(b).

Conservation-type operations supported under this measure shall concern actions promoting the ex situ and in situ conservation, characterisation, collection and utilisation of genetic resources in agriculture, including web-based inventories of genetic resources currently conserved in situ, including in situ/on-farm conservation, and of ex situ collections (gene banks) and databases. This intervention may support actions promoting the exchange of information for the conservation, characterisation, collection and utilisation of genetic resources in agriculture, among competent organisations in the Member States, as well as information, dissemination and advisory actions involving non-governmental organisations and other relevant stakeholders, training courses and the preparation of technical reports.

Integration and maintenance of autochthonous Maltese species (Regulation (EU) 2022/126, Art 45 1(a).

Higher Support Rates

The support provided under this AECM will involve different support rates for each of these Maltese species:
-Maltese Black Chicken
-Maltese Ox
-Indigenous species of trees

Maltese Black Chicken: Similar to the 2014-2020 period, the support for breeders of the Maltese Black chicken has been calculated on the basis of the additional costs incurred to maintain this species as well as the associated loss in revenue. The loss in revenue is estimated to stand at €20 per chicken per year[1], which rate has been augmented by the average rate of food inflation for the period of 9 years starting from 2013 and ending in 2022, thereby resulting in a total support rate of €25.01. This implies a 20% increase over the support rate applicable under the RDP 2014-2020.

Maltese Ox: Support for the Maltese Ox is calculated on the basis of the additional costs incurred to maintain the Maltese Ox in comparison to the costs incurred with using a normal rotary cultivator for ploughing the land. The support rate is based on the previous RDP figure[2], but each of the cost elements is adjusted to take into account inflation. The final support rate per head is estimated to stand at €1,936.27, thereby representing an increase of 24% over the support rate applicable under the previous programme.

Indigenous species of trees: Support for the conservation and maintenance of plant species is calculated on the basis of the additional labour involved to maintain these species on farmland in view of their lower productivity and high maintenance required, especially in terms of pest control. The support rate is thus equivalent to the support rate applicable under the AECM 2 for the maintenance of trees and stands at €44.49 per tree.

Integration and maintenance of autochthonous Maltese species

This intervention will focus on conserving Malta's biodiversity and will be consistent with the priorities of Malta's National Biodiversity Action Plan. This intervention is expected to enhance the countryside and promote practices which work in harmony with our unique ecosystems. Support may be targeted towards

the conservation of indigenous species, including Carob (*harrub)* and (White/ Black) Mulberry (*cawsla* and *tuta*) trees, that will assist farmers to maintain these trees in a good condition. This AECM may also provide support for the integration and maintenance of autochthonous Maltese species, such as the Maltese Black Chicken and Maltese Ox, and other interventions promoting the conservation for rare, indigenous breeds of plants and trees. The Maltese Ox has become endangered due to increased mechanisation, therefore the support rate is justified on the basis that farmers will incur additional costs to conserve this Ox and use it for ploughing the land, as opposed to utilising a normal rotary cultivator instead. With respect to conservation of the Maltese black chicken, beneficiaries are being compensated for losses arising from the space utilisation to keep this species, as opposed to retaining other species with optimal laying capacity instead.

The envisaged investments will contribute to the following specific objectives:

Specific Objective 4: to contribute to climate change mitigation and adaptation, including by reducing greenhouse gas emissions and enhancing carbon sequestration, as well as to promote sustainable energy

Support under land-based management commitments will address climate mitigation and adaptation as specified under SO 4 through the maintenance of Carob and White/Black Mulberry trees.

Specific Objective 6: to contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes

This intervention will preserve species that are vulnerable to genetic erosion and will therefore inevitably contribute to halting biodiversity loss and sustain habitats which are essential for environmental sustainability and agricultural growth. Through knowledge and research the preservation of genetic resources will lead to further conservation actions and sustain future ecosystems. Support for conservation of local endangered breeds including the Maltese Ox, Maltese Black Chicken, and conservation of indigenous species including Carob (*harrub)* and (White/ Black) Mulberry (*cawsla* and *tuta*) trees will continue with the aim of restoring precious farmland biodiversity which is a priority for Malta's Biodiversity Strategy. Other interventions may support promoting agricultural and genetic biodiversity conservation through support for rare, indigenous breeds of plants and trees and supporting rotational fallow land.

Targeting

Support for conservation and sustainable use development of genetic resources in agriculture, and integration and maintenance of autochthonous Maltese species.

In line with Article 70(7), revisions to interventions on environmental climate-related and other management commitments may be possible to ensure their adjustment in case of amendments to the relevant mandatory standards, requirements or obligations going beyond or are different from the established commitments/conditions.

Complementarity with other interventions

Actions that will complement this investment include knowledge and research under AKIS as well as conservation measures under off-farm and on-farm non-productive investment.

Links with relevant legislation:

EU Habitats and Birds Directives and the Prioritised Action Framework (PAF).
EU Water and Waste Framework Directives
Nitrates Action Plan and Directive

[1] Agronomic assumption based on data provided by the Agribusiness Institute (the Maltese black chicken lays 2/3 of what the typical layer does).
[2] Methodology Report

Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary and area

Support for conservation and sustainable use and development of genetic resources in agriculture

The eligible beneficiaries for support for conservation of genetic resources in agriculture are Public Entities and Departments.

Integration and maintenance of autochthonous Maltese species

Farmers (whether natural/legal persons);
Land managers, including NGOs;
Site managers responsible for the management of protected areas, including Natura 2000 sites;
Group of Farmers (including *inter alia* partnerships, cooperatives);
A mixture of both who carry out, on a voluntary basis, operations consisting of one or more agri-environment-climate commitments on agricultural land.

The eligible conditions may include:

Support for conservation and sustainable use and development of genetic resources in agriculture

- The scope of the conservation measure must be strictly targeted towards the conservation of genetic resources in plant species and / or livestock breeds;
- The proposed project must comply with the scope of the actions listed under the Measure;
- In cases of emergency due to catastrophic events or a significant and sudden change in the socio-economic conditions, according to Article 86 (3) of Regulation 2021/2115[1], permission may be granted for expenditure to be eligible from the date when the event occurred and thus before an application has been submitted.

Integration and maintenance of autochthonous Maltese species

- In order to apply for aid supporting Carob (*harrub*) /White and Black Mulberry (*cawsla* and *tuta*) species, a farmer must have a minimum of 0.1124 hectares (1 tumulo) of agricultural land. Any parcels that are found to be less than 0.04 hectares, whether in a less favoured area or not, are ineligible for payment;
-Applications for aid supporting Maltese black chicken and Maltese ox are exempted from this land requirement;
- Farmers will be required to keep records relevant to their holding and make them available upon request during any official inspection.

[1] Regulation (EU) 2021/2115 of the European Parliament and of the Council of 2 December 2021 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) No 1305/2013 and (EU) No 1307/2013.

Define eligible type of support (non-IACS) or commitments (IACS) and other obligations

Support will be limited to eligible costs in line with the National Eligibility Rules and Guidance issued with the call for project proposals within the parameters allowed in the applicable Regulations.

Support for conservation and sustainable use and development of genetic resources in agriculture

Conservation projects for plant genetic resources shall focus on any of the following operations:
(a) Identification: selection & sampling of fruit varieties, including DNA analysis of selections to establish the identity of the variety;
(b) Characterisation;
(c) Conservation: accessions from the selected plants would be identified and introduced into conservation fields then monitored to collect further data on physiological and morphological characteristics for the necessary registration to the National Register of Varieties;
(d) Sanitation: testing of accessions and sanitation to produce virus free material;
(e) Valorisation: to test aptitude to certain criteria, establishment of mother blocks of selected varieties for the production of healthy local varieties; promotion within the local farming community.

Conservation actions for plant genetic resources may include:
- the establishment and maintenance of seed collections from the wild or cultivated sites;
- germination testing for seed batches;
- establishment of plots for the conservation of candidate stocks;
- variety assessment and preparation of variety data sheets based on the morpho-pomological description of candidate stocks;
- assessment of the sanitary status of candidate stocks;
- sanitation of candidate stocks;
- activation of certification programme;
- activation of pro tempore nursery activity;
- mandatory control of certain pests.

In general, conservation projects for animal genetic resources shall focus on any of the following operations:
(a) Phenotypical evaluation and identification of livestock breeds in Malta;
(b) Genetic profiling of registered purebreds in other countries, in cases where the breed is existent;
(c) Identification of herds and high producing individuals;
(d) Establishment of specific pathogen free purebred herds in Malta/Gozo;
(e) Setting up of Maltese herd book including pedigree;
(f) Establishment of a breeding programme with improved genetic merit.
Support for this action will be limited to Public Entities and Departments only, with a remit to protect local agricultural produce and/or enhance /establish gene banks for local agricultural produce. Eligible costs shall include:
- Personnel engaged in the management and implementation of conservation projects;

- Experts fees (including travelling and subsistence costs);
- Costs of training personnel;
- Production of information/dissemination material, including databases and websites;
- Equipment related to the scope of the project;
- Infrastructural works.

Further details regarding the eligible costs will be determined in line with the national Eligibility Rules and Guidance issued with the call for project proposals within the parameters allowed in the applicable Regulations.

Integration and maintenance of autochthonous Maltese species

Eligible type of support will include:

(Integration and maintenance of autochthonous Maltese species (2 types of animals, 2 plant species)).

6 Identification of relevant baseline elements

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

List of relevant GAEC and SMR

Code	Description
GAEC08	Retention of landscape features.Ban on cutting hedges and trees during the bird breeding and rearing season.As an option, measures for avoiding invasive plant species
SMR03	Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds: Article 3(1), Article 3(2), point (b), Article 4(1), (2) and (4)
SMR04	Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild flora and fauna: Article 6(1) and (2)

List of relevant mandatory national standards

- S.L. 549.42 L.N. 79 of 2006 Conservation of Wild Birds Regulations 2006
- S.L. 549.44 L.N. 311 of 2006 Flora, Fauna and Natural Habitats Protection Regulations 2006
- S.L 430.07 L.N 284 of 2011 Plant Protection Products (Implementation) Regulations, 2011

Link between GAEC, SMR and national standards with the intervention

This intervention will link with GAEC 8 in view of the support that may be targeted towards the conservation of indigenous tree species, including Carob (*harrub)* and (White/ Black) Mulberry (*cawsla* and *tuta*) trees, that will assist farmers to maintain these trees in a good condition. Measures supporting activities that will enable the valorisation of plant and animal varieties and local genotypes that are in danger of becoming extinct will contribute to SMR 3 and 4; as well as support for the integration and maintenance of autochthonous Maltese species, such as the Maltese Black Chicken and Maltese Ox, and other interventions promoting the conservation for rare, indigenous breeds of plants and trees. Such measures will contribute to conserving Malta's biodiversity and will be consistent with the priorities of Malta's National Biodiversity Action Plan.

7 Form and rate of support/amounts/calculation methods

☑ **IACS**

☑ **Non-IACS**

IACS section

Type of payment
☑ unit cost based on additional costs and income foregone
☐ transaction cost included
☐ one off payment
☐ lump sum

Range of support at beneficiary level

The support rate applied to the intervention on the preparation and implementation of cooperation activities shall be 100% of the eligible costs.

Integration and maintenance of autochthonous Maltese species

Support rate for Maltese Black Chicken: € 25.01/head/year ((or €1,786.43 per livestock unit; 71.42 Maltese Black Chicken = 1 Livestock Unit)

Support rate for Maltese Ox: € 1,936.27/1 livestock unit (equivalent to 1 Maltese Ox). Conditions explained in Section 5.3.5.

Support rate for Carob (*harrub*)/ White and Black Mulberry (*cawsla* and *tuta*): The rate of support for the conservation of the carob and mulberries shall be of €44.49/tree/year up to a maximum of 18 trees/hectare (which amounts to a maximum of €800.82/hectare). Conditions explained in Section 5.3.5.

Support for conservation and sustainable use and development of genetic resources in agriculture

Below is a list of cost categories/actions under SCO's, including the respective legal basis for establishment, in line with Article 83(1) and (2) of Regulation (EU) 2021/2115 that may be considered by the Managing Authority:

List of Cost Categories / Actions	SCO Form of Financing Legal Basis	SCO Methodology Legal Basis
Salaries	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(a)(i) of Regulation (EU) 2021/2115
Per Diem	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(d) of Regulation (EU) 2021/2115
Travel	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(c) of Regulation (EU) 2021/2115
Overheads	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 83(2)(c) of Regulation (EU) 2021/2115
Technical Assistance	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 94(2) of Regulation (EU) 2021/2115
Architect Fees	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 83(2)(a)(i) of Regulation (EU) 2021/2115

Calculation method

The amounts of support provided by an independent body were deemed realistic, arithmetically accurate and adequate for the purposes of the Programme and have been based on a fair, equitable and verifiable calculation method.

Non-IACS section

Form of support
☑ Grant

☐ **Financial instrument**

Type of payment
☑ reimbursement of eligible costs actually incurred by a beneficiary
☑ unit costs
☑ lump sums
☑ flat-rate financing

Basis for the establishment

The use of alternative forms of financing in line with Article 83(1) of Regulation (EU) 2021/2115 may be considered by the Managing Authority as may be deemed appropriate prior to launching a call for project proposals.

Range of support at beneficiary level

The support rate applied to the intervention on the preparation and implementation of cooperation activities shall be 100% of the eligible costs.

Additional explanation

The measure provides for 100% of the eligible rates or costs.

Article 86 of Regulation 2021/2115 applies in terms of eligibility of expenditure. In the national guidelines, the MA may introduce an exception to the professional services incurred by successful applicants for the submission of an EAFRD application, including business plans where these are required.

Successful applicants are those who are offered a grant agreement (hence excluding those who either fail the eligibility and/or selection process or are placed on a waiting list). The MA may include, in the national guidelines, a minimum size of eligible projects based on the public eligible cost.

Integration and maintenance of autochthonous Maltese species

Support rate for Maltese Black Chicken: € 25.01/head/year ((or €1,786.43 per livestock unit; 71.42 Maltese Black Chicken = 1 Livestock Unit).

Justification of support rate:

Support for breeders of the Maltese black chicken has been calculated on the basis of the additional costs incurred to maintain this species and loss in revenue. Based on the caging systems found on layer farms, individuals should be compensated for potential loss in revenue in utilising space to keep this species as opposed to retaining a species with optimal laying capacity.

Support rate for Maltese Ox: € 1,936.27 per 1 livestock unit (equivalent to 1 Maltese Ox).

Justification of support rate:

Support for the Maltese Ox has been calculated on the basis of the additional costs incurred to maintain the Maltese ox in comparison to the costs incurred when using a normal rotary cultivator for ploughing the land. The support rate is based on the previous RDP 2014 – 2020.

Support rate for Carob (*harrub*)/ White and Black Mulberry (*cawsla* and *tuta*): The rate of support for the conservation of the carob and mulberries shall be of €44.49 per tree per year up to a maximum of

18 trees per hectare (which amounts to a maximum of €800.82 per hectare).

Justification of support rate:

The support rate is based on the previous RDP. Support and transactional costs incurred for the implementation of this measures are not included in the support rate. Farmers will receive support in line with Article 71 of CAP SP Regulation for areas facing natural or other specific constraints.

Simplified Cost Options may be used to support investments/actions funded through this intervention in line with the national eligibility rules, and the guidance issued by the Managing Authority, either with the call for project proposals or at the latest in the document setting out the conditions for support.

8 Information regarding State aid assessment

The intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment:

☐ Yes ☑ No ☐ Mixed

9 Additional questions/information specific to the Type of Intervention

What are the models of the commitment(s) in the intervention?

☐ result based (with possibility to pick and choose)

☑ management based (with possibility to pick and choose)

☑ hybrid (management and result based)

Please explain the obligations/possibilities for beneficiaries in relation to the commitments set out in the intervention

- Beneficiaries will be required to attend a training module relevant to this intervention. Courses should be completed by the end of the 3rd year from acceptance on the scheme. Training will be provided free of charge;
- Beneficiaries are obliged to take advice for adequate fulfilment of all commitments and obligations. Advice should be completed by the end of the 3rd year from acceptance on the scheme. Whilst preferable, such advice shall not necessarily be received from a recognised Farm Advisory System. The Managing Authority shall notify as to the type of acceptable advice under this measure. Proof of service received will be requested.
-For both training and advice, beneficaries may be exempted from the above two points if in possession of a relevant qualification (diplomas/degree) supported by documentation which clearly demonstrates its relevance to the commitments to be undertaken under the respective scheme.
-For the Maltese Ox, livestock breeders registering for support under this AECC must provide breed certification (attesting to the purity of the breed) for each livestock unit, as per official documentation issued by such competent authority as may be established by law or by the responsible Ministry;
- Maltese ox breeders must be registered with the Food and Veterinary Regulation Division;
- The purity of the Maltese Ox must be of at least 96.87%;
- Carob/white and black mulberry trees need to be present on the parcel which is committed under the AECC;
- Applicants must have a minimum of 30 Maltese Black Chicken present on his holdings;
- Farmers must ensure that all poultry are easily identified through numbered rings to ensure traceability;
- Applicants are required to fill in the livestock form;
- Each individual poultry must have a signed certificate of accreditation clearly stating the identifying number on the poultry ring;
- All poultry upon which the applicant is applying for aid must also have a vaccination programme;
- The applicant must have carob/white and black mulberry on the agricultural land.

What is the duration of contracts?

Commitments shall be undertaken for a period of five (5) years. These commitments may be annually extended after the termination of the initial period, at the discretion of the Managing Authority.

10 WTO compliance

Green Box

Paragraph 12 of Annex 2 WTO

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

This intervention qualifies as ‘Green box’ because it has no, or at most minimal, trade-distorting effects or effects on production, as set out in the WTO Agreement on Agriculture.

11 Contribution rate(s) applicable to this intervention

Region	Article	Applicable rate	Min Rate	Max Rate
MT - Malta	91(3)(b) - 70 - Payments under Article 70	80.00%	20.00%	80.00%

12 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Support	Contribution rate(s)	IACS/Non-IACS	Type of Planned Unit Amount	Region(s)	Result Indicator(s)	Is the unit amount based on carried over expenditure?
GEN RESOURCES - Unit Amount for the Conservation of Genetic Resources	Grant	91(3)(b) - 70-MT-80.00%	Non-IACS	Average			No
MANG COM Species 1 - Unit Amount for AECM 5a (Integration and maintenance of autochthonous Maltese species: Black Chicken)	Grant	91(3)(b) - 70-MT-80.00%	IACS	Uniform		R.25	No
MANG COM Species 2 - Unit Amount for AECM 5b (Integration and maintenance of autochthonous species: Maltese ox)	Grant	91(3)(b) - 70-MT-80.00%	IACS	Uniform		R.25	No
MANG COM Species 3 - Unit Amount for AECM 5c (Integration and maintenance of autochthonous species: Carob & Mulberry)	Grant	91(3)(b) - 70-MT-80.00%	IACS	Uniform		R.12; R.14	No

Explanation and justification related to the value of the unit amount

GEN RESOURCES - Unit Amount for the Conservation of Genetic Resources

The planned unit amount relates to operations for the conservation of genetic resources and has been established on the basis of 14-20 rates. The intervention is a non-IACs intervention.

MANG COM Species 1 - Unit Amount for AECM 5a (Integration and maintenance of autochthonous Maltese species: Black Chicken)

This planned unit amount relates to support rates for the integration and maintenance of autochthonous Maltese species which have been established on the basis of 14-20 rates taking into account inflation costs where appropriate.

MANG COM Species 2 - Unit Amount for AECM 5b (Integration and maintenance of autochthonous species: Maltese ox)

This planned unit amount relates to support rates for the integration and maintenance of autochthonous Maltese species which have been established on the basis of 14-20 rates taking into account inflation costs where appropriate.

MANG COM Species 3 - Unit Amount for AECM 5c (Integration and maintenance of autochthonous species: Carob & Mulberry)

This planned unit amount relates to support rates for the integration and maintenance of autochthonous Maltese species which have been established on the basis of 14-20 rates taking into account inflation costs where appropriate.

13 Planned Unit Amounts - Financial table with outputs

Planned Unit Amount	Financial Year	2023	2024	2025	2026	2027	2028	2029	Total 2023 - 2029
GEN RESOURCES - Unit Amount for the Conservation of Genetic Resources (Grant - Average)	Planned unit amount (Total Public Expenditure in EUR)	50,000.00	100,000.00	160,000.00	170,000.00	180,000.00	170,000.00	170,000.00	

	Maximum planned average unit amount (where applicable) (EUR)								
	O.19 (unit: Operations)	0.00	0.00	0.00	0.00	0.00	0.00	1.00	**Sum:** 1.00 **Max:** 1.00
MANG COM Species 1 - Unit Amount for AECM 5a (Integration and maintenance of autochthonous Maltese species: Black Chicken) (Grant - Uniform)	Planned unit amount (Total Public Expenditure in EUR)	1,786.43	1,786.43	1,786.43	1,786.43	1,786.43			
	Maximum planned average unit amount (where applicable) (EUR)								
	O.19 (unit: Livestock units)		2.33	2.33	2.33	2.33	2.33		**Sum:** 11.65 **Max:** 2.33
MANG COM Species 2 - Unit Amount for AECM 5b (Integration and maintenance of autochthonous species: Maltese ox) (Grant - Uniform)	Planned unit amount (Total Public Expenditure in EUR)	1,936.27	1,936.27	1,936.27	1,936.27	1,936.27			
	Maximum planned average unit amount (where applicable) (EUR)								
	O.19 (unit: Livestock units)		19.00	19.00	19.00	19.00	19.00		**Sum:** 95.00 **Max:** 19.00
MANG COM Species 3 - Unit Amount for AECM 5c (Integration and maintenance of autochthonous species: Carob & Mulberry) (Grant - Uniform)	Planned unit amount (Total Public Expenditure in EUR)		800.82	800.82	800.82	800.82	800.82		
	Maximum planned average unit amount (where applicable) (EUR)								

	O.19 (unit: Hectares)		2.00	2.00	2.00	2.00	2.00		**Sum:** 10.00 **Max:** 2.00
TOTAL	O.19 (unit: Operations)	0.00	0.00	0.00	0.00	0.00	0.00	1.00	**Sum:** 1.00 **Max:** 1.00
	O.19 (unit: Livestock units)		21.33	21.33	21.33	21.33	21.33	0.00	**Sum:** 106.65 **Max:** 21.33
	O.19 (unit: Hectares)		2.00	2.00	2.00	2.00	2.00	0.00	**Sum:** 10.00 **Max:** 2.00
	Annual indicative financial allocation (Total public expenditure in EUR)	50,000.00	142,918.49	202,918.49	212,918.49	222,918.49	212,918.49	170,000.00	1,214,592.45
	Annual indicative financial allocation (Union Contribution in EUR)	40,000.00	114,334.79	162,334.79	170,334.79	178,334.80	170,334.79	136,000.00	971,673.96
	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

RD MANG COMT - Land Based management commitments

Intervention Code (MS)	RD MANG COMT
Intervention Name	Land Based management commitments
Type of Intervention	ENVCLIM(70) - Environmental, climate-related and other management commitments
Common Output Indicator	O.14. Number of hectares (excluding forestry) or number of other units covered by environmental or climate-related commitments going beyond mandatory requirements
Contributing to ringfencing requirement for/on	Generational Renewal: No Environment: Yes ES rebate system: Yes LEADER: No

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

This intervention aims to grant support to farmers and other beneficiaries who undertake, on a voluntary basis, land based management commitments which are beneficial to achieving the aims set out in the CAP SP Regulation, which will focus on the entire territory of Malta.

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

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO4 Contribute to climate change mitigation and adaptation, including by reducing greenhouse gas emission and enhancing carbon sequestration, as well as promote sustainable energy
SO5 Foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency
SO6 Contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
4.4	Reduced use of chemical N-fertilizers and other inputs with similarly high carbon footprint	1	Yes
5.2	Ensure adequate treatment of farm waste to reduce groundwater pollution	1	No
5.3	Introduce Mechanisms and processes that convert agricultural waste to fertilizer	4	No
5.4	Increase efficient use of water and soil by restoring geographical and landscape features	3	Yes
5.6	Demonstrate the value to farm profitability of crops and livestock produced to higher standards	2	Yes
5.7	Identify ways to reduce nutrient loading to air, soil and water from agricultural activity	5	Yes
6.1	Promote measures that protect and enhance biodiversity on agricultural holdings & wider rural areas	1	Yes

6.3	Promote the removal of invasive alien species and the planting of native and archaeophytic species	3	Yes
6.4	Improve and conserve the status of existing habitats protected under HBD & rural landscape features	2	Yes
6.5	Conserve endemic species with the aim of preserving local agricultural genetic resources	4	Yes

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold
R.12 Share of utilised agricultural area (UAA) under supported commitments to improve climate adaptation
R.14 Share of utilised agricultural area (UAA) under supported commitments to reduce emissions or to maintain or enhance carbon storage (including permanent grassland, permanent crops with permanent green cover, agricultural land in wetland and peatland)
R.19 Share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil quality and biota (such as reducing tillage, soil cover with crops, crop rotation included with leguminous crops)
R.23 Share of utilised agricultural area (UAA) under supported commitments to improve water balance
R.24 Share of Utilised Agricultural Area (UAA) under supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides, such as pesticides leakage
R.31 Share of utilised agricultural area (UAA) under supported commitments for supporting biodiversity conservation or restoration including high-nature-value farming practices
R.34 Share of utilised agricultural area (UAA) under supported commitments for managing landscape features, including hedgerows and trees
R.35 Share of beehives supported by the CAP

5 Specific design, requirements and eligibility conditions of the intervention

Describe what are the specific objectives and content of the intervention including specific targeting, principles of selection, links with relevant legislation, complementarity with other interventions/sets of operations in both pillars and other relevant information.

Land-based management commitments provide payments to farmers in return for a service, in the form of a multi-annual commitment to observe a set of prescribed management practices over a period of 5 years.

The specific objectives of these commitments are meant to reduce pressures on semi-natural features caused by significant agricultural intensification and neglect which would otherwise continue and spread. They will enhance the landscape which has significant tourism and amenity value to citizens. Where they result in an increase in above-ground biomass (more trees) or soil depth and c-content (particularly increasing Soil Organic Matter (SOM) content which is currently very low across most Maltese farmland), they will also contribute to climate mitigation via enhanced carbon storage and sequestration.

The minimum size of parcel to be considered under land-based commitments, shall be 0.04ha.

<u>*Higher Support Rates*</u>

The design of land-based management commitments for Malta takes into account the specific environmental needs as defined in the SWOT analyses. In order for the interventions to deliver on their environmental benefits the right level of aid must be provided. Land fragmentation, on a scale like no other in the European Union, results in higher costs for the farmer to perform the actions required under AEC sub-measures. Farmers require assistance (due to lack of expertise and ageing) to draft and implement Soil Management Plans measures. The introduction of a SMP on a holding level will target various threats faced by Maltese soils. Through enhancing soil organic matter, and targeting issues like erosion and compaction, this measure has the potential, from an environmental angle to add several

benefits.

Based on the 2014 – 2020 uptake of AECM, support shall focus on land-based management commitments which aim to control weeds in orchards and vineyards, by mechanical instead of chemical methods, planting of indigenous trees, implementing a soil management and conservation plan, introducing bee boxes on holdings and support towards use of non-synthetic pesticides and fertilizers. Support may also be provided on management of soil through the implementation of a Soil Management Plan.

Measure for the maintenance of trees (Support for the maintenance of newly planted recommended tree species)

The additional labour hours required for conservation and maintenance of planted trees have remained unchanged from those assumed under RDP 2014-2020. The adjusted labour rate per hour of €12.71 is applied to establish the cost per tree, such that the total cost per tree and hence the support required is estimated to be equivalent to €44.49. This implies a 14% increase over the support rate applicable in the RDP for 2014-2020.

Environmental commitments to control weeds in orchards and vineyards by mechanical, instead of chemical methods and green cover

Similar to the measure under the RDP 2014-2020, the annual support rate for AECM 1 is determined by considering the following main elements:

1) the share of annual yield per hectare which is foregone on account of not using herbicides
2) the saved cost of herbicides
3) the saved labour cost of applying herbicides and
4) the labour cost associated with the removal of flora

Each of these elements has been updated to take into account recent data on income and prices.

More specifically, the amount of yield that is lost by the farmer on account of not using herbicides is based on more recent data on output as sourced from the Economic Accounts for Agriculture for 2020. Technical assumptions used in the estimation of income foregone have remained unchanged from the 2014-2020 period, such that the support required to cover the income foregone is €127.74/ha.

The saved costs of herbicides were augmented by the annual rate of food inflation for a period of nine years starting from 2013 and ending in 2022. The resulting cost savings are estimated to stand at €101.23 per hectare.

The amount of labour hours remains unchanged from the assumptions used in the 2014-2020 RDP but the labour rate has been augmented by the inflation rate such that that an hourly labour rate of €12.71 is considered, as opposed to €11.14/hr in the 2014-2020 period.

Therefore, the total labour cost savings are estimated to stand at €101.7 per hectare whereas the total labour costs associated with the removal of flora amount to €1,357.64 per hectare.

Based on the above considerations, the overall support rate the agri-environment climate measure which aims to control weeds in vineyards and orchards is equivalent to €1,282.45, implying a 30% increase over the support rate applicable in the Rural Development Programme (RDP) for the period 2014 – 2020.

Introduction of bee boxes on holdings

Similar to the RDP 2014-2020, the support rate aims to cover the amount of excess costs associated with maintaining a minimum of 5 bee boxes. The labour hours required by each additional bee box are multiplied by the adjusted hourly wage rate of €12.71, giving rise to a total labour cost per bee box equivalent to €317.80.

Turning to the revenue generated per bee box, technical assumptions have remained unchanged from those considered in the RDP 2014-2020 but the average price for local honey sold by beekeepers has been adjusted to reflect more recent data and is estimated to stand at €18.11 per kg[1]. After taking into account relevant cost elements, the net revenue per box is thus estimated to stand at €170.

The final support rate is established by considering the difference between the total labour costs per bee box, equivalent to €317.80, and the net revenue per bee box, amounting to €170. The overall support rate is equal to €147.80, which represents a 17.3% increase over the support rate applicable under the RDP 2014-2020.

[1] Source: https://ec.europa.eu/info/system/files/food-farming-fisheries/animals_and_animal_products/documents/nap-mt_mt.pdf

Measure for the maintenance of trees (Support for the maintenance of newly planted recommended tree species)

The planting and maintenance of trees needs to be in accordance with ERA Guidelines on managing non-native plant invaders and restoring plant communities in terrestrial settings in the Maltese Islands and the recommended list of trees for planting found in the guidance document provided by the MA. The capital expenditure related to the removal of alien species, the purchase of trees and their planting shall not be supported through the AECC. The AECC shall support the maintenance of the planted trees. This shall allow for regular clearing of weeds, the removal of dry undergrowth in summer months to prevent any fire outbreak, any trimming, pruning or support required to safeguard and protect the trees.

This sub-measure is aimed at the maintenance of newly planted trees focused on targeting soil loss prevention.

Environmental commitments to control weeds in orchards and vineyards by mechanical, instead of chemical methods and green cover

The objective of this measure is to incentivise farmers to control weeds growing in vineyards and orchards between 15th October and 28th February, using mechanical means. The measure will oblige farmers to use a grass cutter/mower to control weeds growing in vineyards and orchards during the winter season.

This measure promotes biodiversity and supports local flora and fauna. Farmers would also be supplying a temporary foraging area for bees leading to a potential increase in the pollinator population which is an essential component of Maltese agricultural systems and elemental to enhancing the diversity of its animal and plant life. This measure will aid in the prevention of soil erosion and run off. This will be achieved as the weeds will act as a cover crop during the winter months, when the majority of rain fall occurs. Erosion occurs most rapidly on areas where there is no soil cover. The weeds, naturally occurring in vineyards and orchards, can reduce the impact of raindrops that otherwise would detach soil particles and make them prone to erosion. In addition, surface runoff is slowed by the cover, allowing improved moisture infiltration.

Introduction of bee boxes on holdings

The objective of this measure is to incentivise farmers to set up bee boxes on their holding and to support established beekeepers, to encourage them to continue in the apiculture sector. This measure would be particularly beneficial in areas which have a high garrigue/ maquis to agricultural land ratio, due to the wild-flower varieties naturally occurring in such areas.

In the context of the farming community there is a general lack of interest from farmers in retaining bee boxes on their holdings. There are 3 primary honey 'seasons' in the Maltese islands- all of which play an important role in terms of biodiversity, ecosystem infrastructure and conservation. Through the promotion of this measure a positive chain reaction will develop within the context of garrigue and maquis ecosystems, in particular beneficial to plant species dependent upon bees for pollination. Effectively, through improving this situation, Malta is enhancing the biodiversity of its natural environments and providing more stable ecosystems for endemic flora and fauna species.

Boxes will be moved to different garrigue/maquis locations an estimated 3 times (two movements) in a year. This would also accommodate the 3 honey seasons in the Maltese islands. Depending on the season (and up to the beekeeper) the beekeeper will locate the boxes to ensure the bees have access to the prevalent flowering species at that given time. Garrigue in different areas tend to have 1 prevalent plant species (not necessarily the same species across the islands) which varies depending on the location, the flowering season of the prevalent sub species necessitates the movement of the boxes.

The support rate is based on the fact that beekeepers are now obliged to travel potentially substantial distances to locate boxes in areas with a high garrigue/maquis ratio. The support rate must take into consideration time spent to transport, preparation of boxes prior to transportation, setting up and actual relocation of boxes. In addition to time spent by the beekeeper as a job, this task may necessitate the assistance of another individual in the lifting and movement of the boxes, an additional cost which the beekeeper will now incur. The support rate shall factor in the additional effort required by beekeepers in the identification of suitable and agreeable locations on third party agricultural parcels.

Beekeepers can include land belonging to other farmers under this land-based commitment.

Implementation of soil management and conservation plan on a parcel

Healthy soils support biodiversity that are essential for a healthy and sustainable environment by providing essential ecosystem services, including in terms of climate change mitigation and adaptation. The environmental commitments focusing on soil management will assist in the creation of suitable soil ecosystems within the agricultural landscape. This will have a positive impact on biodiversity, enhancing the countryside and promoting practices which work in harmony with our unique ecosystems. Through ensuring the sustainable use of soils and preserving its functions, restoring degraded soils and reducing the level of input of harmful chemicals, this measure has the potential, from an environmental point of view, to add several benefits.

The objective of this measure is to incentivise farmers to prepare and implement a Soil Management Plan (SMP) on their parcels targeting three primary soil related threats on a parcel level; erosion, compaction and low soil organic matter. Moreover, soil quality shall be improved by ensuring the sustainable use of soils, soil restoration, prevention of nutrients run off and reduction of the use of harmful chemicals. The SMP must be drafted and signed by a competent person whose name is published on the website of the competent authority (Plant Protection Directorate). The SMP may include actions such as crop residue incorporation, mulching, planting of trees to target soil erosion, green manuring, as well as other actions, as deemed appropriate by the competent person. The farmer will be obliged to follow all the

recommendations in the SMP.

The implementation of an SMP has the potential to: better filter water prior to it reaching the groundwater table; enhance water retention and storage; mitigate the impacts of extreme weather events; improves soil structure; provide microbial habitat; and serves as a source of long-term, slow-release nutrients. In addition, it enhances the soil ability to store carbon dioxide (CO2) and other GHGs in soil organic matter.

The benefits of leaving land fallow for extended periods include rebalancing soil nutrients, re-establishing soil biota, breaking crop pest and disease cycles, and providing a haven for wildlife.

Through the promotion of composting (to increase organic matter) green wastes such as vegetation, wood and other organic wastes are diverted from landfills, and can play a role in reducing greenhouse gas emissions. This intervention sets different targets for irrigated/non-irrigated land. These targets are further explained hereunder.

The definition of an irrigated parcel is linked to the potentiality of the parcel to be irrigated. Hence, irrigated land refers to agricultural areas purposely provided with water, for example by means of pipes and sprinklers. In this respect, the paying agency shall be carrying out checks to determine whether land is irrigated or non-irrigated on the basis of the following:

• Presence of pipes (both temporary and permanent) on the parcel in question imply that parcel is to be considered as irrigated

• Presence of sprinklers on the parcel in question imply that parcel is to be considered as irrigated

• Presence of water storage infrastructure (including ‘bir’ and ‘giebja’), equipment or facilities on the parcel in question

• Presence of any other equipment intended to provide irrigation on the parcel in question.

If the 3% (1% in the case of non-irrigated land) soil organic matter (SOM) of a parcel is not achieved at the end of the AECC agreement, this will lead to at least 1/3 recovery of the total amount received during the whole 5 years on the specific parcel for failing to achieve one of three SOM specific targets.

The possibility to register numerous adjoining parcels as one parcel is not applicable where parcels are divided by parcels registered on other farmers or parcels registered on the same farmer but are not part of the same AECC commitment.

The grouping of parcels needs to remain the same throughout the whole commitment. All soil tests/SMPs in subsequent years have to follow the same grouping which was used in the first year. Changes to the ‘groupings’ are not permitted, with the exception of approved parcel removal

The SMP should be directed at the adoption of measures and actions to:

- minimise soil erosion on the parcel
- in the case of irrigated land, increasing soil organic matter from 2% to a minimum of 3% (farmers can shift from dry to irrigable parcels during commitment periods).
- in the case of non-irrigated land, increasing soil organic matter to a minimum of 1% (farmers can shift from dry to irrigable parcels during commitment periods).
- setting various standards to prevent compaction
- reducing the use of harmful chemicals
- prevention of nutrients run off.

It is being clarified that in cases where an action under eco-schemes (Pillar I) complements and is considered to contribute towards the scope of this AECC, then the action performed under the obligations of eco-scheme will be considered over and above the minimum actions required under this AECC.

The AECC's will contribute to the following specific objectives:

Specific Objective 4: to contribute to climate change mitigation and adaptation, including by reducing greenhouse gas emissions and enhancing carbon sequestration, as well as to promote sustainable energy

Support under land-based management commitments will address climate mitigation and adaptation as specified under SO 4 through the maintenance of non-productive trees located on agricultural holdings and non-productive trees that have been newly planted. Implementation of soil management plans will also be supported.

Specific Objective 5: to foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency

Environmental commitments focusing on soil management will contribute to SO 5 by supporting the drafting and implementation of a soil management and conservation plan on a holding, and support for farmers to convert from high water demanding crops to crops requiring less water. Support may also be included for the control of weeds in orchards and vineyards by mechanical, instead of chemical, methods, and promoting the use of non-synthetic pesticides and fertilizers, whose impact on the environment is lower. Farmers may be encouraged to practice better pest management through the use of pesticides on a calendar basis, and applying pesticides when necessary.

Specific Objective 6: to contribute to the halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes

The AECC related to the maintenance of trees will contribute towards SO 6 since native trees will provide a habitat for many species of wildlife acting as buffers. The maintenance of tree species will also protect existing greenery.

Targeting

Land based Environmental commitments: Focusing on soil management and conservation, maintenance of trees and sustainable use of pesticides.

In line with Article 70(7), revisions to interventions on environmental climate-related and other management commitments may be possible to ensure their adjustment in case of amendments to the relevant mandatory standards, requirements or obligations going beyond or are different from the established commitments/conditions.

Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary and area

Farmers (whether natural/legal persons);

Land managers, including NGOs;

Site managers responsible for the management of protected areas, including Natura 2000 sites;

Group of Farmers (including *inter alia* partnerships, cooperatives);

A mixture of both who carry out, on a voluntary basis, operations consisting of one or more agri-environment-climate commitments on agricultural land.

Eligibility conditions may include:

Measure for the maintenance of trees

- In order to apply for aid a farmer must have a minimum of 1124m^2 of agricultural land. Any parcels that are found to be less than 0.04 hectares are ineligible;
- Farmers will be required to keep records relevant to their holding and make them available upon request during any official inspection;
- Farmers must be registered in the IACS Farmer Registry;

Control of weeds in orchards and vineyards

- In order to apply for aid a farmer must have a minimum of 0.1124 hectares (1 tumolo) of permanent crops (fruit trees/ olive trees/vines). Any polygons in parcels that are found to have less than 0.04 hectares of orchards and vineyards are ineligible for payment;
- Payment may only be granted on agricultural area which has been maintained in line with annual minimum agricultural activity.
- In case of transfer of holdings (or part of) following the first year of commitment obligations pertaining to the sub-measure must be maintained. In any case adequate assessment shall be made to ensure that the objective of the measure would still be achieved;
- Farmers will be required to keep records relevant to their holding and make them available upon request during any official inspection;

Introduction of bee boxes on holdings

- In order to apply for aid a farmer must have a minimum of 0.2hectares of agricultural land registered under this land based commitment. This is the minimum requirement land needed to be eligible for payment for 1 bee box. Any parcels that are found to be less than 0.04 hectares are ineligible;
- Farmers must be registered in the IACS Farmer Registry;
- Bee boxes must be kept on agricultural land (including garrigue) throughout the year;
- All bee-boxes under this measure are to also be linked/attached to agricultural parcel/s upon registration of land based management commitment. This so it is ensured that the positive biodiversity impact is felt on both agricultural parcels and other agricultural land throughout the year;
- Beneficiaries are to inform the competent authorities on the exact location in which the bee boxes are placed to ensure adequate traceability and controls. Since garrigue is not registered in similar fashion to other agricultural parcels (and hence geo-spatial location may not be as accurate), a variance in location shall be permissible for OTSC;
- In case of transfer of holdings (or part of) following the first year of commitment obligations pertaining to the sub-measure must be maintained. In any case adequate assessment shall be made to ensure that the objective of the measure would still be achieved;
- In registering for support the applicant is required to have a minimum of 5 active bee boxes;
- All bee-boxes must be uniquely tagged for identification and control purposes;
- Required to be a member of an apicultural society;

Implementation of soil management and conservation plan on a parcel

- In order to apply for aid a farmer must have a minimum of 0.1124 hectares (1 tumoli) of arable land. Any parcels that are found to be less than 0.04 hectares, are ineligible;
- Farmers will be required to keep records relevant to their holding and make them available upon request during any official inspection;
- During the request period the farmer must present either a copy of the soil test results or a receipt showing proof that the soil sample has been submitted covering all parcels being included in the

commitment;

- All submitted soil samples need to be collected by advisors who are already recognised on the date the sample was submitted to the lab (i.e. if an advisor was registered on the 18th of April then all soil samples submitted need to be dated from 18th April onwards. Soil samples dated prior to the 18th April will not be deemed eligible for AECC and can result in a rejection of the application /termination of the commitment leading to recovery of funds. All soil samples are to be collected under the supervision of the recognised competent person. Samples shall not be collected by the direct beneficiary applying under AECC, for whom the samples are being collected. The recognised competent person remains responsible for the sample collection process. All samples need to be labelled with the new parcel numbers;
- Only arable land is eligible for support under this measure. Permanent cropland is ineligible for support under AECM;
- Irrigable agricultural land with soil organic matter (SOM) below 2% is ineligible (GAEC obligation). When submitting a request for application for the first time, the farmer must present a SOM test with a result of 2% or upwards to be eligible. This 2% eligibility requirement is not applicable in the case of non-irrigable parcels;
- Farmers must also submit a crop plan with the SMP.

Define eligible type of support (non-IACS) or commitments (IACS) and other obligations

Eligible type of support will include:

- Using mechanical control (rather than herbicides) for weeds in permanent crop production systems (olives, vines, orchards);
- Tree maintenance measures – Maintenance of recommended newly planted tree species;
- Support for introduction and management of bee boxes on holdings to improve pollination;
- Introduction and implementation of soil management and conservation plans for parcels of land.

O14 What area is eligible?

☑Agricultural area defined for the CAP plan

☐Agricultural land including and beyond agricultural area

☐Non-agricultural land

6 Identification of relevant baseline elements

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

List of relevant GAEC and SMR

Code	Description
GAEC05	Tillage management, reducing the risk of soil degradation and erosion, including consideration of the slope gradient
GAEC06	Minimum soil cover to avoid bare soil in periods that are most sensitive
GAEC08	Retention of landscape features.Ban on cutting hedges and trees during the bird breeding and rearing season.As an option, measures for avoiding invasive plant species
SMR03	Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds: Article 3(1), Article 3(2), point (b), Article 4(1), (2) and (4)
SMR04	Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild flora and fauna: Article 6(1) and (2)
SMR07	Regulation (EC) No 1107/2009 of the European Parliament and of the Council of 21 October 2009 concerning the placing of plant protection products on the market and repealing Council Directives 79/117/EEC and 91/414/EEC: Article 55, first and second sentence

SMR08	Directive 2009/128/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for Community action to achieve the sustainable use of pesticides: Article 5(2) and Article 8(1) to (5); Article 12 with regard to restrictions on the use of pesticides in protected areas defined on the basis of Directive 2000/60/EC and Natura 2000 legislation; Article 13(1) and (3) on handling and storage of pesticides and disposal of remnants

List of relevant mandatory national standards

- L.N. 345 of 2015 (Water Policy Framework Regulations)
- S.L. 549.66 (Nitrates Action Programme Regulations)
- S.L. 549.25 Protection of Waters against pollution caused by Nitrates from agricultural sources Regulation
- S.L. 549.42 L.N. 79 of 2006 Conservation of Wild Birds Regulations 2006
- S.L. 549.44 L.N. 311 of 2006 Flora, Fauna and Natural Habitats Protection Regulations 2006
- Food Safety Act, 2002 (Act No. XIV of 2002
- S.L 430.07 L.N 284 of 2011 Plant Protection Products (Implementation) Regulations, 2011
- S.L 430.08 & L.N.489 of 2011 (Sustainable Use of Pesticides Regulation)

Link between GAEC, SMR and national standards with the intervention

Control of Weeds in Orchards and Vineyards and green cover

By reducing pesticides use through the use of environmental commitments to control weeds in orchards and vineyards by mechanical, instead of chemical methods and green cover, this intervention will significantly scale down surface and ground water contamination from Plant Protection Products. Furthermore, it will improve soil nutrients and structure reversing the decline of beneficial soil organisms and soil organic matter as a result of extensive pesticides use. This will in turn lead to better water retention in soils. Ultimately, lower use of pesticides will enhance biodiversity and restore habitats and therefore this sub intervention will contribute to SMR 3,4,7,8.

Implementation of soil management and conservation plan on parcel

This sub-intervention will allow measures that implement a soil management and conservation plan. Healthy soils support biodiversity which is essential for a healthy and sustainable environment by providing essential ecosystem services, including in terms of climate change mitigation and adaptation. The environmental commitments focusing on soil management will assist in the creation of suitable soil ecosystems within the agricultural landscape. This will have a positive impact on biodiversity, enhancing the countryside and promoting practices which work in harmony with our unique ecosystems. This Sub intervention will contribute towards GAEC 5 and 6.

Measure for the Maintenance of Trees

This sub-intervention is aimed at the maintenance of newly planted trees. Moreover the introduction of trees on agricultural holdings shall be focused on targeting soil loss prevention, as well as support for measures supporting the maintenance of newly planted recommended tree species and cultivation of trees. Such a sub- intervention will contribute towards GAEC 8.

Introduction of Bee boxes on Holdings

The objective of this sub-intervention is to incentivize farmers to set up bee boxes on their holding and to support established beekeepers, to encourage them to continue in the apiculture sector. This measure would be particularly beneficial in areas which have a high garrigue/ maquis to agricultural land ratio, due to the wild-flower varieties naturally occurring in such areas. Thus, this intervention goes beyond SMRs

3,4 in view of actions which will preserve biodiversity and pollinators, as well as endemic species.

7 Form and rate of support/amounts/calculation methods

☑ **IACS**

☐ **Non-IACS**

IACS section

Type of payment

☑ unit cost based on additional costs and income foregone

☐ transaction cost included

☐ one off payment

☐ lump sum

Range of support at beneficiary level

Maintenance of trees:

Support rate: €44.49/tree/year up to a maximum of 18 trees per hectare (which amounts to a maximum of € 800.82 per hectare. Conditions explained in Section 5.3.5.

Introduction of bee boxes:

Support rate: €739/hectare/year (taking into account an additional effort for the identification of suitable and agreeable locations on third party agricultural parcels). €739 represents the maximum rate/ha, since Malta will only support a maximum of 5 bee-boxes per hectare. Conditions explained in Section 5.3.5.

Control of weeds in orchards and vineyards:

Support rate: €144.09/tumolo/year (equivalent to €1,282.45/hectare/year). Conditions explained in Section 5.3.5.

Implementation of soil management and conservation plan on a parcel:

Support rate: €2,378.35/hectare/year.(regardless of fallow period adopted in the annual SMP), unless this AECC is implemented in a complementary manner with DP ECO-IPM - Integrated Pest Management Eco-Scheme. Conditions explained in Section 5.3.5 and Section 11.

Calculation method

The amounts of support provided by an independent body were deemed realistic, arithmetically accurate and adequate for the purposes of the Programme and have been based on a fair, equitable and verifiable calculation method.

Additional explanation

Maintenance of tree species

- Support for this measure will be provided on a per-tree basis since this is considered more appropriate for the type of support targeted by this action. Irrelevant of the former, all basic conditions must be implemented on a holding level.
- The end support rate will then be provided over a 5-year commitment period. This is to provide support for the maintenance of the trees.

Support rate: € 44.49/tree/year up to a maximum of 18 trees per hectare (which amounts to a maximum of € 800.82 per hectare).

Justification of the support rate:

Support for the conservation and maintenance of planted trees was calculated on the basis of the additional labour involved (such as: canopy management, training and production pruning, green pruning, fruit tinning, pest control and rationalization of fertilizer and pesticide treatments – only in the event of a pest infestation or demonstrable lack of overall health of tree, the farmer is required to address any infestations/ deficiencies through responsible pesticide and fertilizer practices).

Introduction of bee boxes on holdings

Bees are a functionally important and economically valuable group but are threatened by land-use conversion and intensification. Such pressures are expected to affect all species and are only mediated by the species' ecological traits. In addition to the general importance of all honeybees endemic to the Maltese islands is a particular species of bee which has naturalized and adapted to the environment. The Maltese honeybee, Apis mellifera ruttneri, is a sub-species of the Western honeybee. Support offered is expected to have a positive impact on overall pollinator populations as well as increasing the population of this endemic species.

Beekeepers can include land belonging to other farmers under this AECM.

Support rate: €147.80/hive/yr with 5 boxes/ha resulting in a unit amount of €739 per hectare. The €739 represent the maximum rate/ha, since Malta will only support a maximum of 5 bee-boxes per hectare.

Support rate for farmers: the support rate above takes into account an additional effort for the identification of suitable and agreeable locations on third party agricultural parcels. The beekeeper remains the sole beneficiary of CAP SP funds.

Justification of support rate:

In the context of the farming community there is a general lack of interest from farmers in retaining bee boxes on their holdings. The intention is that this will provide beekeepers with sufficient financial support to now offer farmers a lucrative incentive to allow them to keep the bee boxes on agricultural land which is within close proximity to both garrigue and maquis land. There are different honey 'seasons' in the Maltese islands, all of which play an important role in terms of biodiversity, ecosystem infrastructure and conservation. Through this intervention, a positive chain reaction will develop within the context of garrigue and maquis ecosystems, in particular beneficial to plant species dependent upon bees for pollination. Effectively through improving this situation Malta is enhancing the biodiversity of its natural environments and providing more stable ecosystems for endemic flora and fauna species. Most beekeepers do not own enough own land to be eligible for this AECC, thus they would have to make agreements with farmers to allow them to register the farmer's land under this AECC. The farmer would also have to allow the beekeeper to keep bee boxes on some of his parcels.

Control of weeds in orchards and vineyards

Support rate: €127.74/tumolo/year (equivalent to €1,282.45/hectare/year).

Justification of support rate:

Weeds compete with the primary crop for light, moisture, nutrients, and space. In addition, in a dry year,

such flora can deprive primary crops of valuable soil moisture. As this measure directly prohibits the application of herbicides in vineyards and fruit orchards, the basic amount of herbicides applied/ha is 3litres/ha (average dosage). On the basis that this measure requires grass cutting as opposed to the use of herbicides, in terms of labour the average time of applying 2 treatments of herbicides in the 6-month period would be a total of 8 hours/ha (4 hours each treatment). As the farmer is required to remove the flora with a grass cutter/ mower the practice to control weed population must be performed more frequently. Weeds will have to be controlled on average 4 times (5-week intervals) during the 5-month period. Labour is also calculated in the support rate.

Implementation of soil management and conservation plan on a parcel

Farmers must implement the measures and actions included in the Soil Management Plan.

The SMP should be in line with the guidelines issues by the Competent Authority which should include:
- A list of soil threats identified on each parcel and the possible environmental consequence;
- Have a map showing risks of runoff and water erosion;
- Actions to mitigate the soil threats;
- Composting which has to be carried out on at least 1 parcel from the whole holding committed;
- Submit copy of the crop plan and fertiliser plan.

Support rate: €2,378.35/hectare/year.

Justification of support rate:

Support for labour must factor in composting, tilling land to target compaction, altering practices to prevent and mitigate soil erosion, and any additional practices the SMP recommends. It is impossible to adapt support for each applicant as the SMP will identify different threats and remedial practices/ actions from parcel to parcel, therefore one generic agronomic assumption must be utilised to quantify labour. For this intent it is assumed that farmers will spend an additional 2 hour/ha/month to adopt SMP practices. This will result in 24 hours additional labour (to normal practice)/ha/year. Although actual additional hours spent to align with an SMP will undoubtedly supersede this assumption. Depending on the land in question, the SMP may include more than 3 of the listed alternative practices. Farmers shall have the possibility to commit to a fallow period at different stages of each of the commitment years. Justification from the advisor is expected, and such should complement the weather conditions, land threats, and crop(s) under which the beneficiary would be operating.

Agronomic assumptions related to income forgone arise from the need to compensate the loss in profits associated with leaving the land fallow from either of the periods outlined in the following section, and abstaining from growing a productive crop. During this fallow period farmers cannot apply artificial fertiliser to the land in question.

8 Information regarding State aid assessment

The intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment:
☐ Yes ☑ No ☐ Mixed

9 Additional questions/information specific to the Type of Intervention

What are the models of the commitment(s) in the intervention?
☐ result based (with possibility to pick and choose)
☑ management based (with possibility to pick and choose)
☑ hybrid (management and result based)

Please explain the obligations/possibilities for beneficiaries in relation to the commitments set out in the intervention

AECC 1: Maintenance of trees

- Beneficiaries will be required to attend a training module relevant to this intervention. Courses should be completed by the end of the 3rd year from acceptance on the scheme. Proof of attendance will be requested upon submission of the annual renewal of applicant's commitment. Training will be provided free of charge;
- Beneficiaries are obliged to take advice for adequate fulfilment of all commitments and obligations. Advice should be completed by the end of the 3rd year from acceptance on the scheme. Whilst preferable, such advice shall not necessarily be received from a recognised Farm Advisory System. The Managing Authority shall notify as to the type of acceptable advice under this measure. Proof of service received will be requested;
- For both training and advice, beneficaries may be exempted from the above two points if in possession of a relevant qualification (diplomas/degree) supported by documentation which clearly demonstrates its relevance to the commitments to be undertaken under the respective scheme.
- Introduction of newly non-productive planted trees as per ERA Guidelines;
- Farmers are obliged to keep a record pertaining to the trees present on the parcel;
- Canopy management;
- Production pruning;
- Green pruning;
- Pest control and rationalization of fertilizer and pesticide treatments: Only in the event of a pest infestation or demonstrable lack of overall health of tree, the farmer is required to address any infestations/ deficiencies through responsible pesticide and fertilizer practices.

Further details may be included in the guidelines for potential beneficiaries published by the MA during the implementation of the plan.

AECC 2: Introduction of bee boxes on holdings

- Beneficiaries will be required to attend a training module relevant to this intervention. Courses should be completed by the end of the 3rd year from acceptance on the scheme. Proof of attendance will be requested upon submission of the annual renewal of applicant's commitment. Training will be provided free of charge;
- Beneficiaries are obliged to take advice for adequate fulfilment of all commitments and obligations. Advice should be completed by the end of the 3rd year from acceptance on the scheme. Whilst preferable, such advice shall not necessarily be received from a recognised Farm Advisory System. The Managing Authority shall notify as to the type of acceptable advice under this measure. Proof of service received will be requested;
- For both training and advice, beneficaries may be exempted from the above two points if in possession of a relevant qualification (diplomas/degree) supported by documentation which clearly demonstrates its relevance to the commitments to be undertaken under the respective scheme;
- Keep and maintain maximum of 5 bee boxes per hectare in good health;
- The beekeeper will be required to identify the location on the holding (and garrigue as and when permissible) where the bee boxes will be set up (the MA retains the possibility to include garrigue areas as zones where boxes can be placed, however, in that case, this area would not contribute towards the hectarage used for umber of boxes i.e. 5 boxes /ha);
- Beekeepers are required to keep a record of all bee boxes on their holding and/or under their ownership but located on a different holding;
- The beekeeper will be required to notify ARPA of the movements to be carried out every year;

- Upon registering bee boxes for support the beneficiary will be required to put physical identification in accordance with PA requirements on each box upon which the farmer is registering for aid;
- Upon inspection, all boxes upon which aid is being requested must be clearly identifiable with no evidence of tampering in accordance with PA requirements.

AECC 3: Control of weeds in orchards and vineyards

- Beneficiaries will be required to attend a training module relevant to this intervention. Courses should be completed by the end of the 3rd year from acceptance on the scheme. Proof of attendance will be requested upon submission of the annual renewal of applicant's commitment. Training will be provided free of charge;
- Beneficiaries are obliged to take advice for adequate fulfilment of all commitments and obligations. Advice should be completed by the end of the 3rd year from acceptance on the scheme. Whilst preferable, such advice shall not necessarily be received from a recognised Farm Advisory System. The Managing Authority shall notify as to the type of acceptable advice under this measure. Proof of service received will be requested;
- For both training and advice, beneficaries may be exempted from the above two points if in possession of a relevant qualification (diplomas/degree) supported by documentation which clearly demonstrates its relevance to the commitments to be undertaken under the respective scheme;
- Between 15th October till the 28th February, weeds can only be controlled with a mower/ grass cutter. Weeds removed during this period can be retained as much;
- The use of herbicides is prohibited throughout the year with the exception of specific herbicide targeting Bermuda grass between 15th June and 15th August;
- Nitrogen based fertiliser must be split into a minimum of 2 separate applications – as recorded in the Fertiliser Application record;
- In the event that farmers do not retain the weeds as much (removed between the 15th October and the 28th February) they are required to cultivate intercrops between vines and orchards. Eligible intercropping plants are nitrogen fixing plants of the vicia.spp group (excluding vicia.faba) as well as hedysarum.spp;
- Farmers are required to maintain records of use of herbicides which to be presented to the ARPA inspectors at the time of inspection.

AECC 4: Implementation of soil management and conservation plan on a parcel

- Farmers must posses a Soil Management Plan (SMP) which is prepared by a recognised Advisory Service;
- The SMP must include composting together with at least 2 additional actions/practices;
- Beneficiaries will be required to attend a training module relevant to this intervention. Courses should be completed by the end of the 3rd year from acceptance on the scheme. Proof of attendance will be requested upon submission of the annual renewal of applicant's commitment. Training will be provided free of charge;
- Beneficiaries are obliged to take advice for adequate fulfilment of all commitments and obligations. Advice should be completed by the end of the 3rd year from acceptance on the scheme. Whilst preferable, such advice shall not necessarily be received from a recognised Farm Advisory System. The Managing Authority shall notify as to the type of acceptable advice under this measure. Proof of service received will be requested;
- For both training and advice, beneficaries may be exempted from the above two points if in possession of a relevant qualification (diplomas/degree) supported by documentation which clearly demonstrates its relevance to the commitments to be undertaken under the respective scheme;
- Soil testing for Organic Matter must be carried out annually for Soil Organic Matter (SOM) throughout the commitment years. The soil test results must be submitted to ARPA during the annual application claim;
- The annual soil samples for testing must be collected by the authorised advisor who prepares the SMP, who should follow soil sampling guidelines issued by the Competent Authority and needs to be collected

according to the W spatial pattern;
- The cost of the soil tests and the SMP is to be borne by the beneficiary since this is included in the payment rate of the measure i.e. as part of the rate per tumolo/hectare;
- On the spot checks will be carried out by ARPA which shall include where necessary sampling and testing for Soil Organic Matter;
- Leave the committed parcels fallow starting from April and going to the end of November, where farmers can choose the period they want of at least 3 months depending on crops (and also in line with the guidance received from advisors) every year. Fallow period is the practice of allowing land to lie idle during a growing season. The fallow period selected can be set for a different option annually, as well as differently for each committed parcel;
- During any of the the fallow period committed to, farmers cannot apply pesticides and non-organic fertiliser to the parcels under commitment;
- Farmers will be required to maintain any records relevant to the AECC which are to be presented to the ARPA inspectors at the time of inspection.

What is the duration of contracts?

Commitments shall be undertaken for a period of five (5) years. These commitments may be annually extended after the termination of the initial period, at the discretion of the Managing Authority.

10 WTO compliance

Green Box

Paragraph 12 of Annex 2 WTO

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

This intervention qualifies as ‘Green box’ because it has no, or at most minimal, trade-distorting effects or effects on production, as set out in the WTO Agreement on Agriculture.

11 Contribution rate(s) applicable to this intervention

Region	Article	Applicable rate	Min Rate	Max Rate
MT - Malta	91(3)(b) - 70 - Payments under Article 70	80.00%	20.00%	80.00%

12 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Support	Contribution rate(s)	Type of Planned Unit Amount	Region(s)	Result Indicator(s)	Is the unit amount based on carried over expenditure?
MANG COM Unit 1 - Unit Amount for AECM 1(Control of weeds for vineyards and orchards)	Grant	91(3)(b) - 70-MT-80.00%	Uniform		R.14; R.23; R.24; R.34	No
MANG COM Unit 2 - Unit Amount for AECM 2 (Maintenance of Trees)	Grant	91(3)(b) - 70-MT-80.00%	Uniform		R.12; R.14; R.34	No
MANG COM Unit 3 - Unit Amount for AECM 3 (Introduction of bee boxes on holdings)	Grant	91(3)(b) - 70-MT-80.00%	Uniform		R.31; R.35	No
MANG COM Unit 4 - Unit Amount for AECM 4 (Implementation of soil management and conservation plan on a parcel)	Grant	91(3)(b) - 70-MT-80.00%	Uniform		R.14; R.19; R.23	No

Explanation and justification related to the value of the unit amount

MANG COM Unit 1 - Unit Amount for AECM 1(Control of weeds for vineyards and orchards)

This planned amount relates to the c*ontrol of weeds in orchards and vineyards* and has been established on the basis of 14-20 support rates taking into consideration an updated income/hectare variable. Income is based on latest available economic accounts data published by NSO NR/165/2021. For hectares, the latest data is derived from NR109/2014 for which the classification of land is structured in a manner which is compatible with the methodology used to derive the support rate.

MANG COM Unit 2 - Unit Amount for AECM 2 (Maintenance of Trees)

This planned amount relates to the maintenance of trees and has been established on 14-20 support rates established for similar AECMs taking into consideration increased labour costs.

MANG COM Unit 3 - Unit Amount for AECM 3 (Introduction of bee boxes on holdings)

This planned amount relates to the introduction of bee boxes on holdings and has been established on 14-20 support rates taking into consideration labour costs and revenue in terms of sale of honey per kg.

MANG COM Unit 4 - Unit Amount for AECM 4 (Implementation of soil management and conservation plan on a parcel)

This planned amount relates to the implementation of soil management and conservation plan on parcel. Support rates have been established on the basis of 14-20 rates taking into consideration income per hectare and labour rate per hour.

Complementarity with ES-IPM

An analysis carried out by the Maltese authorities has determined that implementation of this AECC on SMP is complementary to the implementation of Eco-Scheme on IPM on the same parcel of land. In this regard, in cases where beneficiaries are implementing both schemes on the same parcel of land, an appropriate combined rate of support amounting to a total of €3,212.93/ha/annum has been established.

The exercise also identified the overlapping support amount or shared costs between both schemes, at €1,232.25/ha. Deducing this amount, irrespective of which ES-IPM support rate (min. or max.), ascertains the exclusion of the risk double funding of potential overlapping greening and management practices under this eco-scheme and AECC.

Thus, in instances of combined implementation, the MT authorities have decided that the amount of €1,232.25/ha/annum will be deducted from the support

rate provided under AECC-SMP resulting in a revised support rate of €1,146.10/ha/annum while leaving the support rate for ES-IPM established in the table below unchanged.

13 Planned Unit Amounts - Financial table with outputs

Planned Unit Amount	Financial Year	2023	2024	2025	2026	2027	2028	2029	Total 2023 - 2029
MANG COM Unit 1 - Unit Amount for AECM 1(Control of weeds for vineyards and orchards) (Grant - Uniform)	Planned unit amount (Total Public Expenditure in EUR)		1,282.45	1,282.45	1,282.45	1,282.45	1,282.45		
	Maximum planned average unit amount (where applicable) (EUR)								
	O.14 (unit: Hectares)		101.79	101.79	101.79	101.79	101.79		**Sum:** 508.95 **Max:** 101.79
MANG COM Unit 2 - Unit Amount for AECM 2 (Maintenance of Trees) (Grant - Uniform)	Planned unit amount (Total Public Expenditure in EUR)		800.82	800.82	800.82	800.82	800.82		
	Maximum planned average unit amount (where applicable) (EUR)								
	O.14 (unit: Hectares)		2.00	2.00	2.00	2.00	2.00		**Sum:** 10.00 **Max:** 2.00
MANG COM Unit 3 - Unit Amount for AECM 3 (Introduction of bee boxes on holdings) (Grant - Uniform)	Planned unit amount (Total Public Expenditure in EUR)		739.00	739.00	739.00	739.00	739.00		
	Maximum planned average unit amount (where applicable) (EUR)								
	O.14 (unit: Hectares)		12.85	12.85	12.85	12.85	12.85		**Sum:** 64.25 **Max:** 12.85

MANG COM Unit 4 - Unit Amount for AECM 4 (Implementation of soil management and conservation plan on a parcel) (Grant - Uniform)	Planned unit amount (Total Public Expenditure in EUR)		2,378.35	2,378.35	2,378.35	2,378.35	2,378.35		
	Maximum planned average unit amount (where applicable) (EUR)								
	O.14 (unit: Hectares)		271.64	984.30	1,500.00	1,500.00	1,500.00		**Sum:** 5,755.94 **Max:** 1,500.00
TOTAL	O.14 (unit: Hectares)		386.85	1,101.00	1,616.64	1,616.64	1,616.64		**Sum:** 6,337.77 **Max:** 1,616.64
	Annual indicative financial allocation (Total public expenditure in EUR)		787,081.53	2,482,657.83	4,937,475.12	4,937,475.12	4,937,475.13		18,082,164.73
	Annual indicative financial allocation (Union Contribution in EUR)		629,665.21	1,986,126.27	3,949,980.10	3,949,980.10	3,949,980.10		14,465,731.78
	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)		0.00	0.00	0.00	0.00	0.00		0.00
	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)		0.00	0.00	0.00	0.00	0.00		0.00

RD- Animal Welfare - Animal Welfare Schemes

Intervention Code (MS)	RD- Animal Welfare
Intervention Name	Animal Welfare Schemes
Type of Intervention	ENVCLIM(70) - Environmental, climate-related and other management commitments
Common Output Indicator	O.18. Number of livestock units (LU) benefitting from support for animal welfare, health or increased biosecurity measures
Contributing to ringfencing requirement for/on	Generational Renewal: No Environment: Yes ES rebate system: Yes LEADER: No

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

This intervention aims to grant support to farmers and other beneficiaries who undertake, on a voluntary basis, land based management commitments which are beneficial to achieving the aims set out in the CAP SP Regulation, which will focus on the entire territory of Malta.

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

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO9 Improve the response of Union agriculture to societal demands on food and health, including high quality, safe, and nutritious food produced in a sustainable way, the reduction of food waste, as well as improving animal welfare and combatting antimicrobial resistances

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
9.1	Foster higher animal welfare standards to ensure well being among farmed animals	2	Yes
9.4	Provide support for farmers to invest in improved animal welfare measures	4	Yes

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold
R.44 Share of livestock units (LU) covered by supported actions to improve animal welfare

5 Specific design, requirements and eligibility conditions of the intervention

Describe what are the specific objectives and content of the intervention including specific targeting, principles of selection, links with relevant legislation, complementarity with other interventions/sets of operations in both pillars and other relevant information.

The objective of this intervention is to incentivize broiler breeders in the Maltese Islands to improve broiler welfare during the growing period by reducing the stocking density of broilers per square meter during the growing period on their farm, which is set at a thirteen (13) birds per square meter. This density implies that in terms of kilograms per square meter each broiler farm needs to be in line with Legal Notice 441 of 2010 which established that any breeding space should not exceed the baseline of 33kg per square meter (kg/m²) in stocking density, while the turnaround for broiler growing before slaughter in Malta stands at 42 days. Malta's legislation reflects the *acquis communautaire*'s spirit of reducing stocking density to ensure better welfare, in accordance with the obligation in Art.3 of Directive 2007/43EC. By foregoing the possibility to make use of the derogation in art.3(3) which several producers in other parts of the Community use to reach stocking densities of 38kg/ m² and even 42kg/ m² for periods up to 49

days, Malta's existing threshold allows for further meaningful improvement in the conditions under which broilers are grown by incentivizing further voluntary changes in practices.

The aim of the measure is to reduce the number of days during which the animals are housed in densities above 30kg/m² and are most subject to stresses deriving from over-sharing the available space in the barn under fast-growth systems, and which manifest in undesirable outcomes including cellulitis, footpad dermatitis, hock burn, joint lesions and other symptoms of deteriorating welfare. A stocking density of 33kg/m² is equivalent to 2.538 kg per broiler. Broiler breeders who would like to benefit from support under this measure will be required to reduce the stocking density to 28.6kg/m², which translates to 2.2kg per bird. This can be achieved specifically by changing the existing practice under which producers slaughter by day 42 of each batch, bringing forward the slaughtering period to day 35.

By slaughtering a full week earlier, the days during which the animals have surpassed the growth-point during which deterioration in feathering indicates the intensification of density stresses are reduced, along with a net reduction in the potential for unnecessary suffering. The reduction in the turnaround also has a positive effect in terms of decarbonizing the production and making it more sustainable by reducing the net GHG emissions. By eliminating a significant share of the days when the feeding and waste cycle produces most nitrous oxide and methane for each batch grown, as well as the additional energy consumption, the change in practice makes a positive contribution to lowering the carbon footprint for the farms. It is estimated that the daily intake of feed of the broiler variety bred in Malta at the 28th day would be 149grams per bird; at the 35th day it would be 185 grams per bird; at the 42nd day it would be 213 grams per bird, continuing to increase the older the birds are.

This measure will contribute to Specific Objective 9 - Improve the response of Union agriculture to societal demands on food and health, including high quality, safe and nutritious food produced in a sustainable way, the reduction of food waste, as well as improving animal welfare and combatting anti-microbial resistances. It will assist the broiler breeder to reduce the quantity of manure in the litter, which would in turn, reduce the amount of waste, with less gases and fuel usage required for it to be disposed of. Moreover, the amount of feed consumed by broilers will be considerably reduced as the older the broilers get, the more feed they consume in their mature stage.

Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary and area

Eligible beneficiaries for this intervention should be active broiler breeders registered with the Veterinary Regulation Directorate (VRD) who produce over 2,000 broilers per year.

Eligibility conditions include:

·Proof from VRD of production of over 2,000 broilers per year in the previous two years OR newly licensed broiler breeders with a capacity to produce over 2,000 broilers per year;

·Broiler breeders are to keep and present updated records on production data such as amount of day-old chicks bought from hatchery, breeding data of each batch, medical treatment (if any), mortalities and slaughtering data;

·The beneficiaries would need to enter and abide by an agreement for the scope of monitoring and evaluation of their broiler breeding practices;

·Beneficiaries have to attend a training course on best practices in broiler breeding and stocking density that is obligatory and free of charge. Attendance certification will be required to ensure payment through this measure. Beneficiaries may be exempted from this training, if in possession of a relevant qualification (diplomas/degree) supported by documentation which clearly demonstrates its relevance to the commitments to be undertaken under the respective scheme.

Define eligible type of support (non-IACS) or commitments (IACS) and other obligations

Eligible type of support includes creating more breeding space per broiler by keeping a stocking density

of not more than 28.6kg/m².

6 Identification of relevant baseline elements

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

List of relevant GAEC and SMR

Code	Description
SMR11	Council Directive 98/58/EC of 20 July 1998 concerning the protection of animals kept for farming purposes: Article 4

List of relevant mandatory national standards

S.L. 439.12 L.N. 441 of 2010 Minimum rules (Protection of chickens kept for meat production) Regulations.

Link between GAEC, SMR and national standards with the intervention

This intervention is meant to go beyond the national standards requirements of L.N. 441 of 2010 with an improved stocking density for broilers from the established baseline of 33kg/m² to not more than 28.6kg/m². It will also target SMR11 and improve the protection of animals kept for farming purpose (broiler chickens) by providing more adequate breeding space, ensuring detailed record keeping on broiler farms as well as maintaining buildings and equipment in good condition.

7 Form and rate of support/amounts/calculation methods

☑ **IACS**

☐ **Non-IACS**

IACS section

Type of payment

☑ unit cost based on additional costs and income foregone

☐ transaction cost included

☐ one off payment

☐ lump sum

Range of support at beneficiary level

Support under this intervention shall be paid at a unit cost per broiler of €0.35 per head and is payable to broiler breeders who comply with the Eligibility Conditions outlined under this intervention.

Support rate: €0.35 per broiler reaching the slaughterhouse based on 1) €0.25c per broiler for income foregone, 2) €0.05c per broiler for fixed costs, and 3) €0.05c per broiler on other ancillary costs. Further information regarding the planned unit amount explanation and justification can be found in sub-section 12.

Calculation method

The amounts of support provided by an independent body were deemed realistic, arithmetically accurate and adequate for the purposes of the Programme and have been based on a fair, equitable and verifiable calculation method.

Additional explanation

The support rate of this intervention will be provided over a 5-year commitment period and it shall be a claim-less system since the broiler slaughterhouse data is obtained directly from the National Livestock Database. Nevertheless, the beneficiary will have to keep records on production data such as amount of day-old chicks bought from hatchery, breeding data of each batch, medical treatment (if any), mortalities and slaughtering data for monitoring purposes.

8 Information regarding State aid assessment

The intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment:

☐ Yes ☑ No ☐ Mixed

9 Additional questions/information specific to the Type of Intervention

What are the models of the commitment(s) in the intervention?

☐ result based (with possibility to pick and choose)

☑ management based (with possibility to pick and choose)

☑ hybrid (management and result based)

Please explain the obligations/possibilities for beneficiaries in relation to the commitments set out in the intervention

·Beneficiaries are to be registered with VRD as broiler breeders and provide proof from VRD of production of over 2,000 broilers per year in the previous two years OR are newly licensed broiler breeders with a capacity to produce over 2,000 broilers per year;

·The beneficiaries are required to enter and abide by an agreement for the scope of monitoring and evaluation of their broiler breeding practices;

·Beneficiaries are obliged to attend a training course on best practices in broiler breeding and stocking density that is obligatory and free of charge within 3 years from acceptance to the scheme. Attendance certification is required to ensure payment through this intervention.

-Beneficiaries may be exempted from the point above regarding training if in possession of a relevant qualification (diplomas/degree) supported by documentation which clearly demonstrates its relevance to the commitments to be undertaken under the respective scheme;

·Beneficiaries are obliged to keep and present updated records on production data such as amount of day-old chick bought from hatchery, breeding data of each batch, medical treatment (if any), mortalities and slaughtering data. A data book with specific sheet templates is to be provided during training;

·The broiler breeder shall commence slaughter by the 35th day.

- The drop in stocking density to not more than 28.6kg/m² should start immediately from the date of acceptance to the scheme

This will be achieved through the inclusion of obligations whereby the farmers must at least slaughter 20% of the batch in question by the 36th day to make sure that this threshold is adhered to, otherwise the whole batch would not be eligible for payment; in any case animals slaughtered after the 42nd day shall not be eligible for payment. Whereby day 1 shall be the first day that the chicks are on the farm, provided that in Malta delivery of chicks to the farm from the hatchery occurs in less than 24hrs from hatching; the date of slaughter is the day that the broilers are slaughtered, in cases where the slaughter commences on day N and finishes on day N+1 than the date of slaughter shall be day N. The ARPA shall be conducting administrative checks whereby each batch submitted as part of a payment claim shall be verified against data supplied by the VRD relating to capacity limits as set out L.N 441 of 2010, in order to ensure that these limits are not exceeded. Any batches identified as being in breach of this maximum capacity limits shall be deemed ineligible for payment by the ARPA.

What is the duration of contracts?

Commitments shall be undertaken for a period of five (5) years. These commitments may be annually extended after the termination of the initial period, at the discretion of the Managing Authority. The drop in stocking density to not more than 28.6kg/m² should start immediately from the date of acceptance to the scheme.

10 WTO compliance

Green Box

Paragraph 12 of Annex 2 WTO

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

This intervention qualifies as ‘Green box’ because it has no, or at most minimal, trade-distorting effects or effects on production, as set out in the WTO Agreement on Agriculture.

11 Contribution rate(s) applicable to this intervention

Region	Article	Applicable rate	Min Rate	Max Rate
MT - Malta	91(3)(b) - 70 - Payments under Article 70	80.00%	20.00%	80.00%

12 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Support	Contribution rate(s)	Type of Planned Unit Amount	Region(s)	Result Indicator(s)	Is the unit amount based on carried over expenditure?
Animal Welfare Unit - Unit Amount for Animal Welfare Scheme	Grant	91(3)(b) - 70-MT-80.00%	Uniform		R.44	No

Explanation and justification related to the value of the unit amount

Animal Welfare Unit - Unit Amount for Animal Welfare Scheme

This planned unit amount relates to income foregone by broiler breeders to create more space per bird on each farm when dropping the stocking density from 33kg/m² to not more than 28.6kg/m². The support rate of **€0.35 per broiler** is based on the following calculations: 1) €0.25c per broiler for income foregone, 2) €0.05c per broiler for fixed costs, and 3) €0.05c per broiler on other ancillary costs. The detailed calculations are presented below:

The support rate of **€0.35 per broiler** is based on the calculations below:

1)Income foregone: With the status quo ('Scenario A') 10,000 broilers at 2.538kg (33kg per square metre) at €1.50 per kg provide an income of €38,070. With the improved stocking density ('Scenario B') the total income for 10,000 broilers weighing 2.2kg at €1.50 per kg totals to €33,000. The income foregone between these two scenarios is €5,070, which has to be added with the reduced costs of 3 days feed intake (that is calculated at 5.82tonnes at €450 per tonne) that is equivalent to €2,619. Thus, total loss of income (the difference between the two scenarios subtracting the feed only) adds up to €2,451 equivalent to €0.25c per broiler. These workings have been based on the assumption of broilers achieving 2.2kg per bird (an optimal size in kg) on their 35th day instead of achieving 2.538kg per bird on the 38th day. It is to be noted that Feed Conversion Ratio of feed to meat (FCR) in broilers improves between the 35th and 38th day as the 1kg feed to 1kg weight gained is between the range of 1.473 to 1.532; so the breeder stands to lose on weight gained for those birds slaughtered before the 38th day. In simple terms, the percentage cost of feed vis-à-vis the weight gained by the broiler is lower at 38th day than at 35th day.

2) Fixed costs: Two items in this category are being added to the calculations of the income foregone, namely labour and overheads, using the same rationale as in (1) above with the income foregone when comparing two different scenarios as per calculations below:

Labour: 35 days by 4-hour work at a minimum of €10 per hour = €1,400 excl. VAT
Gas, electricity and other overheads at circa €5,500 exc. VAT
Wood shaving litter at circa €2,100 excl. VAT

Total fixed cost in Scenario A: €9,000 excl. VAT divided by 2.538kg = €3,546 per 10,000 birds
Total fixed cost in Scenario B: €9,000 excl. VAT divided by 2.2kg = €4,091 per 10,000 birds
Income foregone on fixed costs: €4,091 - €3,546 = €545 / 10,000 = €0.05c per broiler

3)The calculations in (1) income foregone and (2) fixed costs above exclude other ancillary costs that should also be covered in this intervention such as (a) wear and tear and asset depreciation, (b) capital investment costs divided by lower amount of heads, (c) loan / rent repayments based on fewer birds, and (d) under-use of space on farm. These costs are estimated at *circa* €0.05c per bird.

Latest NSO statistics on Agriculture indicate that 2,296,579 broilers were slaughtered in 2018, 2,337,759 were slaughtered in 2019 and 2,429,723 were slaughtered in 2020. This makes an average of broilers slaughtered over the last 3 documented years at 2,354,687 per year. At €0.35 per broiler, it would require circa €823,198 to cover this incentive per year between 2023 and 2027.

Taking into account the limited total financial allocation available (Eur 1,000,000), and the established support rate mentioned above per broiler was converted to LU as determined following the conversion coefficient applied of 0.007 in line with Eurostat coefficients to convert animals in livestock units for the output indicator, resulting in a planned unit amount of Eur 50 and 4,000LUs being targeted per year.

13 Planned Unit Amounts - Financial table with outputs

Planned Unit Amount	Financial Year	2023	2024	2025	2026	2027	2028	2029	Total 2023 - 2029
Animal Welfare Unit - Unit Amount for Animal Welfare Scheme (Grant - Uniform)	Planned unit amount (Total Public Expenditure in EUR)	50.00	50.00	50.00	50.00	50.00			
	Maximum planned average unit amount (where applicable) (EUR)								
	O.18 (unit: Livestock units)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00			**Sum:** 20,000.00 **Max:** 4,000.00
TOTAL	O.18 (unit: Livestock units)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00			**Sum:** 20,000.00 **Max:** 4,000.00
	Annual indicative financial allocation (Total public expenditure in EUR)	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00			1,000,000.00
	Annual indicative financial allocation (Union Contribution in EUR)	160,000.00	160,000.00	160,000.00	160,000.00	160,000.00			800,000.00

	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)								
	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)								

RD- Organic - Organic Farming Scheme

Intervention Code (MS)	RD- Organic
Intervention Name	Organic Farming Scheme
Type of Intervention	ENVCLIM(70) - Environmental, climate-related and other management commitments
Common Output Indicator	O.17. Number of hectares or number of other units benefitting from support for organic farming
Contributing to ringfencing requirement for/on	Generational Renewal: No Environment: Yes ES rebate system: Yes LEADER: No

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

This intervention aims to grant support to farmers and other beneficiaries who undertake, on a voluntary basis, land based management commitments which are beneficial to achieving the aims set out in the CAP SP Regulation, which will focus on the entire territory of Malta.

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

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO4 Contribute to climate change mitigation and adaptation, including by reducing greenhouse gas emission and enhancing carbon sequestration, as well as promote sustainable energy
SO5 Foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency
SO6 Contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes
SO9 Improve the response of Union agriculture to societal demands on food and health, including high quality, safe, and nutritious food produced in a sustainable way, the reduction of food waste, as well as improving animal welfare and combatting antimicrobial resistances

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
4.4	Reduced use of chemical N-fertilizers and other inputs with similarly high carbon footprint	1	Yes
5.1	Provide training and advice to increase awareness on the efficient management of natural resources	6	Yes
5.7	Identify ways to reduce nutrient loading to air, soil and water from agricultural activity	5	Yes
6.1	Promote measures that protect and enhance biodiversity on agricultural holdings & wider rural areas	1	Yes
6.2	Disseminate knowledge amongst farmers to safeguard biodiversity on Natura 2000 sites	5	Yes
9.6	Enhance quality transparent environmental and animal welfare standards to increase traceability	5	Yes

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold
R.14 Share of utilised agricultural area (UAA) under supported commitments to reduce emissions or to maintain or enhance carbon storage (including permanent grassland, permanent crops with permanent green cover, agricultural land in wetland and peatland)
R.19 Share of utilised agricultural area (UAA) under supported commitments beneficial for soil management to improve soil quality and biota (such as reducing tillage, soil cover with crops, crop rotation included with leguminous crops)
R.21 Share of utilised agricultural area (UAA) under supported commitments for the quality of water bodies
R.24 Share of Utilised Agricultural Area (UAA) under supported specific commitments which lead to a sustainable use of pesticides in order to reduce risks and impacts of pesticides, such as pesticides leakage
R.29 Share of utilised agricultural area (UAA) supported by the CAP for organic farming with a split between maintenance and conversion
R.31 Share of utilised agricultural area (UAA) under supported commitments for supporting biodiversity conservation or restoration including high-nature-value farming practices

5 Specific design, requirements and eligibility conditions of the intervention

Describe what are the specific objectives and content of the intervention including specific targeting, principles of selection, links with relevant legislation, complementarity with other interventions/sets of operations in both pillars and other relevant information.

Organic Conversion and Maintenance

Malta's indicative target for agricultural land under organic farming is determined by the National Organic Action Plan[1], and Investments earmarked under this intervention are aligned with this plan. Organic farming is difficult to achieve in Malta as the small size of fields and fragmented nature of cultivated land makes it extremely difficult to avoid cross contamination from agricultural practices occurring on neighbouring fields. The potential for contamination makes it difficult or unlikely that farms will receive organic certification or ever truly achieve organic status. Climatic conditions in Malta, namely high temperatures and high humidity makes it very difficult to control/contain certain pests and/or diseases. This intervention provides for support for farmers to convert part or all of their production to organic farming practices for vegetables, horticulture and perennial crops. In order to avoid artificial participation under this scheme, the MA may target such support to farmers with viable agricultural production throughout the years of support, particularly during the maintenance period of support. Support payments for conversion shall only apply for a maximum of two (2) years (irrespective of crop type following the certification “in conversion to organic” issued by the Control Authority or Control Body), for all land which is converted to organic production. The farmer shall move to the maintenance level/rate after the end of the conversion commitment (maximum 2 years subject to the parcel meeting CA/CB recognition criteria). The farmer shall immediately notify the ARPA upon his parcel obtaining certification as ‘Organic’. This means that a parcel cannot benefit from Conversion rate for more than 2 years, regardless of whether this moves onto Organic status or not.

If the agricultural parcels supported for organic conversion do not reach Organic certification, the farmer will be subject to refunding the support received under conversion action, unless this is due to force majeure or exceptional circumstances recognised as such by ARPA.

Support may also be provided for farmers to maintain organic farming practices (supporting vegetables, horticulture and perennials) for a minimum of 5 years (where applicable), following the 2 years conversion period described under the previous action of conversion. This action shall also provide support for farmers, who are already certified as organic producers and who have not benefitted under conversion towards Organic farming, to maintain organic farming practices. Beneficiaries must commit themselves to maintain the certified organic land for a minimum period of 5 years.

For both commitments linked to Organic, the MA may establish further criteria in the respective national guidelines.

Support Rates

The support rate for the organic farming measure for the CAP SP is based on the assessment carried out in the methodology report (derivation of support rates) annexed to this Plan which takes into consideration income foregone and costs incurred. In an effort to ensure coherence between the CAP SP and the National Organic Action Plan, the rates in the CAP SP have been adjusted to reflect the analysis within the National Organic Action Plan, as necessary.

Similarly, the factors that distinguish conventional from organic farming with respect to horticultural crops are also applicable to perennial crop production which is described further in the methodology report annexed to this Plan, and hence based on the considerations provided in the methodology the support rates for maintenance and conversion are presumed to be applicable to all types of perennial crop farmers.

The envisaged support will contribute to the following specific objectives:

Specific Objective 4: contribute to climate change mitigation and adaptation, including by reducing greenhouse gas emission and enhancing carbon sequestration, as well as promote sustainable energy

Support for organic farming will target this SO since this method of agricultural production requires less inputs, such as pesticides. Pesticides impact climate change throughout their manufacture, transport and application. Therefore, interventions aimed at limiting the use of plant protection products, including pesticides and herbicides, will also contribute to reducing greenhouse gas emissions, therefore contributing towards climate change mitigation.

Specific Objective 5: to foster sustainable development and efficient management of natural resources such as water, soil, and air, including by reducing chemical dependency

Conversion to organic farming will contribute to SO 5 by supporting healthier soils, since the use of chemical substances found in plant protection products will be eliminated, thus ensuring that the topsoil layer which is the most fertile soil layer will be sustainably maintained. Eliminating the overuse of chemicals through the promotion of organic farming will reduce the possibility of soil acidification to occur, as well as reducing the decay of organic matter and altering the pH of soil content. Furthermore, forgoing the use of chemical fertilizers and pesticides will be highly beneficial to soil nutrient content, which is important for plant health growth and soil organisms. Healthier soils will ensure that the ground water table will be maintained in a favourable status, since organic farming reduces the dependency on plant protection products and chemical fertilizers, therefore substantially reducing the possibility of chemicals penetrating through the soil and contaminating the ground water table.

Specific Objective 6: to contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes.

Support for conversion and maintenance to organic farming will contribute to SO 6 since it complements the EU's Green deal targets and Farm to Fork objectives to support environmentally friendly practices under organic farming by 2030.Investments earmarked under this intervention will be aligned with the national organic action plan, which has been developed by the Ministry responsible for Agriculture. Organic farming will eliminate the use of chemical and hazardous pesticides and plant protection products and will reduce the use of chemical fertilizers. This will have a positive impact on biodiversity and will promote the enhancement of green areas with non-invasive species which will complement the unique ecosystems and expand habitats for local flora and fauna. Consumers are becoming increasingly aware of the need to ensure that food is produced in a safe way and to a high standard of quality, without using methods that are detrimental to the environment. Organic farming will promote new jobs and meet consumers expectations and market demand for more sustainable produce through enhanced

environmental practices which safe-guard biodiversity and the natural heritage. Supporting the development of organic farming will protect natural resources including soil, soil organisms and habitats, and will therefore reduce the pressures experienced from intense production of agricultural activities through the use of harmful chemicals. Chemical pollution represents a key threat on biodiversity, causing habitat loss and fragmentation, spreading of invasive alien species as well as overexploitation of resources. Such negative effects will be greatly reduced through the maintenance and conversion to organic farming.

Specific Objective 9: improve the response of Union agriculture to societal demands on food and health, including high quality, safe and nutritious food produced in a sustainable way, the reduction of food waste, as well as improving the animal welfare and combatting anti-microbial resistances

In view of consumer demand as regards high quality food produced sustainably, the organic farming intervention is also expected to contribute to this SO. Due to its lower input use, organic farming consists of a more environmentally sustainable method of production that has lower impact on climate and environment, when compared to conventional methods of production. Therefore, supporting farmers to switching to this method of production will increase the provision of high quality, more sustainably farmed produce.

Targeting

Land based Environmental commitments: Focusing on organic farming

In line with Article 70(7), revisions to interventions on environmental climate-related and other management commitments may be possible to ensure their adjustment in case of amendments to the relevant mandatory standards, requirements or obligations going beyond or are different from the established commitments/conditions.

[1] Ministry for Agriculture, Fisheries and Animal Rights (2023). National Action Plan for Organic Food 2023-2030
https://agriculture.gov.mt/wp-content/uploads/2023/08/nationalActionPlanForOrganicFoodEN.pdf

Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary and area

Organic Conversion and Maintenance

- Applicants must be active farmers and commit themselves to control management of land for the length of the conversion period;
- Farmers will be required to keep records relevant to their holding and make them available upon request during any official inspection;
- Those receiving support for conversion are required to attend training relevant to conversion as detailed in the MA's Guidance Notes;
- Those beneficiaries transitioning from conversion to maintenance will be receiving support for 5 years from the initial certification date of organic certification status, regardless of the crop type;
- Support for maintenance for applicants who have not received aid under conversion but are already established as organic producers, will be available for a minimum of 5 years from the date of contracting;
- Farmers benefitting from the organic quality scheme shall not be eligible for support under the Organic Conversion and Maintenance scheme for the same year, to avoid the possibility of double funding.

Define eligible type of support (non-IACS) or commitments (IACS) and other obligations

Eligible type of support will include:
- Support for the conversion and maintenance of organic farming.

6 Identification of relevant baseline elements

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

List of relevant GAEC and SMR

Code	Description
GAEC05	Tillage management, reducing the risk of soil degradation and erosion, including consideration of the slope gradient
GAEC06	Minimum soil cover to avoid bare soil in periods that are most sensitive
GAEC07	Crop rotation in arable land, except for crops growing under water
SMR03	Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds: Article 3(1), Article 3(2), point (b), Article 4(1), (2) and (4)
SMR04	Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild flora and fauna: Article 6(1) and (2)
SMR07	Regulation (EC) No 1107/2009 of the European Parliament and of the Council of 21 October 2009 concerning the placing of plant protection products on the market and repealing Council Directives 79/117/EEC and 91/414/EEC: Article 55, first and second sentence
SMR08	Directive 2009/128/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for Community action to achieve the sustainable use of pesticides: Article 5(2) and Article 8(1) to (5); Article 12 with regard to restrictions on the use of pesticides in protected areas defined on the basis of Directive 2000/60/EC and Natura 2000 legislation; Article 13(1) and (3) on handling and storage of pesticides and disposal of remnants

List of relevant mandatory national standards

1. L.N. 345 of 2015 (Water Policy Framework Regulations)
2. S.L. 549.66 (Nitrates Action Programme Regulations)
3. S.L. 549.25 Protection of Waters against pollution caused by Nitrates from agricultural sources Regulation
4. S.L. 549.42 L.N. 79 of 2006 Conservation of Wild Birds Regulations 2006
5. S.L. 549.44 L.N. 311 of 2006 Flora, Fauna and Natural Habitats Protection Regulations 2006
6. Food Safety Act, 2002 (Act No. XIV of 2002
7. S.L 430.07 L.N 284 of 2011 Plant Protection Products (Implementation) Regulations, 2011
8. S.L 430.08 & L.N.489 of 2011 (Sustainable Use of Pesticides Regulation)

Link between GAEC, SMR and national standards with the intervention

There is no legal requirement which prohibits farmers from using Plant Protection Products, including fertilisers. Thus, this intervention goes beyond SMRs 3, 4, 7 and 8 given that no pesticides will be used, and will also provide soil erosion control and improve soil health. This intervention also goes beyond the GAEC standards 5,6 and 7 given that this land will be used for the cultivation of crops without using Plant Protection Products and other chemicals that may be detrimental to soil, water and biodiversity as well as human health. Furthermore, it will improve soil nutrients and structure reversing the decline of beneficial soil organisms and soil organic matter as a result of extensive pesticide use. This will in turn lead to better water retention in soils. Ultimately, lower use of pesticides will enhance biodiversity and restore habitats.

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

beyond requirements.

7 Form and rate of support/amounts/calculation methods

☑ **IACS**

☐ **Non-IACS**

IACS section

Type of payment

☑ unit cost based on additional costs and income foregone

☐ transaction cost included

☐ one off payment

☐ lump sum

Range of support at beneficiary level

Conversion to Organic for Horticulture

Support rate: €4,377.60/ha for land which is under conversion. Conditions explained in section 5.3.5.

Maintenance of organic land for Horticulture

Support rate: €3,614.40/ha for organic land which is under maintenance (same rate applies for both land that has transitioned from organic and also for land that is committed directly under maintenance). Conditions explained in section 5.3.5.

Conversion to Organic for Perennial Crop Production

Support rate: € 3,222/ha for land which is under conversion for perennial crop production. Conditions explained in section 5.3.5.

Maintenance of Organic for Perennial Crop Production

Support rate: € 1,057/ha for maintenance of organic perennial crop production (same rate applies for both land that has transitioned from organic and also for land that is committed directly under maintenance). Conditions explained in section 5.3.5.

Calculation method

The amounts of support provided by an independent body were deemed realistic, arithmetically accurate and adequate for the purposes of the Programme and have been based on a fair, equitable and verifiable calculation method. The rates reflect the parameters of the National Organic Action Plan.

Additional explanation

Conversion to Organic for Horticulture

The support shall have the form of a fixed payment per every hectare of land certified as under conversion.

Support rate: €4,377.60/ha for land which is under conversion to organic land.

Support must be aimed at vegetables and horticulture.

The premia paid will be 100% public funds. Support provided shall compensate for all of the additional costs and income foregone resulting from the commitments made.

Maintenance of organic land for Horticulture

The support shall have the form of a fixed payment per every tumuli/hectare of land maintained as organic.

Support rate: €3,614.40/ha for organic land which is under maintenance (same rate applies for both land that has transitioned from organic and also for land that is committed directly under maintenance).

The premia paid will be 100% public funds. Support provided shall compensate for all of the additional costs and income foregone resulting from the commitments made. Adjustments to the method will be carried out to reflect the analysis of the National Organic Action Plan which is foreseen to be finalized by mid-2023.

Conversion to Organic for Perennial Crop Production

The support shall have the form of a fixed payment per every hectare of land certified as under conversion.

Support rate: € 3,222/ha for land which is under conversion for perennial crop production

The factors that distinguish conventional from organic farming with respect to horticultural crops are also applicable to perennial crop production. Nonetheless, the extent to which such factors differ from conventional production varies with the type of farming activity. Technical assumptions with regards to differences in yield, income forgone, the extent of lower fertiliser and crop protection costs and the price premium of organic perennials, as well as Malta's similarity to regions in the South of Italy in terms of agricultural land and climate, suggest that a yield gap of around 25% could be assumed to be applicable for Malta.

As stated in the methodology document on organic supporting this plan, the olive sector is used as a proxy for perennial crop production and hence, this support rate is presumed to be applicable to all types of perennial crop farmers at conversion stage.

Maintenance of Organic for Perennial Crop Production

The support shall have the form of a fixed payment per every tumuli/hectare of land maintained as organic.

Support rate: € 1,057/ha for maintenance of organic perennial crop production

The estimation of the support rate for farmers who are at the maintenance stage of organic production takes into account the price premium that organic products would fetch on the market, offsetting some of the lower yields relative to conventional products. Considering the income foregone, the additional certification cost and allowing for a price premium of 25%, an annual compensation of €1,057 per hectare would be required for the maintenance of organic perennial crop production.

Support under AECMs is not provided for the actual planting of trees but just maintenance.

8 Information regarding State aid assessment

The intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment:

☐ Yes ☑ No ☐ Mixed

9 Additional questions/information specific to the Type of Intervention

What are the models of the commitment(s) in the intervention?

☐ result based (with possibility to pick and choose)

☑ management based (with possibility to pick and choose)

☑ hybrid (management and result based)

Please explain the obligations/possibilities for beneficiaries in relation to the commitments set out in the intervention

AECC: Organic Conversion and Maintenance for Horticulture and Perennial Crop Production

- Beneficiaries will be required to attend a training module relevant to this intervention. Courses should be completed by the end of the 3rd year from acceptance on the scheme. Training will be provided free of charge;
- Beneficiaries are obliged to take advice for adequate fulfilment of all commitments and obligations. Advice should be completed by the end of the 3rd year from acceptance on the scheme. Whilst preferable, such advice shall not necessarily be received from a recognised Farm Advisory System. The Managing Authority shall notify as to the type of acceptable advice under this measure. Proof of service received will be requested;
- For both training and advice, beneficaries may be exempted from the above two points if in possession of a relevant qualification (diplomas/degree) supported by documentation which clearly demonstrates its relevance to the commitments to be undertaken under the respective scheme;
- Farmers will be required to demonstrate 'in conversion' certification in order to be eligible for support for conversion;
- Farmers will be required to demonstrate 'organic' certification in order to be eligible for support for maintenance;
- Farmers benefitting from Organic Conversion and Maintenance will be excluded from benefitting from the organic quality scheme for the same year, to avoid the possibility of double funding.

What is the duration of contracts?

Regarding the conversion to organic, commitment shall be undertaken within 2 years whereas maintenance shall be undertaken within 5 years (total of 7 years if farmer was in conversion).

10 WTO compliance

Green Box

Paragraph 12 of Annex 2 WTO

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

This intervention qualifies as 'Green box' because it has no, or at most minimal, trade-distorting effects or effects on production, as set out in the WTO Agreement on Agriculture.

11 Contribution rate(s) applicable to this intervention

Region	Article	Applicable rate	Min Rate	Max Rate
MT - Malta	91(3)(b) - 70 - Payments under Article 70	80.00%	20.00%	80.00%

12 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Support	Contribution rate(s)	Type of Planned Unit Amount	Region(s)	Result Indicator(s)	Is the unit amount based on carried over expenditure?
Organic Unit 1 - Unit Amount for Conversion to Organic Farming for Horticulture	Grant	91(3)(b) - 70-MT-80.00%	Uniform		R.14; R.19; R.21; R.24; R.29; R.31	No
Organic Unit 2 - Unit Amount for Maintenance of Organic Farming for Horticulture	Grant	91(3)(b) - 70-MT-80.00%	Uniform		R.14; R.19; R.21; R.24; R.29; R.31	No
Organic Unit 3 - Unit Amount for Conversion to Organic Perennial Crop Production	Grant	91(3)(b) - 70-MT-80.00%	Uniform		R.14; R.19; R.21; R.24; R.29; R.31	No
Organic Unit 4 - Unit Amount for Maintenance of Organic Perennial Crop Production	Grant	91(3)(b) - 70-MT-80.00%	Uniform		R.14; R.19; R.21; R.24; R.29; R.31	No

Explanation and justification related to the value of the unit amount

Organic Unit 1 - Unit Amount for Conversion to Organic Farming for Horticulture

The support rate for organic crop production is based on 2020 data for Malta, specifically for Farms Specialised in Horticulture. Given that the FADN data is presented in terms of €/farm, this analysis considers the average number of hectares per holding in Malta which, on the basis of the same database, is estimated at a factor of 2.3. This implies that every farm in Malta which is involved in the above-mentioned type of farming activity has an average of 2.3 hectares. Utilising this factor, all the data considered for this analysis is converted in terms of €/hectare to be able to derive the support rate for converting towards organic farming. On this basis, and in the absence of available local scientific data, international literature has been sought to determine the variation in the gross income of organic horticulture farmers when compared to conventional farmers.

Considering a yield gap of 35% and a reduction of 27% in the cost of fertilisers and pesticides on the basis of existing literature, organic farmers who are at the stage of converting their land to organic farming would experience a reduction of €3,838 per hectare in their gross farm income when compared to conventional farmers. Including an annual certification fee which would also be incurred by organic producers amounting to a maximum of €540[1], an annual compensation of €4,378 per hectare is estimated to be required by farmers who are at the stage of conversion.

(1) https://mccaa.org.mt/media/4025/organic-farming-certification-pricing-schedule-rev8.pdf

Organic Unit 2 - Unit Amount for Maintenance of Organic Farming for Horticulture

The
derivation of the support rate for maintenance considers the income foregone principle but furthermore considers the price premium which organic products may fetch on the market. Once again, given the lack of data within the local context, an overview of existing literature has been considered whereby the price premium for the purpose of estimating the maintenance rate is set at 10%. Consequently, total average output increases to €8,216 per hectare and the resultant gross farm income is estimated at €3,859 per hectare..

Once again the annual costs of certification are considered in the analysis rendering a total rate of €3,074 per hectare for maintenance. Considering the income foregone, the additional certification cost and allowing for a price premium for organic products, an annual compensation of €3,614 per hectare is estimated to be required for the maintenance of organic land.

Organic Unit 3 - Unit Amount for Conversion to Organic Perennial Crop Production

For perennial crops, the olives sector was used as a proxy in the derivation of support rates. Technical assumptions with regards to differences in yield, income forgone, the extent of lower fertiliser and crop protection costs and the price premium of organic perennials, as well as Malta's similarity to regions in the South of Italy in terms of agricultural land and climate, suggest that a yield gap of around 25% could be assumed to be applicable for Malta. In view of these considerations, the support rate of € 3,222/ha has been applied for land which is under conversion for perennial crop production.

Organic Unit 4 - Unit Amount for Maintenance of Organic Perennial Crop Production

Similarly to derived support rates for horticulture, experience in other countries has been sought to determine the extent to which organic yield and fertilisation costs differ from conventional production, and the price premium that organic produce may fetch on the market. Based on experiences in Southern Italian regions, a yield gap of 25%, a lower fertilisation cost of 27% and a price premium of 25% are considered. Taking all such elements into consideration, an annual compensation of € 1,057/ha per hectare would be required for the maintenance of perennial crop production.

13 Planned Unit Amounts - Financial table with outputs

Planned Unit Amount	Financial Year	2023	2024	2025	2026	2027	2028	2029	Total 2023 - 2029
Organic Unit 1 - Unit Amount for Conversion to Organic Farming for Horticulture (Grant - Uniform)	Planned unit amount (Total Public Expenditure in EUR)	0.00	4,377.60	4,377.60	4,377.60	4,377.60	4,377.60	4,377.60	
	Maximum planned average unit amount (where applicable) (EUR)								
	O.17 (unit: Hectares)		28.00	73.00	75.00	75.00	76.00	76.00	**Sum:** 403.00 **Max:** 76.00
Organic Unit 2 - Unit Amount for Maintenance of Organic Farming for Horticulture (Grant - Uniform)	Planned unit amount (Total Public Expenditure in EUR)	0.00	3,614.40	3,614.40	3,614.40	3,614.40	3,614.40	3,614.40	
	Maximum planned average unit amount (where applicable) (EUR)								
	O.17 (unit: Hectares)		67.00	67.00	79.25	93.45	105.65	130.05	**Sum:** 542.40 **Max:** 130.05

Organic Unit 3 - Unit Amount for Conversion to Organic Perennial Crop Production (Grant - Uniform)	Planned unit amount (Total Public Expenditure in EUR)	0.00	3,222.00	3,222.00	3,222.00	3,222.00	3,222.00	3,222.00	
	Maximum planned average unit amount (where applicable) (EUR)								
	O.17 (unit: Hectares)	0.00	10.00	19.55	20.55	21.55	22.55	23.55	**Sum:** 117.75 **Max:** 23.55
Organic Unit 4 - Unit Amount for Maintenance of Organic Perennial Crop Production (Grant - Uniform)	Planned unit amount (Total Public Expenditure in EUR)	0.00	1,057.00	1,057.00	1,057.00	1,057.00	1,057.00	1,057.00	
	Maximum planned average unit amount (where applicable) (EUR)								
	O.17 (unit: Hectares)				5.00	14.00	23.50	42.50	**Sum:** 85.00 **Max:** 42.50
TOTAL	O.17 (unit: Hectares)		105.00	159.55	179.80	204.00	227.70	272.10	**Sum:** 1,148.15 **Max:** 272.10
	Annual indicative financial allocation (Total public expenditure in EUR)		154,795.00	468,510.00	60,383.00	65,585.00	61,746.00	109,328.00	920,347.00
	Annual indicative financial allocation (Union Contribution in EUR)		123,836.00	374,808.00	48,306.40	52,468.00	49,396.84	87,462.40	736,277.64

	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)								
	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)								

ANC(71) - Natural or other area-specific constraints

RD AN CONSTRAINTS - Areas under natural or other area-specific constraints

Intervention Code (MS)	RD AN CONSTRAINTS
Intervention Name	Areas under natural or other area-specific constraints
Type of Intervention	ANC(71) - Natural or other area-specific constraints
Common Output Indicator	O.12. Number of hectares benefitting from support for areas facing natural or specific constraints, including a breakdown per type of areas
Contributing to ringfencing requirement for/on	Generational Renewal: No Environment: Yes ES rebate system: No LEADER: No

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

This intervention, will address all agricultural land across the Maltese Islands, providing compensation to ensure continued agricultural land use, and will focus on the entire territory of Malta.

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

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO1 Support viable farm income and resilience of the agricultural sector across the Union in order to enhance long-term food security and agricultural diversity as well as to ensure the economic sustainability of agricultural production in the Union
SO6 Contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
1.1	Sustain a viable farm income for farmers in Malta, across all sectors	1	Yes

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold
R.4 Share of utilised agricultural area (UAA) covered by income support and subject to conditionality
R.7 Percentage of additional support per hectare in areas with higher needs (compared to average)

5 Specific design, requirements and eligibility conditions of the intervention

Describe what are the specific objectives and content of the intervention including specific targeting, principles of selection, links with relevant legislation, complementarity with other interventions/sets of operations in both pillars and other relevant information.

This intervention has been offered in the previous RDP 2014-2020 and RDP 2007-2013, and has covered all agricultural land by providing compensation to ensure continued agricultural land use, across the rural areas of Malta, since EU accession in 2004. This intervention may offer support through compensation payment to other areas affected by specific constraints.

Compensation payment to other areas affected by specific constraints

This intervention aims to address the specific constraints that are faced by agriculture production in Malta, several of which include:

Agriculture production in the Maltese islands faces several specific constraints, including:

a) the high opportunity cost of land, the loss of agricultural land through urbanization plus land abandonment due to decreasing prospects for farmers from the utilization of marginal dryland areas, are contributing factors.

b) the fragmentation of farms and the increasing number of smaller fields, as a result of customary inheritance practices on Malta, constitute other factors of concern. Land fragmentation has the following negative consequences:

-increase in the demand for access roads to fields, leading to a loss of agricultural land and an increase of surface water runoff;
-increase in the possibility of land abandonment;
-limiting of agricultural techniques that could be applied on field;
-constraining the design of proper irrigation schemes;
-increase in the demand for agricultural buildings;
-further construction of boundary walls to define property rights; and
-reduction in the economies of scale and economic viability of production obliging a shift towards part-time work.

Further setbacks include an aging farming population and insularity that leads to considerable transportation costs for all inputs such as feed, pesticides, fertilizers, seeds and also machinery and other equipment. Limited water resources, long hot, dry summers and unpredictable and variable rainfall add further strain as well as poor soil fertility, increased soil erosion and low yields per hectare. These factors all contribute to the degradation of the rural landscape. The current land tenure system whereby very few farmers own the land and the majority of land is state owned which together with private land owners tend to hold on to their property, is also an important factor limiting investments by the tenants.

Maltese soils are rather young or immature since pedological processes are slow in calcareous soils, particularly where acidic drainage water is very limited in quantity. Maltese soils are also characterised by a low organic content, high carbonate content, insufficiently developed soil horizons while extensive erosion that has taken place throughout the years, which has led to loss of agricultural land and a decrease in agricultural production. In addition to the above, Malta faces the following specific constraints:

–irreversibly eroded slopes and desertification, particularly in abandoned terraced fields;
–extensive monoculture of cash-crops;
–overgrazing and periodic burning of undesirable vegetation;
–unstable tree populations that are prone to fires;
–location of housing, airports and roads on coastal or flat areas accompanied by traffic congestions;
–water shortages and salinization of groundwater due to over extraction;
–continuous discharge of unabsorbable wastes and sewage;
–high population densities which pose pressure on existing infrastructure;
–lean off-season tourist periods where activities approach normality unless communications are disrupted by inclement weather.

This intervention aims to prevent land abandonment across the Maltese Islands, providing an annual premium aimed at supplementing farming income. Given the small size of most agricultural holdings, this annual premium does not result in a significant improvement to the income of farm households. However, this intervention helps attract farmers towards the uptake of eco-schemes and land based environmental and climate commitments, facilitating the uptake of actions that have a positive impact on the environment and that go beyond conditionality requirements. Article 71 of the CAP Strategic Plan

regulation states that Member States may carry out a fine-tuning exercise in accordance with the conditions provided for in Article 32(3), third subparagraph, of Regulation (EU) No 1305/2013. This provision is not expected to be applied since all of the Maltese territory is considered as a less favoured area since 2004-2006, while the same arrangement was also maintained throughout the 2007-2013 and the 2014-2020 programming period.

Malta has been considered as a 100% less favoured area since 2004-2006, an arrangement which was also maintained throughout the 2007-2013 and 2014-2020 programming period. In this respect, the above quoted paragraph indicates that the first sub-paragraph of Article 32(4), which stipulates the 10% area limit on classification as ANC, does not apply to Malta. This derogation, together with the justification explained above, has allowed Malta's entire territory to be classified as an area facing specific constraints.

Support under this measure offers beneficiaries a simple, standard payment per hectare of agricultural land in order to help ensure that this land remains under agricultural management and adheres to conditionality obligations defined in Chapter 4.2 of the CAP Strategic Plan.

The envisaged investments will contribute to the following specific objectives:

Specific Objective 1 Support viable farm income and resilience of the agricultural sector across the union in order to enhance long-term food security and agricultural diversity as well as ensure the economic sustainability of agricultural production in the Union.

Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary and area

The beneficiaries of this measure are Farmers (active farmers) as defined in Chapter 4 of this CAP Strategic Plan.

Eligibility conditions may include:

Support for areas with constraints shall be available to all farmers who have at least 1124 m^2 of utilisable agricultural land in all the territory of Malta. Farmers receiving support shall commit to farm the area in respect of which compensatory payment is being granted.

Define eligible type of support (non-IACS) or commitments (IACS) and other obligations

Support under this measure offers beneficiaries a simple, standard payment per hectare of agricultural land in order to help ensure that this land remains under agricultural management and adheres to conditionality obligations defined in Chapter 4.2 of the CAP Strategic Plan. The following conditions will apply:

–beneficiary must have a holding with a minimum of one tumolo [1124] m^2 of land[1];

–must be registered in the IACS Farmer Registry;

–payments will only be granted to beneficiaries that undertake to pursue their farming activity in the delimited area.

[1] Eligible land under this intervention will be made up of eligible parcels each exceeding 0.01ha.

O12 What area is eligible?

☐Mountain areas (pursuant to Article 32 (1)(a) of Regulation (EU) No 1305/2013)

☐Areas facing natural constraints , other than mountains(pursuant to Article 32, (1)(b) of Regulation (EU) No 1305/2013)

☑Areas affected by other area- specific constraints (pursuant to Article 32(1)(c) of Regulation (EU) No 1305/2013)

All of the territory of the Maltese Islands has been designated as areas affected by other area-specific

constraints.

☐All areas with natural or other specific constraints

☐Other

6 Identification of relevant baseline elements

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

N/A

7 Form and rate of support/amounts/calculation methods

Type of payment

☑ unit cost based on additional costs and income foregone

☐ transaction cost included

☐ one off payment

☐ lump sum

Range of support at beneficiary level

The uniform support rate amounts to €263.97/Ha/Yr for holdings with up to 5 ha.

Moreover, taking into account para 13(e) of Annex 2 of the WTO Agreement on Agriculture, degressivity will be applied. Bearing in mind the local context in terms of the small scale of local agricultural holdings, Malta will apply degressivity at a rate of 1%, to agricultural holdings with an area exceeding 5ha. Degressivity will apply for the area beyond 5ha only. In this respect, another planned unit amount for holdings with more than 5ha has been established at €261.33/Ha/Yr.

Calculation method

The amounts of support provided by an independent body were deemed realistic, arithmetically accurate and adequate for the purposes of the Programme and have been based on a fair, equitable and verifiable calculation method.

Additional explanation

The methodology adopted is based on the Maltese agricultural context, where agricultural production (that is, horticulture, annual crops, permanent crops, fodder, etc.) has been compared to the southern region of Italy, which is classified as being without natural constraints. Based on the calculations Malta considers €263.97 as a suitable amount to be paid for all farmers, as per the following justification.

Increased on the basis of inflation - Actual inflation for 2021, forecasted inflation thereafter and average rate taken from 2021 to 2027.

Justification of calculations

The reason for ANC payments is largely due to the uniform natural disadvantages faced by producers on this small island state including harsh terrain, poor soils and the impossibility of achieving economies of scale in production; as well as high input costs due to its island nature.

All these factors affect Maltese land-based farms in a similar way, regardless of their position on the islands. The comparison with the southern region of Italy was made due to similarities in climate and types of horticulture. However, due to the Italian region having a larger land surface, it can take advantage of economies of scale and naturally does not suffer from island status, so it serves as a reference for 'non-constrained' areas.

The proposed support rate is much more modest than the income differential, reflecting the need to avoid

over-compensation.

Payments under this measure will be granted on a yearly basis, based on an annual contract that may be renewed on an annual basis. Beneficiaries will receive a fixed payment per hectare, per year, calculated by reference to their total agricultural land area.

8 Information regarding State aid assessment

The intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment:

☐ Yes ☑ No ☐ Mixed

9 Additional questions/information specific to the Type of Intervention

N/A

10 WTO compliance

Green Box

Paragraph 13 of Annex 2 WTO

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

Payments are limited to additional costs and income forgone, therefore, this intervention qualifies as 'Green box' because it has no, or at most minimal, trade-distorting effects or effects on production, as set out in the WTO Agreement on Agriculture.

11 Contribution rate(s) applicable to this intervention

Region	Article	Applicable rate	Min Rate	Max Rate
MT - Malta	91(3)(a) - Payments for natural or others area-specific constraints under Article 71	65.00%	20.00%	65.00%

12 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Support	Contribution rate(s)	Type of Planned Unit Amount	Region(s)	Result Indicator(s)	Is the unit amount based on carried over expenditure?
AN CONSTRAINTS UNT1 - Unit amount 1 for areas with natural constraints	Grant	91(3)(a)-MT-65.00%	Uniform		R.4; R.7	No
AN CONSTRAINTS UNT2 - Unit amount 2 for areas with natural constraints with more than 5 ha	Grant	91(3)(a)-MT-65.00%	Uniform		R.4; R.7	No

Explanation and justification related to the value of the unit amount

AN CONSTRAINTS UNT1 - Unit amount 1 for areas with natural constraints

This planned unit amount relates to support rates for the areas with natural constraints taking into consideration actual inflation for 2021, forecasted inflation thereafter and average rate taken from 2021 to 2027.

AN CONSTRAINTS UNT2 - Unit amount 2 for areas with natural constraints with more than 5 ha

This planned unit amount relates to the support rate for areas with natural constraints with more than 5 ha. The rate takes into consideration actual inflation for 2021, forecasted inflation thereafter and average rate taken from 2021 to 2027. Given the small scale of local agricultural holdings, Malta will apply degressivity at a rate of 1%, to agricultural holdings with an area exceeding 5ha. Degressivity will apply for the area beyond 5ha only.

13 Planned Unit Amounts - Financial table with outputs

Planned Unit Amount	Financial Year	2023	2024	2025	2026	2027	2028	2029	Total 2023 - 2029
AN CONSTRAINTS UNT1 - Unit amount 1 for areas with natural constraints (Grant - Uniform)	Planned unit amount (Total Public Expenditure in EUR)		263.97	263.97	263.97	263.97	263.97	263.97	
	Maximum planned average unit amount (where applicable) (EUR)								
	O.12 (unit: Hectares)		8,336.09	8,336.09	8,336.09	8,336.09	8,336.09	8,336.09	**Sum:** 50,016.54 **Max:** 8,336.09
AN CONSTRAINTS UNT2 - Unit amount 2 for areas with natural constraints with more than 5 ha (Grant - Uniform)	Planned unit amount (Total Public Expenditure in EUR)		261.33	261.33	261.33	261.33	261.33	261.33	
	Maximum planned average unit amount (where applicable) (EUR)								

	O.12 (unit: Hectares)		520.00	520.00	520.00	520.00	520.00	520.00	**Sum:** 3,120.00 **Max:** 520.00
TOTAL	O.12 (unit: Hectares)		8,856.09	8,856.09	8,856.09	8,856.09	8,856.09	8,856.09	**Sum:** 53,136.54 **Max:** 8,856.09
	Annual indicative financial allocation (Total public expenditure in EUR)		2,337,741.67	2,337,741.67	2,337,741.67	2,337,741.67	2,337,741.68	2,337,741.68	14,026,450.04
	Annual indicative financial allocation (Union Contribution in EUR)		1,519,532.08	1,519,532.08	1,519,532.08	1,519,532.08	1,519,532.09	1,519,532.09	9,117,192.50
	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)		0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)		0.00	0.00	0.00	0.00	0.00	0.00	0.00

INVEST(73-74) - Investments, including investments in irrigation

RD OnFarm NP Invest - On-Farm Non-Productive Investments

Intervention Code (MS)	RD OnFarm NP Invest
Intervention Name	On-Farm Non-Productive Investments
Type of Intervention	INVEST(73-74) - Investments, including investments in irrigation
Common Output Indicator	O.21. Number of supported on-farm non-productive investment operations or units
Contributing to ringfencing requirement for/on	Generational Renewal: No Environment: Yes ES rebate system: Yes LEADER: No

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

This intervention aims to fund investments such as rubble walls, planting of indigenous trees/species, and other non-productive interventions with an environmental scope and/or management of habitats on the entire territory of Malta.

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

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO5 Foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency
SO6 Contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
5.4	Increase efficient use of water and soil by restoring geographical and landscape features	3	Yes
6.1	Promote measures that protect and enhance biodiversity on agricultural holdings & wider rural areas	1	Yes
6.3	Promote the removal of invasive alien species and the planting of native and archaeophytic species	3	Yes
6.4	Improve and conserve the status of existing habitats protected under HBD & rural landscape features	2	Yes

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold
R.17 Area supported for afforestation, agroforestry restoration, including breakdowns
R.32 Share of farms benefitting from CAP investment support contributing to biodiversity

5 Specific design, requirements and eligibility conditions of the intervention

Describe what are the specific objectives and content of the intervention including specific targeting, principles of selection, links with relevant legislation, complementarity with other interventions/sets of operations in both pillars and other relevant information.

Establishing, restoring, or re-instating rural infrastructure

Support may be provided for establishing, restoring, or re-instating rural infrastructure needed for management of habitats. Such investments may include, *inter alia*, the restoration and/or establishment of rubble walls and other rural landscape features including maintenance of existing terrace walls as linear features of high diversity value supporting biodiversity; the creation and/or restoration of different types of terrestrial habitats, including inter alia garigue, steppe, maquis, woodland, rock pools, valleys and watercourses, saline marshlands and sand dunes.

The building and restoration of retaining and non-retaining dry-stone walls and rubble walls shall be carried out in order to prevent further soil erosion and habitat loss from the adjacent parcels of agricultural land during heavy rains, including loss of same soil into roads. Targeted rubble walls need to be adjacent to an agricultural area on at least one side of the intervention (regardless of whether the area is currently in production).

This intervention may contribute to the following specific objective:

Specific Objective 6: Contribute to the protection of biodiversity, enhance ecosystem services and preserve habitats and landscapes.

Apart from marking boundaries, traditionally built rubble walls have important environmental roles since they enable slopes to be modified to terraces, aid soil retention in fields therefore limiting soil erosion, shelter crops in exposed areas and serve as habitats for local flora and fauna while also forming an integral part of the cultural landscape of the Maltese Islands. Such an intervention will therefore register a secondary contribution towards Specific Objective 5.

Support for planting of trees and ancillary works

Under this intervention, support will also be provided for tree planting and ancillary works for purposes of agri-environmental and climate objectives, including tree planting for soil management and erosion control action. Removal of invasive alien tree species is also an eligible action; the planting of new trees (not necessarily on the same areas/parcels where trees are removed) to replace the invasive alien tree species need to be in accordance with ERA Guidelines. Removal of alien species should not be carried out by chemical means.

Planting of trees under this intervention will focus on introducing trees on the perimeter of agricultural parcels.

The envisaged investments will contribute to the following specific objectives.

SO 5 To foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency.

This intervention will contribute to SO 5 through interventions that may enhance the natural landscape, management of water, and soil conservation, whilst contributing to improving water retention and reducing flood risk. Furthermore, afforestation and development of woodland on agricultural and non-agricultural lands will contribute to the reduction of greenhouse gas emissions through carbon sequestration.

SO 6 To Contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes

The investments in woodlands under this intervention will contribute to the objectives of SO 6 since they will complement the objectives in Malta's National Biodiversity Strategy and Action Plan (NBSAP). This intervention will contribute to the conservation of High Nature Value areas, and may include the planting of indigenous tree species for the establishment of new woodland areas, re-planting in existing woodlands, the establishment of bio-diverse woodland edge structure with appropriate trees and shrub species which also can serve for better microclimate creation purposes and ecosystem management.

Targeting:

Restoring green landscape: Restoration of rural on-farm landscape features such as rubble and terrace walls, habitat conservation or restoration works requiring investment actions may be supported under this intervention. Investments aimed at facilitating rainwater collection are also envisaged.

Complementarity with other interventions:

Interventions supporting on-farm non-productive investments shall contribute towards interventions in off-farm non-productive investments targeting afforestation.

Links with relevant legislation

EU Habitats and Birds Directives and the Prioritised Action Framework (PAF).

REGULATION (EU) 2021/2115 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 2 December 2021 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) No 1305/2013 and (EU) No 1307/2013

Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary and area

Farmers (whether natural/legal persons);

Group of Farmers (including *inter alia* partnerships, cooperatives).

Eligibility conditions may include:

- Eligible projects should be in compliance with the relevant appropriate level strategies, programmes and plans (if applicable).
- Eligible projects should be carefully examined in terms of appropriate selection of afforested areas and species.
- Projects should contribute to landscape, environment and ecological objectives for Malta.
- Support will not be granted when this is already provided under EAGF to avoid double-funding.
- Eligibility for support for investments will be based on a detailed assessment of applications by the project selection committee.
- Recipients of grants, under certain circumstances as deemed appropriate by the Managing Authority or the Project Selection Committee, may be required to undertake training or seek advice.
- Operations shall not be eligible for support where they have been physically completed or fully implemented before the application for funding under the CAP Strategic Plan is submitted to the Managing Authority, irrespective of whether all related payments have been made.

Define eligible type of support (non-IACS) or commitments (IACS) and other obligations

Eligible investments include, as may be determined by the MA in the guidance notes *inter alia*:

–The costs of materials and/or services, labour used for the above-mentioned investments for improving the environmental or public amenity value of forests;

–Removing (cutting) of trees, thinning and pruning may be eligible if the main purpose of the investment is to improve the ecological value of forests, such as improving the species composition for environmental interests (removing of non-indigenous or not habitat specific tree or shrub species).

–Non-native tree species shall not be eligible for support. Only native and indigenous species are allowed to be planted;

–General maintenance costs are not supported under this sub-measure;

–The possibility of either using the simplified cost option (SCO) or else the actual cost incurred[1]. In cases where an SCO methodology is used, guidelines to the measure ill stipulate that quotations will not be required at application and payment stage;

–The costs of funding specialist contractors to undertake project management duties to realise the investment;

–General costs such as architects, engineers and consultation fees, feasibility studies, the acquisition of patent rights and licenses up to a maximum 15% of the total eligible project cost;

–Contributions in kind and depreciation costs may be eligible for support under the EAFRD, subject to conditions to be set by the Member States;

–Only expenditure which has been incurred after an application has been submitted to the competent authority shall be considered eligible (Article 86 Reg 2021/2115 applies). In the national guidelines, the MA may introduce an exception to the professional services incurred by successful applicants for the submission of an EAFRD application, including business plans where these are required;

–Specific actions that have been recommended as part of the management, conservation or rehabilitation plans;

–The actual restoration, in situ reproductions, including but not limited to the restoration and installation of walkways and installation of security measures, the setting up of interpretation aids and visitors' centres;

–The restoration of small, man-made structures of rural heritage value located in rural areas, including traditionally built rubble walls and water channels;

-The planting of trees around the perimeter of the parcels;

-Planting of trees for afforestation in which the minimum size of the area to be supported for the purpose of afforestation is defined as a land area of 0.5ha or more and which has (or will have following afforestation actions) a minimum tree cover of 10%;

–Publicity/dissemination costs.

Further details regarding the eligible costs will be determined in line with the national Eligibility Rules and Guidance issued with the call for project proposals within the parameters allowed in the applicable Regulations.

An operation comprising investment in on-farm non-productive carries the below durability period obligations, regardless of the size of the beneficiary:

-For investments with a grant value of up to €15,000 the durability period obligations will extend to one (1) year from the final payment to the beneficiary.

-For investments with a grant value of between €15,000 and €200,000 the durability period obligations will extend to three (3) years from the final payment to the beneficiary.

-For investments with a grant value of over €200,000 the durability period obligations will extend to five (5) years from the final payment to the beneficiary.

This obligation is tied to investments in infrastructure and/or to productive investments and is applied regardless of the size of the beneficiary.

In the principles of selection and in line with the SEA recommendation, Malta will continue encouraging and facilitating investments contributing to Environmental requirements. Whilst ranking criteria will be

established through the MC consultation procedure in line with Art. 79 and Art. 124 of the CAP SP Regulation, such actions contributing directly to weaknesses and opportunities identified in the SWOT analysis will be promoted and shall be weighted accordingly during the selection process.

6 Identification of relevant baseline elements

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

N/A

7 Form and rate of support/amounts/calculation methods

Form of support

☑ **Grant**

☐ **Financial instrument**

Type of payment

☑ reimbursement of eligible costs actually incurred by a beneficiary

☑ unit costs

☐ lump sums

☑ flat-rate financing

Basis for the establishment

Below is a list of cost categories/actions under SCO's, including the respective legal basis for establishment, in line with Article 83(1) and (2) of Regulation (EU) 2021/2115 that may be considered by the Managing Authority:

List of Cost Categories / Actions	SCO Form of Financing Legal Basis	SCO Methodology Legal Basis
Salaries	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(a)(i) of Regulation (EU) 2021/2115
Per Diem	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(d) of Regulation (EU) 2021/2115
Travel	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(c) of Regulation (EU) 2021/2115
Overheads	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 83(2)(c) of Regulation (EU) 2021/2115
Technical Assistance	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 94(2) of Regulation (EU) 2021/2115
Architect Fees	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 83(2)(a)(i) of Regulation (EU) 2021/2115

Range of support at beneficiary level

The applicable support rates (aid intensity) shall be 80% of the eligible amount.

Additional explanation

Support will be provided in the form of grants. The same aid intensities shall apply across the Maltese Islands.

Maximum support rates as defined in Article 73 (4) will be applied as applicable. The aid intensity rates that apply are defined by the general State-aid rules. Support is granted in accordance with an approved State aid scheme, which sets the aid intensity rate for the respective operations.

Beneficiaries of investment related support may request an advance payment of up to 50% of the public aid related to the investment, at the discretion of the MA and ARPA.[1] Funding support may be capped

per project as applicable; such capping would be outlined in the respective national implementation guidance documents.

Successful applicants are those who are offered a grant agreement (hence excluding those who either fail the eligibility and/or selection process or are placed on a waiting list). The MA may include, in the national guidelines, a minimum size of eligible projects based on the public eligible cost.

Simplified Cost Options may be used to support investments/actions funded through this intervention in line with the national eligibility rules, and the guidance issued by the Managing Authority, either with the call for project proposals or at the latest in the document setting out the conditions for support.

[1] Regulation (EU) 2021/2116, Article 44, *Payments to Beneficiaries*, paragraph 3.

8 Information regarding State aid assessment

The intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment:

☐ Yes ☑ No ☐ Mixed

9 Additional questions/information specific to the Type of Intervention

What is not eligible for support?

- In order to avoid inappropriate planting and afforestation, support will only be provided for planting of trees/shrubs listed in the guidance document provided by the Environment and Resources Authority.
- Non-native tree and shrub species shall not be eligible for support. Only native and indigenous species are allowed to be planted only.
- Investments in afforestation which are not consistent with climate and environmental objectives in line with sustainable forest management principles, as developed in the Pan-European Guidelines for Afforestation and Reforestation.

Does the investment contain irrigation?

☐ Yes ☑ No

Investments in the improvement of existing irrigation installations, what is the potential water saving(s) required (expressed in %)

N/A

Details on different potential water savings according to the type of installation or infrastructure (where applicable)

Investments in the improvement of existing irrigation installations (affecting water bodies whose status is less than good) what is/are the requirement(s) for an effective reduction in water use - expressed in %)

N/A

Regional breakdown

10 WTO compliance

Green Box

Paragraph 11 of Annex 2 WTO

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

This intervention qualifies as ‘Green box’ because it has no, or at most minimal, trade-distorting effects or effects on production, as set out in the WTO Agreement on Agriculture.

11 Contribution rate(s) applicable to this intervention

Region	Article	Applicable rate	Min Rate	Max Rate
MT - Malta	91(3)(b) - 73 - Support for non-productive investments referred to in Article 73	80.00%	20.00%	80.00%

12 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Support	Contribution rate(s)	Type of Planned Unit Amount	Region(s)	Result Indicator(s)	Is the unit amount based on carried over expenditure?
RD OnFarm NP Unit - Unit Amount for On-Farm Non-Productive Investments	Grant	91(3)(b) - 73-MT-80.00%	Average		R.17; R.32	No

Explanation and justification related to the value of the unit amount

RD OnFarm NP Unit - Unit Amount for On-Farm Non- Productive Investments

The planned amount is based on 14-20 RDP experience including financial allocation set and number of operations committed under Measure 4.4. This takes into consideration the fact that the proposed interventions are expected to be similar in nature.

13 Planned Unit Amounts - Financial table with outputs

Planned Unit Amount	Financial Year	2023	2024	2025	2026	2027	2028	2029	Total 2023 - 2029
RD OnFarm NP Unit - Unit Amount for On-Farm Non- Productive Investments (Grant - Average)	Planned unit amount (Total Public Expenditure in EUR)	50,000.00	50,000.00	50,000.00	10,000.00	10,000.00	10,000.00	10,000.00	
	Maximum planned average unit amount (where applicable) (EUR)	80,000.00	80,000.00	80,000.00	20,000.00	20,000.00	20,000.00	20,000.00	
	O.21 (unit: Operations)	1.00	2.00	4.00	0.00	0.20	0.40	0.40	**Sum:** 8.00 **Max:** 4.00
TOTAL	O.21 (unit: Operations)	1.00	3.00	4.00	0.00	0.20	0.40	0.40	**Sum:** 9.00 **Max:** 4.00
	Annual indicative financial allocation (Total public expenditure in EUR)	50,000.00	100,000.00	200,000.00	0.00	5,000.00	5,000.00	5,000.00	365,000.00
	Annual indicative financial allocation (Union Contribution in EUR)	40,000.00	80,000.00	160,000.00	0.00	4,000.00	4,000.00	4,000.00	292,000.00

	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

RD Off Farm NP INVST - Off-farm Non-Productive Investments and Afforestation

Intervention Code (MS)	RD Off Farm NP INVST
Intervention Name	Off-farm Non-Productive Investments and Afforestation
Type of Intervention	INVEST(73-74) - Investments, including investments in irrigation
Common Output Indicator	O.23. Number of supported off-farm non-productive investment operations or units
Contributing to ringfencing requirement for/on	Generational Renewal: No Environment: Yes ES rebate system: Yes LEADER: No

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

This intervention aims to fund non-productive investments linked to the creation and development of off-farm non-productive activities and support to improve the resilience and environmental value of ecosystems, across the Maltese territory.

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

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO5 Foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency
SO6 Contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
5.1	Provide training and advice to increase awareness on the efficient management of natural resources	6	Yes
5.4	Increase efficient use of water and soil by restoring geographical and landscape features	3	Yes
6.1	Promote measures that protect and enhance biodiversity on agricultural holdings & wider rural areas	1	Yes
6.3	Promote the removal of invasive alien species and the planting of native and archaeophytic species	3	Yes
6.4	Improve and conserve the status of existing habitats protected under HBD & rural landscape features	2	Yes

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold
R.17 Area supported for afforestation, agroforestry restoration, including breakdowns
R.27 Number of operations contributing to environmental sustainability and the achievement of climate mitigation and adaptation goals in rural areas

5 Specific design, requirements and eligibility conditions of the intervention

Describe what are the specific objectives and content of the intervention including specific targeting, principles of selection, links with relevant legislation, complementarity with other interventions/sets of operations in both pillars and other relevant information.

Malta has a very limited area of woodlands and this intervention will contribute directly to the conservation of existing woodland and support new planting that will contribute to improved habitat and biodiversity across the islands. Therefore, this intervention may provide support for the creation and sustainable management of woodlands to deliver environmental improvements such as biodiversity and climate change mitigation. Other support may include social benefits such as public access and recreation, basic management to ensure woodland sustainability, and operations that maintain or enhance environmental and social value such as pest management, coppicing, and uneconomic thinning as well as carbon sequestration.

Support for investments improving the resilience and environmental value of forest ecosystems.

Trees and woodland are comparatively rare in Malta and improvement to woodland management will contribute to conservation of habitats and biodiversity. According to EUROSTAT data, only 1% of land is covered by forest in Malta, Action is required to engage in restoration management to enhance the quality of the woodland and its conservation value. The plan will aim at enhancing the rural landscape of Malta by supporting forestry-related actions which include afforestation and creation of woodland areas. Malta proposes to make targeted support available to forestry, in line with the national context and opportunities provided.

Interventions under this type of operation are envisaged by Public Authorities (who may designate NGO's to manage the site and/or the project in question) and will support both the creation of new woodland as well as the amelioration of existing woodland in Malta through planting of indigenous tree species, replanting in existing woodland, and establishment of bio-diverse woodland edge structure with appropriate trees and shrub species which can also serve for better microclimate creation purposes. Creation of woodland will seek to provide additional green open spaces. In the case of the amelioration of existing woodland, investments supported must be complementary to existing or newly designated management plans or equivalent instruments, such as the biodiversity strategy, Natura 2000 management plans, landscape management plans, local plans, amongst others. The objective of this operation is to maximise the proportion of woodland on the Islands.

Interventions under this type of operation will support both the creation of new woodland as well as the amelioration of existing woodland in Malta. Creation of woodland will seek to provide additional green spaces for recreational purposes. This is deemed as very important taking into consideration the limited amount of woodland in Malta. Support can also be considered for water holes/reservoirs with the scope of both prevention of fire as well as ensuring basic water supply to targeted forested areas.

Reconstruction and upgrading of rubble walls by Public entities

Support may be provided for establishing, restoring, or re-instating rural infrastructure needed for management of habitats. Such investments may include, *inter alia*, the restoration and/or establishment of rubble walls and other rural landscape features including maintenance of existing terrace walls as linear features of high diversity value supporting biodiversity; the creation and/or restoration of different types of terrestrial habitats, including inter alia garigue, steppe, maquis, woodland, rock pools, valleys and watercourses, saline marshlands and sand dunes.

Rehabilitation of valleys around the Maltese Islands

Funding can be allocated towards the rehabilitation of valleys around the Maltese Islands that throughout

the years have accumulated silt and debris and can therefore no longer act as channels through which water can flow. This causes flooding in surrounding rural areas, leading to soil erosion, loss of crops and destruction of rural structures such as rubble walls. This intervention can therefore support investments to maximise the water retention capacity of these valleys, including through the cleaning of debris and the restoration of existing valley infrastructure with highest potential for aquifer recharge. Such investments will reduce flooding and losses through surface runoff, while also collecting rainwater that can then be used for irrigation purposes, again providing an alternative source of water for irrigation, reducing the amount of water extracted from the aquifer. It will be ensured that infrastructural projects in valleys are undertaken in a manner which does not negatively affect valley hydrology and biodiversity.

Other complementary investments will include conservation, restoration and rehabilitation of biodiversity and ecosystems as well as areas of natural heritage. The protection of natural surface water environments with a particular focus on the protection of key water-dependent habitats and species will continue to be enhanced, including through frameworks for the regulation of water abstraction from water catchments that host sensitive habitats and species. Synergies with biodiversity policy implementation will continue to be strengthen, ensuring that water-dependent habitats and species are conserved holistically. These actions shall be oriented towards those with a public interest and do not incorporate a commercial purpose.

Support for planting of trees and ancillary works (not on agricultural parcels)

Under this intervention, support will also be provided for tree planting and ancillary works for purposes of agri-environmental and climate objectives, including tree planting for soil management and erosion control action. Removal of invasive alien tree species is also an eligible action; the planting of new trees (not necessarily on the same areas/parcels where trees are removed) to replace the invasive alien tree species need to be in accordance with ERA Guidelines. Such trees can also be productive trees; however, the main scope here would not be for productive purposes. Removal of alien species should not be carried out by chemical means.

The envisaged investments will contribute to the following specific objectives.

SO 5 To foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency.

This intervention will contribute to SO 5 through interventions that may enhance the natural landscape, management of water, and soil conservation, whilst contributing to improving water retention and reducing flood risk. Furthermore, afforestation and development of woodland on agricultural and non-agricultural lands will contribute to the reduction of greenhouse gas emissions through carbon sequestration.

Specific Objective 6: *Contribute to the protection of biodiversity, enhance ecosystem services and preserve habitats and landscapes.*

The various local habitats host a multitude of plant and animal species, including various endemic and indigenous ones. Supported interventions may also form part of N2000 masterplans. Support may also be provided for the reclamation and restoration of marginal or derelict land that can be upgraded into areas that can be used for afforestation purposes. This intervention will therefore contribute directly towards the achievement of Specific Objective 6.

Apart from marking boundaries, traditionally built rubble walls have important environmental roles since they enable slopes to be modified to terraces, aid soil retention in fields therefore limiting soil erosion, shelter crops in exposed areas and serve as habitats for local flora and fauna while also forming an integral

part of the cultural landscape of the Maltese Islands. Such an intervention will therefore register a secondary contribution towards Specific Objective 5.

The investments in Woodlands under this intervention will contribute to the objectives of SO 6 since they will complement the objectives in Malta's National Biodiversity Strategy and Action Plan (NBSAP). This intervention will contribute to the conservation of High Nature Value areas, and may include the planting of indigenous tree species for the establishment of new woodland areas, re-planting in existing woodlands, the establishment of bio-diverse woodland edge structure with appropriate trees and shrub species which also can serve for better microclimate creation purposes and ecosystem management.

Targeting

Off-farm afforestation and non-productive investments: Support may include social benefits such as public access and recreation, basic management to ensure woodland sustainability, operations that maintain or enhance environmental and social value such as pest management, coppicing, and uneconomic thinning as well as carbon sequestration.

Complementarity with other interventions

This Intervention will complement investments under land-based management commitments and on-farm non-productive investments including rubble walls.

M8.5 Support for investments improving the resilience and environmental value of forest ecosystems. Carry-over support under this measure shall primarily target operations contributing towards the Protection of habitats and biodiversity including, inter alia, fire prevention investments, investments in public amenity, support aimed at the achievement of commitments for environmental aims, for the provision of ecosystem services and/or for the enhancement of the public amenity value of forest and wooded land in the area concerned or the improvement of the climate change mitigation potential of ecosystems, without excluding economic benefits in the long term.

M4.4 - support for non-productive investments linked to the achievement of agri-environment-climate objectives. Carry-over support under this measure shall target operations supporting the restoration of some key habitat types in Maltese farmed landscapes through non-productive investments including through the reconstruction and upgrading of rubble walls by public entities as well as operations targeting the conservation, restoration and rehabilitation of biodiversity and ecosystems.

Link with relevant legislation

EU Habitats and Birds Directives and the Prioritised Action Framework (PAF).
REGULATION (EU) 2021/2115 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 2 December 2021 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) No 1305/2013 and (EU) No 1307/2013.

Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary and area

The main beneficiaries eligible under the actions foreseen in relation to off-farm non-productive investments and afforestation will be public entities/authorities. Public authorities may designate, or may have designated prior to the project application, NGOs, Private Bodies or Local Councils for the management and maintenance of such sites.

Eligible conditions may include:

-Eligible projects should be in compliance with the relevant appropriate level strategies, programmes and plans (if applicable).

-Eligible projects should be carefully examined in terms of appropriate selection of both afforested areas and species.

-Projects should contribute to landscape, environment and ecological objectives for Malta.

-The minimum size of the area to be supported for the purpose of afforestation is defined as a land area of 0.5 ha or more and which has (or will have following afforestation actions) a minimum tree cover of 10%. The list of eligible tree/shrub species which may be planted as advised by the Environment and Resources Authority (ERA) *Indicative List of Trees and Shrub Species that can be Planted in Rural Areas* and included in the MA Guidance Document. Support will not be granted to holdings or enterprises in difficulty within the meaning of the Union guidelines for state aid in the agriculture and forestry sector and the Union guidelines on State aid for rescuing and restructuring firms in difficulty.

-Support will not be granted when this is already provided under EAGF.

-Eligibility for support for investments will be based on a detailed assessment of applications by the project selection committee.

-Recipients of grants, under certain circumstances as deemed appropriate by the Managing Authority or the Project Selection Committee, may be required to undertake training or seek advice.

- Operations shall not be eligible for support where they have been physically completed or fully implemented before the application for funding under the CAP Strategic Plan is submitted to the Managing Authority, irrespective of whether all related payments have been made.

- In cases of emergency due to catastrophic events or a significant and sudden change in the socio-economic conditions, according to Article 86 (3) of Regulation 2021/2115, permission may be granted for expenditure to be eligible from the date when the event occurred and thus before an application has been submitted.

An operation comprising investment in off-farm non-productive carries the below durability period obligations, regardless of the size of the beneficiary:

-For investments with a grant value of up to €15,000 the durability period obligations will extend to one (1) year from the final payment to the beneficiary.

-For investments with a grant value of between €15,000 and €200,000 the durability period obligations will extend to three (3) years from the final payment to the beneficiary.

-For investments with a grant value of over €200,000 the durability period obligations will extend to five (5) years from the final payment to the beneficiary.

This obligation is tied to investments in infrastructure and/or to productive investments and is applied regardless of the size of the beneficiary.

Define eligible type of support (non-IACS) or commitments (IACS) and other obligations

–The costs of forest propagation material (seeds, seedlings, saplings, etc) used for structural changes, planting, under-planting, forest edge etc., and the related plant prevention, (e.g. poles, irrigation equipment, and any individual plant protection requirements as appropriate).

–The costs of materials and/or services, labour used for the above-mentioned investments for improving the environmental or public amenity value of forests.

–Removing (cutting) of trees, thinning and pruning may be eligible if the main purpose of the investment is to improve the ecological value of forests, such as improving the species composition for environmental interests (removing of non-indigenous or not habitat specific tree or shrub species).

–General maintenance costs are not supported under this sub-measure.

–The possibility of either using the simplified cost option (SCO) or else the actual cost incurred[1]. In cases where an SCO methodology is used, guidelines to the measure will stipulate that quotations will not be required at application and payment stage.

–The costs of funding specialist contractors to undertake project management duties to realise the investment;

–General costs such as architects, engineers and consultation fees, feasibility studies, the acquisition of patent rights and licenses up to a maximum 15% of the total eligible project cost;

–Contributions in kind and depreciation costs may be eligible for support under the EAFRD, subject to conditions to be set by the Member States;

– Article 86 of Regulation 2021/2115 applies in terms of eligibility of expenditure;

–Specific actions that have been recommended as part of the management, conservation or rehabilitation plans;

–Visitors' management and provision of public access to sites;

–The actual restoration, in situ reproductions, including but not limited to the restoration and installation of walkways and installation of security measures, the setting up of interpretation aids and visitors' centres;

–The restoration of small, man-made structures of rural heritage value located in rural areas, including traditionally built rubble walls and water channels;

–The construction and/or restoration of recreational infrastructure, information and interpretation facilities, public amenities, afforestation activities and regeneration of degraded areas to be converted for recreational purposes;

–Only species included in the list established by the MA and the respective competent authorities and published as part of the Guidance Notes shall be eligible for funding.

–Publicity/dissemination costs

Further details regarding the eligible costs will be determined in line with the national Eligibility Rules and Guidance issued with the call for project proposals within the parameters allowed in the applicable Regulations.

In the principles of selection and in line with the SEA recommendation, Malta will continue encouraging and facilitating investments contributing to Environmental requirements. Whilst ranking criteria will be established through the MC consultation procedure in line with Art. 79 and Art. 124 of the CAP SP Regulation, such actions contributing directly to weaknesses and opportunities identified in the SWOT analysis will be promoted and shall be weighted accordingly during the selection process.

M8.5 Support for investments improving the resilience and environmental value of forest ecosystems.

Actions under operations carried over under this measure shall not support multi-annual maintenance support emanating from an RDP M8.5 commitment, nor the specific planting action (only) in case of new establishment of woodlands during the carry-over period i.e. after 1st January 2026. In accordance with Malta's Rural Development Programme 2014-2022, a forest area is defined as a land area of 0.5 ha or more, having a minimum tree cover of 10%. In this regard and in such instances, new planting of trees will not be considered eligible for carry-over if the site being targeted is not yet an established /existing woodland i.e. falls below the minimum parameters set for forest area definition in terms of tree cover. All other actions(as outlined above) remain however eligible even in such cases where the area in question falls below the forest threshold in terms of tree cover i.e. with the exception of planting per se, and shall be deemed as eligible for support in line with Regulation EU 2115/2021 Article 155 (4).

6 Identification of relevant baseline elements

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

N/A

7 Form and rate of support/amounts/calculation methods

Form of support
☑ **Grant**
☐ **Financial instrument**

Type of payment
☑ reimbursement of eligible costs actually incurred by a beneficiary
☑ unit costs
☐ lump sums
☑ flat-rate financing

Basis for the establishment

Below is a list of cost categories/actions under SCO's, including the respective legal basis for establishment, in line with Article 83(1) and (2) of Regulation (EU) 2021/2115 that may be considered by the Managing Authority:

List of Cost Categories / Actions	SCO Form of Financing Legal Basis	SCO Methodology Legal Basis
Salaries	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(a)(i) of Regulation (EU) 2021/2115
Per Diem	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(d) of Regulation (EU) 2021/2115
Travel	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(c) of Regulation (EU) 2021/2115
Overheads	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 83(2)(c) of Regulation (EU) 2021/2115
Technical Assistance	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 94(2) of Regulation (EU) 2021/2115
Architect Fees	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 83(2)(a)(i) of Regulation (EU) 2021/2115

Range of support at beneficiary level

The support rate (aid intensity) applied to this intervention will be 100% of the eligible costs. Hence, no private co-financing will be applicable.

Additional explanation

Support will be provided in the form of grants. The same aid intensities shall apply across the Maltese Islands.

Maximum support rates as defined in Article 73 (4) will be applied as applicable. Beneficiaries of investment related support may request an advance payment of up to 50% of the public aid related to the investment.[1]

Successful applicants are those who are offered a grant agreement (hence excluding those who either fail the eligibility and/or selection process or are placed on a waiting list). The MA may include, in the national guidelines, a minimum size of eligible projects based on the public eligible cost.

Simplified Cost Options may be used to support investments/actions funded through this intervention in line with the national eligibility rules, and the guidance issued by the Managing Authority, either with the call for project proposals or at the latest in the document setting out the conditions for support.

[1] Regulation (EU) 2021/2116, Article 44, *Payments to Beneficiaries*, paragraph 3.

8 Information regarding State aid assessment

The intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment:
☐ Yes ☑ No ☐ Mixed

9 Additional questions/information specific to the Type of Intervention

What is not eligible for support?

In order to avoid inappropriate afforestation, support will only be provided for planting of trees/shrubs listed in the guidance document provided by the Environment and Resources Authority.

Non-native tree and shrub species shall not be eligible for support. Only native and indigenous species are allowed to be planted only. Other species may be considered for funding upon the presentation of the necessary approval by the respective competent authorities when requested by the Managing Authority.

Does the investment contain irrigation?

☐ Yes ☑ No

Investments in the improvement of existing irrigation installations, what is the potential water saving(s) required (expressed in %)

N/A

Details on different potential water savings according to the type of installation or infrastructure (where applicable)

Investments in the improvement of existing irrigation installations (affecting water bodies whose status is less than good) what is/are the requirement(s) for an effective reduction in water use - expressed in %)

N/A

Regional breakdown

10 WTO compliance

Green Box

Paragraph 11 of Annex 2 WTO

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

This intervention qualifies as ‘Green box’ because it has no, or at most minimal, trade-distorting effects or effects on production, as set out in the WTO Agreement on Agriculture.

11 Contribution rate(s) applicable to this intervention

Region	Article	Applicable rate	Min Rate	Max Rate
MT - Malta	91(3)(b) - 73 - Support for non-productive investments referred to in Article 73	80.00%	20.00%	80.00%

12 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Support	Contribution rate(s)	Type of Planned Unit Amount	Region(s)	Result Indicator(s)	Is the unit amount based on carried over expenditure?
Off Farm NP INV Unt1 - Unit Amount 1 for Off-Farm Non-productive Investments - Afforestration	Grant	91(3)(b) - 73-MT-80.00%	Average		R.17	No
Off Farm NP INV Unt2 - Unit Amount 2 for Off-Farm Non-productive Investments	Grant	91(3)(b) - 73-MT-80.00%	Average		R.27	No
Off Farm NPINV Un1RD - Carry-over Unit Amount 1 for Off-Farm Non-productive Investments - Afforestration RD	Grant	91(3)(b) - 73-MT-80.00%	Average		R.17	Yes
Off Farm NPINV Un2RD - Carry-over Unit Amount 2 for Off-Farm Non-productive Investments -RD	Grant	91(3)(b) - 73-MT-80.00%	Average		R.27	Yes

Explanation and justification related to the value of the unit amount

Off Farm NP INV Unt1 - Unit Amount 1 for Off-Farm Non-productive Investments - Afforestration

This planned amount is based on 14-20 RDP experience including financial allocation set and number of operations committed. This takes into consideration the fact that the proposed interventions relating to afforestation are expected to be similar in nature.

Off Farm NP INV Unt2 - Unit Amount 2 for Off-Farm Non-productive Investments

The planned amount relates to operations contributing to environmental sustainability; and the achievement of climate mitigation and adaptation goals in rural area. Its value is based on 14-20 RDP experience including financial allocation set and number of operations committed. This takes into consideration the fact that the proposed interventions are expected to be similar in nature.

Off Farm NPINV Un1RD - Carry-over Unit Amount 1 for Off-Farm Non-productive Investments - Afforestration RD

The
planned amount is based on RDP 20142022 expenditure for the RDP measure carried over in line with Article 155 of Regulation (EU) 2021/2115 and eligibl e for support under the CAP as incurred by the paying agency after 31 December 2025.

Off Farm NPINV Un2RD - Carry-over Unit Amount 2 for Off-Farm Non-productive Investments -RD

The
planned amount is based on RDP 20142022 expenditure for the RDP measure carried over in line with Article 155 of Regulation (EU) 2021/2115 and eligibl e for support under the CAP as incurred by the paying agency after 31 December 2025.

13 Planned Unit Amounts - Financial table with outputs

Planned Unit Amount	Financial Year	2023	2024	2025	2026	2027	2028	2029	Total 2023 - 2029
Off Farm NP INV Unt1 - Unit Amount 1 for Off-Farm Non-productive Investments -	Planned unit amount (Total Public Expenditure in EUR)	1,250,000.00	1,250,000.00	1,250,000.00	1,250,000.00	1,250,000.00	1,250,000.00	1,250,000.00	

Afforestration (Grant - Average)	Maximum planned average unit amount (where applicable) (EUR)	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00	
	O.23 (unit: Operations)	0.00	0.00	0.00	1.00	0.00	0.00	1.00	**Sum:** 2.00 **Max:** 1.00
Off Farm NP INV Unt2 - Unit Amount 2 for Off-Farm Non-productive Investments (Grant - Average)	Planned unit amount (Total Public Expenditure in EUR)	625,000.00	625,000.00	625,000.00	625,000.00	625,000.00	625,000.00	625,000.00	
	Maximum planned average unit amount (where applicable) (EUR)	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	
	O.23 (unit: Operations)	0.00	1.00	1.00	2.00	2.00	2.00	2.00	**Sum:** 10.00 **Max:** 2.00
Off Farm NPINV Un1RD - Carry-over Unit Amount 1 for Off-Farm Non-productive Investments - Afforestration RD (Grant - Average)	Planned unit amount (Total Public Expenditure in EUR)					50,000.00			
	Maximum planned average unit amount (where applicable) (EUR)								
	O.23 (unit: Operations)					2.00			**Sum:** 2.00 **Max:** 2.00
Off Farm NPINV Un2RD - Carry-over Unit Amount 2 for Off-Farm Non-productive Investments -RD (Grant - Average)	Planned unit amount (Total Public Expenditure in EUR)				50,000.00	50,000.00			
	Maximum planned average unit amount (where applicable) (EUR)								

	O.23 (unit: Operations)				1.00	4.00			**Sum:** 5.00 **Max:** 4.00
TOTAL	O.23 (unit: Operations)	0.00	1.00	1.00	4.00	8.00	2.00	3.00	**Sum:** 19.00 **Max:** 8.00
	Annual indicative financial allocation (Total public expenditure in EUR)	0.00	625,000.00	625,000.00	2,625,000.00	1,650,000.00	1,405,000.00	2,705,000.00	9,635,000.00
	Annual indicative financial allocation (Union Contribution in EUR)	0.00	500,000.00	500,000.00	2,100,000.00	1,320,000.00	1,124,000.00	2,164,000.00	7,708,000.00
	Out of which carry-over (Total public Expenditure in EUR)	0.00	0.00	0.00	50,000.00	300,000.00	0.00	0.00	350,000.00
	Out of which carry-over (Union contribution in EUR)	0.00	0.00	0.00	40,000.00	240,000.00	0.00	0.00	280,000.00
	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

RD Off-Farm INFRA - Off Farm Investments – Infrastructure

Intervention Code (MS)	RD Off-Farm INFRA
Intervention Name	Off Farm Investments – Infrastructure
Type of Intervention	INVEST(73-74) - Investments, including investments in irrigation
Common Output Indicator	O.22. Number of supported infrastructures investment operations or units
Contributing to ringfencing requirement for/on	Generational Renewal: No Environment: Yes ES rebate system: Yes LEADER: No

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

This intervention aims to support investment related to off-farm infrastructure, focusing on the entire territory of Malta.

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

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO5 Foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency
SO8 Promote employment, growth, gender equality, including the participation of women in farming, social inclusion and local development in rural areas, including the circular bio-economy and sustainable forestry

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
5.5	Encourage farmers to invest in efficient farming systems that make efficient use of resources	7	Yes

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold
R.27 Number of operations contributing to environmental sustainability and the achievement of climate mitigation and adaptation goals in rural areas
R.41 Share of rural population benefitting from improved access to services and infrastructure through CAP support

5 Specific design, requirements and eligibility conditions of the intervention

Describe what are the specific objectives and content of the intervention including specific targeting, principles of selection, links with relevant legislation, complementarity with other interventions/sets of operations in both pillars and other relevant information.

This intervention aims to support investments that take place off the farm but which are of benefit to the agricultural sector. Such investments may include *inter alia* modern water capture, storage, and distribution systems.

The share of agricultural emissions over the years has not fluctuated much over the years, however a 15% reduction in emissions has been registered in 2017 compared to 1990 emission levels (NECP, 2019). Efforts towards reducing agricultural energy usage will continue through various sectors including animal welfare, veterinary (through improved AMR surveillance) and waste management requirements, which will contribute and complement investments foreseen under on-farm productive investments such as smart irrigation techniques, use of greenhouses, farm waste management, eco-schemes contributing towards

higher environment and climate ambition. Similarly, investments in the extension of the new water distribution network will not only contribute towards reducing dependency on groundwater but also facilitate energy efficiency.

Government has over the years incentivised the use of RE and EE across households, industry, public buildings and spaces, including through EU Funds. As outlined in the Court of Auditors Report [1] there is limited added value in EU grants for RES as project owners could implement their projects without grants, also in view of the advantageous feed-in tariff. Within this context, RES generation in terms of PV installations continues to be funded through national resources. In this regard, national schemes are in place to support such investments by households and private operators. This complements the National Energy and Climate Plan, as well as other interventions that are focusing on the decarbonisation of Malta's economy through other funding programmes and Plans including ERDF, through investments in energy efficiency which aim to sustain competitiveness of the private sector with the support of a financial instrument. Renewable energy will also be addressed through CF including the development of second electricity interconnector as well as battery storage, increasing charging pillars for Electric Vehicles (EV) and pilot projects aimed at diversifying energy supply. Support through JTF in this area is also envisaged through the shore to ship supply. Malta's RRP will focus on investing in EV's for the public and private sector whereas ESF+ will support training in relation to the green transition.

Support for investments in infrastructure related to development, modernisation or adaptation of agriculture.

This intervention aims to provide support to public entities to carry out investments in off-farm infrastructure that will ultimately lead to improved environmental performance.

Many farms in Malta suffer from a lack of investment in basic infrastructure, which if improved, could contribute to reducing labour and input costs of production. The main areas of support is water management.

Since groundwater resources in Malta are limited and their quantitative and qualitative status needs to be improved, support through this intervention is expected to provide farmers with an alternative source of water, to reduce their dependence on groundwater, thereby reducing abstraction and allowing for the natural replenishment of the aquifer. In this regard, the CAP Strategic Plan is expected to support the extension of the network through which treated sewage affluent (also known as ‘new water’) is delivered closer to farmers. ESI Funds from the 14 – 20 programming period have already been used to support the creation of such networks, however, there are areas that although predominantly agricultural, still have no access to such water. The CAP Strategic Plan shall therefore target the extension of the new water network to such areas, to ensure that farmers across Malta and Gozo have adequate access to this resource. This intervention is not expected to support on-farm existing irrigation installations – such interventions may be eligible for support through the on-farm productive investments intervention, under the respective conditions set out in the intervention.

Livestock farms need support for investment in water treatment and recycling technology, and water storage facilities. As regards the latter, the reuse of such water for irrigation and on-farm cleaning/hygiene is possible. With advanced technologies, new opportunities could arise. Individual livestock farms could consider investing in technology aimed at treating liquid manure from which water could be reused on the farm. This could be supported under on farm investment operations by farmers through the on-farm productive investment intervention.

Off-farm infrastructure interventions will include investments which are of benefit to a wider community, and not exclusively for farmers and groups of farmers:

-Water storage, recycling, water collection and treatment, by laying of treated sewage distribution

network, investment in further polishing of second-class water to make it suitable for agricultural use, etc. These interventions are foreseen to be implemented as part of a holistic project which encompasses all of these actions together. Urban waste-water shall be treated according to the requirements set out in Council Directive 91/271/EEC[2] and Directive 2000/60/EC following the additional treatment to comply with the minimum requirements for water reuse in agriculture as set out in Regulation (EU) 2020/741.

Salinity of irrigation water is being tackled using a two-pronged approach: (a) addressing sewer network seawater infiltration hotspots to curtail the problem at source, and (b) practical elimination of residual salinity via reverse osmosis membranes, a treatment stage already in place on all reclaimed water plants in operation. The RO membrane process additionally removes persistent organic and inorganic substances from the treated effluent following an ultrafiltration pre-treatment stage. The final effluent subsequently undergoes disinfection via UV irradiation and hydrogen peroxide.

The envisaged investments will contribute to the following specific objective:

Specific Objective 5: Foster sustainable development and efficient management of natural resources such as water, soil and air.

Malta is a semi-arid country where water scarcity has been an issue since documented history. Also, with the impact of climate change, rainfall patterns have changed, becoming more erratic. Therefore, a stable supply of water for irrigation purposes is crucial for farmers. Whereas various farmers have access to natural water supplies through bore holes, this supply of water is slowly being depleted, since extraction rates are higher than recharge rates. Malta's 2nd Water Catchment Management Plan (WCMP) acknowledges the agricultural sector's reliance on ground water for irrigation and suggests measures aimed at addressing water scarcity and over-abstraction of ground water through the restoration of over-drawn aquifers and investment in smart irrigation technology. The 2nd WCMP identifies the need for alternative sources of irrigation, such as treated sewage effluent and the collection of rainwater runoff to reduce groundwater abstractions for irrigation. Building on the 2nd WCMP, actions contributing towards sustainable water management are foreseen through the draft *National Investment Plan for Water and Wastewater Sector 2022 – 2030*, which includes measures that address potable water, rainwater runoff and actions targeting the effective protection of groundwater resources, amongst others. The consultation process leading to the 3rd Water Catchment Management Plan is ongoing. The Rural Development Programme 2014 – 2020 has already supported a project aimed at distributing treated sewage effluent to certain areas of the Maltese Islands in which agriculture is most predominant. This intervention aims to support further extension of this distribution network, therefore increasing the number of holdings that can make use of this treated sewage effluent for irrigation purposes, reducing their reliance on groundwater. Malta is in the process of developing a Nitrates Action Plan in line with the Nitrates Directive. Interventions will be in line with the needs identified in the Plan.

Targeting

Off Farm non-productive infrastructural investments:

Supporting investments in improved water management solutions by laying of an agricultural treated sewage effluent distribution network. Support is also foreseen in further polishing of second-class water to make it suitable for agricultural use. Therefore, under this intervention, the provision of recycled water for irrigation purposes is being foreseen - investments supported will not be targeted towards extracting fresh water from the aquifer. This project is therefore expected to provide farmers with an alternative source of irrigation water, diminishing farmers' reliance on the extraction of fresh water. This is also being coupled with the setting up of quotas for water linked to the crop plan. Farmers are required to design a crop plan

upon which the amount of water needed is calculated. This calculation is used to allocate an amount of water each farmer based on its water requirements.

M4.3 – support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry. Carryover support under this measure shall target operations supported under the RDP as linked to support for Off-farm infrastructure investment in the distribution of reclaimed water.

Complementarity with other interventions

Interventions supporting the investments in infrastructure related to development modernisation or adaptation of agriculture may be complemented through cooperation activities involving partnerships of farmers to ensure economies of scale are achieved. Similarly, investments in agricultural holdings involving smart irrigation techniques and other technologies will also complement infrastructural interventions that aim to increase the farmers' competitiveness. Investments on agricultural holdings will be supported through the on-farm productive investments intervention and shall be in line with the conditions set out in the respective intervention.

In addition, interventions in the 'New Water' network and will also complement investments in plants under Malta's ERDF/CF/JTF Programme. This will ensure improved coverage across both urban and rural areas in an effort to holistically improve water accessibility and management.

[1] Court of Auditors, 'Preliminary findings of the audit of ERDF and Cohesion Fund investments in the field of renewable energy – Operational Programme I – Investing in Competitiveness for a Better Quality of Life, Malta' (2013).
[2] Council Directive of 21 May 1991 concerning urban waste water treatment (91/271/EEC).

Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary and area

Public entities/authorities are the main foreseen eligible entities.

Eligibility Conditions may include:

Where the investment is likely to have negative effects on the environment, investment operations shall be preceded by an assessment of the expected environmental impact in accordance with legislation specific to that kind of investment.

In the case of investments related to bioenergy, the criteria laid down in EU legislation (cf. Article 17(2) to (6) of Directive 2009/28/EC)[1] shall apply.

Support will not be granted when this is already provided under the EAGF to avoid double funding.

In the case of investment related to water reuse, the criteria laid down in EU Regulation 2020/741 shall apply.

This intervention is not expected to support on-farm existing irrigation installations – such interventions may be eligible for support through the on-farm productive investments intervention, under the respective conditions set out in the intervention.

An operation comprising investment in infrastructure or productive investment carries the below

durability period obligations, regardless of the size of the beneficiary:

- For investments with a grant value of up to €15,000 the durability period obligations will extend to one (1) year from the final payment to the beneficiary.
- For investments with a grant value of between €15,000 and €200,000 the durability period obligations will extend to three (3) years from the final payment to the beneficiary.
- For investments with a grant value of over €200,000 the durability period obligations will extend to five (5) years from the final payment to the beneficiary.

This obligation is tied to investments in infrastructure and/or to productive investments and is applied regardless of the size of the beneficiary.

Investments in the use of reclaimed water as an alternative water supply and the provision and use of such water will need to be compliant with Regulation (EU) 2020/741.

[1] Directive 2009/28/EC of the European Parliament and of the Council of 23 April 2009 on the promotion of the use of energy from renewable sources and amending and subsequently repealing Directives 2001/77/EC and 2003/30/EC (Text with EEA relevance).

Define eligible type of support (non-IACS) or commitments (IACS) and other obligations

Eligible Actions will include:

-The construction, acquisition, including through leasing leading to a purchase obligation at the end of the contract, or improvement of immovable property;

-The purchase or lease-purchase of new machinery and equipment (including investments related to energy efficiency/generation) up to the market value of the asset (with the exception of second hand machinery and/or equipment will be ineligible);

-General costs such as architects, engineers, project management costs and consultation fees, feasibility studies, the acquisition of patent rights and licences up to a maximum 15% of the total eligible project cost;

-Water metering costs;

-Intangible investments such as computer software;

-Publicity costs;

-Contributions in kind in the form of provision of works, goods, services, land and real estate for which no cash payment supported by invoices or documents of equivalent probative value has been made, may be eligible provided such provisions are made in National Implementing guidance document in line with Article 86 of the CAP SP Regulation.

Further details regarding the eligible costs will be determined in line with the national Eligibility Rules and Guidance issued with the call for project proposals within the parameters allowed in the applicable Regulations.

In the principles of selection and in line with the SEA recommendation, Malta will continue encouraging and facilitating investments contributing to Environmental requirements. Whilst ranking criteria will be established through the MC consultation procedure in line with Art. 79 and Art. 124 of the CAP SP Regulation, such actions contributing directly to weaknesses and opportunities identified in the SWOT analysis will be promoted and shall be weighted accordingly during the selection process.

-In cases of emergency due to catastrophic events or a significant and sudden change in the socio-economic conditions, according to 86 (3) of Regulation 2021/2115, permission may be granted for

expenditure to be considered eligible from the date when the event occurred and thus before an application has been submitted.

In line with Article 73(5), where Union law results in the imposition of new requirements on farmers, support may be granted for investments to comply with those requirements for a maximum of 24 months from the date on which they become mandatory for the holding.

6 Identification of relevant baseline elements

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

N/A

7 Form and rate of support/amounts/calculation methods

Form of support

☑ **Grant**

☐ **Financial instrument**

Type of payment

☑ reimbursement of eligible costs actually incurred by a beneficiary

☑ unit costs

☐ lump sums

☑ flat-rate financing

Basis for the establishment

Below is a list of cost categories/actions under SCO's, including the respective legal basis for establishment, in line with Article 83(1) and (2) of Regulation (EU) 2021/2115 that may be considered by the Managing Authority:

List of Cost Categories / Actions	SCO Form of Financing Legal Basis	SCO Methodology Legal Basis
Salaries	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(a)(i) of Regulation (EU) 2021/2115
Per Diem	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(d) of Regulation (EU) 2021/2115
Travel	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(c) of Regulation (EU) 2021/2115
Overheads	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 83(2)(c) of Regulation (EU) 2021/2115
Technical Assistance	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 94(2) of Regulation (EU) 2021/2115
Architect Fees	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 83(2)(a)(i) of Regulation (EU) 2021/2115

Range of support at beneficiary level

The support rate (aid intensity) applied to this intervention shall be 100% of the eligible costs.

Additional explanation

Support will be provided in the form of grants. The same aid intensities shall apply across the Maltese Islands.

Maximum support rates as defined in Article 73 (4) will be applied as applicable. Beneficiaries of investment related support may request an advance payment, at the discretion of the MA and ARPA, up to 50% of the public aid related to the investment.[1]

Article 86 Reg 2021/2115 applies in terms of eligibility of expenditure. In the national guidelines, the MA may introduce an exception to the professional services incurred by successful applicants for the submission of an EAFRD application, including business plans where these are required.

Successful applicants are those who are offered a grant agreement (hence excluding those who either fail the eligibility and/or selection process or are placed on a waiting list). The MA may include, in the national guidelines, a minimum size of eligible projects based on the public eligible cost.

Simplified Cost Options may be used to support investments/actions funded through this intervention in line with the national eligibility rules, and the guidance issued by the Managing Authority, either with the call for project proposals or at the latest in the document setting out the conditions for support.

[1] Regulation (EU) 2021/2116, Article 44, *Payments to Beneficiaries*, paragraph 3.

8 Information regarding State aid assessment

The intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment:

☐ Yes ☑ No ☐ Mixed

9 Additional questions/information specific to the Type of Intervention

What is not eligible for support?

Simple replacement investments shall not be eligible for support. Operations such as investment in the functional improvement of agricultural water reservoirs (that form part of the treated sewage effluent network) (ġibjuni) for the reduction of water abstraction are not considered simple replacement;

Investments resulting in the direct net increase of the irrigated area affecting a given body of ground or surface water are not eligible.

The purchase of agricultural production rights, payment entitlements, animals, annual plants and their planting;

Second-hand machinery and/or equipment;

Interest rate on debt, except in relation to grants given in the form of an interest rate subsidy or guarantee fee subsidy

Does the investment contain irrigation?

☑ Yes ☐ No

Investments in the improvement of existing irrigation installations, what is the potential water saving(s) required (expressed in %)

N/A

Details on different potential water savings according to the type of installation or infrastructure (where applicable)

Investments in the improvement of existing irrigation installations (affecting water bodies whose status is less than good) what is/are the requirement(s) for an effective reduction in water use - expressed in %)

N/A

Regional breakdown

10 WTO compliance

Green Box

Paragraph 11 of Annex 2 WTO

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

This intervention qualifies as ‘Green box’ because it has no, or at most minimal, trade-distorting effects or effects on production, as set out in the WTO Agreement on Agriculture.

11 Contribution rate(s) applicable to this intervention

Region	Article	Applicable rate	Min Rate	Max Rate
MT - Malta	91(2)(c) - Transition regions within the meaning of Article 108(2), first subparagraph, point (b), of Regulation (EU) 2021/1060	60.00%	20.00%	60.00%

12 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Support	Contribution rate(s)	Type of Planned Unit Amount	Region(s)	Result Indicator(s)	Is the unit amount based on carried over expenditure?
Off-Farm INFRA RD - Carry-over Unit Amount for Off-Farm Infrastructure investments RD	Grant	91(2)(c)-MT-60.00%	Average		R.27; R.41	Yes
Off-Farm INFRA Unit - Unit Amount for Off-Farm Infrastructure investments	Grant	91(2)(c)-MT-60.00%	Average		R.27; R.41	No

Explanation and justification related to the value of the unit amount

Off-Farm INFRA RD - Carry-over Unit Amount for Off-Farm Infrastructure investments RD

The planned amount is based on RDP 2014-2022 expenditure for the RDP measure carried over in line with Article 155 of Regulation (EU) 2021/2115 and eligible for support under the CAP SP as incurred by the paying agency after 31 December 2025.

Off-Farm INFRA Unit - Unit Amount for Off-Farm Infrastructure investments

The planned amount is based on 14-20 RDP experience including financial allocation set and number of operations committed under Measure 4.3. This takes into consideration the fact that the proposed interventions are expected to be similar in nature.

13 Planned Unit Amounts - Financial table with outputs

Planned Unit Amount	Financial Year	2023	2024	2025	2026	2027	2028	2029	Total 2023 - 2029
Off-Farm INFRA RD - Carry-over Unit Amount for Off-Farm Infrastructure investments RD (Grant - Average)	Planned unit amount (Total Public Expenditure in EUR)				400,000.00	400,000.00			
	Maximum planned average unit amount (where applicable) (EUR)								
	O.22 (unit: Operations)				1.00	1.00			**Sum:** 2.00 **Max:** 1.00
Off-Farm INFRA Unit - Unit Amount for Off-Farm Infrastructure investments (Grant - Average)	Planned unit amount (Total Public Expenditure in EUR)	0.00	0.00	0.00	10,000,000.00	10,000,000.00	10,000,000.00	10,000,000.00	
	Maximum planned average unit amount (where applicable) (EUR)				13,200,000.00	13,200,000.00	13,200,000.00	13,200,000.00	

	O.22 (unit: Operations)	0.00	0.00	0.00	0.20	0.20	0.25	0.35	**Sum:** 1.00 **Max:** 0.35
TOTAL	O.22 (unit: Operations)	0.00	0.00	0.00	1.20	1.20	0.25	0.35	**Sum:** 3.00 **Max:** 1.20
	Annual indicative financial allocation (Total public expenditure in EUR)	1,549,804.12	3,099,608.24	833,333.34	2,000,000.00	2,300,000.00	1,500,000.00	2,717,254.30	14,000,000.00
	Annual indicative financial allocation (Union Contribution in EUR)	929,882.47	1,859,764.94	500,000.00	1,200,000.00	1,380,000.00	900,000.00	1,630,352.59	8,400,000.00
	Out of which carry-over (Total public Expenditure in EUR)	0.00	0.00	0.00	400,000.00	400,000.00	0.00	0.00	800,000.00
	Out of which carry-over (Union contribution in EUR)	0.00	0.00	0.00	240,000.00	240,000.00	0.00	0.00	480,000.00
	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

RD Off-Farm INFRARd - Off-Farm Infrastructure Rural Roads for Competitiveness

Intervention Code (MS)	RD Off-Farm INFRARd
Intervention Name	Off-Farm Infrastructure Rural Roads for Competitiveness
Type of Intervention	INVEST(73-74) - Investments, including investments in irrigation
Common Output Indicator	O.22. Number of supported infrastructures investment operations or units
Contributing to ringfencing requirement for/on	Generational Renewal: No Environment: No ES rebate system: LEADER: No

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

This intervention aims to support investment related to off-farm infrastructure, focusing on the entire territory of Malta.

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

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO2 Enhance market orientation and increase farm competitiveness, both in the short and long term, including greater focus on research, technology and digitalisation
SO8 Promote employment, growth, gender equality, including the participation of women in farming, social inclusion and local development in rural areas, including the circular bio-economy and sustainable forestry

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
2.4	Identify and support the investment needs of the sector to increase its market competitiveness	1	Yes

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold
R.41 Share of rural population benefitting from improved access to services and infrastructure through CAP support

5 Specific design, requirements and eligibility conditions of the intervention

Describe what are the specific objectives and content of the intervention including specific targeting, principles of selection, links with relevant legislation, complementarity with other interventions/sets of operations in both pillars and other relevant information.

This intervention aims to support investments that take place off the farm but which are of benefit to the agricultural sector. Such investments may include the upgrade and modernisation of rural roads in rural areas which may require continuous improvement especially those leading to farms. The efficient management of local infrastructure is not only vital to ensure competitiveness in agriculture but also to ensure the sustained preservation of farm holdings that are increasingly under threat of land abandonment as a result of difficult accessibility due to fragmentation. The lack of adequate access to these holdings, particularly those situated in terraced hills and coastal cliffs, is one of the major causes driving land abandonment in the Maltese islands, since it limits mechanization, productivity and leads to land marginalisation. Such investment will therefore aim to improve accessibility to farmland, prevent land abandonment and encourage farmers to make the best use of all their land parcels, therefore providing farmers with better access to their holdings. Improved rural roads will also provide better access to machinery that can improve the efficiency of primary production. Investment in rural roads will also

complement actions in arterial roads under Cohesion Funds 2021 – 2027 with a view to holistically foster climate resilient roads.

The envisaged investments will contribute to the following specific objective:

Specific objective 2: Enhance market orientation and increase competitiveness, including greater focus on research, technology and digitalisation

Building on the success of measures implemented under the RDP 14-20, to improve road accessibility with the aim of increasing farm competitiveness, under this intervention the construction and upgrading of access roads in rural areas may be supported. The National Transport Strategy 2050 for Malta in fact aims to provide a sustainable transport system for both rural and urban environments, where people live and work. This strategy notes that in view of Malta's size, isolation of rural communities is not as critical as it tends to be in larger countries, therefore, such investments in rural areas are more targeted towards providing farmers with better access to their holdings, rather than to connect rural to urban areas. The aim, therefore, is to limit land abandonment and encourage farmers to make the best use of all their land parcels. Better rural roads ensure that farmers' equipment can also be accommodated. This intervention aims to improve farmers competitiveness and will therefore target Specific Objective 2.

This intervention will also enable better accessibility and cut down on the time required by farmers to travel from one land parcel to another, also in view of the fragmented nature of local agricultural holdings in Malta. Such measure will also be complemented with initiatives related to the upgrade of rubble walls which aim to reduce soil erosion.

Support for improving access to rural roads shall also contribute towards specific objective 8 as it is meant to have a positive impact on the agricultural sector given that better rural roads will also cut down on the time required by farmers to travel from one land parcel to another, keeping in mind the fragmented nature of local agricultural holdings.

Targeting:

Supporting investments in off-farm non-productive infrastructural in modernisation of rural roads.

M4.3 – support for investments in infrastructure related to development, modernisation or adaptation of agriculture and forestry. Carryover support under this measure shall target operations supported under the RDP as linked to the support for the construction or improvement of farm access roads.

Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary and area

Public entities/authorities are the main foreseen eligible entities.

Eligibility conditions:

- Support will not be granted to holdings or enterprises in difficulty within the meaning of the Union guidelines for state aid in the agriculture and forestry sector and the Union guidelines on State aid for rescuing and restructuring firms in difficulty.
- Where the investment is likely to have negative effects on the environment, investment operations shall be preceded by an assessment of the expected environmental impact in accordance with legislation specific to that kind of investment.

An operation comprising investment in off-farm infrastructure, rural roads, carries the below durability

period obligations, regardless of the size of the beneficiary:

-For investments with a grant value of up to €15,000 the durability period obligations will extend to one (1) year from the final payment to the beneficiary.

-For investments with a grant value of between €15,000 and €200,000 the durability period obligations will extend to three (3) years from the final payment to the beneficiary.

-For investments with a grant value of over €200,000 the durability period obligations will extend to five (5) years from the final payment to the beneficiary.

This obligation is tied to investments in infrastructure and/or to productive investments and is applied regardless of the size of the beneficiary.

Define eligible type of support (non-IACS) or commitments (IACS) and other obligations

Eligible Actions will include:

-The purchase or lease-purchase of new machinery and equipment up to the market value of the asset (second hand machinery and/or equipment) will be ineligible

-General costs such as architects, engineers, project management costs and consultation fees, feasibility studies, the acquisition of patent rights and licences up to a maximum 15% of the total eligible project cost;

-Publicity costs;

-Contributions in kind in the form of provision of works, goods, services, land and real estate for which no cash payment supported by invoices or documents of equivalent probative value has been made, may be eligible provided such provisions are made in National Implementing guidance document in line with Article 86 of the CAP SP Regulation.

Further details regarding the eligible costs will be determined in line with the national Eligibility Rules and Guidance issued with the call for project proposals within the parameters allowed in the applicable Regulations.

In cases of emergency due to catastrophic events or a significant and sudden change in the socio-economic conditions, according to 86 (3) of Regulation 2021/2115, permission may be granted for expenditure to be considered eligible from the date when the event occurred and thus before an application has been submitted.

In line with Article 73(5), where Union law results in the imposition of new requirements on farmers, support may be granted for investments to comply with those requirements for a maximum of 24 months from the date on which they become mandatory for the holding.

In the principles of selection and in line with the SEA recommendation, Malta will continue encouraging and facilitating investments contributing to Environmental requirements. Whilst ranking criteria will be established through the MC consultation procedure in line with Art. 79 and Art. 124 of the CAP SP Regulation, such actions contributing directly to weaknesses and opportunities identified in the SWOT analysis will be promoted and shall be weighted accordingly during the selection process.

6 Identification of relevant baseline elements

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

N/A

7 Form and rate of support/amounts/calculation methods

Form of support

☑ **Grant**
☐ **Financial instrument**

Type of payment
☑ reimbursement of eligible costs actually incurred by a beneficiary
☑ unit costs
☐ lump sums
☑ flat-rate financing

Basis for the establishment

Below is a list of cost categories/actions under SCO's, including the respective legal basis for establishment, in line with Article 83(1) and (2) of Regulation (EU) 2021/2115 that may be considered by the Managing Authority:

List of Cost Categories / Actions	SCO Form of Financing Legal Basis	SCO Methodology Legal Basis
Salaries	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(a)(i) of Regulation (EU) 2021/2115
Per Diem	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(d) of Regulation (EU) 2021/2115
Travel	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(c) of Regulation (EU) 2021/2115
Overheads	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 83(2)(c) of Regulation (EU) 2021/2115
Technical Assistance	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 94(2) of Regulation (EU) 2021/2115
Architect Fees	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 83(2)(a)(i) of Regulation (EU) 2021/2115

Range of support at beneficiary level

The support rate (aid intensity) applied to this intervention shall be 100% of the eligible costs.

Additional explanation

Article 86 of Regulation 2021/2115 applies in terms of eligibility of expenditure.

Successful applicants are those who are offered a grant agreement (hence excluding those who either fail the eligibility and/or selection process or are placed on a waiting list). The MA may adopt an SCO rate for such eligible cost. The MA may include, in the national guidelines, a minimum size of eligible projects based on the public eligible cost.

Beneficiaries of investment related support may request an advance payment, at the discretion of the MA and ARPA, up to 50% of the public aid related to the investment.[1]

Successful applicants are those who are offered a grant agreement (hence excluding those who either fail the eligibility and/or selection process or are placed on a waiting list). The MA may adopt an SCO rate for such eligible cost. The MA may include, in the national guidelines, a minimum size of eligible projects based on the public eligible cost.

Simplified Cost Options may be used to support investments/actions funded through this intervention in line with the national eligibility rules, and the guidance issued by the Managing Authority, either with the call for project proposals or at the latest in the document setting out the conditions for support.

[1] Regulation (EU) 2021/2116, Article 44, *Payments to Beneficiaries*, paragraph 3.

8 Information regarding State aid assessment

The intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment:
☐ Yes ☑ No ☐ Mixed

9 Additional questions/information specific to the Type of Intervention

What is not eligible for support?

-Simple replacement investments shall not be eligible for support;
-The purchase of agricultural production rights, payment entitlements, animals, annual plants and their planting;
-Second hand machinery and/or equipment;
-Interest rate on debt, except in relation to grants given in the form of an interest rate subsidy or guarantee fee subsidy

Does the investment contain irrigation?

☐ Yes ☑ No

Investments in the improvement of existing irrigation installations, what is the potential water saving(s) required (expressed in %)

N/A

Details on different potential water savings according to the type of installation or infrastructure (where applicable)

Investments in the improvement of existing irrigation installations (affecting water bodies whose status is less than good) what is/are the requirement(s) for an effective reduction in water use - expressed in %)

N/A

Regional breakdown

10 WTO compliance

Green Box

Paragraph 11 of Annex 2 WTO

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

This intervention qualifies as ‘Green box’ because it has no, or at most minimal, trade-distorting effects or effects on production, as set out in the WTO Agreement on Agriculture.

11 Contribution rate(s) applicable to this intervention

Region	Article	Applicable rate	Min Rate	Max Rate
MT - Malta	91(2)(c) - Transition regions within the meaning of Article 108(2), first subparagraph, point (b), of Regulation (EU) 2021/1060	60.00%	20.00%	60.00%

12 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Support	Contribution rate(s)	Type of Planned Unit Amount	Region(s)	Result Indicator(s)	Is the unit amount based on carried over expenditure?
OFF-Farm INFRARD RD - Carry-over Unit Amount for Off-Farm Infrastructure investments	Grant	91(2)(c)-MT-60.00%	Average		R.41	Yes
OFF-Farm INFRARD Uni - Unit Amount for Off-Farm Infrastructure Rural Roads	Grant	91(2)(c)-MT-60.00%	Average		R.41	No

Explanation and justification related to the value of the unit amount

OFF-Farm INFRARD RD - Carry-over Unit Amount for Off-Farm Infrastructure investments

The planned amount is based on RDP 2014-2022 expenditure for the RDP measure carried over in line with Article 155 of Regulation (EU) 2021/2115 and eligible for support under the CAP as incurred by the paying agency after 31 December 2025.

OFF-Farm INFRARD Uni - Unit Amount for Off-Farm Infrastructure Rural Roads

The planned amount is based on 14-20 RDP experience including financial allocation set and number of operations committed under Measure 4.3. This takes into consideration the fact that the proposed interventions are expected to be similar in nature.

13 Planned Unit Amounts - Financial table with outputs

Planned Unit Amount	Financial Year	2023	2024	2025	2026	2027	2028	2029	Total 2023 - 2029
OFF-Farm INFRARD RD - Carry-over Unit Amount for Off-Farm Infrastructure investments (Grant - Average)	Planned unit amount (Total Public Expenditure in EUR)					500,000.00			
	Maximum planned average unit amount (where applicable) (EUR)								
	O.22 (unit: Operations)					4.00			**Sum:** 4.00 **Max:** 4.00
OFF-Farm INFRARD Uni - Unit Amount for Off-Farm Infrastructure Rural Roads (Grant - Average)	Planned unit amount (Total Public Expenditure in EUR)	0.00	819,684.33	819,684.33	819,684.33	819,684.33	819,684.33	819,684.33	
	Maximum planned average unit amount (where applicable) (EUR)								

	O.22 (unit: Operations)	0.00	1.00	1.00	0.15	0.20	0.30	0.35	**Sum:** 3.00 **Max:** 1.00
TOTAL	O.22 (unit: Operations)	0.00	1.00	1.00	0.15	4.20	0.30	0.35	**Sum:** 7.00 **Max:** 4.20
	Annual indicative financial allocation (Total public expenditure in EUR)	0.00	819,684.33	819,684.33	200,000.00	2,200,000.00	700,000.00	998,421.65	5,737,790.31
	Annual indicative financial allocation (Union Contribution in EUR)		491,810.60	491,810.60	120,000.00	1,320,000.00	420,000.00	599,053.00	3,442,674.20
	Out of which carry-over (Total public Expenditure in EUR)					2,000,000.00			2,000,000.00
	Out of which carry-over (Union contribution in EUR)					1,200,000.00			1,200,000.00
	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)								
	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)								

RD Off-Farm P.INVEST - Off-farm Productive Investment

Intervention Code (MS)	RD Off-Farm P.INVEST
Intervention Name	Off-farm Productive Investment
Type of Intervention	INVEST(73-74) - Investments, including investments in irrigation
Common Output Indicator	O.24. Number of supported off-farm productive investment operations or units
Contributing to ringfencing requirement for/on	Generational Renewal: No Environment: No ES rebate system: LEADER: No

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

This intervention aims to support farmers and processors as well as the development of new products, covering the entire territory of Malta.

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

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO2 Enhance market orientation and increase farm competitiveness, both in the short and long term, including greater focus on research, technology and digitalisation
SO3 Improve the farmer' position in the value chain

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
2.2	Better cooperation and strategic market approaches in the sectors which currently lack this	4	Yes
2.3	Increase direct selling, adding value, improving processing, marketing facilities and skills	3	Yes
2.4	Identify and support the investment needs of the sector to increase its market competitiveness	1	Yes
3.2	Improve the organisation of producers in the relevant sectors, where this is currently lacking	2	Yes
3.4	Further develop established niche markets for authentic Maltese products	3	No

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold
R.10 Share of farms participating in producer groups, producer organisations, local markets, short supply chain circuits and quality schemes supported by the CAP

5 Specific design, requirements and eligibility conditions of the intervention

Describe what are the specific objectives and content of the intervention including specific targeting, principles of selection, links with relevant legislation, complementarity with other interventions/sets of operations in both pillars and other relevant information.

Off-farm investments related to processing and/or development

This intervention aims to fund productive off-farm investments related to processing and/or development of agricultural products.

Investments in processing may consist of grants that support farmers, processors and other eligible beneficiaries in adding value to primary products, improve quality or develop new products amongst others. Such funding aims to target two main groups of beneficiaries, namely farmers, including young farmers, whether individually or in groups and partnerships; and processors in all forms. This intervention can also support other eligible beneficiaries, as noted in the list of eligible beneficiaries. Investments supported through this intervention should result in demonstrable benefits to Maltese agricultural producers.

This intervention shall be open to processing and/or development of agricultural products listed in Annex 1 to the Treaty on the Functioning of the EU as an input. Support shall also be provided for off-farm investments that transform Annex 1 products into other Annex I products. Investments that transform Annex 1 products into non-Annex 1 products will be eligible, however these will be subject to State Aid parameters. It is however admissible to support processing with non-Annex I products to the extent that they constitute a minor component of the input within the processing operation and are necessary for processing reasons, e.g. small percentages of additives. For the purpose of this intervention, Regulation (EU) 1308/2013 or other superseding legislation shall be used to establish whether a product is an agricultural product listed in Annex I of the Treaty on the Functioning of the EU or not. Processing should be specifically related to undertaking activities that add value to primary production, for processors in all forms. This may complement interventions involving diversification to agricultural activities. To this end, it is being clarified that investments under this intervention (off-farm productive investment) are not bound by specific locations and can be introduced and/or supported regardless of the location of the plant (for example, it could be in the proximity/adjacent/abutting on an agricultural holding but could equally be located in a non-agricultural zone as well as in a non-rural locality).

This intervention also supports development activities aimed at adding value to agricultural products, improving quality beyond standards, applying new and more efficient production methods or improving product presentation. To this end, it is being clarified that investments under this intervention (off-farm productive investment) shall also support investments in shops intrinsically linked to the supported processing and/or development plant. Shops shall be part and parcel of the processing and/or development plant in order to be considered for support under this intervention and shall be limited to shops marketing Annex I products only. The MA may, in the national guidelines, cap the support from a processing and/or development intervention towards such shops. Sales from such shops will be aimed at direct selling to the final consumer.

Processors (legal persons), as well as natural persons investing in processing and/or development off-farm will be supported at a rate of 50%.

Specific Objective 2: Enhance market orientation and increase competitiveness, including greater focus on research, technology and digitalisation

Support contributing to this Specific Objective shall aim at enhancing the competitiveness and profitability of beneficiaries, whether farmers or processors. Modern equipment that reduces the expenditure on inputs such as water and energy and the development of new products aimed at increasing one's market share shall be considered as contributing to this Specific Objective.

Specific Objective 3: improve farmers bargaining position in the supply chain

Investments that shorten the supply chain, that bring farmers closer to processors, shall contribute to Specific Objective 3.

Such projects would also contribute to enhancing the competitiveness of farmers since shortening the supply chain and adding value will likely provide beneficiaries with better returns on primary produce, and therefore better possibility for further investments and opportunities for business development.

Targeting:

Processing & marketing to develop new products and short supply chains, as well as expanding production and increasing processing efficiency on existing processing systems/products.

Complementarity with other interventions:

Interventions supporting off-farm productive investments involving processing and/or development of new products shall contribute towards interventions in on-farm productive investments targeting diversification and cooperation.

Links with relevant legislation

REGULATION (EU) 2021/2115 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 2 December 2021 establishing rules on support for strategic plans to be drawn up by Member States under the common agricultural policy (CAP Strategic Plans) and financed by the European Agricultural Guarantee Fund (EAGF) and by the European Agricultural Fund for Rural Development (EAFRD) and repealing Regulations (EU) No 1305/2013 and (EU) No 1307/2013.

Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary and area

Farmers (whether natural/legal persons);

Group of Farmers (including *inter alia* partnerships, cooperatives)

Other businesses/public entities/land managers.

Eligibility conditions may include:

- Where the investment is likely to have negative effects on the environment, investment operations shall be preceded by an assessment of the expected environmental impact in accordance with legislation specific to that kind of investment.
- Support will not be granted for when this is already provided for under direct payment.
- In the case of investments under the processing and/or development intervention the input must be an Annex I product. It is however admissible to support processing with non-Annex I products to the extent that they constitute a minor component of the output within the processing operation and are necessary for processing reasons, e.g. small percentages of additives.
- In cases of emergency due to catastrophic events or a significant and sudden change in the socioeconomic conditions, according to Article 86 (3) of Regulation 2021/2115, permission may be granted for expenditure to be eligible from the date when the event occurred and thus before an application has been submitted.

An operation comprising investment in off-farm productive investment carries the below durability period obligations, regardless of the size of the beneficiary:

-For investments with a grant value of up to €15,000 the durability period obligations will extend to one (1) year from the final payment to the beneficiary.

-For investments with a grant value of between €15,000 and €200,000 the durability period obligations will extend to three (3) years from the final payment to the beneficiary.

-For investments with a grant value of over €200,000 the durability period obligations will extend to five (5) years from the final payment to the beneficiary.

This obligation is tied to investments in infrastructure and/or to productive investments and is applied regardless of the size of the beneficiary.

Define eligible type of support (non-IACS) or commitments (IACS) and other obligations

Eligible investments include, as may be determined by the MA in the guidance notes *inter alia*:

- The construction, acquisition, including through leasing leading to a purchase obligation at the end of the contract, or improvement of immovable property;

- The purchase or lease-purchase of new machinery and equipment (including investments related to energy efficiency/generation);

- The costs of funding specialist contractors to undertake project management duties to realise the investment; General costs such as architects, engineers and consultation fees, feasibility studies, the acquisition of patent rights and licences up to a maximum 15% of the total eligible project cost;

- Intangible investments such as copyrights, trademarks or processes;

- Publicity costs;

- Contributions in kind in the form of provision of works, goods, services, land and real estate for which no cash payment supported by invoices or documents of equivalent probative value has been made, are eligible provided such provisions are made in National Implementing guidance document;

- Article 86 of Regulation 2021/2115 applies in terms of eligibility of expenditure.

Further details regarding the eligible costs will be determined in line with the national Eligibility Rules and Guidance issued with the call for project proposals within the parameters allowed in the applicable Regulations.

In the principles of selection and in line with the SEA recommendation, Malta will continue encouraging and facilitating investments contributing to Environmental requirements. Whilst ranking criteria will be established through the MC consultation procedure in line with Art. 79 and Art. 124 of the CAP SP Regulation, such actions contributing directly to weaknesses and opportunities identified in the SWOT analysis will be promoted and shall be weighted accordingly during the selection process.

6 Identification of relevant baseline elements

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

N/A

7 Form and rate of support/amounts/calculation methods

Form of support

☑ **Grant**

☐ **Financial instrument**

Type of payment

☑ reimbursement of eligible costs actually incurred by a beneficiary

☑ unit costs

☐ lump sums

☑ flat-rate financing

Basis for the establishment

Below is a list of cost categories/actions under SCO's, including the respective legal basis for establishment, in line with Article 83(1) and (2) of Regulation (EU) 2021/2115 that may be considered by the Managing Authority:

List of Cost Categories / Actions	SCO Form of Financing Legal Basis	SCO Methodology Legal Basis
Salaries	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(a)(i) of Regulation (EU) 2021/2115
Per Diem	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(d) of Regulation (EU) 2021/2115
Travel	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(c) of Regulation (EU) 2021/2115
Overheads	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 83(2)(c) of Regulation (EU) 2021/2115
Technical Assistance	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 94(2) of Regulation (EU) 2021/2115
Architect Fees	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 83(2)(a)(i) of Regulation (EU) 2021/2115

Range of support at beneficiary level

The applicable support rates (aid intensity) shall be 50% of the eligible amount.

Investments that transform Annex 1 products into non-Annex 1 products may be subject to other rates, subject to applicable State Aid parameters.

Additional explanation

Support will be provided in the form of grants. The same aid intensities shall apply across the Maltese Islands.

Maximum support rates as defined in Article 73 (4) will be applied as applicable. The aid intensity rates that apply are defined by the general State-aid rules. Support is granted in accordance with an approved State aid scheme, which sets the aid intensity rate for the respective operations. For processing related investments and farm shops under this intervention, maximum aid intensity shall be 50%. Processors (legal persons) as well as natural persons investing in processing off-farm will be supported at a rate of 50%.

Beneficiaries of investment related support may request an advance payment of up to 50% of the public aid related to the investment, at the discretion of the MA and ARPA.[1] Funding capping per project may be applied; such capping would be outlined in the respective national implementation guidance documents.

Article 86 of Regulation 2021/2115 applies in terms of eligibility of expenditure.

Successful applicants are those who are offered a grant agreement (hence excluding those who either fail the eligibility and/or selection process or are placed on a waiting list).The MA may include, in the national guidelines, a minimum size of eligible projects based on the public eligible cost.

Shops and marketing elements linked to the processing and/or development intervention, are eligible up to the capping that may be introduced by the MA in the national guidelines.

Simplified Cost Options may be used to support investments/actions funded through this intervention in line with the national eligibility rules, and the guidance issued by the Managing Authority, either with the call for project proposals or at the latest in the document setting out the conditions for support.

[1] Regulation (EU) 2021/2116, Article 44, *Payments to Beneficiaries*, paragraph 3.

8 Information regarding State aid assessment

The intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment:

☐ Yes ☐ No ☑ Mixed

Explanation of support activities falling outside the scope of Art. 42 TFEU

Activities supporting farmers, processors and other eligible beneficiaries in adding value to primary products, improve quality or develop new products.

Type of state aid instrument to be used for clearance:

☐ Notification ☐ GBER ☐ ABER ☑ de minimis

Additional information:

☐ The Member State has not yet chosen the instrument(s) and has indicated the alternatives. No support will be paid to beneficiaries before the date when the clearance of the instrument chosen comes into effect.

☐ The Member State has chosen the instrument, as indicated, but the clearance has not yet been obtained. No support will be paid to beneficiaries before the date when the clearance comes into effect.

☐ The Member State has chosen the instrument, as indicated, the clearance has been obtained and the SA number has been indicated for notification, GBER or ABER

9 Additional questions/information specific to the Type of Intervention

What is not eligible for support?

- Simple replacement investments shall not be eligible for support; - The purchase of agricultural production rights, payment entitlements, animals, annual plants and their planting; - Support will not be granted to holdings or enterprises in difficulty within the meaning of the Union guidelines for state aid in the agriculture and forestry sector and the Union guidelines on State aid for rescuing and restructuring firms in difficulty; -Interest rate on debt, except in relation to grants given in the form of an interest rate subsidy or guarantee fee subsidy. - Shops and marketing elements that are not part of a processing and/or development plant supported under the CAP SP are ineligible; - Shops selling non-Annex I products are ineligible.

Does the investment contain irrigation?

☐ Yes ☑ No

Investments in the improvement of existing irrigation installations, what is the potential water saving(s) required (expressed in %)

N/A

Details on different potential water savings according to the type of installation or infrastructure (where applicable)

Investments in the improvement of existing irrigation installations (affecting water bodies whose status is less than good) what is/are the requirement(s) for an effective reduction in water use - expressed in %)

N/A

Regional breakdown

10 WTO compliance

Green Box

Paragraph 11 of Annex 2 WTO

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

This intervention qualifies as ‘Green box’ because it has no, or at most minimal, trade-distorting effects or effects on production, as set out in the WTO Agreement on Agriculture.

11 Contribution rate(s) applicable to this intervention

Region	Article	Applicable rate	Min Rate	Max Rate
MT - Malta	91(2)(c) - Transition regions within the meaning of Article 108(2), first subparagraph, point (b), of Regulation (EU) 2021/1060	60.00%	20.00%	60.00%

12 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Support	Contribution rate(s)	Type of Planned Unit Amount	Region(s)	Result Indicator(s)	Is the unit amount based on carried over expenditure?
Off-Farm P INVS Unit - Unit Amount for Off-Farm Productive Investments	Grant	91(2)(c)-MT-60.00%	Average		R.10	No

Explanation and justification related to the value of the unit amount

Off-Farm P INVS Unit - Unit Amount for Off-Farm Productive Investments

The planned amount is based on 14-20 RDP experience including financial allocation set and number of operations committed under Measure 4.2. This takes into consideration the fact that the proposed interventions are expected to be similar in nature.

13 Planned Unit Amounts - Financial table with outputs

Planned Unit Amount	Financial Year	2023	2024	2025	2026	2027	2028	2029	Total 2023 - 2029
Off-Farm P INVS Unit - Unit Amount for Off-Farm Productive Investments (Grant - Average)	Planned unit amount (Total Public Expenditure in EUR)	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	
	Maximum planned average unit amount (where applicable) (EUR)	1,600,000.00	1,600,000.00	1,600,000.00	1,600,000.00	1,600,000.00	1,600,000.00	1,600,000.00	
	O.24 (unit: Operations)	1.00	2.00	3.00	4.00	4.00	3.00	3.00	**Sum:** 20.00 **Max:** 4.00
TOTAL	O.24 (unit: Operations)	1.00	2.00	3.00	4.00	4.00	3.00	3.00	**Sum:** 20.00 **Max:** 4.00
	Annual indicative financial allocation (Total public expenditure in EUR)	333,333.34	666,666.67	1,000,000.00	1,333,333.34	1,333,333.34	1,000,000.00	1,000,000.00	6,666,666.69
	Annual indicative financial allocation (Union Contribution in EUR)	200,000.00	400,000.00	600,000.00	800,000.00	800,000.00	600,000.00	600,000.00	4,000,000.00

	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

RD On-farm Invest P. - On-farm Productive Investments

Intervention Code (MS)	RD On-farm Invest P.
Intervention Name	On-farm Productive Investments
Type of Intervention	INVEST(73-74) - Investments, including investments in irrigation
Common Output Indicator	O.20. Number of supported on-farm productive investment operations or units
Contributing to ringfencing requirement for/on	Generational Renewal: No Environment: No ES rebate system: LEADER: No

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

This intervention aims to fund investment in agricultural holdings including, inter alia, best available techniques to address production, environmental and health issues including precision farming, small investments, modern pesticide management solutions, agricultural and non-agricultural diversification, smart irrigation techniques, detection of diseases in crops and livestock, Farm waste management and on-farm investments related to processing and/or marketing and/or development, as well as the setting up and enhancement of an electronic veterinary prescription system and upgrading of the national veterinary laboratory, amongst others, focusing on the entire territory of Malta.

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

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO2 Enhance market orientation and increase farm competitiveness, both in the short and long term, including greater focus on research, technology and digitalisation
SO3 Improve the farmer' position in the value chain
SO4 Contribute to climate change mitigation and adaptation, including by reducing greenhouse gas emission and enhancing carbon sequestration, as well as promote sustainable energy
SO5 Foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency
SO6 Contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes
SO7 Attract and sustain young farmers and other new farmers and facilitate sustainable business development in rural areas
SO8 Promote employment, growth, gender equality, including the participation of women in farming, social inclusion and local development in rural areas, including the circular bio-economy and sustainable forestry
SO9 Improve the response of Union agriculture to societal demands on food and health, including high quality, safe, and nutritious food produced in a sustainable way, the reduction of food waste, as well as improving animal welfare and combatting antimicrobial resistances
XCO Cross-cutting objective of modernising the sector by fostering and sharing of knowledge, innovation and digitalisation in agriculture and rural areas, and encouraging their uptake

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
2.4	Identify and support the investment needs of the sector to increase its market competitiveness	1	Yes
4.3	Use animal and agricultural waste and residues as a resource	3	Yes
5.4	Increase efficient use of water	3	Yes

	and soil by restoring geographical and landscape features		
5.5	Encourage farmers to invest in efficient farming systems that make efficient use of resources	7	Yes
5.7	Identify ways to reduce nutrient loading to air, soil and water from agricultural activity	5	Yes
6.1	Promote measures that protect and enhance biodiversity on agricultural holdings & wider rural areas	1	Yes
6.2	Disseminate knowledge amongst farmers to safeguard biodiversity on Natura 2000 sites	5	Yes
9.1	Foster higher animal welfare standards to ensure well being among farmed animals	2	Yes
9.5	To reduce the use of antimicrobials	1	Yes
XCO.1	Developing a holistic and strategic approach to grow and enhance the AKIS in Malta	1	Yes

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold
R.16 Share of farms benefitting from CAP investment support contributing to climate change mitigation and adaptation, and to the production of renewable energy or biomaterials
R.26 Share of farms benifitting from CAP productive and non-productive investment support related to care for the natural resource
R.3 Share of farms benefitting from support for digital farming technology through CAP
R.35 Share of beehives supported by the CAP
R.43 Share of livestock units (LU) concerned by supported actions to limit the use of antimicrobials (prevention/reduction)
R.44 Share of livestock units (LU) covered by supported actions to improve animal welfare
R.9 Share of farmers receiving investment support to restructure and modernise, including to improve resource efficiency

5 Specific design, requirements and eligibility conditions of the intervention

Describe what are the specific objectives and content of the intervention including specific targeting, principles of selection, links with relevant legislation, complementarity with other interventions/sets of operations in both pillars and other relevant information.

Investments in agricultural holdings, and precision livestock farming

This investment will support cost effective and environmentally efficient systems and equipment concerning, *inter alia*, farm production, soil and water management, investment in innovative systems to improve competitiveness and farm management through digital means. Other support measures may address farms through incentives to invest in pesticide equipment to facilitate environmental and climate sustainability, whilst improving competitiveness and modernization.

Investments in agricultural holdings

The aim of the scheme is to support investment in cost-effective and environmentally efficient systems and equipment concerning soil management, water capture and efficient use, waste management, and improved efficiency of fertilizer and pesticide use and control. Support will also target improved productivity on holdings or within specific sectors, subject to the adoption of techniques and farming

systems considered environmentally sensible. Small investments including modern pesticide application equipment may also be considered.

The CAP will aim to support on-farm investments. Given the predominance of highly diverse horticulture as the main agricultural land-user in Malta, the strategy will address competitiveness and environmental sustainability as first priorities, which will have knock-on benefits for all focus areas. Livestock and arable farms will benefit from support to invest in more efficient equipment that reduces water, fertiliser and pesticide usage, and energy consumption and/or supports capture, storage, and use of water, wastes or energy. Investments contributing towards purchasing of equipment, construction and upgrading of farms are a few of the actions that can be supported under this intervention. Livestock farms may also benefit from investments to modernise the storage and handling of manures and slurries, and activities that lead to enhanced nutrient budgeting and management. Arable farms may benefit from investment in improved crop storage or other activity to improve the quality of the product.

Preventive measures supporting farmers to increase their resilience against damages brought about by extreme weather events may also be supported under this intervention.

Investments funded through this intervention are also expected to contribute to Specific Objectives 2 and 9, with secondary contributions to other Specific Objectives that will then be identified by evaluators.

This intervention could be administered through simplified procedures that reduce the administrative burden on beneficiaries receiving small grants.

Precision livestock farming, including animal welfare

This intervention may also support on-farm investments in precision farming, targeting the livestock sector. Support may be provided for precision livestock farming technologies aimed at continuous monitoring of animal health and welfare parameters, while automation can also improve living conditions of livestock, through smart feeding systems and climate control mechanisms, amongst others. Precision farming can also be used to optimise feeding regimes, that can reduce nitrogen and phosphorous found in excrement, thereby contributing to climate objectives. Investments in precision farming may also support interventions aimed at collecting on-farm data that can be used for decision making. It will allow farmers to make better informed decisions and improvements which may improve their holding's efficiency and thereby contribute to the reduction of greenhouse gas emissions.

Detection of diseases in crops and livestock through smart technologies

Malta faces several sources of risks including animal and plant diseases (introduced from abroad, and/or due to climate change) and an increasing frequency and severity of environmental incidents such as flooding from torrential rain and hail-storms which damage crops. Within this context, enabling those affected by disease or environmental impacts to access preventive equipment would provide security and greater stability in the sector. In this regard, Malta will also support investments aimed at risk-prevention actions through the use of artificial intelligence and smart technologies including satellite imagery and drones in agriculture that can help detect the onset of diseases in crops and livestock as well as determine the soil composition on an hourly basis.

Investments contributing to the setting up and any subsequent enhancement of an electronic veterinary prescription system may be considered enabling the collection and monitoring of data on the sales and use of antimicrobials (even from the electronic veterinary prescription). The data can be used to calculate the antimicrobial consumption and correlate this with trends in the development of antimicrobial resistance. The information will assist the relevant Departments in the implementation of the Anti-Microbial Resistance Strategy in Malta. The electronic veterinary prescription has been implemented since

November 2021. It is up-and-running and operational amongst some of the most active veterinary surgeons who visit livestock farms. The greatest challenge is the complete roll-out in the country, especially for small animals. This is also a cultural change. The next step, brought about also as a result of its own success, is its enhancement. The enhancement will permit linkage of the currently operating system with a wider electronic platform that contains documents related with the health of the animals, such as treatment records and vaccination schedules. This is necessary for veterinary surgeons, animal owners and the competent authority. The added value for the latter is that it can scrutinize and record prescribing trends. Other direct added values of the complete system are related with the tightening of controls in the use of antimicrobials.

These include the following:

- Facilitates collation and collation of data e.g. data on use of antimicrobials. Data from electronic veterinary prescriptions can be extracted anytime in real time without need of a 'call' for it to be provided by data providers (wholesale dealers or veterinary surgeons). The competent authority will be able to collect more reliable data on the prescribing, dispensing and use of antimicrobials in a better and efficient way at the level of species. This will help Malta honour its legal obligations with regard to Article 57 of Regulation (EU) 2019/6. Such data will also enable the competent authority to monitor the therapeutic protocols situation and issue specific guidelines for veterinary surgeons and/or other key stakeholders.
- Improve traceability; this will enable the competent authority to process prescriptions and other documents efficiently.
- Increases accountability of prescribers and dispensers (whilst improving simplification).
- Tighter control on the use of substances that need extra control (includes, but not limited, to antimicrobials and narcotics)
- Captures data from backyard farms, companion animals, sheltered stray animals

Indirect benefits that are also in line with both national and EU policies include the reduction of costs and digitalization of services as well as the shift towards more environmentally friendly practices, whilst reducing bureaucracy, amongst others.

The system provides controls at all stages. It only allows access to authorised persons and dispensing can be carried out only from authorised premises. The uncontrolled way in which antimicrobials can be procured and used by farmers is thought as being one of the main factors that contributes to the imprudent use of antimicrobials in Malta. Improved farming practices is one of the main aims of the Farm to Fork Strategy. Through the setting up and enhancement of an electronic veterinary prescription system, the competent authority will be able to collect better data on the prescribing, dispensing, use, and consumption trends of antimicrobials, at the level of all animals species (livestock and pets). Such data will enable the competent authority to improve monitoring and contribute to the drafting of detailed, specific guidelines for veterinary surgeons, aimed at better addressing the use of antimicrobials. In the long term, and complemented together with the other actions outlined in the respective strategy, as described below, this system will reduce the use of antimicrobials.

Support may also include upgrades to the NV laboratory, and assistance to farmers in the setting up of the Animal Health Control Programmes, in line with the *Strategy and Action Plan for the Prevention and Containment of Antimicrobial Resistance in Malta (2020 – 2028).* The National Veterinary Laboratory is the only laboratory in the country performing analysis in the veterinary field. Such upgrades in relation to AMR will enhance the testing capabilities of the laboratory and will allow for the introduction of molecular biology techniques which will enable the swift identification of pathogens on farm animals, enabling the improvement of treatment options and the quality of veterinary care. Currently local veterinary surgeons have to rely on foreign specialised laboratories, resulting in delayed identification of pathogens that leads to delayed treatment or the use of less optimum and targeted antibiotic use. These enhancements will therefore result in more timely, better targeted treatment and a reduction in the reliance

on wide-spectrum antimicrobials. In line with the objectives under the AMR National Strategy, the strengthening of the laboratory capacity will increase access to microbiology support, sensitivity testing and extend surveillance systems of antibiotic resistance in other livestock species and domestic pets. Moreover, it will contribute to the implementation of the Animal Health Programmes required by legislation and provide the necessary data to elaborate appropriate vaccination programmes.

The on-farm productive investments intervention is expected to support these projects, which are in line with the *Strategy and Action Plan for the Prevention and Containment of Antimicrobial Resistance in Malta* (2020-2028). The NV laboratory and the enhancement of an electronic veterinary prescription system shall contribute towards SO9, on improving the response of EU agriculture to societal demands on food and health including high quality, safe and nutritious food produced in a sustainable way, food waste as well as improving animal welfare and combating antimicrobial resistances.

Agricultural Diversification

Investments will support agricultural diversification and making farms more efficient in terms of resources whilst also remaining competitive. Support will include aid to diversify into new and potential niche sectors that will help to overcome agricultural challenges while strengthening economic resilience. Investment is required to enable farmers to diversify into other agricultural activities.

On-farm, non-Agricultural Diversification by full-time farmers

Full-time, bona fide established farmers (natural persons only) will be eligible for diversification into non-agricultural economic activity, which activity should be intrinsically linked to the agricultural sector, including the agricultural activity on the same holding. Support under this action will build on similar interventions supported through the 2014 – 2020 RDP that could also foster rural tourism through farm shops, artisanal production of quality local products and the provision of services in order to stimulate family farming for example. Investments that transform Annex I products into non-Annex 1 products will be eligible, however these will be subject to State Aid parameters.

The action has to take place on the farm (the MA may include further conditions in the national guidelines, such as the investment falling within the applicable Planning parameters and guidelines to on-farm investments). The requirements for fulfilment of the full-time, bona fide established farmers will be set in the national measure guidelines, and may be linked, *inter alia*, to the agricultural primary income over the preceding years.

Smart Irrigation Investments

Agricultural production in Malta is dependent on water supply which places additional pressure on the limited and scarce water supply. The foreseen investment in efficient water irrigation systems will assist farmers to adopt integrated water management resources, and to mitigate the challenges encountered by the sector whilst improving soil productivity. Investments may include amongst others better moisture collection, rain collection and prevention of soil water loss.

The conditions of Article 74 SPR will apply to investments in irrigation.

The parameters for supporting investments in irrigation shall include the following:
- An investment in an improvement to an existing irrigation installation or element of irrigation infrastructure shall be eligible only if it is assessed ex ante as offering potential water savings of a minimum of 10% according to the technical parameters of the existing installation or infrastructure. The

10% of water savings takes into account the difficulties in achieving greater efficiency improvements, when considering the baseline, whereby in recent years significant investment has been undertaken to optimise local water use characteristics;

- The investment shall ensure an effective reduction in water use, at the level of the investment, amounting to at least 60 % of the potential water saving made possible by the investment;
- Water metering enabling measurement of water use at the level supported investment must be in place or shall be put in place as part of the investment;
- Any water source used by the irrigation scheme is to be duly registered with the competent regulatory authorities;
- With respect to measures including the use of natural water resources in irrigation, the legality of the water source is a basic eligibility requirement.

The conditions of Article 74(4) (a) and (b) shall not apply to an investment in an existing installation which affects only energy efficiency, to an investment in the creation of a reservoir for the reduction of water abstraction, or to an investment in the use of reclaimed water which does not affect a body of groundwater or surface water.

Any investment in reservoirs for the reduction of water abstraction (*giebja*) and irrigation that can be connected to the use of recycled water are exempt from the above obligations and the obligations linked to Article 74 (4 and 6) of the CAP SP Regulation. Investments resulting in the direct net increase of the irrigated area affecting a given body of ground or surface water are not eligible.

Support to invest in greenhouses

As outlined in the SWOT analysis, increasing organic farming faces real challenges for certification at the local level due to the small and highly scattered parcels of land, which is not conducive to developing organic farming, where products are likely to be contaminated from activities on neighbouring parcels. Hence, support is required to enable farmers to diversify into protected organic production, by either converting their greenhouses or constructing new ones for organic production.

Animal welfare

This intervention may also support on-farm investments related to animal welfare. Investments supported through this intervention shall aim to exceed baseline legislation and support shall be available for all livestock sectors, such as the pig and layers sectors, amongst others.

Specific Objective 6: To contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes

Promoting the use of organic farming will aim to enhance biodiversity through less chemically dependent modes of production while investing in more sustainable means to cultivate land and crop production. This will therefore enable better management of habitat and ecosystem conservation. Investments earmarked under this intervention are aligned with the national organic action plan.

Specific Objective 9: Improve the response of Union Agriculture to societal demands on food and health including safe and nutritious food produced in a sustainable way, food waste as well as animal welfare.

Greater consumer awareness on the origin of fresh produce as well as the demand for organic products is on the increase, however local farmers and co-operatives face challenges to deliver on this in view of the small scale of their operations. Investments will support farmers to diversify into organic products as well

as support local and small-scale processing of organic products. This intervention may also support investments related to animal welfare, where investment being carried out exceeds the minimum requirements established by EU and/or national legislation, as overseen by the respective responsible Public Authority. Such investments may include the setting up and enhancements of an electronic veterinary prescription system, and upgrades to the National Veterinary laboratory to improve AMR testing capability. Improved animal welfare and hygiene lead to better livestock health which in turn reduces the occurrence of disease and lessens the need for antimicrobial use, therefore targeting anti-microbial resistance. This can be improved through support that is given to the setting up of the Animal Health Control Programmes in farms. Such investments would therefore contribute directly to Specific Objective 9.

Farm waste management

Investments support in farm waste management may also be considered.

Such initiatives aim to support investments through the provision of grants on agricultural holdings that may result in:
–farm modernisation and restructuring, better production processes, increased efficiency, better yields, improved efficiency of fertilizer and pesticide use and control;
–innovative technological processes and developing new, enhanced processes and products;
–improved hygiene and improved animal welfare;
–improved manure and slurry storage, nutrient management and handling;
–improved soil management, water capture and use;
-low emission housing of animals;
–waste management interventions;
–smart irrigation techniques;
–supporting the uptake of innovative technologies such as precision farming systems and smart technologies.
–agricultural diversification.

Water related on-farm investments - reservoirs for the reduction of water abstraction

In Malta, the scope of these structures is the harvesting of rainwater runoff to reduce the pressure on natural groundwater resources such as groundwater. Investments that aid the flow of rainwater into appropriate reservoirs for the reduction of water abstraction or dams may therefore be considered through the CAP SP. Such investments will reduce flooding while also collecting rainwater and reducing the amount of water extracted from the aquifer.

Investments in in water reservoirs, which may be supported through the CAP SP do not automatically translate or are perceived to translate into an increase in irrigated area or water demand. Such actions merely aim to address Malta's shortcomings in terms of fresh water resources and water scarcity which remains a main barrier towards the sustainability of agriculture in Malta. Taking into account that both desalination and waste-water processes (whilst fostering a circular economy) are also energy intensive, rainwater capture through reservoirs for the reduction of water abstraction is seen as a means of reducing the impact on the environment.

Apart from contributing towards the achievement of Specific Objective 5, water related investments shall also contribute to improving farmers' competitiveness, since farmers will be provided with alternative sources of water that are less costly to extract, therefore reducing the expenditure on inputs.

Cross-cutting objective:

Investments supported under this measure will contribute to the AKIS by improving agricultural knowledge amongst farmers and taking the sector forward through more efficient and digitised agricultural management systems.

The envisaged investments will contribute to the following specific objectives:

Specific Objective 2: Enhance market orientation and increase competitiveness, including greater focus on research, technology and digitalisation.

In order to increase their competitiveness, livestock and arable farms may benefit from support through this intervention to invest in new, modern and efficient equipment that reduces the use of water, fertiliser, pesticides, other inputs and energy consumption. These investments also aim to improve market participation, market-orientation and agricultural diversification.

Support shall be aimed at improving the profitability of the farming sector by reducing the expenditure on inputs, such as water and energy, and improve returns through quality assurance, productivity and adding value. Better profit margins allow for a more profitable sector that is more attractive and willing to further investment.

Availability of land may pose limitations to farmers who may wish to expand their business but cannot do so due to limited availability of agricultural land and its high purchase cost. Such interventions, that may be carried out by any of the eligible beneficiaries under this intervention, can improve the competitiveness of the agricultural sector by increasing production, decreasing fragmentation of holdings and achieving better economies of scale.

These investments will be contributing directly towards Specific Objective 2, however, secondary contributions to other SOs will also be registered. For example, equipment that reduces the use of water or structures that collect rainwater runoff will register a secondary contribution to Specific Objective 5 that is related to water and resources. As for the reduction of pesticide use, apart from contributing towards SO2, it will also contribute to both SO 5 and SO 6, with the latter being related to the protection of biodiversity. With respect to equipment related to the generation of energy, apart from contributing to SO 2, such investments will also have a secondary contribution to SO 4 that is related to climate adaptation and mitigation.

This intervention also aims to support young farmers that are prepared to invest and undertake innovative developments, whether they are new entrants or have been active within the sector for some time, to improve their efficiency, environmental performance and productivity. If such investments are carried out by young farmers that fall within the definition outlined in the CAP SP, a secondary contribution towards SO 7 will take place.

Secondary contributions to Specific Objectives will be identified and discussed by evaluators in the respective evaluations that will be carried out throughout the life of the CAP SP.

Specific Objective 5: to foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency

Interventions supported shall target Specific Objective 5 that is related to efficient management of water, providing farmers with an alternative source of water, therefore reducing the volume of water extracted from the aquifer. This will have a positive impact on both the qualitative and quantitative status of the

aquifer. The 2nd Water Catchment Management Plan also identifies the collection of rainwater runoff as another source of water that can be used for irrigation purposes, instead of groundwater. The consultation process leading to the 3rd Water Catchment Management Plan is ongoing. This intervention may also support investments that aid the flow of rainwater into appropriate reservoirs.

Specific Objective 6: to contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes

On-farm productive investments may be carried out within Natura 2000 areas, and may lead to water capturing and other related investments which would ultimately see farmers and other rural businesses making use of such water. The various local habitats host a multitude of plant and animal species, including various endemic and indigenous ones. Supported interventions may also form part of N2000 masterplans.

Targeting

- Agricultural holdings: Investments aimed towards farm modernisation to support value added activities. Formally organised Groups of farmers (being registered as such with the Agricultural and fiscal authorities) would be prioritised here due to current lack of cooperation and small size of farms;
- Precision livestock farming: Livestock and arable farms will benefit from support to invest in more efficient equipment and innovative systems that aim to achieve sustainable animal production systems through, inter alia, automation of production processes, constant animal monitoring allowing early detection of health and welfare issues, and availability of reliable information for farmers for a proper decision-making process.
- Pesticide equipment – Investment shall entail support to facilitate the uptake of alternative pesticide equipment.
- Improve farm waste management: Support will be provided to farmers to improve their on-farm waste management practices through alternative solutions including adoption of best available techniques that contribute to sustainable waste management.
- Investment in Smart irrigation techniques: Interventions will enable sustainable agricultural practices through new technology and digitisation to improve knowledge and mitigate challenges in agriculture.
- Investments contributing the setting up and enhancement of an electronic veterinary prescription system and upgrading of the national veterinary laboratory, to target AMR.

In line with Article 73(5), where Union law results in the imposition of new requirements on farmers, support may be granted for investments to comply with those requirements for a maximum of 24 months from the date on which they become mandatory for the holding.

Complementarity with other interventions:

On-farm productive investments will complement investments in processing/marketing/development. Actions promoting diversification can also contribute towards cooperation, exploring innovative solutions through possible partnership arrangements of producers, processors, researchers, NGO's and public bodies. Such actions are expected to complement investments foreseen through Cohesion Funds which aim to continue promoting further energy efficiency measures by supporting enterprises and improving energy practices among the general public.

Links with relevant legislation

Waste Management Plan for the Maltese Islands A Resource Management Approach 2014 2020[1];
Long Term Waste Management Plan 2021-2030;
Malta River Basin Management Plan**;**
EU Water and Waste Frameworks Directives;
Nitrates Action Plan and Directive.
Strategy and Action Plan for the Prevention and Containment of Antimicrobial Resistance in Malta (2020 – 2028

[1] Ministry for Sustainable Development, the Environment and Climate Change, 'Waste Management Plan for the Maltese Islands - A Resource Management Approach: 2014-2020', https://environment.gov.mt/en/document%20repository/waste%20management%20plan%202014%20-%202020%20-%20final%20document.pdf

Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary and area

Farmers (whether natural/legal persons);
Formally registered Group of Farmers ((being registered as such with the Agricultural and fiscal authorities, including *inter alia* partnerships, cooperatives).
Public Authorities and Entities.

Eligibility conditions may include:

For activities outside Article 42 of the Treaty on the Functioning of the European Union (TFEU), support will not be granted to holdings or enterprises in difficulty within the meaning of the Union guidelines for state aid in the agriculture and forestry sector and in rural areas.

The eligibility criteria for the small investment scheme will be tailored in the guidance note developed by the MA before the launch of the scheme, in line with applicable state aid rules.

An operation comprising investment in on-farm productive investment carries the below durability period obligations, regardless of the size of the beneficiary:
-For investments with a grant value of up to €15,000 the durability period obligations will extend to one (1) year from the final payment to the beneficiary.
-For investments with a grant value of between €15,000 and €200,000 the durability period obligations will extend to three (3) years from the final payment to the beneficiary.
-For investments with a grant value of over €200,000 the durability period obligations will extend to five (5) years from the final payment to the beneficiary.

This obligation is tied to investments in infrastructure and/or to productive investments and is applied regardless of the size of the beneficiary.

For investments carried out on agricultural holdings, applicants must be farms which are efficient and economically viable defined as agricultural holdings with the below minimum thresholds:
In the case of livestock agricultural holdings, access for this sub-measure will be restricted to holdings with standard output of minimum €15,000 per holding, for all livestock sectors. This shall not be applicable in the case of investments carried out by Public Entities.
In the case of arable agricultural holdings, access through this sub-measure will be restricted to a minimum of 0.3 Ha holdings for outdoor production (eligible hectares). This shall not be applicable in the

case of investments carried out by Public Entities.

In the case of production under glass as registered with the Department of Agriculture, the applicable area is 50% of the outdoor production.

For the following three sub-sectors, the definition of efficient and economically viable agricultural holdings shall be the following (and hence the thresholds above per holding shall not apply):

Productive trees recognised as eligible by ERA that can be planted, including but not limited to Vineyards and Olive Orchards where the investment proposal is linked to the establishment of at least 1 tumolo of trees (not limited to vineyards or olive orchards continuous area), regardless of the size of the agricultural holding in terms of SO. In this case, the application would be deemed as satisfying the criteria for an efficient and economically viable agricultural holding and the applicant and/or application shall not be subject to further tests on SO eligibility. In cases where the applicant accedes to EAFRD on the basis of the projected investment, then the Managing Authority will restrict the type and scope of investment for which the project proposal (ancillary to vineyards / olive orchards) might be linked to. An SCO rate (lump sum per tumolo) may be adopted by the MA.

Likewise, if an agricultural holding, regardless of size, wants to invest in a minimum of 50 registered bee-boxes, then the application would be deemed as satisfying the criteria for an efficient and economically viable agricultural holding and the applicant and/or application shall not be subject to further tests on SO eligibility. In cases where the applicant accedes to EAFRD on the basis of the projected investment, then the Managing Authority will restrict the type and scope of investment (ancillary to bee-keeping) for which the project proposal might be linked to. An SCO rate (including a unit cost per bee-box) may be adopted by the MA.

In order to access a full investment proposal, the following parameters will apply to these three sub-sectors, and hence will be deemed eligible for support if they possess, at the time of application or as requested by the MA, the following:

- Productive trees recognised as eligible by ERA that can be planted, including but not limited to Vineyards and Olive Orchards: 0.5 hectares of registered Vineyards and Olive Orchards
- Beekeepers: a minimum of 50 registered colonies.

In these cases, the investment proposal will not be limited to the type and scope of investment but will be considered as having met the minimum threshold of standard output and considered as satisfying the criteria for an efficient and economically viable agricultural holding.

Productive trees recognised as eligible by ERA that can be planted, including but not limited to Vineyards and Olive Orchards – a minimum total area of 0.1124 ha (1 tumolo of trees) registered as vineyard or olive orchard with the Department of Agriculture. For apiculture, the minimum threshold shall be 50 bee-boxes/bee-hives registered with the Veterinary Regulation Directorate of Malta.

Only livestock that is covered by the Eurostat public statistics for Malta will be considered for SO value purposes.

Eligibility for support for investments will be based on a detailed assessment of applications by the project selection committee.

The National Guidelines may refer to additional conditions that would be applicable, including, inter alia, reference to Legal Notice 122 of 2024, AGRICULTURE ACT(CAP. 639) Categorisation of Farmers Regulations.

In line with Article 74 of the SPR, support for an investment in an improvement to an existing irrigation installation or element of irrigation infrastructure will be granted if:

(a)it is assessed ex ante as offering 10% potential water savings reflecting the technical parameters of the existing installation or infrastructure;

(b)where the investment affects bodies of groundwater or surface water whose status has been identified as less than good in the water catchment management plan for reasons related to water quantity, a 60% effective reduction in water use is achieved contributing to the achievement of good status of those water bodies, as laid down in Article 4(1) of Directive 2000/60/EC.

None of the conditions shall apply to an investment in an existing installation which affects only energy efficiency, to an investment in the creation of a reservoir, or to an investment in the use of reclaimed water which does not affect a body of groundwater or surface water.

Support will be considered for investments in the use of reclaimed water as an alternative water supply only if the provision and use of such water is compliant with Regulation (EU) 2020/741 of the European Parliament and of the Council.

Support for an investment in the creation or expansion of a reservoir for the purpose of irrigation only if it does not lead to significant negative environmental impact.

Recipients of grants, under certain circumstances as deemed appropriate by the Managing Authority or the Project Selection Committee, may be required to undertake training or seek advice as part of their project implementation. Failure to follow this condition could result in 100% recovery of the project and/or cancellation of the grant.

Operations shall not be eligible for support where they have been physically completed or fully implemented before the application for funding under the CAP SP is submitted to the Managing Authority, irrespective of whether all related payments have been made[1].

In an effort to continue reducing ammonia emissions, priority in the selection process shall be accorded to those applications which contribute to reducing ammonia emissions, including farm waste management structures such as manure, slurry storages, nutrient management and handling, amongst others.

[1] Where operations have been partly implemented, CAP support can finance the items that would have not been implemented at application stage.

Define eligible type of support (non-IACS) or commitments (IACS) and other obligations

Eligible investments under this intervention will concern products covered by Article 42 TFEU and will be outlined by the MA in the guidance notes *inter alia*:

-The construction, acquisition, including through leasing leading to a purchase obligation at the end of the contract, or improvement of immovable property; The costs of funding specialist contractors to undertake project management duties to realise the investment;
-The purchase or lease-purchase of new machinery and equipment (including investments related to energy efficiency/generation) up to the market value of the asset;
-The possibility of either using the simplified cost option (SCO) or else the actual cost incurred[1]. In cases where an SCO methodology is used, guidelines to the measure will stipulate that quotations will not be required at application and payment stage;
-The costs of funding specialist contractors to undertake project management duties to realise the investment;
-General costs such as architects, engineers and consultation fees, feasibility studies, the acquisition of patent rights and licenses up to a maximum 15% of the total eligible project cost;

-Intangible investments such as copyrights, trademarks or processes;

-Depreciation costs may be eligible for support under the EAFRD, subject to conditions to be set by the Member States;

-The acquisition and planting of permanent crops, including vines, as defined in the CAP Strategic Plan in view of Article 4, paragraph 1 (b, ii) of the CAP SP regulation;

·Article 86 of Regulation 2021/2115 applies in terms of eligibility of expenditure. In the national guidelines, the MA may introduce an exception to the professional services incurred by successful applicants for the submission of an EAFRD application, including business plans where these are required;

-Bee keepers may also be eligible for support under this intervention;

-Publicity/dissemination costs.

With regards to investments contributing to the setting up and enhancement of an electronic veterinary prescription system and upgrading of the national veterinary laboratory, to target AMR, eligible cost will also include:

·Personnel Costs

·Expert fees (including travel and subsistence)

·Costs of training personnel

·Production of information/dissemination material including databases and websites

Further details regarding the eligible costs will be determined in line with the national Eligibility Rules and Guidance issued with the call for project proposals within the parameters allowed in the applicable Regulations.

In the principles of selection and in line with the SEA recommendation, Malta will continue encouraging and facilitating investments contributing to Environmental requirements. Whilst ranking criteria will be established through the MC consultation procedure in line with Art. 79 and Art. 124 of the CAP SP Regulation, such actions contributing directly to weaknesses and opportunities identified in the SWOT analysis will be promoted and shall be weighted accordingly during the selection process.

The above principles of selection will be applicable for regular operations. In the case of small investments, the Monitoring Committee may approve a simplified approach to both eligibility and selection criteria.

With regards to potential water savings, the below shall be considered,

1.At the stage of application an expert declaration of the expected efficiency gained over the current installation will be requested;

2. At the stage of payment claim an expert report will be requested reviewing the actual efficiency gain;

3. At project selection stage, priority will be given to projects with higher environmental ambition, such as projects expected to have water savings going beyond the 10%.

With regard to animal welfare, priority in the selection process shall be accorded to those applications which propose to achieve housing systems different from their current operations for animal species which best facilitate their exhibiting the natural behaviours of that species, and in particular alternative systems for laying hens, free farrowing for sows as well as extended time in group housing for sows and calves (beyond the minimum time required by the EU legislation).

To reduce the need for tail docking, pig farmers who benefit from on-farm investments must commit to either: increase the flooring space for pigs by 20% beyond the stocking densities provided for in Subsidiary Legislation 439.02 and Directive 2008/120/EC or carry out tail docking on not more than 10% of the pigs on the farm.

6 Identification of relevant baseline elements

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

N/A

7 Form and rate of support/amounts/calculation methods

Form of support

☑ **Grant**

☐ **Financial instrument**

Type of payment

☑ reimbursement of eligible costs actually incurred by a beneficiary

☑ unit costs

☐ lump sums

☑ flat-rate financing

Basis for the establishment

Below is a list of cost categories/actions under SCO's, including the respective legal basis for establishment, in line with Article 83(1) and (2) of Regulation (EU) 2021/2115 that may be considered by the Managing Authority:

List of Cost Categories / Actions	SCO Form of Financing Legal Basis	SCO Methodology Legal Basis
Salaries	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(a)(i) of Regulation (EU) 2021/2115
Per Diem	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(d) of Regulation (EU) 2021/2115
Travel	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(c) of Regulation (EU) 2021/2115
Overheads	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 83(2)(c) of Regulation (EU) 2021/2115
Technical Assistance	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 94(2) of Regulation (EU) 2021/2115
On-Farm Productive Investment: Equipment and Machinery	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(b) of Regulation (EU) 2021/2115
On-Farm Productive Inestment: Vines	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(a)(i) of Regulation (EU) 2021/2115
Architect Fees	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 83(2)(a)(i) of Regulation (EU) 2021/2115

Range of support at beneficiary level

- The range of support (aid intensity) shall be 50% of eligible cost, unless otherwise specified.
- The maximum range of support (aid intensity) may be increased to 65%. The National Guidelines may refer to additional conditions that would be applicable, including, inter alia, reference to Legal Notice 122 of 2024, AGRICULTURE ACT(CAP. 639) Categorisation of Farmers Regulations.
- The aid intensity for public entities shall be of 65%.
- Investments that transform Annex 1 products into non-Annex 1 products may be subject to other rates, subject to applicable State Aid parameters.
- The range of support for investments by young farmers will be 80%, who fulfil the conditions provided for by Member States in their CAP Strategic Plans in accordance with Article 4 i.e. for young farmers who are setting up under the CAP SP.

Additional explanation

Support will be provided in the form of grants. The same aid intensities shall apply across the Maltese Islands.

Maximum support rates as defined in Article 73 (4) will be applied as applicable. The aid intensity rates that apply are defined by the general State-aid rules. Support is granted in accordance with an approved State aid scheme, which sets the aid intensity rate for the respective operations.

Beneficiaries of investment related support may request an advance payment of up to 50% of the public aid related to the investment, at the discretion of the MA and ARPA.[1] Funding capping per project may be applied; such capping would be outlined in the respective national implementation guidance documents.

Article 86 of Regulation 2021/2115 applies in terms of eligibility of expenditure.

Successful applicants are those who are offered a grant agreement (hence excluding those who either fail the eligibility and/or selection process or are placed on a waiting list).

Simplified Cost Options may be used to support investments/actions funded through this intervention in line with the national eligibility rules, and the guidance issued by the Managing Authority, either with the call for project proposals or at the latest in the document setting out the conditions for support.

[1] Regulation (EU) 2021/2116, Article 44, *Payments to Beneficiaries*, paragraph 3.

8 Information regarding State aid assessment

The intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment:

☐ Yes ☐ No ☑ Mixed

Explanation of support activities falling outside the scope of Art. 42 TFEU

A number of operations under this investment may both fall outside and inside the scope of ART. 42 TFEU. The de minimis state aid instrument will be applied to non-agricultural diversification.

Type of state aid instrument to be used for clearance:

☐ Notification ☐ GBER ☐ ABER ☑ de minimis

Additional information:

☐ The Member State has not yet chosen the instrument(s) and has indicated the alternatives. No support will be paid to beneficiaries before the date when the clearance of the instrument chosen comes into effect.

☐ The Member State has chosen the instrument, as indicated, but the clearance has not yet been obtained. No support will be paid to beneficiaries before the date when the clearance comes into effect.

☐ The Member State has chosen the instrument, as indicated, the clearance has been obtained and the SA number has been indicated for notification, GBER or ABER

9 Additional questions/information specific to the Type of Intervention

What is not eligible for support?

–Purchase of payment entitlements;

–Purchase of land for an amount exceeding 10% of the total eligible expenditure for the operation concerned; in the case of financial instruments, this ceiling shall apply to the eligible public expenditure paid to the final recipient, or, in case of guarantees, to the amount of the underlying loan;

–Purchase of livestock, as defined in Article 2(24) of Regulation (EU) No 2016/1012[1, annual plants and their planting other than for the purpose of restoring agricultural or forestry potential following natural disaster and catastrophic events;

–Interest rate on debt, except in relation to grants given in the form of an interest rate subsidy or guarantee fee subsidy;

–Investments resulting in net increase of irrigated area, where these are affecting a given body of groundwater or surface water are not eligible;

–Investments in irrigation which are not consistent with the achievement and maintenance of good status of water bodies, as laid down in Article 4(1) of Directive 2000/60/EC, including expansion of irrigation affecting water bodies whose status has been defined as less than good in the relevant river basin management plan for reasons related to quantity;

–Simple replacement investments shall not be eligible for support (however, operations such as investment in the functional improvement of agricultural water cisterns (ġiebja or bir) and restoration of windmills (wind driven pumps) for either water pumping and/or energy generation for agricultural purposes are not considered simple replacement*)*;

–Second-hand machinery and/or equipment.

[1] Regulation (EU) 2016/1012 of the European Parliament and of the Council of 8 June 2016 on zootechnical and genealogical conditions for the breeding, trade in and entry into the Union of purebred breeding animals, hybrid breeding pigs and the germinal products thereof and amending Regulation (EU) No 652/2014, Council Directives 89/608/EEC and 90/425/EEC and repealing certain acts in the area of animal breeding ('Animal Breeding Regulation').

Does the investment contain irrigation?

☑ Yes ☐ No

Investments in the improvement of existing irrigation installations, what is the potential water saving(s) required (expressed in %)

10.00 %

Details on different potential water savings according to the type of installation or infrastructure (where applicable)

Investments in the improvement of existing irrigation installations (affecting water bodies whose status is less than good) what is/are the requirement(s) for an effective reduction in water use - expressed in %)

60.00 %

Regional breakdown

10 WTO compliance

Green Box

Paragraph 11 of Annex 2 WTO

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

This intervention qualifies as 'Green box' because it has no, or at most minimal, trade-distorting effects or effects on production, as set out in the WTO Agreement on Agriculture.

11 Contribution rate(s) applicable to this intervention

Region	Article	Applicable rate	Min Rate	Max Rate
MT - Malta	91(2)(c) - Transition regions within the meaning of Article 108(2), first subparagraph, point (b), of Regulation (EU) 2021/1060	60.00%	20.00%	60.00%

12 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Support	Contribution rate(s)	Type of Planned Unit Amount	Region(s)	Result Indicator(s)	Is the unit amount based on carried over expenditure?
On-farm P.Invst Unit - Unit Amount for On-Farm Productive Investments	Grant	91(2)(c)-MT-60.00%	Average		R.16; R.26; R.3; R.35; R.43; R.44; R.9	No

Explanation and justification related to the value of the unit amount

On-farm P.Invst Unit - Unit Amount for On-Farm Productive Investments

The planned amount is based on 14-20 RDP experience including financial allocation set and number of operations committed under Measure 4.1. This takes into consideration the fact that the proposed interventions are expected to be similar in nature.

13 Planned Unit Amounts - Financial table with outputs

Planned Unit Amount	Financial Year	2023	2024	2025	2026	2027	2028	2029	Total 2023 - 2029
On-farm P.Invst Unit - Unit Amount for On-Farm Productive Investments (Grant - Average)	Planned unit amount (Total Public Expenditure in EUR)	98,559.91	98,559.91	98,559.91	98,559.91	98,559.91	98,559.91	98,559.91	
	Maximum planned average unit amount (where applicable) (EUR)	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00	
	O.20 (unit: Operations)	10.00	21.00	35.00	37.00	39.00	38.00	47.00	**Sum:** 227.00 **Max:** 47.00
TOTAL	O.20 (unit: Operations)	10.00	21.00	35.00	37.00	39.00	38.00	47.00	**Sum:** 227.00 **Max:** 47.00
	Annual indicative financial allocation (Total public expenditure in EUR)	985,599.09	2,069,758.07	3,449,596.78	3,235,829.50	4,000,000.00	4,000,000.00	4,646,716.56	22,387,500.00
	Annual indicative financial allocation (Union Contribution in EUR)	591,359.45	1,241,854.84	2,069,758.06	1,941,497.70	2,400,000.00	2,400,000.00	2,788,029.95	13,432,500.00

	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

INSTAL(75) - Setting up of young farmers and new farmers and rural business start-up

RD INSTAL YF - Setting up of young farmers

Intervention Code (MS)	RD INSTAL YF
Intervention Name	Setting up of young farmers
Type of Intervention	INSTAL(75) - Setting up of young farmers and new farmers and rural business start-up
Common Output Indicator	O.25. Number of young farmers receiving setting-up support
Contributing to ringfencing requirement for/on	Generational Renewal: Yes Environment: No ES rebate system: LEADER: No

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

This intervention aims to fund investment related to the needs of the younger generation of farmers, through grants, focusing on the entire territory of Malta.

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

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO7 Attract and sustain young farmers and other new farmers and facilitate sustainable business development in rural areas

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
7.1	Provide start-up financial aid for young farmers (incl. full & part time farmers)	1	Yes
7.2	Provide training, advice, mentoring and assistance for young farmers	3	Yes
7.3	Promote cooperation among young farmers to trade at a scale that is resilient and viable	4	No
7.4	Explore enhanced opportunities for access to land among young farmers	2	Yes

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold
R.36 Number of young farmers benefitting from setting up with support from the CAP, including a gender breakdown
R.37 New jobs supported in CAP projects

5 Specific design, requirements and eligibility conditions of the intervention

Describe what are the specific objectives and content of the intervention including specific targeting, principles of selection, links with relevant legislation, complementarity with other interventions/sets of operations in both pillars and other relevant information.

This intervention aims to support young farmers that fall within the definition outlined in Chapter 4 of the CAP Strategic Plan. For the scope of this intervention, a young farmer will still be deemed eligible for support if the conditions for setting up as head of an agricultural holding would have been reached up until four years prior to the submission of an application, given that setting up is considered a gradual and

ongoing process.

In all cases, at the time of the application, the applicant would still need to be under 41 years of age.

This intervention provides young farmers with start-up aid in the form of a lump sum that is to be used for the implementation of a business plan, through which, the farmer will set up as the head of the agricultural holding.

Installation of young farmers

Young farmers face numerous barriers before they can start off an agricultural activity, therefore, they require specific, targeted support. Barriers exist in the form of:

·difficulties in accessing land through the high costs of purchasing or renting,

·fragmentation of land;

· difficulties in obtaining financial assistance to business investment through regular commercial channels;

·difficulty in accessing markets;

·resistance from older farmers who are not open to new ideas, innovation in production and marketing; and

·limited opportunities for continuous professional development related to both technical matters and business development.

Despite the significant number of young people attending agriculture-related courses in Malta, few enter farming due to the barriers identified above, the perceived limited financial returns and long working hours inherent to the nature of the sector. The provision of such installation aid is considered as a key initiative to encourage a more attractive, innovative and efficient agricultural sector in future.

Support through this intervention will be provided in the form of a lump-sum, aimed at providing young farmers with enough seed capital to start off a successful business in the agricultural sector, either from scratch or by taking over an existing holding. As outlined in the CAP Strategic Plan regulation, Article 75, paragraph 3, funding shall be allocated against the submission of a business plan. In the respective measure Guidelines, the Managing Authority may provide guidance as regards the contents of such a plan. The business plan will be subject to the following minimum criteria:

- The initial situation of the agricultural holding;

- Milestones and targets for the development of the activities of the agricultural holding;

- Details of the actions, including those related to environmental sustainability and resource efficiency, required for the development of the activities of the agricultural holding, such as investments, training, advice.

Support under this intervention is restricted to Business Plans mainly targeting agricultural activity, although secondary components linked to processing of same products can be included in the business plan.

The business plan should be considered as a general framework driving the development of the holding during the business plan period and not as a precise roadmap to be strictly followed. The MA may introduce conditions on costs at the level of national guidelines for the intervention. Successful business plans will be awarded a lump sum of up to €100,000 per young farmer.

The National Guidelines may refer to additional conditions that would be applicable, including, inter alia, reference to Legal Notice 122 of 2024, AGRICULTURE ACT(CAP. 639) Categorisation of Farmers Regulations.

As outlined in the CAP Strategic Plan regulation, Article 75, paragraph 3, support shall be allocated against the submission of a business plan. In the respective measure guidelines, the Managing Authority may provide guidance as regards the contents of such a plan.

Training and Advice

Young farmers benefitting from this intervention are encouraged to participate in general training on environment and climate change, digitalisation, marketing and innovative tools that can improve their businesses. Benefitting from such advisory services will assist young farmers to incorporate long-term adaptation and sustainable environmental practices within their business plans. The MA may include other obligatory conditions in the national guidelines with regards to training and advice.

Targeting

This intervention shall support the needs of young farmers to address the various challenges experienced in the agricultural sector. Training and advisory services will assist in setting up the business plan and developing marketing and financial skills.

The envisaged support will contribute to the following specific objectives:

Specific Objective 7: Attract and sustain young farmers and new farmers and facilitate sustainable business development in rural areas

Support under this intervention will contribute to Specific Objective 7 that aims to attract and sustain the younger generation of farmers, facilitate the purchase of agricultural land as well as foster business development in rural areas. Through sound business planning, economic resilience would be improved by means of long-term strategic planning, that can be improved through better training and advice.

This intervention aims to support young farmers that fall within the definition outlined in Chapter 4 of the CAP Strategic Plan. This intervention provides young farmers with start-up aid in the form of a lump sum that is to be used for the implementation of a business plan, through which, the farmer will set up as the head of the agricultural holding. It is clarified that the business plan shall primarily be dedicated towards an agricultural activity, although secondary components linked to processing of same products can be included in the business plan.

Complementarity

Such interventions will complement investments contributing towards climate change mitigation and adaptation through training for young farmers, such as training on environmental practices including conversion of land from seasonal to permanent crops for increased carbon sequestration. Furthermore, training activities will help incentivise young farmers to invest in digital means that will eventually improve efficiency through modern machinery and equipment. Knowledge transfer and advice on good environmental and climate measures will also help increase their resilience and adaptation to changing climatic conditions.

Links with relevant legislation:

Regulation (EU) 2020/2220[1] of the European Parliament and of the Council laying down certain transitional provisions for support from EAFRD and EAGF in the years 2021 and 2022.

Regulation (EU) 2021/1060[2] of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy

[1] Regulation (EU) 2020/2220 of the European Parliament and of the Council of 23 December 2020 laying down certain transitional provisions for support from the European Agricultural Fund for Rural Development (EAFRD) and from the European Agricultural Guarantee Fund (EAGF) in the years 2021 and 2022 and amending Regulations (EU) No 1305/2013, (EU) No 1306/2013 and (EU) No 1307/2013 as regards resources and application in the years 2021 and 2022 and Regulation (EU) No 1308/2013 as regards resources and the distribution of such support in respect of the years 2021 and 2022

[2] Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy.

[3] The MA reserves the right to seek that costs covered through the lump sum, in part or in full, are accounted for.

Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary and area

Young farmers as defined in the CAP Strategic Plan.

Eligibility conditions may include:

·The applicant shall fall under the definition of a young farmer, as defined in Chapter 4 of the CAP Strategic Plan. For the scope of this intervention, a young farmer will still be deemed eligible for support if the conditions for setting up as head of an agricultural holding would have been reached up till four years prior to the submission of an application, given that setting up is considered a gradual and ongoing process.

In all cases, at the time of the application, the applicant would still need to be under 41 years of age.

· Business plans must be implemented within a maximum period of 3 years from the granting of support under this measure, allowing sufficient time for necessary controls of business plans and final payments. The MA may modify the maximum implementation period at different stages of the CAP SP period; this will be clarified in the national guidelines for the call.

·The applicant shall submit a Business Plan as part of the application for funding, in line with Article 75(3) of the CAP Strategic Plan regulation.

·In the case of livestock agricultural holdings, access to this intervention will be restricted to holdings with actual or projected standard output of minimum €15,000 per holding, for all livestock sectors. In the case of projected standard outputs, these need to be achieved by the closure of the business plan. Standard Output thresholds may be exceeded after project implementation. Significant deviation from the targeted SO levels at the end of the implementation period may, unless adequate justification is provided and accepted by the MA where requested, provide grounds for recovery of any amounts paid by the ARPA and forfeiture of pending payments.

·In the case of arable agricultural holdings, access through this sub-measure will be restricted to business

plans setting-up of a minimum 0.3Ha holdings for outdoor production (eligible hectares), either with actual or projected areas. In the case of production under glass as registered with the Department of Agriculture, the applicable area is 50% of the outdoor production.

·The agricultural holdings linked to this support need to maintain an ongoing agricultural activity throughout the business plan period. In the case of arable farmers, the minimum 0.3Ha cannot be linked to fodder production as the principal agricultural activity. The national guidelines may qualify this criteria in more detail.

·Eligibility for support for investments will be based on an assessment of applications by the Project Selection Committee.

·Recipients of grants and FIs, under certain circumstances as deemed appropriate by the Managing Authority or the Project Selection Committee, may be required to undertake training or seek advice.

·Operations shall not be eligible for support where they have been physically completed or fully implemented before the application for funding under the CAP Strategic Plan;

·Natural persons who have been the majority shareholders in an agricultural holding for the previous 4 years from the date of the application shall be deemed eligible for support.

·The Young Farmer will be expected that with the business plan, they will demonstrate clear potential of long-term/lasting control of the agricultural holding beyond the business plan period.

-Individuals, or legal bodies (etc.) that were recipients of EAFRD CAP funds during the 14-22 period under M6.1 and M6.4, or similar interventions funded through the CAP SP, are not considered as eligible for installation aid under CAP SP 23-27, EAFRD.

-Business Plans receiving support under this intervention carry a durability period of 3 years from the final payment to the beneficiary.

The National Guidelines may refer to additional conditions that would be applicable, including, inter alia, reference to Legal Notice 122 of 2024, AGRICULTURE ACT(CAP. 639) Categorisation of Farmers Regulations.

[1] Implementation can start upon application submission. The MA may modify the maximum implementation period at different stages of the CAP SP period as well as details of business plan objectives and milestones which will be clarified in the national guidelines for the call.

Define eligible type of support (non-IACS) or commitments (IACS) and other obligations

Other conditions for the granting of aid to Young Farmers[1]

1. Where the application for support concerns a holding owned by a legal person, a young farmer within the meaning of the CAP Strategic Plan for Malta shall exercise effective and long-term control over the legal person in terms of decisions related to management, benefits and financial risks. Further details concerning the definition of long-term control shall be outlined in the respective measure Guidance Notes. Results and outputs are to be achieved by the end of the business plan implementation and are obligatory.

2. Where several natural persons, including person(s) who are not young farmer(s), participate in the capital or management of the legal person, the young farmer shall be capable of exercising such effective and long-term control solely.

3. Where a legal person is solely controlled by another legal person, requirements laid down in point 1 above shall apply to any natural person having control over that other legal person.

All the elements of the definition of young farmer set out in the CAP Strategic Plan for Malta have to be met at the moment of submission of an application for support.

[1] Other details and conditions might not be required here and may need to be defined in the respective Guidance Notes.

6 Identification of relevant baseline elements

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

N/A

7 Form and rate of support/amounts/calculation methods

Form of support

☑ **Grant**

☐ **Financial instrument**

Type of payment

☐ reimbursement of eligible costs actually incurred by a beneficiary

☐ unit costs

☑ lump sums

☐ flat-rate financing

Basis for the establishment

In the 2014-2020 RDP, the grant value which is provided to young farmers amounts to €70,000, the maximum value permissible by Regulation (EU) No 1305/2013. In the setting up of the maximum rate, authorities noted at the time that the cost of capital to acquire a farm is significantly higher than the provision of the grant. This continues to hold as outlined in a Thematic evaluation[1] undertaken on young farmers whereby it is stressed that the financial support provided by Measure 6.1, which can be used for the purchase of land, is not sufficient when one takes into consideration the price of agricultural land in Malta. In other words, the measure is not deemed to be sufficient to support new entrants in acquiring the land, given that the cost of land is higher than the provision of support available through the measure. This is similar to the point highlighted in a paper published by the European Parliament[2] which indicates that the maximum payable amount for Measure 6.1 is insufficient for the establishment of a new farming enterprise, or motivating newcomers to join the industry. Consequently, in the CAP SP, authorities intend to provide up to the maximum supportable grant rate of €100,000.

The National Guidelines may refer to additional conditions that would be applicable, including, inter alia, reference to Legal Notice 122 of 2024, AGRICULTURE ACT(CAP. 639) Categorisation of Farmers Regulations.

[1] E-Cubed Consultants, Adi Associates and EMCS, 2021. Thematic Evaluation: Young Farmers, Rural Development Programme 2014 – 2020. Accessed from: https://eufunds.gov.mt/en/EU%20Funds%20Programmes/European%20Agricultural%20Fund/Documents/Monitoring%20and%20Evaluation/RDP%202014-2020/Thematic%20Evaluation_YF%20Final_20210720.pdf

[2] European Parliament, 2017. Directorate-General for Internal Policies, Policy Department B, Structural and Cohesion Policies. Accessed from: https://www.europarl.europa.eu/RegData/etudes/STUD/2017/602006/IPOL_STU(2017)602006_EN.pdf

Range of support at beneficiary level

The support rate for start-up activities will not exceed € 100,000 per young farmer.

The National Guidelines may refer to additional conditions that would be applicable, including, inter alia, reference to Legal Notice 122 of 2024, AGRICULTURE ACT(CAP. 639) Categorisation of Farmers Regulations.

Additional explanation

For the installation of young farmers intervention, support will be provided in the form of a lump sum. The tranches in which this lump sum will be paid will be defined in the respective National Guidance notes.

Young farmers receiving support shall commit, in their business plan, to justify financing of at least 75%

of the lump sum received towards new farm investments. The 75% value will be assessed at both the selection phase as well as the final payment claim, and has to be achieved at both stages. The ARPA will not pay the final payment, and will seek to recover the initial pre-financing if the 75% investment requirement is not made. The MA may establish parameters of what expenditure can be considered as contributing towards this minimum of 75%.

Implementation of the business plan shall be completed within a maximum of three years from the receipt of the funding decision. The MA may modify the maximum implementation period at different stages of the CAP SP period; this will be clarified in the national guidelines for the call.

The same aid intensities shall apply across the Maltese Islands.

Only expenditure which has been incurred after an application has been submitted to the competent authority shall be considered eligible (Article 86 Reg 2021/2115 applies). In the national guidelines, the MA may introduce an exception to the professional services incurred by successful applicants for the submission of an EAFRD application, including business plans where these are required.

Successful applicants are those who are offered and sign a grant agreement (hence excluding those who either fail the eligibility and/or selection process or are placed on a waiting list). In case of full recovery of funds linked to a project, this component will also be subject to such recovery. The MA may include, in the national guidelines, a minimum size of eligible projects based on the public eligible cost.

8 Information regarding State aid assessment

The intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment:

☐ Yes ☑ No ☐ Mixed

9 Additional questions/information specific to the Type of Intervention

N/A

10 WTO compliance

Amber Box

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

This intervention represents an ‘Amber box’ support under the terms set out in the WTO Agreement on Agriculture, conforming to the EU commitments on limiting the scale of such support as required under CAP regulations.

11 Contribution rate(s) applicable to this intervention

Region	Article	Applicable rate	Min Rate	Max Rate
MT - Malta	91(2)(c) - Transition regions within the meaning of Article 108(2), first subparagraph, point (b), of Regulation (EU) 2021/1060	60.00%	20.00%	60.00%

12 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Support	Contribution rate(s)	Type of Planned Unit Amount	Region(s)	Result Indicator(s)	Is the unit amount based on carried over expenditure?
RD INSTAL YF Unit - Unit Amount for the Setting up of Young Farmers	Grant	91(2)(c)-MT-60.00%	Average		R.36; R.37	No

Explanation and justification related to the value of the unit amount

RD INSTAL YF Unit - Unit Amount for the Setting up of Young Farmers

The maximum unit amount is a lump sum of up to EUR 100 000 which has been established in line with Article 75(4) of the CAP SP Reg. In the 2014-2020 RDP, the grant value which is provided to young farmers amounts to €70,000, the maximum value permissible by Regulation (EU) No 1305/2013. In the setting up of the maximum rate, authorities noted at the time that the cost of capital to acquire a farm is significantly higher than the provision of the grant. This continues to hold as outlined in a Thematic evaluation[1] undertaken on young farmers whereby it is stressed that the financial support provided by Measure 6.1, which can be used for the purchase of land, is not sufficient when one takes into consideration the price of agricultural land in Malta. In other words, the measure is not deemed to be sufficient to support new entrants in acquiring the land, given that the cost of land is higher than the provision of support available through the measure. This is similar to the point highlighted in a paper published by the European Parliament[2] which indicates that the maximum payable amount for Measure 6.1 is insufficient for the establishment of a new farming enterprise, or motivating newcomers to join the industry. Consequently, in the CAP SP, authorities intend to provide up to the maximum supportable grant rate of €100,000.The National Guidelines may refer to additional conditions that would be applicable, including, inter alia, reference to Legal Notice 122 of 2024, AGRICULTURE ACT(CAP. 639) Categorisation of Farmers Regulations.

[1] https://eufunds.gov.mt/en/EU%20Funds%20Programmes/European%20Agricultural%20Fund/Documents/Monitoring%20and%20Evaluation/RDP%202014-2020/Thematic%20Evaluation_YF%20Final_20210720.pdf

[2] https://www.europarl.europa.eu/RegData/etudes/STUD/2017/602006/IPOL_STU(2017)602006_EN.pdf

13 Planned Unit Amounts - Financial table with outputs

Planned Unit Amount	Financial Year	2023	2024	2025	2026	2027	2028	2029	Total 2023 - 2029
RD INSTAL YF Unit - Unit Amount for the Setting up of Young Farmers (Grant - Average)	Planned unit amount (Total Public Expenditure in EUR)	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	
	Maximum planned average unit amount (where applicable) (EUR)	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	

	O.25 (unit: Beneficiaries)	2.00	5.00	8.00	25.00	5.00	5.00	10.00	**Sum:** 60.00 **Max:** 25.00
TOTAL	O.25 (unit: Beneficiaries)	2.00	5.00	8.00	25.00	5.00	5.00	10.00	**Sum:** 60.00 **Max:** 25.00
	Annual indicative financial allocation (Total public expenditure in EUR)	200,000.00	722,222.22	1,244,444.45	1,900,000.00	650,000.00	650,000.00	733,333.34	6,100,000.01
	Annual indicative financial allocation (Union Contribution in EUR)	120,000.00	433,333.33	746,666.67	1,140,000.00	390,000.00	390,000.00	440,000.00	3,660,000.00
	Out of which for financial instrument (Total public Expenditure in EUR)	0.00	222,222.22	444,444.44	222,222.22	444,444.45	222,222.22	444,444.45	2,000,000.00
	Out of which for financial instrument (Union Contribution in EUR)	0.00	133,333.33	266,666.67	133,333.33	266,666.67	133,333.33	266,666.67	1,200,000.00
	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)	0.00	0.00	0.00	0.00	188,101.67	0.00	0.00	188,101.67
	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)	0.00	0.00	0.00	0.00	112,861.00	0.00	0.00	112,861.00

COOP(77) - Cooperation

RD COOP - Cooperation- Quality Schemes

Intervention Code (MS)	RD COOP
Intervention Name	Cooperation- Quality Schemes
Type of Intervention	COOP(77) - Cooperation
Common Output Indicator	O.29. Number of beneficiaries receiving support to participate in official quality schemes
Contributing to ringfencing requirement for/on	Generational Renewal: No Environment: No ES rebate system: LEADER: No

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

This intervention aims to reimburse the costs incurred by those participating in EU or National quality schemes and voluntary agricultural product certification schemes, in line with Article 47, paragraph (b) of Commission Delegated Regulation (EU) 2022/126. Support may also be granted to entities carrying out promotion of quality schemes. This intervention will focus on the entire territory of Malta.

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

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO3 Improve the farmer' position in the value chain
SO9 Improve the response of Union agriculture to societal demands on food and health, including high quality, safe, and nutritious food produced in a sustainable way, the reduction of food waste, as well as improving animal welfare and combatting antimicrobial resistances

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
3.3	Promote Product Quality National Scheme (PQNS) and branding to influence consumer choice	5	Yes
9.3	Promote products produced to higher standards for environmental and animal welfare	3	Yes

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold
R.10 Share of farms participating in producer groups, producer organisations, local markets, short supply chain circuits and quality schemes supported by the CAP

5 Specific design, requirements and eligibility conditions of the intervention

Describe what are the specific objectives and content of the intervention including specific targeting, principles of selection, links with relevant legislation, complementarity with other interventions/sets of operations in both pillars and other relevant information.

Marketing and quality assurance were identified as major areas for development in the SWOT analysis, in order to secure a sustainable future for agriculture and rural areas in Malta. The analysis identified a wide range of areas requiring action, including weak presentation of Maltese produce as well as lack of cooperation among producers in production and marketing reduces access to high volume

tourist/hospitality measures. Investment through this intervention that may aim to support participation in ongoing and new quality schemes and provide support for information and promotion actions regarding the Quality Schemes. The selection criteria for this intervention will be in line with Article 79 of Regulation (EU) 2021/2115 and Annex I to regulation (EU) 2021/2289. The selection criteria will ensure the better use of financial resources, equal treatment of applicants, and targeting of the support in accordance with the purpose of the intervention. The Monitoring Committee will be consulted for opinion where appropriate, on the methodology and criteria used for the selection of operations will be in line with Article 124 of Regulation (EU) 2021/2115.

Support for participation in Quality Schemes and information and promotion actions regarding the Quality Schemes

A key area of activity is to provide support for farmers and others to join quality schemes for products. In line with the National Scheme launched in 2014 regulated by Subsidiary Legislation 427.90 on the Establishment of the 'Products of Quality' National Scheme Regulations, Malta will support first participation in this scheme which may include actions falling within this framework (as per Article 77 (1) (c)). Malta may also consider carrying out preparations and consultations for the creation of quality standards for other products.

Further initiatives could link to existing or new PDO or PGI-labelled products for Malta, but these might be and restricted in number. Only new participation will be supported.

This intervention may also support voluntary agricultural product certification schemes recognised by the Department of Agriculture, in line with Article 47, paragraph (b) of Commission Delegated Regulation (EU) 2022/126.

This intervention may also support, as shall be identified in the national guidelines, new participation, in the established EU quality schemes (in accordance with Article 77 (1) (c) of the CAP SPR), namely:

·Regulation (EU) 2024/1143 of the European Parliament and of the Council of 11 April 2024 on geographical indications for wine, spirit drinks and agricultural products, as well as traditional specialities guaranteed and optional quality terms for agricultural products, amending Regulations (EU) No 1308/2013, (EU) 2019/787 and (EU) 2019/1753 and repealing Regulation (EU) No 1151/2012

·Regulation (EU) 2018/848[3] of the European Parliament and of the Council of 30 May 2018 on organic production and labelling of organic products and repealing Council Regulation (EC) No 834/2007[4]

·Regulation (EU) 2019/787[5] of the European Parliament and of the Council of 17 April 2019 on the definition, description, presentation and labelling of spirit drinks, the use of the names of spirit drinks in the presentation and labelling of other foodstuffs, the protection of geographical indications for spirit drinks, the use of ethyl alcohol and distillates of agricultural origin in alcoholic beverages, and repealing Regulation (EC) No 110/2008

·Council Regulation (EEC) No 1601/91[6] of 10 June 1991 laying down general rules on the definition, description and presentation of aromatized wines, aromatized wine- based drinks and aromatized wine-product cocktails

· Part II, Title II, Chapter I, Section 2 of Council Regulation (EU) No 1308/2013 - as concerns wine

This intervention may also support, as shall be identified in the national guidelines, new participation in:

·Existing or future schemes regulated by Subsidiary Legislation 427.90 on the Establishment of the 'Products of Quality' National Scheme Regulations;

-Voluntary agricultural product certification schemes, in line with Article 47 (b) of Commission Delegated Regulation (EU) 2022/126 supplementing Regulation (EU) 2021/2115 of the European Parliament and of the Council with additional requirements for certain types of intervention specified by Member States in their CAP Strategic Plans for the period 2023 to 2027 under that Regulation as well as rules on the ratio for the good agricultural and environmental condition (GAEC) standard 1

Support for joining these schemes is relevant to a wide range of farm produce and processed products from seasonal and permanent crops, and from livestock (e.g. olive oil, tomato and vegetable based products, dairy products – cheeses, yogurt, meat cuts and processed meat products).

In the case of participation in any of the quality schemes eligible for support through this intervention, the maximum duration shall be defined in the respective National Guidance notes, and shall be between 1 and 7 years, in line with Article 77, paragraph 7, of Regulation (EU) 2021/2115.

The Managing Authority shall endeavour to attract participation in such schemes at an earlier stage during the implementation of the CAP Strategic Plan in order to avoid the late implementation of projects under the cooperation intervention. The Maltese authorities will undertake significant efforts to make sure that farmers are provided with information as regards this scheme to maximise uptake as much as possible. Such information may be provided through information sessions and information leaflets, amongst others, and not financed through this intervention.

Outcome of cooperation projects and lessons learnt will have a multiplier effect on the sector. For example, cooperation projects that lead to the establishment of guidelines how to mitigate the effect of pests on crops, can feed through the AKIS and advisory services supported through the CAP SP. Similarly, cooperation projects identifying and/or highlighting the benefits of certain types of investments, for example in the treatment of animal manure, can instigate investments at the farm level by farmers through the CAP SP intervention for on-farm investments support.

Whilst support for cooperation is already envisaged, cooperation specifically under EIP is not being envisaged at initial programming stage. Additional interventions under the CAP SP would lead to further fragmentation within the Plan, thus diluting the impact of the interventions foreseen, especially when considering the overall small financial allocation in Malta's Plan.

Support under this intervention may also be provided to support information and promotion actions regarding EU, nationally recognised quality schemes and other voluntary agricultural product certification schemes recognised in line with Article 47 of Commission Delegated Regulation (EU) 2022/126, as supported under this intervention. There is need to raise awareness among food processers and producers regarding the development and operation of quality assurance schemes, and the potential benefits.

Groups of producers/public entities may engage in promotional activities to encourage stakeholders to apply for quality schemes. Public entities supported through this intervention shall cooperate with farmers, setting out their active participation and involvement. Promotional activities will also serve to increase awareness and understanding of consumers and the general public about the quality assurance systems adopted and, to develop and increase demand.

This envisaged investment will contribute to the following specific objectives.

Specific Objective 3: Improve farmers' position in the value chain

This intervention aims to provide support for farmers and others to join the quality schemes that are eligible for support through this intervention. Such initiatives will contribute to adding value to the farmers position in the value chain in line with Specific Objective 3, by offering further bargaining advantages to farmers in the food chain through the valorisation and acknowledgement of quality produce.

Specific Objective 9: Improve the response of Union agriculture to societal demands on food and health, including high quality, safe, and nutritious food produced in a sustainable way, the reduction of food waste, as well as improving animal welfare and combatting antimicrobial resistance

This intervention is expected to support farmers that participate in schemes that result in quality products, in line with the standards established by the respective scheme. This intervention will therefore contribute

to this SO since it supports the production of high-quality food produced in a sustainable way.

Targeting:

Quality Schemes: Supporting new participation in Quality Schemes.

Complementarity with other actions:

The quality schemes supported through the CAP SP shall complement other interventions envisaged for support under the Plan. These complementarities will be better established once the respective quality schemes are set up by the relevant Competent Authority. Amongst others, this intervention is expected to support participation in the organic farming quality scheme, therefore in synergy with the interventions that for the conversion and maintenance of organic practices under the organic farming scheme as supported under SOs 4, 5 6 and 9. This organic farming scheme shall further encourage the conversion of conventional holdings to organic farming whilst also encouraging those who have shifted to organic status in the past to maintain such commitments and practices. . However, farmers benefitting from the Organic Conversion and Maintenance scheme (RD Organic – Organic Farming Scheme) shall not be eligible for support under RD COOP – Cooperation – Quality Schemes intervention for the same year for the organic quality scheme, to avoid the possibility of double funding. Interventions supporting Quality Schemes will also complement knowledge and exchange as well as AKIS and interventions targeting young farmers under SO 7. With regards to complementarity with sectoral programmes, the CAP SP shall only support the apiculture sector and no other sectoral programmes are foreseen. Any future quality schemes related to local honey will aim to complement the interventions supported through the apiculture programme.

[1] Regulation (EU) No 1151/2012 of the European Parliament and of the Council of 21 November 2012 on quality schemes for agricultural products and foodstuffs

[2] Regulation (EU) 2017/625 of the European Parliament and of the Council of 15 March 2017 on official controls and other official activities performed to ensure the application of food and feed law, rules on animal health and welfare, plant health and plant protection products, amending Regulations (EC) No 999/2001, (EC) No 396/2005, (EC) No 1069/2009, (EC) No 1107/2009, (EU) No 1151/2012, (EU) No 652/2014, (EU) 2016/429 and (EU) 2016/2031 of the European Parliament and of the Council, Council Regulations (EC) No 1/2005 and (EC) No 1099/2009 and Council Directives 98/58/EC, 1999/74/EC, 2007/43/EC, 2008/119/EC and 2008/120/EC, and repealing Regulations (EC) No 854/2004 and (EC) No 882/2004 of the European Parliament and of the Council, Council Directives 89/608/EEC, 89/662/EEC, 90/425/EEC, 91/496/EEC, 96/23/EC, 96/93/EC and 97/78/EC and Council Decision 92/438/EEC (Official Controls Regulation)Text with EEA relevance.

[3] Regulation (EU) 2018/848 of the European Parliament and of the Council of 30 May 2018 on organic production and labelling of organic products and repealing Council Regulation (EC) No 834/2007

[4] Council Regulation (EC) No 834/2007 of 28 June 2007 on organic production and labelling of organic products and repealing Regulation (EEC) No 2092/91

[5] Regulation (EU) 2019/787 of the European Parliament and of the Council of 17 April 2019 on the definition, description, presentation and labelling of spirit drinks, the use of the names of spirit drinks in the presentation and labelling of other foodstuffs, the protection of geographical indications for spirit drinks, the use of ethyl alcohol and distillates of agricultural origin in alcoholic beverages, and repealing Regulation (EC) No 110/2008

[6] Council Regulation (EEC) No 1601/91 of 10 June 1991 laying down general rules on the definition, description and presentation of aromatized wines, aromatized wine- based drinks and aromatized wine-product cocktails

Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary and area

The following beneficiaries are eligible for support under this intervention (including the supporting participation in quality schemes and participation in promotion activities):

Farmers (whether natural/legal persons);
Group of Farmers (including *inter alia* partnerships, cooperatives);
Groups of producer and producer organisations for the information activities.

Besides the eligible beneficiaries outlined above, Public entities are also eligible for the information and promotion actions (only). The Ministry responsible for Agriculture and public entities to which the Ministry is responsible for, excluding the Paying Agency, are expected to be the main prospective beneficiaries which will disseminate and promote Quality Schemes.Public entities supported through this intervention shall cooperate with farmers whilst ensuring that activities undertaken are for the benefit of farmers when involved in quality schemes. Public entities shall therefore provide a written agreement with farmers, setting out their active participation and involvement, to ensure the necessary cooperation element.

In the case of promotion activities, there is no obligation for the beneficiary under the information and promotion actions to be a beneficiary (whether through EAFRD support or other) under any of the quality schemes.

Eligibility conditions for Supporting new participation in Quality Schemes may include:
1.Information activities eligible for support shall be activities designed to induce among others consumers to buy the agricultural products or foodstuffs covered by the quality schemes that can be supported through this intervention; .
2.Support under this intervention should cover exclusively schemes programmed under Art. 77 (1) (c) of the CAP SP Regulation and Article 47 of Commission Delegated Regulation (EU) 2022/126
3.All information drawn up in the context of a supported activity comply with Community and national legislation applicable in the Member State in which the information activities are carried out.
4.Recipients of grants, under certain circumstances as deemed appropriate by the Managing Authority or the Project Selection Committee, may be required to undertake training or seek advice.
5.It is being clarified that participation in quality schemes is open to both participation under new and ongoing quality schemes. However only new beneficiaries can be supported.
6. Farmers benefitting from the Organic Conversion and Maintenance scheme (AECC) shall not be eligible for support under the organic quality scheme for the same year, to avoid the possibility of double funding.
7.In accordance with Regulation (EU) 2021/2115, Article 77, paragraph 2, only new participation will be eligible for support. However, for schemes that provide different certifications for different products, farmers already enrolled in a specific quality scheme for a specific product may receive support if they choose to participate in the same scheme with a different product, as this is considered as a new activity.

Eligibility conditions for Support for information and promotion actions regarding quality schemes may include:

1. Information and promotion activities eligible for support shall be activities designed to encourage, among others, producers to participate in quality schemes and /or consumers to buy the agricultural products or foodstuffs covered by Union or national quality schemes.
2. Eligible quality schemes for information and promotion activities should solely concern agricultural products and foodstuffs, and not agricultural holdings and/or their environmental certification.
3. Only information and promotion activities in the internal market shall be eligible for support.
4. Activities related to the promotion of commercial brands shall not be eligible for support.

5. All information and promotion material drawn up in the context of a supported activity comply with Community and national legislation applicable in the Member State in which the information and promotion activities are carried out.

6. Information and promotion activities for protected wines, protected aromatized wines and protected spirit drinks must have clear reference to the applicable legal and regulatory requirements regarding the responsible consumption of these alcoholic drinks and the risk of alcohol abuse.

[1] Commission Delegated Regulation (EU) 2022/126 of 7 December 2021 supplementing Regulation (EU) 2021/2115 of the European Parliament and of the Council with additional requirements for certain types of intervention specified by Member States in their CAP Strategic Plans for the period 2023 to 2027 under that Regulation as well as rules on the ratio for the good agricultural and environmental condition (GAEC) standard 1.

Define eligible type of support (non-IACS) or commitments (IACS) and other obligations

Eligible expenditure includes, *inter alia*:

Support for new participation in quality schemes:

1.Cost of certification which comprises charges related to professional analysis and administrative fees, amongst others;

2.Annual contribution consisting of expenditure on checks required verifying compliance with the specifications of the scheme and the annual fee paid to a competent authority.

The fixed costs include the additional associated expenditure incurred for entering in a quality scheme. This comprises certification costs and annual contributions that are inclusive of administrative fees, and may also include checks required to verify compliance with the specifications of the scheme. In the case of organic products, this intervention may only finance costs of certifications, and annual contributions specified above as the eligible costs.

Support for information and promotion actions regarding quality schemes:

1. For promotional works and actions, eligible costs include the following: costs of promotional campaigns targeting both farmers (to encourage them to join schemes) and food consumers (to raise awareness of the higher standards and guaranteed provenance that will accompany new quality standards and labels.

2. Also costs of preparing materials in different media (print, film, social media) for promotions, and establishing networks to bring farmer producers closer to the customer as part of increasing awareness.

3. The promotional works and actions must have direct relevance for Maltese producers.

Further details regarding the eligible costs will be determined in line with the national Eligibility Rules and Guidance issued with the call for project proposals within the parameters allowed in the applicable Regulations.

6 Identification of relevant baseline elements

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

N/A

7 Form and rate of support/amounts/calculation methods

Form of support

☑ **Grant**

☐ **Financial instrument**

Type of payment

☑ reimbursement of eligible costs actually incurred by a beneficiary
☑ unit costs
☑ lump sums
☑ flat-rate financing

Basis for the establishment

Below is a list of cost categories/actions under SCO's, including the respective legal basis for establishment, in line with Article 83(1) and (2) of Regulation (EU) 2021/2115 that may be considered by the Managing Authority:

List of Cost Categories / Actions	Legal Basis	Legal Basis
Salaries	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(a)(i) of Regulation (EU) 2021/2115
Per Diem	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(d) of Regulation (EU) 2021/2115
Travel	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(c) of Regulation (EU) 2021/2115
Overheads	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 83(2)(c) of Regulation (EU) 2021/2115
Technical Assistance	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 94(2) of Regulation (EU) 2021/2115
Architect Fees	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 83(2)(a)(i) of Regulation (EU) 2021/2115
Participation in Quality Schemes	Article 83(1)(c) of Regulation (EU) 2021/2115	Article 83(2)(a)(i) of Regulation (EU) 2021/2115

Range of support at beneficiary level

Support rate for participation in Quality Schemes shall be 100% of the eligible costs.

The support rate for information and promotion actions for quality schemes to one or more rates shall not exceed 70 % of the eligible costs.

Additional explanation

In the case of support related to certification, support will be provided in the form of annual payments or as applicable, depending on the respective scheme, as identified in the National Guidance Notes, up to a maximum of 5 years[1].

The same support rate shall apply across the Maltese Islands.

Article 86 of Regulation 2021/2115 applies in terms of eligibility of expenditure. Further requirements may be introduced in the national guidelines.

Successful applicants are those who are offered a grant agreement (hence excluding those who either fail the eligibility and/or selection process or are placed on a waiting list). The MA may include, in the national guidelines, a minimum size of eligible projects based on the public eligible cost. Advance payments are possible up to 50% of the project budget.

Simplified Cost Options may be used to support investments funded through this intervention in line with the national eligibility rules, and the guidance issued by the Managing Authority, either with the call for project proposals or at the latest in the document setting out the conditions for support.

8 Information regarding State aid assessment

The intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment:

☐ Yes ☑ No ☐ Mixed

9 Additional questions/information specific to the Type of Intervention

N/A

10 WTO compliance

Green Box

Paragraph 2 of Annex 2 WTO

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

This intervention qualifies as ‘Green box’ because it has no, or at most minimal, trade-distorting effects or effects on production, as set out in the WTO Agreement on Agriculture.

11 Contribution rate(s) applicable to this intervention

Region	Article	Applicable rate	Min Rate	Max Rate
MT - Malta	91(2)(c) - Transition regions within the meaning of Article 108(2), first subparagraph, point (b), of Regulation (EU) 2021/1060	60.00%	20.00%	60.00%

12 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Support	Contribution rate(s)	Type of Planned Unit Amount	Region(s)	Result Indicator(s)	Is the unit amount based on carried over expenditure?
COOP- QUALITY Unit - Unit Amount for Quality Schemes	Grant	91(2)(c)-MT-60.00%	Average		R.10	No

Explanation and justification related to the value of the unit amount

COOP- QUALITY Unit - Unit Amount for Quality Schemes

The planned amount is based on 14-20 RDP experience including financial allocation set and number of operations committed under Measure 3.1. This takes into consideration the fact that the proposed interventions are expected to be similar in nature.

13 Planned Unit Amounts - Financial table with outputs

Planned Unit Amount	Financial Year	2023	2024	2025	2026	2027	2028	2029	Total 2023 - 2029
COOP- QUALITY Unit - Unit Amount for Quality Schemes (Grant - Average)	Planned unit amount (Total Public Expenditure in EUR)	39,000.00	39,000.00	39,000.00	39,000.00	39,000.00	39,000.00	39,000.00	
	Maximum planned average unit amount (where applicable) (EUR)	500,000.00	500,000.00	500,000.00	500,000.00	500,000.00	500,000.00	500,000.00	
	O.29 (unit: Beneficiaries)	2.00	4.00	6.00	7.00	7.00	7.00	7.00	**Sum:** 40.00 **Max:** 7.00
TOTAL	O.29 (unit: Beneficiaries)	2.00	4.00	6.00	7.00	7.00	7.00	7.00	**Sum:** 40.00 **Max:** 7.00
	Annual indicative financial allocation (Total public expenditure in EUR)	78,000.00	156,000.00	234,000.00	273,000.00	273,000.00	273,000.00	273,000.00	1,560,000.00
	Annual indicative financial allocation (Union Contribution in EUR)	46,800.00	93,600.00	140,400.00	163,800.00	163,800.00	163,800.00	163,800.00	936,000.00

	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

RD COOP - EIP - EIP Operational Groups

Intervention Code (MS)	RD COOP - EIP
Intervention Name	EIP Operational Groups
Type of Intervention	COOP(77) - Cooperation
Common Output Indicator	O.1. Number of European Innovation Partnership (EIP) operational group projects
Contributing to ringfencing requirement for/on	Generational Renewal: No Environment: No ES rebate system: LEADER: No

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

This intervention aims to grant support for the cooperation among supply-chain actors and support for pilot projects, focusing on the entire territory of Malta.

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

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO2 Enhance market orientation and increase farm competitiveness, both in the short and long term, including greater focus on research, technology and digitalisation
SO3 Improve the farmer' position in the value chain
SO5 Foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency
XCO Cross-cutting objective of modernising the sector by fostering and sharing of knowledge, innovation and digitalisation in agriculture and rural areas, and encouraging their uptake

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
2.4	Identify and support the investment needs of the sector to increase its market competitiveness	1	Yes
3.1	Build human and social capital and support facilitation and innovation to improve the supply chain	1	Yes
3.2	Improve the organisation of producers in the relevant sectors, where this is currently lacking	2	Yes
3.5	Support investments that shorten the supply chain	4	Yes
5.3	Introduce Mechanisms and processes that convert agricultural waste to fertilizer	4	No
5.5	Encourage farmers to invest in efficient farming systems that make efficient use of resources	7	Yes

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold
R.1 Number of persons benefitting from advice, training, knowledge exchange, or participating in European Innovation

Partnership (EIP) operational groups supported by the CAP in order to enhance sustainable economic, social, environmental, climate and resource efficiency performance
R.2 Number of advisors receiving support to be integrated within Agricultural Knowledge and Innovation Systems (AKIS)
R.28 Number of persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP related to environmental or climate-related performance

5 Specific design, requirements and eligibility conditions of the intervention

Describe what are the specific objectives and content of the intervention including specific targeting, principles of selection, links with relevant legislation, complementarity with other interventions/sets of operations in both pillars and other relevant information.

Support under this intervention will aim to contribute to actions falling under Article 77 1(a) of the CAP SP Regulation.

Targeting:

Support for horizontal and vertical cooperation among supply- chain actors for the establishment and development of short-supply chains and local markets, and for promotion activities in a local context relating to the development of short supply chains and local markets.

Innovation to improve the supply chain was identified in the SWOT and Needs analysis for Malta as a key requirement to support primary producers in developing quality assurance and improving returns to agriculture through alternative forms of marketing and shorter supply chains. In Malta distances between producer and consumer are short yet the fresh produce wholesale market provides limited returns to primary producers and lacks traceability. Both fresh produce and livestock producers would benefit from developing closer and more direct links between producer and consumer in order to realize the potential for Maltese products. Due to the small size of many producers, economies of scale and market efficiencies will only be gained through innovative collaborative actions.

This intervention aims to encourage and promote cooperation between farmers, young farmers, businesses, research and educational institutes and public entities along the supply chain, and may also be used to develop niche products. Support will also be targeted towards climate adaptation, mitigation, sustainable use of energy and resources and the protection of biodiversity.

Moreover, this intervention may also support other forms of cooperation. Support will help to encourage the formation of partnerships that aim to undertake improvements in environmental quality, supply chain efficiency, sustainable energy, water and waste management.

This support applies not just to horizontal linkages to create efficiency of supply and scale, but also to vertical partnerships in supply chains, to engage in promotion and marketing of existing and new products. Support will be provided to establish and manage new groups of producers, processors and suppliers working together in short supply chains and local markets. For the purpose of this intervention support for the establishment and development of short supply chains shall cover only supply chains involving no more than one intermediary between farmer and consumer, as may be established by the MA in the national guidelines.

Support for co-operation among supply chain actors for sustainable provision of biomass for use in food and energy production and industrial processes (waste).

In Malta, distances between producer and consumer are short yet the fresh produce wholesale market provides limited returns to primary producers and lacks traceability. Both fresh produce and livestock producers would benefit from developing closer and more direct links between producer and consumer in order to realize the potential for Maltese products. Due to the small size of many producers, economies of scale and market efficiencies will only be gained through innovative co-operative actions. This applies not

just to horizontal linkages to create efficiency of supply and scale, but also to vertical partnerships in supply chains, to engage in promotion and marketing of existing and new products. Support will be provided to establish and manage new groups of producers, processors and suppliers working together in short supply chains and local markets, as well as projects in favour of the provision of sustainable biomass. For projects concerning biomass, collaborative actions linking a wide range of stakeholders will be required including land managers, farmers, NGOs, local authorities, and government agencies concerned with energy, wastes, and environmental protection.

Support for pilot projects, and for the development of new products, practices, processes and technologies

Many innovative actions need to be 'piloted' or tested before being made more widely available. Support may also be provided for 'demonstration', where the demonstration activity is a final part of the process of testing/validating a technology or process. The most relevant areas for this type of activity in the CAP Strategic Plan currently are collaboration to pilot or experiment with practices to increase efficiency of input use (fertilisers, manures, pesticides, fodder crops for nutrition, water); practices to enhance product quality through better handling and storage; and practices to develop new varieties of, and new production systems for, crops, and livestock better able to cope with Malta's natural constraints, in the face of anticipated climate change. Other objectives may also be supported during the implementation of the plan, as relevant.

These actions might involve, inter alia, the purchasing (any type of purchasing) or hiring of specialized laboratory equipment, pilot projects in relation to pesticide management, and the engagement of local or foreign research teams and expertise. The CAP SP will support grants under this measure. Each operational group must draw up a plan containing a description of their innovative project and a description of the expected results.

The envisaged investments will contribute to the following Specific Objectives:

Specific Objective 2: to enhance market orientation and increase farm competitiveness both in the short and long term, including greater focus on research, technology and digitalisation.

This intervention can provide support for pilot projects, for the development of new products, practices, processes and technologies, contributing specifically towards Specific Objective 2.

Specific Objective 3: to improve farmers' position in the value chain.

This intervention will support horizontal and vertical co-operation among supply chain actors for the establishment and development of short supply chains and local markets, and for promotion activities in a local context relating to the development of short supply chains and local markets, contributing specifically towards Specific Objective 3.

Specific Objective 5: to foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency

This intervention will provide support for cooperation among supply chain actors for sustainable provision of biomass for use in food and energy production and industrial processes, contributing specifically towards Specific Objective 5.

Principles of selection:

The intervention involves the use of selection criteria for operations pursuant to Article 79 of Regulation (EU) 2021/2115. These criteria will be established following consultation with the Monitoring Committee.

The selection criteria will be defined in such a way as to guarantee equal treatment of applicants, better use of financial resources and contribute towards the objectives of the intervention.

The selection principles are the following, and based on the interactive innovation model (Art 127(3)):
(a) developing innovative solutions focusing on farmers' needs while also tackling the interactions across the whole supply chain where useful;
(b) bringing together partners with complementary knowledge such as farmers, advisors, researchers, enterprises or non-governmental organisations in a targeted combination as best suited to achieve the project objectives;
(c) co-deciding and co-creating all along the project; and
(d) integrating advisors as much as possible.

The Managing Authority shall establish minimum scores that need to be met, below which the proposals by the applicants cannot be considered for support.

Complementarity with other interventions:

Interventions supporting Cooperation activities will complement Knowledge and Exchange, AKIS, on farm productive investments and young farmers amongst other.

Links with relevant legislation

EU Regulation 2021/2115

Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary and area

Farmers (whether natural/legal persons);
Group of Farmers (including *inter alia* partnerships, cooperatives);
Businesses;
Public entities;
Groups suitable/relevant to achieving the objectives of the intervention for support for pilot projects, and for the development of new products, practices, processes and technologies.

When it comes to payments and reimbursements, reporting etc., a lead partner in the group will act on behalf of all the members forming part of the group.

Eligibility Conditions may include:

-Support needs to promote new forms of cooperation; this may include existing ones if starting a new activity. The cooperation shall involve at least two actors and shall contribute to achieving one or more of the specific objectives set out in Article 6(1) and (2) of the CAP Strategic Plan Regulation.
-Support will not be provided in cooperation solely involving research bodies.
-Support will only be granted to Groups with specific planned actions resulting in specific planned

outcomes.
-Support will only be provided for cooperation operations that can demonstrate to have a clear and direct effect on the targeted area.

The Operational group is meant to be "operational" and shall contribute to achieving one or more of the specific objectives set out in Article 6(1) and (2) of Regulation (EU) 2021/2115.

- The Operational group must establish internal procedures to ensure transparency in their operation and decision-making and avoid conflicts of interest;
- They must draw up a plan containing:
a) description of their project plan;
b) a description of the expected results;
- They must widely disseminate the plans and results of their project on a non-exclusive and non-discriminatory basis using in particular the national and European CAP Networks, as well as local dissemination channels frequented by the end-users wherever possible.

Define eligible type of support (non-IACS) or commitments (IACS) and other obligations

Support for horizontal and vertical cooperation among supply- chain actors for the establishment and development of short-supply chains, and for promotion activities in a local context relating to the development of short supply chains and local markets and Support for co-operation among supply chain actors for sustainable provision of biomass for use in food and energy production and industrial processes (waste) and support for pilot projects, and for the development of new products, practices, processes and technologies

Running costs of the co-operation - are the running costs arising from the "act" of co-operation such as the salary of a "co-ordinator", the costs of meetings and provision of a secretariat function, as well as the costs of the partners for the activities planned in the project.

Direct costs linked to the implementation of the project plan, including investments costs (such as retail and/or depreciating costs) and importantly, including salary costs for the co-ordinator and the project partners such as farmers and advisors. The MA may consider consumables as eligible costs for this intervention.

The possibility of either using the simplified cost option (SCO) or else the actual cost incurred.

Further details regarding the eligible costs will be determined in line with the national Eligibility Rules and Guidance issued with the call for project proposals within the parameters allowed in the applicable Regulations.

Investment costs

The maximum aid rate for support for investments covered by Annex I to the Treaty will follow the specifications in Art. 73 (100% aid support may be considered for non-productive investments in the case of EIP only) and if all of the following conditions shall be met:

1. the investment is made in the context of a defined project of defined duration;

2. support does not cover the full acquisition of assets, but rather only their use/depreciation over the lifetime of the specific project (calculated according to normal good accounting practice) and scaled down according to the extent of use for the project; and

3. the investment is not made in an improvement to immoveable property.

6 Identification of relevant baseline elements

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

N/A

7 Form and rate of support/amounts/calculation methods

Form of support

☑ Grant

☐ **Financial instrument**

Type of payment
☑ reimbursement of eligible costs actually incurred by a beneficiary
☑ unit costs
☐ lump sums
☑ flat-rate financing

Basis for the establishment

Below is a list of cost categories/actions under SCO's, including the respective legal basis for establishment, in line with Article 83(1) and (2) of Regulation (EU) 2021/2115 that may be considered by the Managing Authority:

List of Cost Categories / Actions	SCO Form of Financing Legal Basis	SCO Methodology Legal Basis
Salaries	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(a)(i) of Regulation (EU) 2021/2115
Per Diem	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(d) of Regulation (EU) 2021/2115
Travel	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(c) of Regulation (EU) 2021/2115
Overheads	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 83(2)(c) of Regulation (EU) 2021/2115
Technical Assistance	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 94(2) of Regulation (EU) 2021/2115
Cooperation Activities	Article 83(1)(d) of Regulation (EU) 2021/2115 + Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(c) of Regulation (EU) 2021/2115 + Article 83(2)(a)(i) of Regulation (EU) 2021/2115
Architect Fees	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 83(2)(a)(i) of Regulation (EU) 2021/2115

Range of support at beneficiary level

The support rate applied to the intervention on the preparation and implementation of cooperation activities shall be 100% of the eligible costs.

Additional explanation

The costs of operations shall be supported in line with the relevant rules and requirements for similar operations covered under other types of interventions for rural development as set out in Articles 70 to 77 and 78 of the CAP Strategic Plan. Investment costs must comply with the rules and requirements of article 73 of the CAP Strategic Plan Regulation. The same support rates shall apply across the Maltese Islands.

Article 86 of Regulation 2021/2115 applies in terms of eligibility of expenditure. .

Successful applicants are those who are offered a grant agreement (hence excluding those who either fail the eligibility and/or selection process or are placed on a waiting list). Advance payments are possible up to 50% of the project budget.

Simplified Cost Options may be used to support investments funded through this intervention in line with the national eligibility rules, and the guidance issued by the Managing Authority, either with the call for project proposals or at the latest in the document setting out the conditions for support.

8 Information regarding State aid assessment

The intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment:
☑ Yes ☐ No ☐ Mixed

Explanation of support activities falling outside the scope of Art. 42 TFEU

EIP Operational Groups profit from an exemption on state aid up to Eur 350.000 per project.

Type of state aid instrument to be used for clearance:
☐ Notification ☐ GBER ☑ ABER ☐ de minimis
State Aid case number
N/A

Additional information:
☐ The Member State has not yet chosen the instrument(s) and has indicated the alternatives. No support will be paid to beneficiaries before the date when the clearance of the instrument chosen comes into effect.
☑ The Member State has chosen the instrument, as indicated, but the clearance has not yet been obtained. No support will be paid to beneficiaries before the date when the clearance comes into effect.
☐ The Member State has chosen the instrument, as indicated, the clearance has been obtained and the SA number has been indicated for notification, GBER or ABER

9 Additional questions/information specific to the Type of Intervention
N/A

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

This intervention qualifies as ‘Green box’ because it has no, or at most minimal, trade-distorting effects or effects on production, as set out in the WTO Agreement on Agriculture.

11 Contribution rate(s) applicable to this intervention

Region	Article	Applicable rate	Min Rate	Max Rate
MT - Malta	91(3)(b) - 77(1)(a) - Support for the European Innovation Partnership under Article 77(1), point(a)	80.00%	20.00%	80.00%

12 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Support	Contribution rate(s)	Type of Planned Unit Amount	Region(s)	Result Indicator(s)	Is the unit amount based on carried over expenditure?
COOP EIP Unit Amount - Unit Amount Cooperation Activities- EIP	Grant	91(3)(b) - 77(1)(a)-MT-80.00%	Average		R.1; R.2; R.28	No

Explanation and justification related to the value of the unit amount
COOP EIP Unit Amount - Unit Amount Cooperation Activities- EIP

The planned amount is based on 14-20 RDP experience.

13 Planned Unit Amounts - Financial table with outputs

Planned Unit Amount	Financial Year	2023	2024	2025	2026	2027	2028	2029	Total 2023 - 2029
COOP EIP Unit Amount - Unit Amount Cooperation Activities- EIP (Grant - Average)	Planned unit amount (Total Public Expenditure in EUR)	166,666.60	166,666.60	166,666.60	166,666.60	166,666.60	166,666.60	166,666.60	
	Maximum planned average unit amount (where applicable) (EUR)	250,000.00	250,000.00	250,000.00	250,000.00	250,000.00	250,000.00	250,000.00	
	O.1 (unit: Projects)	3.00	2.00	2.00	2.00	1.00			**Sum:** 10.00 **Max:** 3.00
TOTAL	O.1 (unit: Projects)	3.00	2.00	2.00	2.00	1.00			**Sum:** 10.00 **Max:** 3.00
	Annual indicative financial allocation (Total public expenditure in EUR)	499,999.80	333,333.20	333,333.20	333,333.20	166,666.60			1,666,666.00
	Annual indicative financial allocation (Union Contribution in EUR)	399,999.84	266,666.56	266,666.56	266,666.56	133,333.28			1,333,332.80

	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)								
	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)								

RD COOP LEADER - COOPERATION: LEADER

Intervention Code (MS)	RD COOP LEADER
Intervention Name	COOPERATION: LEADER
Type of Intervention	COOP(77) - Cooperation
Common Output Indicator	O.31. Number of supported local development strategies (LEADER) or preparatory actions
Contributing to ringfencing requirement for/on	Generational Renewal: No Environment: No ES rebate system: LEADER: Yes

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

This intervention shall provide funding for the LEADER programme that will be implemented by Local Action Groups (LAGs), focusing on the entire rural territory of Malta and the Maltese Islands.

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

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO8 Promote employment, growth, gender equality, including the participation of women in farming, social inclusion and local development in rural areas, including the circular bio-economy and sustainable forestry

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
8.1	Support small projects within rural areas to foster local development	1	Yes
8.2	Promote and encourage community and social activities within rural areas	2	Yes

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold
R.38 Share of rural population covered by local development strategies

5 Specific design, requirements and eligibility conditions of the intervention

Describe what are the specific objectives and content of the intervention including specific targeting, principles of selection, links with relevant legislation, complementarity with other interventions/sets of operations in both pillars and other relevant information.

This intervention shall provide funding for the LEADER programme that will be implemented by Local Action Groups (LAGs). Following selection of LAGs, LEADER shall finance the running costs of selected Local Action Groups, measures programmed in the respective LDS.

Local Action Groups shall only encompass localities that can be classified as rural in line with the definition outlined in Chapter 4 of the CAP Strategic Plan (it is being noted that once a rural locality is classified as such at the stage of drafting of the LDS, then it is considered as such throughout the implementation period of the CAP SP, even if circumstances change). The aim of the CAP Strategic Plan is to continue building on the achievements of LEADER during the current programming period. Thus, the Managing Authority will launch an open call for interested potential local action groups to submit a Local Development Strategy, which will then be subject to a transparent selection process, based on selection criteria which will be made public. Every applicant must demonstrate that each local

development strategy submitted clearly demonstrates that it has the support of the local communities through exclusive declarations of at least 40% of the Local Councils within their region. This means that in order to be considered for support, the submitted Local Development Strategy must demonstrate the support of at least 40% of the rural localities in the region. If the LDS is adopted, all of the rural localities within the region will be included in the scope of the LDS. The same wider territories as per RDP 14-20 will be maintained.

In line with Article 92, paragraph 1 of the CAP Strategic Plan proposal, 5 % of the total EAFRD contribution to the CAP Strategic Plan is being reserved for LEADER.

LAGs are normally non-profit organisations and LAG statutes should define elements such as the size and composition of the Board, as well as the General Assembly procedures. LAGs shall ensure that no single interest group controls selection decisions, in line with Article 33, paragraph (b) of Regulation (EU) 2021/1060. In this regard, this partnership aims to include the participation of young people and women in the decision making process of the LAG, including stages of LDS development and its implementation.

In the respective Guidance Notes, the Managing Authority will outline the basic requirements for LAGs and the criteria to be fulfilled by such entities. Selected LAGs shall be bound to follow the guidance notes provided by the Managing Authority, and, where applicable, the ARPA, as well as any other guidance and circulars that the MA and/or the ARPA may issue from time to time.

As noted in Article 31 of the Common Provisions Regulation (CPR) (EU) 2021/1060[1] proposal, Community Led Local Development (CLLD) shall:

–focused on subregional areas;

–led by local action groups composed of representatives of public and private local socioeconomic interests, in which no single interest group controls the decision-making;

–carried out through strategies in accordance with Article 32.

In line with Article 33 of the CPR (EU) 2021/1060 LAGs shall design and implement Local Development Strategies (LDS) whereas Managing Authorities shall ensure that LAGs either select one partner within the group as a lead partner in administrative and financial matters, or come together in a legally constituted common structure. The MA, in the national guidelines for the intervention, may consider identifying specific parameters permissible by regulation.

As noted in Article 33, paragraph 3 of the Regulation (EU) 2021/1060, local action groups, exclusively, shall carry out all of the following tasks:

–build the capacity of local actors to develop and implement operations;

–draw up a non-discriminatory and transparent selection procedure and criteria, which avoids conflicts of interest and ensures that no single interest group controls selection decisions;

–prepare and publish calls for proposals;

–selecting operations and fixing the amount of support and presenting the proposals to the body responsible for final verification of eligibility before approval;

–monitoring progress towards the achievement of objectives of the strategy;

–evaluating the implementation of the strategy.

–Follow any guidance issued by the MA and ARPA, whether such guidance is provided prior to the signing of the grant agreement but also any guidance, timelines and other operational requirements, from time to time during the implementation of the strategy.

It is being clarified that since LAGs are appointed as part of the regulatory requirements, these are not required to be designated as Intermediary Bodies.

Implementation of operations under the CLLD

LEADER aims at reinforcing territorial coherence. The support for implementation of activities under LEADER provides potential to meet local needs through an integrated, multi-sectoral, and bottom-up approach. A key role is the selection of projects to meet the objectives of the LDS, which will be carried out by the LAG through a Selection Committee composed of members of the local partnership supported by expertise whenever required.

By selecting projects at local level, the LAG shall contribute to:
–strengthening the local identity and the local profile;
–improving the quality of life and the attractiveness of the local area;
–creation and safeguarding of jobs in rural areas;
–improvement of equal opportunities for youth, women, elderly people, disabled persons and members of minorities;
–increasing the local added value and competitiveness of the area;
–contribute to the preservation of resources and environmental protection;
–establishment of an integrated approach to rural development.

Implementation of cooperation activities of the local action groups

Networking and cooperation are a fundamental means for LAGs to improve local knowledge, understanding, and awareness, and a means to access to new information and ideas, learn from experiences of other regions or countries, to stimulate and support innovation, and to acquire skills to improve the quality of delivered services.

Responsibilities of each partner within a networking and/or cooperative action will be identified in a Cooperation and Partnership Agreement. The agreement will include an agreed budget, project objectives, the activities for joint implementation in order to accomplish the objectives, the role of each partner, and the final financial contribution of each partner within the project. Cooperation actions between LAGs/partners will be implemented under the responsibility of a coordinating LAG.

The project may be an inter-territorial or a trans-national cooperation project. In the case of inter-territorial cooperation the LAGs in Malta can propose a joint project of a national dimension. Projects proposed under any type of cooperation must complement contribute to the RDP objectives as expressed in the Malta needs. The ability to deliver clear tangible results must be demonstrated in order to be eligible for support.

Networking, cooperation at National or transnational level is obligatory for all LAGs. Malta may consider adopting LAG cooperation projects at the LDS adoption stage. The indicative financial allocation towards these actions will be of around 3% of the initial LEADER allocation.

Support for running costs and animation

In order to implement operations under their respective LDS, Local Action Groups shall receive support covering the LAG's running costs, as stipulated in Article 33 of the CPR (EU) 2021/1060. Support shall

cover the running costs of the LAGs but will also include the training of LAG staff and members of the Decision Committee involved in the implementation of the strategy.

The main task, for the LAG is implementation of the strategy, but it must also undertake the following administrative functions:

–Animation of the territory;

–Preparation and publication of public calls in line with the LDS;

–Receipt analysis, assessment, selection and contracting of projects;

–Management, Monitoring and implementation of the strategy;

–Bookkeeping and legal-related specific issues.

Malta will consider adopting the use of SCOs under LEADER, including, inter alia, support for running costs and animation, as well as implementation of cooperation activities.

The envisaged investments will contribute to the following specific objective:

Specific Objective 8: Promote employment, growth, gender equality, social inclusion and local development in rural areas, including bio-economy and sustainable forestry.

LEADER targets the local development of rural areas in line with Specific Objective 8 and contributes to enhancing social capital through the implementation of operations under local development strategies together with cooperation activities. LEADER aims at reinforcing territorial coherence and provides potential to meet local needs through an integrated, multi-sectoral, and bottom-up approach and will support the local development in rural areas. This intervention may support LAGs through the implementation costs involved in relation to CLLD, cooperation activities and support for running costs and animation.

Targeting

LEADER: Support for local development through CLLD – community-led local development and the Local Development Strategy

Links with relevant Legislation

Regulation (EU) 2021/2115

Regulation (EU) 2021/1060 of the European parliament and of the council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy (EU) 2021/1060 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 24 June 2021

[1] Regulation (EU) 2021/1060 of the European Parliament and of the Council of 24 June 2021 laying down common provisions on the European Regional Development Fund, the European Social Fund Plus, the Cohesion Fund, the Just Transition Fund and the European Maritime, Fisheries and Aquaculture Fund and financial rules for those and for the Asylum, Migration and Integration Fund, the Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy.

Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary and area

Local Action Groups and Local Actors operating within LAG Territory. In line with Article 31 (2) (a) of the CPR, MT is defining subregional in terms of the population of the local councils forming part of the respective LAG.

Eligible conditions may include:

Local Action Groups

- Supported operations shall be in line with the priorities identified for CLLD in the Partnership Agreement for Malta and the EAFRD Regulation and contribute to the objectives of the LDS.
- LAGs shall be responsible from the implementation of the LDS as approved, including reference to selection criteria as well as budget capping per operation, unless justified requests for deviation/modification from this are formally submitted and accepted by the Managing Authority
- LAGs shall maintain a website with information clearly accessible to the general public, and include all information related to the LDS, including information linked to beneficiaries, supported operations, schedule of calls, success stories, ongoing activities, etc.
- LAGs shall ensure that they remain accessible to the general public and region they are covering. Hence, the MA may stipulate, in the national guidelines, requirements that may include, inter alia, ensuring an operation that is accessible during normal office hours.
- In cases of emergency due to catastrophic events or a significant and sudden change in the socioeconomic conditions, according to Article 86 (3) of Regulation 2021/2115, permission may be granted for expenditure to be eligible from the date when the event occurred and thus before an application has been submitted.

Implementation of cooperation activities of the LAG

- LAGs have to envisage implementation of a concrete project;
- The scope and objectives of networking/cooperation must be established in the LDS and ensure that it is relevant and improves the potential of the area covered by the LAG;
- In case of cooperation with non-EU MSs the private–public partnership must be similar in form and function to a LAG and operate in a rural area;
- LAG has to clearly identify on whether it will be coordinating the project or participating as a partner;
- Co-operation projects within a Member State (inter-territorial co-operation) or co-operation projects between territories in several Member States or with territories in third countries (transnational co-operation);
- Technical support for inter-territorial and transnational co-operation projects, on condition that local action groups are able to demonstrate that they are envisaging the implementation of a concrete project;
- In cases of emergency due to catastrophic events or a significant and sudden change in the socioeconomic conditions, according to Article 86 (3) of Regulation 2021/2115, permission may be granted for expenditure to be eligible from the date when the event occurred and thus before an application has been submitted.

Implementation of operations under the CLLD

- Supported operations shall complement the General and Specific Objective set out in the CAP SP Regulation and contribute to the objectives of the LDS.
- Operations, the main scope of which is targeted through interventions and operations under the CAP SP, with the exclusion of the LEADER sub-intervention, cannot be supported under LEADER LDS. The MA will ensure clear delineation in the respective national guidelines calling for submission of LDS by potential LAG's.

- In cases of emergency due to catastrophic events or a significant and sudden change in the socioeconomic conditions, according to Article 86 (3) of Regulation 2021/2115, permission may be granted for expenditure to be eligible from the date when the event occurred and thus before an application has been submitted.

An operation comprising investment carries the below durability period obligations, regardless of the size of the beneficiary:

-For investments with a grant value of up to €15,000 the durability period obligations will extend to one (1) year from the final payment to the beneficiary.

-For investments with a grant value of between €15,000 and €200,000 the durability period obligations will extend to three (3) years from the final payment to the beneficiary.

-For investments with a grant value of over €200,000 the durability period obligations will extend to five (5) years from the final payment to the beneficiary.

This obligation is tied to investments in infrastructure and/or to productive investments and is applied regardless of the size of the beneficiary.

Running costs and implementation

- An annual plan of expenditure must be presented by the LAGs for the approval of the MA. This will serve to demonstrate efficient financial management and to ensure the delivery of anticipated activities. The MA may request modifications to said plan, in which case LAGs will be required to revise the plan accordingly. No reimbursements on said plan will be issued by ARPA until such plans are approved by the MA.

- In cases of emergency due to catastrophic events or a significant and sudden change in the socioeconomic conditions, according to Article 86 (3) of Regulation 2021/2115, permission may be granted for expenditure to be eligible from the date when the event occurred and thus before an application has been submitted.

Define eligible type of support (non-IACS) or commitments (IACS) and other obligations

Implementation of cooperation activities of the local action group

Eligible costs will include both the costs of technical actions for a co-operation project and also the implementation costs of a cooperation project either within Malta or within other Member States. This is not an exhaustive list and eligible and non-eligible costs will be published as part of the operating guidelines:

– Training

– Capacity building exercise/s

– Organisation of events and events planning

– Publicity costs, in line with article 78 of the CAP SPR

– Support for innovation in products / services in rural areas

– Adoption of common methodological and working methods

– Communication and networking

– Marketing activities

– Job creation and sustaining of existing jobs.

Further details regarding the eligible costs will be determined in line with the national Eligibility Rules and Guidance issued with the call for project proposals within the parameters allowed in the applicable Regulations.

The MA may consider including the call to select the co-operation projects within the main application for the selection of LDS.

Implementation of operations under the CLLD

Eligibility cost may include:

–Projects must be selected on the basis of the selection criteria set in the calls for application. Eligible costs must be clearly identified and linked to the achievement of the strategy goals and targets;

–Once the strategies are presented the Managing Authority will initiate a process to verify if there are any State Aid implications. If in the affirmative it will carry out the necessary procedure of notification whilst ensuring that all provisions are respected;

–The actions proposed will not be eligible if these are already supported under any of the ESIF funds or other National scheme;

–The LAGs cannot be a direct beneficiary;

- Publicity costs are also eligible, in line with article 78 of the CAP SPR;

Further details regarding the eligible costs will be determined in line with the national Eligibility Rules and Guidance issued with the call for project proposals within the parameters allowed in the applicable Regulations.

Support for running costs and animation

Eligible costs may include:

–Costs linked to the management of the implementation of the strategy consisting of operating costs, personnel costs, training costs, costs linked to communication, financial costs as well as the costs linked to monitoring and evaluation of the strategy;

–Costs of animation of the LDS in order to facilitate exchange between stakeholders, to provide information and to promote the strategy and to support potential beneficiaries to develop operations and prepare applications

Further details regarding the eligible costs will be determined in line with the national Eligibility Rules and Guidance issued with the call for project proposals within the parameters allowed in the applicable Regulations.

Where the same LAGs from the RDP 14-20 are chosen for the CAP SP, there may be an overlapping period with regards to running costs and animation. In this case there will be proportionate adjustments in running costs and animation during this period.

6 Identification of relevant baseline elements

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

N/A

7 Form and rate of support/amounts/calculation methods

Form of support

☑ **Grant**

☐ **Financial instrument**

Type of payment

☑ reimbursement of eligible costs actually incurred by a beneficiary

☑ unit costs

☐ lump sums

☑ flat-rate financing

Basis for the establishment

Below is a list of cost categories/actions under SCO's, including the respective legal basis for establishment, in line with Article 83(1) and (2) of Regulation (EU) 2021/2115 that may be considered by the Managing Authority:

List of Cost Categories / Actions	SCO Form of Financing Legal Basis	SCO Methodology Legal Basis
Salaries	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(a)(i) of Regulation (EU) 2021/2115
Per Diem	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(d) of Regulation (EU) 2021/2115
Travel	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(c) of Regulation (EU) 2021/2115
Overheads	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 83(2)(c) of Regulation (EU) 2021/2115
Technical Assistance	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 94(2) of Regulation (EU) 2021/2115
LEADER: support for running costs and animation	Article 83(1)(d) of Regulation (EU) 2021/2115 + Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(c) of Regulation (EU) 2021/2115 + Article 83(2)(a)(i) of Regulation (EU) 2021/2115
LEADER: implementation of operations under the CLLD	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(b) of Regulation (EU) 2021/2115
Architect Fees	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 83(2)(a)(i) of Regulation (EU) 2021/2115

Range of support at beneficiary level

The support rate applied to the intervention contributing to LEADER involving support for running costs and animation shall be 100% of the eligible costs whereas implementation of operations under LDS and preparation and implementation of cooperation activities shall be supported at 80% of the eligible costs.

Additional explanation

Support will be provided in the form of grants. The same aid intensities shall apply for all Local Action Groups across the Maltese Islands.

LEADER budget will be distributed equally across the three (3) LAGs territories.

The following support rates shall apply for various actions under LEADER:

– Implementation of operations under the LDS – 80%
– Support for running costs and animation – 100%
– Cooperation activities – 80%

As noted in Article 34, paragraph 2 of the CPR (EU) 2021/1060, support for management, monitoring and evaluation of the strategy and its animation shall not exceed 25 % of the total public contribution to the strategy.

Beneficiaries of LEADER at the discretion of the MA and ARPA, may request an advance payment of the public aid related to any type of support. It will be up to the MA and ARPA to seek the provision of a guarantee or otherwise in case of advance payments.

For operations financed under the Local Development Strategy, the maximum rate of support per operation shall be of Eur200,000. The maximum capping for LDS projects will be established by the MA in the respective national Guidance Notes.

In the case that the same LAGs from the RDP 14-20 are chosen for the CAP SP there may be an overlapping period with regards to running costs and animation. In this case there will be proportionate adjustments in running costs and animation during this period.

Simplified Cost Options may be used to support investments funded through this intervention in line with the national eligibility rules, and the guidance issued by the Managing Authority, either with the call for project proposals or at the latest in the document setting out the conditions for support.

8 Information regarding State aid assessment

The intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment:

☑ Yes ☐ No ☐ Mixed

Explanation of support activities falling outside the scope of Art. 42 TFEU

Support activities shall include the update of local development strategies, running costs and animation and cooperation.

The setting up and running costs of Local Action Groups, duly established and approved for the purposes of Regulation (EU) 2021/2115, do not in principle give rise to State aid issues, provided that the LAGs do not carry out an economic activity. Should the presence of State aid not be excluded, the support will be provided in line with the *de minimis* Regulation (Commission Regulation (EU) No. 2023/2831 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid (*OJ L, 2023/2831, 15.12.2023)*.

[1] Commission Regulation (EU) 2023/2831 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid to the de minimis aid Text with EEA relevance.

Type of state aid instrument to be used for clearance:

☐ Notification ☐ GBER ☐ ABER ☑ de minimis

Additional information:

☐ The Member State has not yet chosen the instrument(s) and has indicated the alternatives. No support will be paid to beneficiaries before the date when the clearance of the instrument chosen comes into effect.

☐ The Member State has chosen the instrument, as indicated, but the clearance has not yet been obtained. No support will be paid to beneficiaries before the date when the clearance comes into effect.

☐ The Member State has chosen the instrument, as indicated, the clearance has been obtained and the SA number has been indicated for notification, GBER or ABER

9 Additional questions/information specific to the Type of Intervention

What is the added value of the LEADER approach fro Rural Development aimed?

The LEADER measure is an important tool for local rural development in Malta. In particular it can engage with rural stakeholders on a local level who would otherwise not be affected by RDP activities, and through raising awareness and providing information and advice, it can support new approaches, new ideas, and innovation among the rural population.

Describe how the basic requirements and principles related to the LEADER approach will be ensured through the delivery model

The LEADER approach ensures an effective and efficient approach by being designed and eventually implemented by local actors. Malta is divided into three regions with each region currently having a very active Local Action Group (LAG) composed of representatives **of public and private local socioeconomic interests**. Non-Public entities stakeholders shall form the majority, in terms of representation at the decision-making level, of foundations acting as LAG's. This approach shall be enshrined in the foundations' statute. This ensures that no single interest group controls the decision-making within the LAG. Each LAG through an extensive consultation process within its region shall aim to address the region's needs and opportunities by providing a wide range of people and organisations

(active within a specific region) the possibility to explore and indicate specific needs and opportunities as required within the region. This process will then be adequately evaluated in order to formulate a **strategy that is area based** and that is mutually beneficial for the interest of the local rural communities. This model provides the territory with the opportunity to turn its challenges into opportunities through a **bottom-up approach** during both the design and implementation stages.

Malta is an island state which can thus prove difficult for its territories to undertake certain innovative activities due to limitations such as resources. Thus, the LAGs will be provided with the opportunity to participate within a **cooperation** project which may be inter-territorial or trans-national which can help LAGs and its communities boost their knowledge, experience and add more value within the territory's own resources.

Is support from more than one EU fund planned?

☐ Yes ☑ No

Would the lead fund option be applied?

☐ Yes ☑ No

10 WTO compliance

Green Box

Paragraph 2 of Annex 2 WTO

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

This intervention qualifies as 'Green box' because it has no, or at most minimal, trade-distorting effects or effects on production, as set out in the WTO Agreement on Agriculture.

11 Contribution rate(s) applicable to this intervention

Region	Article	Applicable rate	Min Rate	Max Rate
MT - Malta	91(3)(b) - 77(1)(b) - LEADER under Article 77(1), point(b)	80.00%	20.00%	80.00%

12 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Support	Contribution rate(s)	Type of Planned Unit Amount	Region(s)	Result Indicator(s)	Is the unit amount based on carried over expenditure?
COOP LEADER Unit - Unit Amount for LEADER	Grant	91(3)(b) - 77(1)(b)-MT-80.00%	Average		R.38	No

Explanation and justification related to the value of the unit amount

COOP LEADER Unit - Unit Amount for LEADER

This planned amount relates to Cooperation activities under LEADER and takes into consideration the strategies (not operations) supported between 2024-2029.

13 Planned Unit Amounts - Financial table with outputs

Planned Unit Amount	Financial Year	2023	2024	2025	2026	2027	2028	2029	Total 2023 - 2029
COOP LEADER Unit - Unit Amount for LEADER (Grant - Average)	Planned unit amount (Total Public Expenditure in EUR)		1,748,385.00						
	Maximum planned average unit amount (where applicable) (EUR)								
	O.31 (unit: Strategies)		3.00						**Sum:** 3.00 **Max:** 3.00
TOTAL	O.31 (unit: Strategies)		3.00						**Sum:** 3.00 **Max:** 3.00
	Annual indicative financial allocation (Total public expenditure in EUR)		524,515.50	944,127.90	944,127.90	944,127.90	944,127.90	944,127.90	5,245,155.00
	Annual indicative financial allocation (Union Contribution in EUR)		419,612.40	755,302.32	755,302.32	755,302.32	755,302.32	755,302.32	4,196,124.00

	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

KNOW(78) - Knowledge exchange and dissemination of information

RD KNOW - Knowledge exchange, advice, training and dissemination of information

Intervention Code (MS)	RD KNOW
Intervention Name	Knowledge exchange, advice, training and dissemination of information
Type of Intervention	KNOW(78) - Knowledge exchange and dissemination of information
Common Output Indicator	O.33. Number of supported training, advice and awareness actions or units
Contributing to ringfencing requirement for/on	Generational Renewal: No Environment: No ES rebate system: LEADER: No

1 Territorial scope and, if relevant, regional dimension

Territorial scope: **National**

Code	Description
MT	Malta

Description of the Territorial Scope

This intervention aims to fund knowledge transfer actions and will focus on the entire territory of Malta.

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

CAP SPECIFIC OBJECTIVE Code + Description Recommended CAP Specific Objectives for this Type of Intervention are displayed in bold
SO2 Enhance market orientation and increase farm competitiveness, both in the short and long term, including greater focus on research, technology and digitalisation
SO4 Contribute to climate change mitigation and adaptation, including by reducing greenhouse gas emission and enhancing carbon sequestration, as well as promote sustainable energy
SO5 Foster sustainable development and efficient management of natural resources such as water, soil and air, including by reducing chemical dependency
SO6 Contribute to halting and reversing biodiversity loss, enhance ecosystem services and preserve habitats and landscapes
SO7 Attract and sustain young farmers and other new farmers and facilitate sustainable business development in rural areas
SO9 Improve the response of Union agriculture to societal demands on food and health, including high quality, safe, and nutritious food produced in a sustainable way, the reduction of food waste, as well as improving animal welfare and combatting antimicrobial resistances
XCO Cross-cutting objective of modernising the sector by fostering and sharing of knowledge, innovation and digitalisation in agriculture and rural areas, and encouraging their uptake

3 Need(s) addressed by the intervention

Code	Description	Prioritisation at the level of the CAP Strategic Plan	Addressed in CSP
2.1	Build human, social and institutional capital through investment in knowledge, training, advice	2	Yes
2.3	Increase direct selling, adding value, improving processing, marketing facilities and skills	3	Yes
4.5	Knowledge exchange, training and advice to help reduce, reuse and recycle resources on farms	5	Yes
4.6	Research, innovation and demonstration aimed at moving towards low carbon agriculture	6	Yes

4.7	Knowledge exchange, training, advice and investment support to improve farm climate change	4	Yes
5.6	Demonstrate the value to farm profitability of crops and livestock produced to higher standards	2	Yes
5.7	Identify ways to reduce nutrient loading to air, soil and water from agricultural activity	5	Yes
6.2	Disseminate knowledge amongst farmers to safeguard biodiversity on Natura 2000 sites	5	Yes
6.3	Promote the removal of invasive alien species and the planting of native and archaeophytic species	3	Yes
7.2	Provide training, advice, mentoring and assistance for young farmers	3	Yes
9.1	Foster higher animal welfare standards to ensure well being among farmed animals	2	Yes
9.2	Introduce new measures aimed at reducing, reusing and recycling food waste along the supply chain	6	No
9.3	Promote products produced to higher standards for environmental and animal welfare	3	Yes
XCO.2	Ensuring that other SO's integrate knowledge exchange, advice, training and information provision	2	Yes

4 Result indicator(s)

RESULT INDICATORS Code + Description Recommended result indicators for the selected CAP Specific Objectives of this intervention are displayed in bold
R.1 Number of persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP in order to enhance sustainable economic, social, environmental, climate and resource efficiency performance
R.2 Number of advisors receiving support to be integrated within Agricultural Knowledge and Innovation Systems (AKIS)
R.28 Number of persons benefitting from advice, training, knowledge exchange, or participating in European Innovation Partnership (EIP) operational groups supported by the CAP related to environmental or climate-related performance

5 Specific design, requirements and eligibility conditions of the intervention

Describe what are the specific objectives and content of the intervention including specific targeting, principles of selection, links with relevant legislation, complementarity with other interventions/sets of operations in both pillars and other relevant information.

Support may be provided for vocational training, education and skills acquisition actions and knowledge transfer actions such as training and farm advisory services. Support may also be provided for the drawing up and updating of plans and studies with the aim of knowledge exchange and dissemination of information. Training and farm advisory services will be targeted at, *inter alia*, increasing economic viability of the farms, improving competitiveness, sustainable use of resources, resource efficiency, protection of biodiversity and animal welfare, improved environmental awareness and knowledge, amongst others.

The following actions will be made available by the CAP on a regular basis throughout the programming period:

1. Support for Vocational training and skills acquisition actions

This intervention aims to raise the level of skills and knowledge of farmers and operators in the agricultural sector. Training and advisory services will mainly provide support issues such as economic viability, competitiveness, sustainable use of resources, resource efficiency, adaptation to climate change, protection of biodiversity, animal welfare and antimicrobial resistance. As outlined in the SWOT analysis, a major weakness remains the lack of expertise and skills among those operating in the agricultural sector. Opportunities identified indicate the need to engage in more advanced training and skills development. Farm exchanges, either as a stand alone training action but also as part of a wider training package, may also be considered. These exchanges will be organised through Public Authorities as the CAP SP beneficiaries, and exchanges facilitated in liaison with and in cooperation with other authorities, farmer organisations, Operational and LEADER groups etc in other Member States. This will facilitate their organization and awareness, also in view of public authorities' direct contact with farmers, including through a dedicated mobile app.

Training and advisory services will be considered for actors engaged in the agricultural sector such as farmers including full-time, part-time, large, small and young farmers land managers, processors, other economic actors and SMEs operating in the sector.

Under this intervention, support will be provided for the training of advisors in line with (Art 15(3)).

Training may also include start up-courses designed specifically for new entrants and young farmers. Such courses will be developed through different periods of implementation of the plan based on emerging policy needs within the local context. The provision of training to farmers on advice topics such as organic farming, animal welfare (including but not limited to awareness of natural behaviour, awareness on disease management and prevention and nutrition, and information on animal health measures which will reduce the incidence of antibiotic use), AMR, hygiene, biosecurity, health and safety on the farm, principles of conditionality, business development, innovation, environmental awareness including climate change mitigation and adaptation, and biodiversity related training. Training will also be offered in line with the requirements established in the PAF, which includes amongst others development and promotion of good practice guidelines policies and codes of good practice in relation to various aspects dealings with threats and pressures affecting Natura 2000 sites. Advisors may also provide training, for instance concerning relevant land based and environmental management commitment type measures from which the holding can benefit, where relevant.

Training may be classroom based and/or online and as well as for demonstration activities.

This intervention may facilitate the establishment of training courses tailored to the needs of the CAP Strategic Plan, specifically targeting the Specific Objectives associated with this intervention. Support will be provided for the development of the course structure, encompassing the costs associated with designing the curriculum, course content, and individual modules. Additionally, support will cover tuition fees, allowing trainees to attend the courses at no cost.

2. Support for the use of Advice

Tailor-made advice will be offered on site and on a one-to-one basis. All obligatory advice elements listed in Art 15 will be offered on the territory of Malta. The public list of impartial advisors will ensure

sufficient capacity to cover all obligatory fields in Art 15 and will be made available to all farmers and potential interested users.

Farmers and other land managers, will be enabled to benefit from support for advice, including business establishment/development related support. The payment will be done to the advisor.

This intervention may support, inter alia, targeted farm advice on agricultural production, nutrient management and precision fertilization and, the development and implementation of Animal Health Plans for each farm as well as innovation support services. Innovation support covers the capturing of individual grassroots innovative ideas from the field, the search for information and partners with complementary knowledge serving the Operational Group project objective, where applicable, refining objectives and activities of the project proposal, and formulating a cooperation agreement and final project proposal for the Operational Group project (Art 15(4)(e)).

3. Support for Demonstration Activities and Information Actions

This intervention aims to improve the basic skills and knowledge among farmers, as well as among the individuals working in the agri-food sector, by extending the scope of application and by supporting other short-term actions, such as demonstration activities and information actions. Other skills acquisition techniques, in addition to traditional courses, will be therefore promoted. The actions supported under this intervention may include:

-Demonstration activities: to be carried out as practical sessions aiming to demonstrate new technologies, the use of new equipment and machinery, new methods to protect crops or specific production techniques amongst others. These may consist, for example, providing an opportunity for stakeholders to witness the techniques and investments that can be adopted to improve storage life and quality of fresh fruit and vegetables, through appropriate storage techniques. Other examples include improvements to energy or waste management on a farm within a rural business in order to illustrate the type of investment needed, the operational management required, and the benefits of investment. Demonstration on smart irrigation may also be addressed. The activity may take place in a farm or in other locations, such as: exhibitions, specialised fairs, etc.

-Information actions: information dissemination activities in regard to agriculture, environment, biodiversity and climate change and agri-food sector, in order to raise the awareness of the target group on the knowledge relevant to the activity carried out on the job. The actions covered by this intervention refer to increasing awareness among individuals employed in the agricultural and food sectors on the specific fields where they work and other fields, such as environmental protection or other fields of general interest.

4. Support for short-term farm management exchange as well as farm visits

This intervention aims to improve the basic skills and knowledge primarily amongst farmers, as well as possibly among the individuals working in the agri-food sector, rural tourism directly linked to agriculture, and rural development sector by supporting exchange visits to improve knowledge and understanding in the following areas:

-Water and wastes;

-Maltese quality produce: improving quality, traceability, strategic marketing, adding value, and promotion;

-Sustainable livestock: improving resource efficiency, competitiveness and productivity, and welfare;

-Landscape and environment – managing habitats and features;

-Wider rural economy and quality of life – developing rural tourism and rural skills directly linked to agriculture;
The certification of these visits is envisaged to be achieved through foreign Operational and LEADER groups, however the MA may consider other feasible possibilities supporting knowledge flows within the AKIS.

Persons benefitting from exchanges and farm visits shall share the knowledge gained with other farmers and advisors. The national Guidance Notes shall outline a number of channels through which such knowledge exchange efficiently can take place including the CAP Network.

Rural stakeholders, land managers, rural businesses (SMEs operating in rural areas and in compliance with the SME criterion), stakeholders involved in supply chains and management could also be considered and would learn more effectively from visiting high quality and best practice operations in other parts of the EU. Also advisors will be eligible for support for short-term exchanges, such as to visit OGs with innovative practices abroad.

These visits can illustrate the benefits, challenges, opportunities, and problems associated with investing in improvements to their businesses. In many cases farmers and other stakeholders will need to be convinced that investment in specific actions will produce the desired benefits, and visits abroad/farm exchange visits are a good way to do this.

Training and advice will be made available by the CAP on a regular basis throughout the programming period.

At launching of interventions level and also at the selection process level, Malta shall ensure that the proposed actions will indeed be targeting around the local needs of practitioners as established in this CAP SP.

***5. Support** the drawing up and updating of plans and studies with the aim of knowledge exchange and dissemination of information.*

This intervention shall aim to support the drawing up of plans and studies with the aim of knowledge exchange and dissemination of information. Such studies can target any of the Specific Objectives linked to this intervention. Investing in such studies and knowledge sharing empowers beneficiaries with the skills needed to address specific challenges effectively.

Well-documented plans and studies provide a foundation for informed decision-making, offering evidence-based recommendations. Facilitating knowledge exchange across those operating within the agricultural sector encourages collaboration and innovative solutions.

This may also include studies to help setNational Occupational Standards to help define non formal and informal learning (VNFIL) related to agriculture.

The envisaged investments will contribute to the following specific objectives:

Specific Objective 2: Enhance market orientation and increase competitiveness both in the short and long term, including greater focus on research technology and digitalisation.

All actions will support beneficiaries in developing their businesses, providing them with the necessary skillset required to improve the competitiveness of their holding, reduce input costs and improve profit

margins, therefore ensuring the economic sustainability of the sector. Knowledge Exchange and information and Support for training for advisors shall therefore target Specific Objective 2.

Training, advice and studies, although contributing directly to SO 2, will also register secondary contributions to other Specific Objectives. Training, advice and studies may also be targeted at equipping farmers with knowledge on how to better deal with climate change, through the possibility of switching to crops and livestock that are more suitable for a drier, warmer climate. This will contribute towards farmers' economic sustainability and survival, while also indirectly targeting SO 4 that is related to climate adaptation and mitigation.

Specific Objective 3

Similarly, the actions targeted towards equipping farmers with the necessary skills required to cooperate and coordinate in order to improve their position in the food chain shall aim to improve the farmers' competitiveness and economic sustainability, while also registering a secondary contribution to SO 3.Secondary contributions to other Specific Objectives will be identified and discussed by evaluators in the respective evaluations that will be carried out throughout the life of the CAP Strategic Plan.

Specific Objective 4

These actions may be provided in relation to input use reduction, the reduction of single-use plastic products, the use of materials that have lower environmental impact and the benefits of composting, amongst others. With regards to mitigation, information will be provided on how farmers can reduce their GHG emissions, through the use of modern, smart technologies, strategies to reduce emissions from livestock, the use of updated agronomic practices and new modern farming systems development such as aquaponics. Given that the impact of climate change is already manifesting itself on the local agricultural sector, training in this regard will also be carried out.

Specific Objective 5

Actions related to SO 5 will target the better use of water resources, promoting the use of more efficient irrigation systems and the reduction of reliance on groundwater extraction, amongst others. In relation to soil, training may focus on the importance of maintaining healthy, productive soils, through better management practices.

Specific Objective 6

Actions targeting this SO will aim to address biodiversity loss, through for example, the reduced use of pesticides and converting to organic farming practices, amongst others. Training and advice may also be targeted towards safeguarding biodiversity on Natura 2000 sites and land adjacent to Natura 2000, as well as Malta's rural landscape heritage.

Specific Objective 7: Attract and sustain young farmers and facilitate business development in rural areas.

Young farmers entering the agricultural sector will be required specific intensive training. These actions should be available for:

–new entrants benefitting from the installation of young farmers scheme; and

–new entrants, below the age of 40 years, that have not benefitted from the installation of young farmers scheme,

Where necessary, training may provide these farmers with a relevant induction course[2], and may focus on

technical matters, whether agronomic or veterinary related, environment and climate issues and business management matters, amongst others that will incorporate a long-term business planning model and the drafting of business plans that will be required as part of the application for funding under the intervention targeted at Young Farmers. These skills will therefore contribute towards Specific Objective 7.

The provision of advice is relevant to assist entrepreneurs and enterprises in developing a successful business model. In this regard, advisory services will be provided in order to support business set up, growth and development. Such advisory/consultancy services may be standalone or part of a larger project. This will provide the agricultural sector with support which is similar to what beneficiaries in other sectors are able to tap into under other funding sources, such as ERDF.

Secondary contributions to other Specific Objectives will be identified and discussed by evaluators in the respective evaluations that will be carried out throughout the life of the CAP Strategic Plan.

Specific Objective 9: Improve the response of EU agriculture to societal demands on food and health, including safe and nutritious food, produced in a sustainable way, food waste, as well as animal welfare

Since consumers are becoming more conscious of what goes into their food, farmers and livestock breeders shall be equipped with the skills required to address these demands.

Targeting

Knowledge exchange and dissemination of information: Supporting demonstration activities and Information actions, and support for training for advisors and provision of advice.

Selection principles

The intervention involves the use of selection criteria for operations pursuant to Article 79 of Regulation (EU) 2021/2115. These criteria will be established following consultation with the Monitoring Committee.

The selection criteria will be defined in such a way as to guarantee equal treatment of applicants, better use of financial resources and contribute towards the objectives of the intervention. The selection principles will be subject to the opinion of the MC in line with Reg 2021/2115 Art 124 (4)(a) will be based on the quality of the proposed operation taking into account the following, as relevant:

(a) quality of the project proposals to deliver training, advice, demonstration or information actions, and farm exchanges/visits;
(b) expertise of the provider, as proven by his/her curriculum vitae and past activities; and
(c) integrating advisors in the actions as much as possible
(d) for demonstration, training and information actions: aiming at a maximal scope of the outreach activities and a higher number of benefiting participants

The Managing Authority shall establish minimum scores that need to be met, below which the proposals by the applicants cannot be considered for support.

Complementarity with other interventions

Interventions supporting Knowledge and exchange will complement interventions targeting *On farm*

Productive investments including diversification into agricultural activities and new technology, *Investments in on farm production* in relation to marketing and investments under interventions aimed at *Young Farmers.* There is also complementarity with Sectoral intervention *Apiculture- Training, Information and Networks*.

Links with relevant legislation

EU Regulation 2021/2115

EU Regulation 2021/2116

Public Procurement Regulations – Legal Notice 296 of 2010, as amended by Legal Notices 47, 104, 255 and 312 of 2012, 65 and 397 of 2013, and 55, 132 of 2014 and 352 of 2016

[1] Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds.

[2] In cases of farmers already active within the sector, some introductory modules may not be applicable.

Define eligible beneficiaries and specific eligibility criteria where relevant related to the beneficiary and area

The eligible beneficiaries (in the sense of recipients of funds) for support are:

-Providers of actions that will be selected to organise the exchanges and visits with the scope of providing knowledge transfer and/or information actions to the profit of persons engaged in the agricultural, food and forestry sector, land managers, economic actors/SMEs operating in rural areas;

- Advisors, public and/or private entities having necessary expertise to operate;

-Training providers having the necessary expertise to deliver knowledge within the agricultural sector (in the case of training/demonstration linked to agricultural activity).

Eligibility conditions may include:

Eligibility for support for investments will be based on a detailed assessment of applications by an assessment panel that possess the expertise necessary to undertake this work.

Recipients of grants, under certain circumstances as deemed appropriate by the Managing Authority, may be required to undertake training or seek advice. Operations shall not be eligible for support where they have been physically completed or fully implemented before the application for funding under the CAP Strategic Plan is submitted to the Managing Authority, irrespective of whether all related payments have been made.

Training providers and advisors shall provide evidence of their expertise and capacity

At the time of application, advisors shall be registered Farm Advisors, registered with the respective competent authority.

In order to be registered, the advisor must state in a contract with the competent authority that he will act without conflict of interest and give impartial advice, and will follow the regular obligatory training. This training may be delivered using different methods on condition they are verifiable.

Support for short-term farm management exchange as well as farm visits

To be eligible under this measure the beneficiary (service provider) shall:

- not be in financial difficulty, where applicable. Funding of normal education programmes or systems at secondary or higher levels is not eligible.

For farmer exchanges, public authorities will be eligible.

[1] Training providers will have to be selected as training providers within the call that they are applying for by the relevant competent body.

Define eligible type of support (non-IACS) or commitments (IACS) and other obligations

Support for Vocational training and skills acquisition actions

- Cost of attending a training course. In cases of lack of capacity, competence or expertise in organising a certain training course in Malta, beneficiaries will be eligible to attend such training overseas.
- Hire of facilities to deliver training events
- Venue costs
- Contracts with providers of training and external specialists
- Salaries of employees
- Marketing and promotion of training events/courses
- Publication of training materials – CDs, memory cards/sticks, booklets, folders, handouts
- Development and delivery of training
- The possibility of either using the simplified cost option (SCO) or else the actual cost incurred[1]

For 'advanced' training sessions only and lasting at least one full day or longer: Cost of replacement of farmer is also an eligible expense. It means any person suitable to replace the farmer (head of the holding) when participating in training. For operations with eligible costs up to EUR 5 000, the reasonableness of the costs may be established by a draft budget agreed ex-ante by the Managing Authority.

Further details regarding the eligible costs will be determined in line with the national Eligibility Rules and Guidance issued with the call for project proposals within the parameters allowed in the applicable Regulations.

Support for demonstration activities and information actions

Demonstration Activities

- Capital costs for the setting up of the project may be used after the operation is completed
- Hire of facilities
- Venue costs
- Hire of specialist expertise
- Salaries of employees
- Travel
- Accommodation
- Per diem expenses
- The possibility of either using the simplified cost option (SCO) or else the actual cost incurred

Further details regarding the eligible costs will be determined in line with the national Eligibility Rules and Guidance issued with the call for project proposals within the parameters allowed in the applicable Regulations.

Information Actions

-Publication of training materials

-Marketing and promotion costs

-The possibility of either using the simplified cost option (SCO) or else the actual cost incurred

Further details regarding the eligible costs will be determined in line with the national Eligibility Rules and Guidance issued with the call for project proposals within the parameters allowed in the applicable Regulations.

Support to help benefitting from the use of Advisory Services

Depending on the type of support decided by the Managing Authority, the following apply:

Option 1: Eligible costs under this measure include: Cost of the advice provided: cost incurred by the advisor to provide the advice (e.g. salaries, travel, material, cost related with the place where the advice is delivered, etc.). Expenditure shall be justified and shall correspond to the principles of sound financial management, in particular in terms of price-quality ratio and cost effectiveness.

Option 2: Lump sums applicable to specific pre-determined list of services (packages) delivered by the beneficiary (advisor). The 'packages' could cover for instance on-farm one-to-one advice for the provision of information and raising awareness on Obligations and benefit and requirements of land based and environment commitments, on-farm review of arable and livestock farm holding to assess status of compliance with SMRs and GAEC, occupational health and safety on the farm, collection of soil samples and laboratory testing, preparation of fertilizer and nutrient management plans, compilation of farm records obligatory under Conditionality and agri-environmental measures, review of arable farm holding within Natura 2000 sites and assessment of the status and provision of advice on compliance to management plans, technical advice on adaptation and mitigation to climate change, innovation advice and the preparation of business plans.

Further details regarding the eligible costs will be determined in line with the national Eligibility Rules and Guidance issued with the call for project proposals within the parameters allowed in the applicable Regulations.

Support for training of advisors

Eligible costs under this measure may include: Cost of training of advisors: costs incurred in organizing and deliver the training to the advisors (e.g. salaries, travel cost, material prepared for the training, costs related with the place where the training is delivered, etc.).

Expenditure shall be justified and shall correspond to the principles of sound financial management, in particular in terms of price-quality ratio and cost effectiveness.

Further details regarding the eligible costs will be determined in line with the national Eligibility Rules and Guidance issued with the call for project proposals within the parameters allowed in the applicable Regulations.

Support for short-term farm management exchange as well as farm visits

-Hire of facilities

-Venue costs

-Contracts with providers of training and external specialists

-Salaries

-Marketing and promotion

-Publication of training materials – CDs, memory cards/sticks, booklets, folders, handouts

-Development and delivery exchange visit

-Costs of participants, including accommodation and other travel costs Travel costs.

-The possibility of either using the simplified cost option (SCO) or else the actual cost incurred[2]

Further details regarding the eligible costs will be determined in line with the national Eligibility Rules and Guidance issued with the call for project proposals within the parameters allowed in the applicable Regulations.

The MA will limit support to advisors registered on the public list of impartial advisors.

Training for Advisors will be provided to support their continuous professional development, to ensure the provision of knowledgeable, professional, and competent advisors to support the sector on all agricultural and rural matters, including, inter alia, the key challenges such as a climate change (both mitigation and adaptation) and sustainable energy, air, soil and water quality, biodiversity conservation, organic farming, carbon farming, and the adoption of new technologies and best practices.

Training to Advisors will be delivered, annually, in as far as possible, during the programming period.

Vouchers that can be redeemed by individuals or organizations to help them to access the training offered by the providers and other approved providers may be adopted at the discretion of the MA. These vouchers may be obtained from the Managing Authority/ Paying Agency by the end beneficiaries (recipients of training/advice/knowledge actions) who pronounce their intention to participate in a supported activity. Such requests should be backed by the relevant course description/information which the individual/organization wishes to attend. A voucher system may be considered for some or all supported actions. When vouchers are presented for reimbursement, these will only be reimbursed if proof is provided that the action for which said voucher was used, was carried out during the validity period of the voucher, which period would be defined by the MA or ARPA. All eligible costs shall be paid to the beneficiary of support (the service provider/s selected). For operations with eligible costs up to EUR 5 000, the reasonableness of the costs may be established by a draft budget agreed ex-ante by the Managing Authority.

For visits lasting at least one full day or longer: Cost of replacement of farmer is also an eligible expense. It means any person suitable to replace the farmer (head of the holding) when participating in training. Replacement support of €12.71 per day may be paid by the service provider to the participant requiring such compensation. The service provider will then claim reimbursement of this expense together with other eligible expenditure.

Further details regarding the eligible costs will be determined in line with the national Eligibility Rules and Guidance issued with the call for project proposals within the parameters allowed in the applicable Regulations.

Support for studies

Support will be provided for the drawing up of plans and studies with the aim of knowledge exchange and dissemination of information.

Further details regarding the eligible costs will be determined in line with the national Eligibility Rules and Guidance issued with the call for project proposals within the parameters allowed in the applicable Regulations.

6 Identification of relevant baseline elements

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

N/A

7 Form and rate of support/amounts/calculation methods

Form of support

☑ **Grant**

☐ **Financial instrument**

Type of payment

☑ reimbursement of eligible costs actually incurred by a beneficiary

☑ unit costs

☑ lump sums

☑ flat-rate financing

Basis for the establishment

Below is a list of cost categories/actions under SCO's, including the respective legal basis for establishment, in line with Article 83(1) and (2) of Regulation (EU) 2021/2115 that may be considered by the Managing Authority:

List of Cost Categories / Actions	SCO Form of Financing Legal Basis	SCO Methodology Legal Basis
Salaries	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(a)(i) of Regulation (EU) 2021/2115

Per Diem	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(d) of Regulation (EU) 2021/2115
Travel	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(c) of Regulation (EU) 2021/2115
Overheads	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 83(2)(c) of Regulation (EU) 2021/2115
Technical Assistance	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 94(2) of Regulation (EU) 2021/2115
Consultancy	Article 83(1)(c) of Regulation (EU) 2021/2115	Article 83(2)(c) of Regulation (EU) 2021/2115
Training	Article 83(1)(b) of Regulation (EU) 2021/2115	Article 83(2)(c) of Regulation (EU) 2021/2115
Adherence to Cross Compliance Obligations and provision of information on AECMs	Article 83(1)(c) of Regulation (EU) 2021/2115	Article 83(2)(a)(i) of Regulation (EU) 2021/2115
Fertiliser Plan	Article 83(1)(c) of Regulation (EU) 2021/2115	Article 83(2)(a)(i) of Regulation (EU) 2021/2115
Record Keeping	Article 83(1)(c) of Regulation (EU) 2021/2115	Article 83(2)(a)(i) of Regulation (EU) 2021/2115
Nutrient Management Plan	Article 83(1)(c) of Regulation (EU) 2021/2115	Article 83(2)(a)(i) of Regulation (EU) 2021/2115
Ad hoc Advisory Services	Article 83(1)(c) of Regulation (EU) 2021/2115	Article 83(2)(a)(i) of Regulation (EU) 2021/2115
Architect Fees	Article 83(1)(d) of Regulation (EU) 2021/2115	Article 83(2)(a)(i) of Regulation (EU) 2021/2115

Range of support at beneficiary level

The support rate (aid intensity) applied to this intervention shall be 100% of the eligible costs.

Additional explanation

Support will be paid to trainers, advisors and other service providers.

The maximum support of 100% will be paid to service providers. The same rate shall apply across the Maltese Islands.

The public aid granted under this measure may include flat rates for indirect costs.

Malta may set, in the national guidelines, a capping of cost of advice to one recipient of such advice per year, however multiple supports can be received over the CAP plan period.

Article 86 of Regulation 2021/2115 applies in terms of eligibility of expenditure.

In the national guidelines, the MA may introduce an exception to the professional services incurred by successful applicants for the submission of an EAFRD application, including business plans where these are required.

Successful applicants are those who are offered a grant agreement (hence excluding those who either fail the eligibility and/or selection process or are placed on a waiting list).

Malta will try to improve the design of their current AKIS measures and encourage and closely monitor the take up of the AKIS KNOW activities and in case of need, will consider an additional transfer of funds for the actions linked to the KNOW intervention in the next CSP amendments.

Simplified Cost Options may be used to support investments funded through this intervention in line with the national eligibility rules, and the guidance issued by the Managing Authority, either with the call for project proposals or at the latest in the document setting out the conditions for support.

8 Information regarding State aid assessment

The intervention falls outside the scope of Article 42 TFEU and is subject to state aid assessment:

☐ Yes ☐ No ☑ Mixed

Explanation of support activities falling outside the scope of Art. 42 TFEU

Support shall include amongst others training and skills acquisition, provision of advice and information and demonstration activities.

The Managing Authority will be following *Commission Regulation (EU) 2023/2831 of 13 December 2023 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid.*

Type of state aid instrument to be used for clearance:

☐ Notification ☐ GBER ☐ ABER ☑ de minimis

Additional information:

☐ The Member State has not yet chosen the instrument(s) and has indicated the alternatives. No support will be paid to beneficiaries before the date when the clearance of the instrument chosen comes into effect.

☐ The Member State has chosen the instrument, as indicated, but the clearance has not yet been obtained. No support will be paid to beneficiaries before the date when the clearance comes into effect.

☐ The Member State has chosen the instrument, as indicated, the clearance has been obtained and the SA number has been indicated for notification, GBER or ABER

9 Additional questions/information specific to the Type of Intervention

N/A

10 WTO compliance

Green Box

Paragraph 2 of Annex 2 WTO

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

This intervention qualifies as ‘Green box’ because it has no, or at most minimal, trade-distorting effects or effects on production, as set out in the WTO Agreement on Agriculture.

11 Contribution rate(s) applicable to this intervention

Region	Article	Applicable rate	Min Rate	Max Rate
MT - Malta	91(2)(c) - Transition regions within the meaning of Article 108(2), first subparagraph, point (b), of Regulation (EU) 2021/1060	60.00%	20.00%	60.00%

12 Planned Unit Amounts - Definition

Planned Unit Amount	Type of Support	Contribution rate(s)	Type of Planned Unit Amount	Region(s)	Result Indicator(s)	Is the unit amount based on carried over expenditure?
RD KNOW Unit 1 - Unit Amount 1 for Knowledge- Training, Exchange & Information	Grant	91(2)(c)-MT-60.00%	Average		R.1; R.2; R.28	No
RD KNOW Unit 2 - Unit Amount 2 for Knowledge- Advisory	Grant	91(2)(c)-MT-60.00%	Average		R.1; R.2; R.28	No

Explanation and justification related to the value of the unit amount

RD KNOW Unit 1 - Unit Amount 1 for Knowledge- Training, Exchange & Information

The planned amount is based on 14-20 RDP experience including financial allocation set and number of operations committed under Measure 1.

RD KNOW Unit 2 - Unit Amount 2 for Knowledge- Advisory

The planned amount is based on 14-20 RDP experience including financial allocation set and number of operations committed under Measure 2.

13 Planned Unit Amounts - Financial table with outputs

Planned Unit Amount	Financial Year	2023	2024	2025	2026	2027	2028	2029	Total 2023 - 2029
RD KNOW Unit 1 - Unit Amount 1 for Knowledge- Training, Exchange & Information (Grant - Average)	Planned unit amount (Total Public Expenditure in EUR)				794,187.90			794,187.90	
	Maximum planned average unit amount (where applicable) (EUR)				1,588,375.80			1,588,375.80	
	O.33 (unit: Operations)				1.00			1.00	**Sum:** 2.00 **Max:** 1.00
RD KNOW Unit 2 - Unit Amount 2 for Knowledge- Advisory (Grant - Average)	Planned unit amount (Total Public Expenditure in EUR)				1,393,312.10			1,393,312.10	
	Maximum planned average unit amount (where applicable) (EUR)				2,786,624.20			2,786,624.20	
	O.33 (unit: Operations)				1.00			1.00	**Sum:** 2.00 **Max:** 1.00

TOTAL	O.33 (unit: Operations)	0.00	0.00	0.00	2.00	0.00	0.00	2.00	**Sum:** 4.00 **Max:** 2.00
	Annual indicative financial allocation (Total public expenditure in EUR)	218,750.00	437,500.00	700,000.00	743,750.00	787,500.00	743,750.00	743,750.00	4,375,000.00
	Annual indicative financial allocation (Union Contribution in EUR)	131,250.00	262,500.00	420,000.00	446,250.00	472,500.00	446,250.00	446,250.00	2,625,000.00
	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

6 Financial plan

6.1 Overview table

	Financial Year	2023	2024	2025	2026	2027	2028	Total
	Direct Payments (CY N=FY N+1) under Regulation (EU) 2021/2115	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	
1	Initial Direct Payments allocations (initial Annex V)	N/A	4,594,021.00	4,594,021.00	4,594,021.00	4,594,021.00	4,594,021.00	22,970,105.00
2	Cotton (Annex VIII)	N/A						
3	Initial Direct Payments allocations excluding cotton (initial Annex IX)	N/A	4,594,021.00	4,594,021.00	4,594,021.00	4,594,021.00	4,594,021.00	22,970,105.00
4	Coupled income support (Article 96)	N/A	2,999,991.35	2,999,991.35	2,999,991.35	2,999,991.35	2,999,991.35	14,999,956.75
5	Transfer to EAFRD total amount (flexibility and reduction) Resulting amount	N/A					N/A	
6	Total flexibility — Article 103(1), point (a) — amount	N/A					N/A	
7	If above 25%: of which for the environmental and climate-related objectives (Article 103(2), point (a)) — amount	N/A					N/A	
8	If above 25%: of which for the installation of young farmers (Article 103(2), point (b)) — amount	N/A					N/A	
9	Total flexibility %	N/A					N/A	
10	Transfer to EAFRD of the estimated product of reduction, if applicable (Article 17(5))	N/A					N/A	
11	Transfer to types of interventions in other sectors (Article 88(6)) — amount	N/A						
12	Transfer to types of interventions in other sectors (Article 88(6)) — percentage	N/A						
13	Transferred from EAFRD: amount (Article 103(1), point (b))	N/A	4,996,114.25	4,996,114.25	4,996,114.25	4,996,114.25	N/A	19,984,457.00
16	Adjusted Direct Payments allocation (Annex V)	N/A	9,590,135.25	9,590,135.25	9,590,135.25	9,590,135.25	4,594,021.00	42,954,562.00
17	Adjusted Direct Payments allocations excluding cotton before reduction transfer (Annex IX)	N/A	9,590,135.25	9,590,135.25	9,590,135.25	9,590,135.25	4,594,021.00	42,954,562.00

	EAGF sectorial under Regulation (EU) 2021/2115	2023	2024	2025	2026	2027	2028	Total
18	Wine (Annex VII)						N/A	
19	Apiculture (Annex X)	14,137.00	14,137.00	14,137.00	14,137.00	14,137.00	N/A	70,685.00
22	Types of interventions in other sectors (Article 42 point (f)) from Direct Payments	N/A						
	EAFRD under Regulation (EU) 2021/2115	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**Total**
23	Initial EAFRD Member State's allocation (Annex XI)	19,984,497.00	19,984,497.00	19,984,497.00	19,984,497.00	19,984,497.00	N/A	99,922,485.00
24	Flexibility transfer to direct payments (Article 103(1), point (b) and (2), point (b)) — amount	650,000.00	4,996,114.25	4,996,114.25	4,996,114.25	4,996,114.25	N/A	20,634,457.00
25	Percentage	3.25	25.00	25.00	25.00	25.00	N/A	20.65
26	Transferred from Direct Payments (flexibility and reduction estimate) (Articles 17 and 103)						N/A	
27	Allocated to InvestEU (Article 81)						N/A	
28	Allocated to LIFE (Article 99) - amount						N/A	
28a	Allocated to Erasmus (Article 99) - amount						N/A	
28b	Early retirement carry-over amounts (Article 155(2) point (a)) (Article 23 of Regulation (EC) No 1698/2005) - amount						N/A	
30	Adjusted EAFRD Member State's allocations (Annex XI)	19,334,497.00	14,988,382.75	14,988,382.75	14,988,382.75	14,988,382.75	N/A	79,288,028.00
	Financial Year, minimum spending requirements under Regulation (EU) 2021/2115	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**Total**
31	Reserved for LEADER (Article 92(1)) — minimum 5% over the period resulting percentage	4.34	5.60	5.60	5.60	5.60	N/A	5.29
32	Reserved for LEADER — amount	839,224.80	839,224.80	839,224.80	839,224.80	839,224.80	N/A	4,196,124.00
33	Reserved for environmental and climate-related objectives under EAFRD (Article 93) (min 35%) — Outermost regions excluded resulting percentage	39.24	50.62	53.03	53.03	45.79	N/A	47.84
34	Reserved for environmental and climate-related objectives under EAFRD — amount	7,586,455.85	7,586,455.85	7,948,178.60	7,948,178.59	6,863,010.74	N/A	37,932,279.63
35	- Out of which for Article 70	1,355,206.72	1,355,206.72	5,116,146.26	5,116,146.26	4,030,977.42	N/A	16,973,683.38
36	- Out of which for Article 71 (50%)	911,719.25	911,719.25	911,719.25	911,719.25	911,719.25	N/A	4,558,596.25
37	- Out of which for Article 72						N/A	
38	- Out of which for Article 73 linked to specific objectives in Article 6(1), points (d), (e) and (f) and, as regards animal welfare, in Article 6(1), point (i)	1,600,000.00	1,600,000.00	1,600,000.00	1,600,000.00	1,600,000.00	N/A	8,000,000.00
38a	- Out of which for Article 74 linked to specific objectives in Article 6(1), points (d), (e) and (f)	3,719,529.88	3,719,529.88	320,313.09	320,313.08	320,314.07	N/A	8,400,000.00
39	Difference as compared to minimum amount	N/A	N/A	N/A	N/A	N/A	N/A	10,181,469.84
39a	To be reserved for young farmers (Annex XII) - (Article 95) (if only Direct Payments: annual amounts to be respected)	N/A	137,821.00	137,821.00	137,821.00	137,821.00	137,821.00	689,105.00
39b	Reserved for young farmers	852,000.00	1,026,720.00	1,026,720.00	726,720.00	726,720.00	24,960.00	4,383,840.00
40	Reserved for young farmers - needed to reach minimum requirements		137,821.00	137,821.00	137,821.00	250,682.00	24,960.00	689,105.00
41	- through Complementary income support for young farmers (under	N/A	174,720.00	174,720.00	174,720.00	174,720.00	24,960.00	723,840.00

	Direct Payments)							
42	"of which needed to reach minimum requirement" - basis for reverse ceiling	N/A	137,821.00	137,821.00	137,821.00	137,821.00	24,960.00	576,244.00
43	- through investments by young farmers (weighted at 50%) (under Rural Development)						N/A	
44	"of which needed to reach minimum requirement" - basis for reverse ceiling						N/A	
45	- setting up of young farmers (under Rural Development)	852,000.00	852,000.00	852,000.00	552,000.00	552,000.00	N/A	3,660,000.00
46	"of which needed to reach minimum requirement" - basis for reverse ceiling					112,861.00	N/A	112,861.00
47	Minimum amount to be reserved for eco-schemes (Article 97)	N/A	2,397,533.81	2,397,533.81	2,397,533.81	2,397,533.81	1,148,505.25	10,738,640.49
48	Rebate (where relevant - optional for Member States)	N/A	371,043.91	371,043.91	187,403.00	187,403.00	177,724.39	1,294,618.21
49	Annual amounts reserved for eco-schemes under Direct Payments	N/A	2,026,489.90	2,306,596.35	2,614,241.00	2,614,241.00	1,148,505.25	10,710,073.50
50	Out of which, amounts compensating for under-execution in previous year(s)	N/A	N/A	279,931.23	404,110.19	404,110.19	177,724.39	1,265,876.00
51	Total amount for eco-schemes, including rebate	N/A	2,397,533.81	2,677,640.26	2,801,644.00	2,801,644.00	1,326,229.64	12,004,691.71
52	Amounts in rural development compensating for the under execution of eco-schemes (Articles 97(6)(b), 97(7)(b) and 97(9)(b))	N/A	N/A	N/A	N/A	N/A	N/A	
52a	Out of which for Article 70 compensating for the under execution of eco-schemes (Articles 97(6)(b), 97(7)(b) and 97(9)(b))	N/A	N/A	N/A	N/A	N/A	N/A	
53	Amount reserved for redistributive payment (Article 29) - minimum 10% annually applied on row 17, unless derogation applies	N/A						

6.2 Detailed financial information and breakdown per intervention and planning of output

6.2.1 Direct Payments

	Financial Year	**2024**	**2025**	**2026**	**2027**	**2028**	**Total 2024 - 2028**
	Calendar year N = Financial year N-1	**2023**	**2024**	**2025**	**2026**	**2027**	**Total 2023 - 2027**
	Adjusted Direct Payments allocation (Annex V)	9,590,135.25	9,590,135.25	9,590,135.25	9,590,135.25	4,594,021.00	42,954,562.00
	Cotton (Annex VIII)						
	Adjusted Direct Payments allocations excluding cotton before reduction transfer (Annex IX)	9,590,135.25	9,590,135.25	9,590,135.25	9,590,135.25	4,594,021.00	42,954,562.00
	Transfer to EAFRD of the estimated product of reduction, if applicable (Article 17(5))					N/A	
	Maximum of indicative financial allocations (article 87(3))	3,794,434.00	3,650,077.55	3,342,432.90	3,342,432.90	1,558,845.00	
	Decoupled interventions (article 16(2))						
BISS (21)	**Basic income support for sustainability**						
DP BISS	Direct Payments (Basic Income Support for Sustainability)	**2023**	**2024**	**2025**	**2026**	**2027**	**Total 2023 - 2027**
DP BISS Unit - Unit Amount for Basic Income Support for Sustainability (Uniform)	Planned unit amount	637.72	556.61	501.11	501.11	54.34	
	Minimum Amount for the Planned unit amount	475.20	417.46	375.83	375.83	40.75	
	Maximum Amount for the Planned unit amount (EUR)	844.34	695.76	601.34	576.28	62.49	
	O.4 (unit: Hectares)	5,950.00	6,558.00	6,558.00	6,558.00	6,558.00	
	Planned output * Planned unit amount	3,794,434.00	3,650,248.38	3,286,279.38	3,286,279.38	356,361.72	14,373,602.86
TOTAL	O.4 (unit: Hectares)	5,950.00	6,558.00	6,558.00	6,558.00	6,558.00	32,182.00

	Annual indicative financial allocation (Union Contribution in EUR)	3,794,434.00	3,650,077.55	3,342,432.90	3,342,432.90	356,339.40	14,485,716.75
	Out of which needed to reach the minimum ringfencing requirement (Annex XII) (only under article 30) (Union contribution)						
	Out of which needed carried over - expenditure (applicable only to eco-scheme and only with type of payment "compensatory" (article 31(7)(b)) if the intervention contains carry over)						
BISS (21)	**Basic income support for sustainability**						
DP BISS SF	Direct Payments (Basic Income Support for Sustainability for Small Farmers)	**2023**	**2024**	**2025**	**2026**	**2027**	**Total 2023 - 2027**
DP BISS SF Unit - Unit Amount for Basic Income Support for Sustainability for Small Farmers (Uniform)	Planned unit amount	250.00	250.00	250.00	250.00	35.00	
	Minimum Amount for the Planned unit amount	187.50	187.50	187.50	187.50	26.25	
	Maximum Amount for the Planned unit amount (EUR)	331.00	312.50	300.00	287.50	40.25	
	O.5 (unit: Beneficiaries)	2,378.00	1,835.00	1,835.00	1,835.00	1,835.00	
	Planned output * Planned unit amount	594,500.00	458,750.00	458,750.00	458,750.00	64,225.00	2,034,975.00
TOTAL	O.5 (unit: Beneficiaries)	2,378.00	1,835.00	1,835.00	1,835.00	1,835.00	9,718.00
	Annual indicative financial allocation (Union Contribution in EUR)	594,500.00	458,750.00	458,750.00	458,750.00	64,225.00	2,034,975.00
	Out of which needed to reach the minimum ringfencing requirement (Annex XII) (only under article 30) (Union contribution)						
	Out of which needed carried over - expenditure (applicable only to eco-scheme and only with type of payment "compensatory" (article 31(7)(b)) if the intervention contains carry over)						
CIS-YF (30)	**Complementary income support for young farmers**						
DP CIS-YF	Direct Payments (Complementary income support for young farmers)	**2023**	**2024**	**2025**	**2026**	**2027**	**Total 2023 - 2027**
DP CIS-YF Unit - Complemetary income support for young farmers Unit Amount (Uniform)	Planned unit amount	560.00	560.00	560.00	560.00	80.00	
	Minimum Amount for the Planned unit amount	520.64	520.64	520.64	520.64	70.00	
	Maximum Amount for the Planned unit amount (EUR)	560.00	700.00	672.00	644.00	92.00	
	O.6 (unit: Hectares)	312.00	312.00	312.00	312.00	312.00	
	Planned output * Planned unit amount	174,720.00	174,720.00	174,720.00	174,720.00	24,960.00	723,840.00
TOTAL	O.6 (unit: Hectares)	312.00	312.00	312.00	312.00	312.00	1,560.00
	Annual indicative financial allocation (Union Contribution in EUR)	174,720.00	174,720.00	174,720.00	174,720.00	24,960.00	723,840.00
	Out of which needed to reach the minimum ringfencing requirement (Annex XII) (only under article 30) (Union contribution)	137,821.00	137,821.00	137,821.00	137,821.00	24,960.00	576,244.00
	Out of which needed carried over - expenditure (applicable only to eco-scheme and only with type of payment "compensatory" (article 31(7)(b)) if the intervention contains carry over)						
Eco-scheme (31)	**Schemes for the climate, the environment and animal welfare**						
DP ECO- Biodeg Mulch	Direct Payments (Eco-scheme: Biodegradable mulch)	**2023**	**2024**	**2025**	**2026**	**2027**	**Total 2023 - 2027**
DP ECO-Mulch Unit - Eco-scheme: Biodegradable Mulch (Uniform)	Planned unit amount	430.00	430.00	430.00	430.00	206.03	
	Minimum Amount for the Planned unit amount	400.00	400.00	400.00	400.00	200.00	
	Maximum Amount for the Planned unit amount (EUR)	430.00	484.00	484.00	484.00	225.12	
	O.8 (unit: Hectares)	269.93	20.00				
	Planned output * Planned unit amount	116,069.90	8,600.00				124,669.90
TOTAL	O.8 (unit: Hectares)	269.93	20.00				289.93
	Annual indicative financial allocation (Union Contribution in EUR)	116,069.90	9,680.00				125,749.90
	Out of which needed to reach the minimum ringfencing requirement (Annex XII) (only under article 30) (Union contribution)						
Eco-scheme (31)	**Schemes for the climate, the environment and animal welfare**						
DP ECO-BDW	Eco-scheme: Bovine Dairy Welfare Scheme	**2023**	**2024**	**2025**	**2026**	**2027**	**Total 2023 - 2027**
DP BDW-Dairy Welfare - Unit - Eco-scheme: Dairy Welfare (Uniform)	Planned unit amount			118.00	118.00	118.00	
	Minimum Amount for the Planned unit amount			101.00	101.00	101.00	
	Maximum Amount for the Planned unit amount (EUR)			136.00	136.00	136.00	
	O.8 (unit: Livestock units)			1,587.00	1,587.00	1,587.00	

	Planned output * Planned unit amount			187,266.00	187,266.00	187,266.00	561,798.00
TOTAL	O.8 (unit: Livestock units)			1,587.00	1,587.00	1,587.00	4,761.00
	Annual indicative financial allocation (Union Contribution in EUR)			187,266.00	187,266.00	187,266.00	561,798.00
	Out of which needed to reach the minimum ringfencing requirement (Annex XII) (only under article 30) (Union contribution)						
Eco-scheme (31)	**Schemes for the climate, the environment and animal welfare**						
DP ECO-Biodiversity	Direct Payments (Eco-scheme) Land parcels dedicated for biodiversity purposes	**2023**	**2024**	**2025**	**2026**	**2027**	**Total 2023 - 2027**
DP ECO-Bio Unit - Eco-scheme: Land parcels dedicated for biodiversity purposes Unit Amount (Uniform)	Planned unit amount	2,500.00	2,500.00	2,500.00	2,500.00	1,197.70	
	Minimum Amount for the Planned unit amount	1,700.00	1,700.00	1,700.00	1,700.00	1,100.00	
	Maximum Amount for the Planned unit amount (EUR)	2,500.00	3,036.00	3,036.00	3,036.00	1,335.84	
	O.8 (unit: Hectares)	380.00	20.00	2.75	2.75	2.75	
	Planned output * Planned unit amount	950,000.00	50,000.00	6,875.00	6,875.00	3,293.68	1,017,043.68
TOTAL	O.8 (unit: Hectares)	380.00	20.00	2.75	2.75	2.75	408.25
	Annual indicative financial allocation (Union Contribution in EUR)	950,000.00	60,720.00	8,300.00	8,300.00	3,025.00	1,030,345.00
	Out of which needed to reach the minimum ringfencing requirement (Annex XII) (only under article 30) (Union contribution)						
Eco-scheme (31)	**Schemes for the climate, the environment and animal welfare**						
DP ECO-CPM	(Eco-scheme: Certified propagating material resistant to pathogens & cultivation of crop or plant varieties with less demand for water)	**2023**	**2024**	**2025**	**2026**	**2027**	**Total 2023 - 2027**
DP ECO-CPM Unit - DP ECO-CPM Unit - Unit Amount for Eco-scheme: Certified propagating material resistant to pathogens (Uniform)	Planned unit amount		368.00	368.00	368.00	368.00	
	Minimum Amount for the Planned unit amount		313.00	313.00	313.00	313.00	
	Maximum Amount for the Planned unit amount (EUR)		543.60	543.60	543.60	543.60	
	O.8 (unit: Hectares)		347.84	18.50	18.50	18.50	
	Planned output * Planned unit amount		128,005.12	6,808.00	6,808.00	6,808.00	148,429.12
TOTAL	O.8 (unit: Hectares)		347.84	18.50	18.50	18.50	403.34
	Annual indicative financial allocation (Union Contribution in EUR)		189,085.82	10,000.00	10,000.00	5,790.50	214,876.32
	Out of which needed to reach the minimum ringfencing requirement (Annex XII) (only under article 30) (Union contribution)						
Eco-scheme (31)	**Schemes for the climate, the environment and animal welfare**						
DP ECO-IPM	Direct Payments (Eco-scheme: IPM)	**2023**	**2024**	**2025**	**2026**	**2027**	**Total 2023 - 2027**
DP ECO-IPM Unit - Unit Amount for Eco-scheme: IPM (Uniform)	Planned unit amount	2,000.00	2,000.00	2,000.00	2,000.00	958.00	
	Minimum Amount for the Planned unit amount	1,500.00	1,500.00	1,500.00	1,500.00	900.00	
	Maximum Amount for the Planned unit amount (EUR)	2,000.00	2,328.00	2,328.00	2,328.00	1,047.60	
	O.8 (unit: Hectares)	480.21	150.00	233.00	233.00	233.00	
	Planned output * Planned unit amount	960,420.00	300,000.00	466,000.00	466,000.00	223,214.00	2,415,634.00
TOTAL	O.8 (unit: Hectares)	480.21	150.00	233.00	233.00	233.00	1,329.21
	Annual indicative financial allocation (Union Contribution in EUR)	960,420.00	349,200.00	520,000.00	520,000.00	201,900.00	2,551,520.00
	Out of which needed to reach the minimum ringfencing requirement (Annex XII) (only under article 30) (Union contribution)						
Eco-scheme (31)	**Schemes for the climate, the environment and animal welfare**						
DP ECO-MSS	(Eco-scheme: Early harvesting of multi-species swards)	**2023**	**2024**	**2025**	**2026**	**2027**	**Total 2023 - 2027**
DP ECO-EarlyHarvest - Eco-scheme: EarlyHarvest (Uniform)	Planned unit amount		526.00	526.00	526.00	526.00	
	Minimum Amount for the Planned unit amount		447.00	447.00	447.00	447.00	
	Maximum Amount for the Planned unit amount (EUR)		631.20	631.20	631.20	631.20	
	O.8 (unit: Hectares)		347.84	424.00	424.00	424.00	
	Planned output * Planned unit amount		182,963.84	223,024.00	223,024.00	223,024.00	852,035.84
TOTAL	O.8 (unit: Hectares)		347.84	424.00	424.00	424.00	1,619.84

	Annual indicative financial allocation (Union Contribution in EUR)		219,556.61	300,000.00	300,000.00	189,528.00	1,009,084.61
	Out of which needed to reach the minimum ringfencing requirement (Annex XII) (only under article 30) (Union contribution)						
Eco-scheme (31)	**Schemes for the climate, the environment and animal welfare**						
DP ECO-NPE	(Eco-scheme: Arable land for non-productive elements)	**2023**	**2024**	**2025**	**2026**	**2027**	**Total 2023 - 2027**
DP ECO-Fallow Unit - Eco-scheme: Fallow Land Top-Up (Uniform)	Planned unit amount		112.00	112.00	112.00	112.00	
	Minimum Amount for the Planned unit amount		112.00	112.00	112.00	112.00	
	Maximum Amount for the Planned unit amount (EUR)		335.00	335.00	335.00	335.00	
	O.8 (unit: Hectares)		5,432.00	4,580.00	4,580.00	4,253.00	
	Planned output * Planned unit amount		608,384.00	512,960.00	512,960.00	476,336.00	2,110,640.00
TOTAL	O.8 (unit: Hectares)		5,432.00	4,580.00	4,580.00	4,253.00	18,845.00
	Annual indicative financial allocation (Union Contribution in EUR)		1,478,353.92	1,534,300.00	1,534,300.00	506,620.75	5,053,574.67
	Out of which needed to reach the minimum ringfencing requirement (Annex XII) (only under article 30) (Union contribution)						
Eco-scheme (31)	**Schemes for the climate, the environment and animal welfare**						
DP ECO-SGW	Eco-scheme: Sheep and Goats Welfare Scheme	**2023**	**2024**	**2025**	**2026**	**2027**	**Total 2023 - 2027**
DP ECO-SGW - Unit - Eco-scheme: Sheep and Goats Welfare (Uniform)	Planned unit amount			290.00	290.00	290.00	
	Minimum Amount for the Planned unit amount			250.00	250.00	250.00	
	Maximum Amount for the Planned unit amount (EUR)			350.00	350.00	350.00	
	O.8 (unit: Livestock units)			187.50	187.50	187.50	
	Planned output * Planned unit amount			54,375.00	54,375.00	54,375.00	163,125.00
TOTAL	O.8 (unit: Livestock units)			187.50	187.50	187.50	562.50
	Annual indicative financial allocation (Union Contribution in EUR)			54,375.00	54,375.00	54,375.00	163,125.00
	Out of which needed to reach the minimum ringfencing requirement (Annex XII) (only under article 30) (Union contribution)						
	Sum of indicative allocations for decoupled interventions	6,590,143.90	6,590,143.90	6,590,143.90	6,590,143.90	1,594,029.65	27,954,605.25
	Coupled income support (16(3)(a)) — amount — binding ceiling						
CIS (32)	**Coupled income support**						
DP CIS-Beef	Direct Payments:Coupled Income Support for the Beef Sector	**2023**	**2024**	**2025**	**2026**	**2027**	**Total 2023 - 2027**
DP CIS-Beef Unit - Unit Amount for Coupled Income Support for the Beef Sector (Uniform)	Planned unit amount	207.90	207.90	207.90	207.90	207.90	
	Minimum Amount for the Planned unit amount	200.00	200.00	200.00	200.00	200.00	
	Maximum Amount for the Planned unit amount (EUR)	220.00	670.00	670.00	670.00	670.00	
	O.11 (unit: Head)	2,055.00	2,055.00	2,055.00	2,055.00	2,055.00	
	Planned output * Planned unit amount	427,234.50	427,234.50	427,234.50	427,234.50	427,234.50	2,136,172.50
TOTAL	O.11 (unit: Head)	2,055.00	2,055.00	2,055.00	2,055.00	2,055.00	10,275.00
	Annual indicative financial allocation (Union Contribution in EUR)	427,234.50	427,234.50	427,234.50	427,234.50	427,234.50	2,136,172.50
	Out of which needed to reach the minimum ringfencing requirement (Annex XII) (only under article 30) (Union contribution)						
	Out of which needed carried over - expenditure (applicable only to eco-scheme and only with type of payment "compensatory" (article 31(7)(b)) if the intervention contains carry over)						
CIS (32)	**Coupled income support**						
DP CIS-Dairy	Direct Payments:Coupled Income Support for the Dairy Sector	**2023**	**2024**	**2025**	**2026**	**2027**	**Total 2023 - 2027**
DP CIS-Dairy Unit - Unit Amount for Coupled Income Support for the Dairy Sector (Uniform)	Planned unit amount	405.00	405.00	405.00	405.00	405.00	
	Minimum Amount for the Planned unit amount	380.00	380.00	380.00	380.00	380.00	
	Maximum Amount for the Planned unit amount (EUR)	440.00	520.00	520.00	520.00	520.00	
	O.11 (unit: Head)	3,849.00	3,849.00	3,849.00	3,849.00	3,849.00	
	Planned output * Planned unit amount	1,558,845.00	1,558,845.00	1,558,845.00	1,558,845.00	1,558,845.00	7,794,225.00
TOTAL	O.11 (unit: Head)	3,849.00	3,849.00	3,849.00	3,849.00	3,849.00	19,245.00

	Annual indicative financial allocation (Union Contribution in EUR)	1,558,845.00	1,558,845.00	1,558,845.00	1,558,845.00	1,558,845.00	7,794,225.00
	Out of which needed to reach the minimum ringfencing requirement (Annex XII) (only under article 30) (Union contribution)						
	Out of which needed carried over - expenditure (applicable only to eco-scheme and only with type of payment "compensatory" (article 31(7)(b)) if the intervention contains carry over)						
CIS (32)	**Coupled income support**						
DP CIS-Sheep	Direct Payments:Coupled Income Support for the Sheep Sector	**2023**	**2024**	**2025**	**2026**	**2027**	**Total 2023 - 2027**
DP CIS-Sheep Unit - Unit Amount for Coupled Income Support for the Sheep Sector (Uniform)	Planned unit amount	25.00	25.00	25.00	25.00	25.00	
	Minimum Amount for the Planned unit amount	20.00	20.00	20.00	20.00	20.00	
	Maximum Amount for the Planned unit amount (EUR)	30.00	119.00	119.00	119.00	119.00	
	O.11 (unit: Head)	4,395.00	4,395.00	4,395.00	4,395.00	4,395.00	
	Planned output * Planned unit amount	109,875.00	109,875.00	109,875.00	109,875.00	109,875.00	549,375.00
TOTAL	O.11 (unit: Head)	4,395.00	4,395.00	4,395.00	4,395.00	4,395.00	21,975.00
	Annual indicative financial allocation (Union Contribution in EUR)	109,875.00	109,875.00	109,875.00	109,875.00	109,875.00	549,375.00
	Out of which needed to reach the minimum ringfencing requirement (Annex XII) (only under article 30) (Union contribution)						
	Out of which needed carried over - expenditure (applicable only to eco-scheme and only with type of payment "compensatory" (article 31(7)(b)) if the intervention contains carry over)						
CIS (32)	**Coupled income support**						
DP CIS-Tomatoes	Direct Payments:Coupled Income Support for the Tomatoes Sector	**2023**	**2024**	**2025**	**2026**	**2027**	**Total 2023 - 2027**
DP CIS (Tomatoes) Un - Unit Amount for Coupled Income Support for the Processing of Tomatoes (Uniform)	Planned unit amount	7,861.19	7,861.19	7,861.19	7,861.19	7,861.19	
	Minimum Amount for the Planned unit amount	7,000.00	7,000.00	7,000.00	7,000.00	7,000.00	
	Maximum Amount for the Planned unit amount (EUR)	8,500.00	9,422.00	9,422.00	9,422.00	9,422.00	
	O.10 (unit: Hectares)	115.00	115.00	115.00	115.00	115.00	
	Planned output * Planned unit amount	904,036.85	904,036.85	904,036.85	904,036.85	904,036.85	4,520,184.25
TOTAL	O.10 (unit: Hectares)	115.00	115.00	115.00	115.00	115.00	575.00
	Annual indicative financial allocation (Union Contribution in EUR)	904,036.85	904,036.85	904,036.85	904,036.85	904,036.85	4,520,184.25
	Out of which needed to reach the minimum ringfencing requirement (Annex XII) (only under article 30) (Union contribution)						
	Out of which needed carried over - expenditure (applicable only to eco-scheme and only with type of payment "compensatory" (article 31(7)(b)) if the intervention contains carry over)						
	Sum of indicative allocations for coupled interventions	2,999,991.35	2,999,991.35	2,999,991.35	2,999,991.35	2,999,991.35	14,999,956.75
	Sum of all indicative direct payments allocations	9,590,135.25	9,590,135.25	9,590,135.25	9,590,135.25	4,594,021.00	42,954,562.00

6.2.2 Sectoral

Financial Year		**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**Total financial allocation**
Apiculture products								
ADVIBEES (55(1)(a)) - advisory services, technical assistance, training, information and exchange of best practices, including through networking, for beekeepers and beekeepers' organisations								
Sectoral API T&I - Apiculture- Training, Information and Networks		**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**Total**
API T&I Unit 1 - Unit Amount 1 for Sectoral API Training & Information (Uniform)	O.37 (unit: Actions)	2.00	2.00	2.00	2.00	2.00		10.00
	Annual indicative financial allocation (Total Union expenditure in EUR)	2,422.81	2,422.81	2,422.81	2,422.81	2,422.81		12,114.05
API T&I Unit 2 - Unit Amount 2	O.37 (unit: Actions)	3.00	3.00	3.00	3.00	3.00		15.00

Financial Year		2023	2024	2025	2026	2027	2028	Total financial allocation
for Sectoral API Training & Information - Publications (Uniform)								
	Annual indicative financial allocation (Total Union expenditure in EUR)	319.91	319.91	319.91	319.91	319.91		1,599.55
TOTAL	Annual indicative financial allocation (Total public Expenditure in EUR)	5,485.44	5,485.44	5,485.44	5,485.44	5,485.44		27,427.20
	Annual indicative financial allocation (Total Union expenditure in EUR)	2,742.72	2,742.72	2,742.72	2,742.72	2,742.72		13,713.60
	EU co-financing rate in %	50.00	50.00	50.00	50.00	50.00		
INVAPI (55(1)(b)) - investments in tangible and intangible assets, as well as other actions								
Sectoral API Product - Apiculture Products- Varroasis, restocking and transhumance		**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**Total**
API Products Unit 1 - Unit Amount 1 for Investments & actions for API -Combatting beehive invaders and diseases, in particular varroasis (Average)	O.37 (unit: Beekeepers)	84.00	84.00	36.00	36.00	36.00		276.00
	Annual indicative financial allocation (Total Union expenditure in EUR)	7,840.82	7,840.82	3,584.88	3,584.88	3,584.88		26,436.28
API Products Unit 2 - Unit Amount 2 for Investments & actions for API - Restocking of beehives in the Union including bee breeding (Uniform)	O.37 (unit: Beekeepers)	34.00	34.00	29.00	29.00	29.00		155.00
	Annual indicative financial allocation (Total Union expenditure in EUR)	1,100.85	1,100.85	5,589.17	5,589.17	5,589.17		18,969.21
API Products Unit 3 - Unit Amount 3 for Investments & Actions for API -Rationalising transhumance (Uniform)	O.37 (unit: Beekeepers)	3.00	3.00	1.00	1.00	1.00		9.00
	Annual indicative financial allocation (Total Union expenditure in EUR)	329.31	329.31	96.93	96.93	96.93		949.41
TOTAL	Annual indicative financial allocation (Total public Expenditure in EUR)	18,541.96	18,541.96	18,541.96	18,541.96	18,541.96		92,709.80
	Annual indicative financial allocation (Total Union expenditure in EUR)	9,270.98	9,270.98	9,270.98	9,270.98	9,270.98		46,354.90
	EU co-financing rate in %	50.00	50.00	50.00	50.00	50.00		
ACTLAB (55(1)(c)) - actions to support laboratories for the analysis of apiculture products, bee losses or productivity drops, and substances potentially toxic to bees								
Sectoral API Labs - Apiculture Products: Support for labs		**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**Total**
API LABS Unit 1 - Unit Amount 1 for API Support for Labs -Analysis of the physico-chemical properties of honey (Average)	O.37 (unit: Actions)	1.00	1.00	1.00	1.00	1.00		5.00
	Annual indicative financial allocation (Total Union expenditure in EUR)	940.90	940.90	940.90	940.90	940.90		4,704.50
API LABS Unit 2 - Unit Amount 2 for API Support for Labs -	O.37 (unit: Beekeepers)	5.00	5.00	5.00	5.00	5.00		25.00

Financial Year		2023	2024	2025	2026	2027	2028	Total financial allocation
Research on different varroacides (Average)								
	Annual indicative financial allocation (Total Union expenditure in EUR)	411.64	411.64	411.64	411.64	411.64		2,058.20
TOTAL	Annual indicative financial allocation (Total public Expenditure in EUR)	2,705.08	2,705.08	2,705.08	2,705.08	2,705.08		13,525.40
	Annual indicative financial allocation (Total Union expenditure in EUR)	1,352.54	1,352.54	1,352.54	1,352.54	1,352.54		6,762.70
	EU co-financing rate in %	50.00	50.00	50.00	50.00	50.00		
COOPAPI (55(1)(e)) - cooperation with specialised bodies for the implementation of research programs in the field of beekeeping and apiculture products								
Sectoral API RESRCH - Apiculture - Research Programmes		**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**Total**
API RESEARCH Unit - Unit Amount for Apiculture- Applied Research Programmes (Average)	O.37 (unit: Actions)	2.00	2.00	2.00	2.00	2.00		10.00
	Annual indicative financial allocation (Total Union expenditure in EUR)	770.76	770.76	770.76	770.76	770.76		3,853.80
TOTAL	Annual indicative financial allocation (Total public Expenditure in EUR)	1,541.52	1,541.52	1,541.52	1,541.52	1,541.52		7,707.60
	Annual indicative financial allocation (Total Union expenditure in EUR)	770.76	770.76	770.76	770.76	770.76		3,853.80
	EU co-financing rate in %	50.00	50.00	50.00	50.00	50.00		
Sum of indicative allocations and outputs for interventions for apiculture products		14,137.00	14,137.00	14,137.00	14,137.00	14,137.00		70,685.00

6.2.3 Rural Development

	Financial Year	2023	2024	2025	2026	2027	2028	2029 (including payments of Q4 2029)	Total 2023 - 2029
ENVCLIM (70)	**Environmental, climate-related and other management commitments**								
RD Gen Res	Conservation and sustainable use of genetic resources	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**Total 2023 - 2029**
GEN RESOURCES - Unit Amount for the Conservation of Genetic Resources (Grant - Average) 91(3)(b) - 70-MT-80.00%	Planned unit amount (Total Public Expenditure in EUR)	50,000.00	100,000.00	160,000.00	170,000.00	180,000.00	170,000.00	170,000.00	
	Maximum planned average unit amount (where applicable) (EUR)								
	O.19 (unit: Operations)							1.00	1.00
MANG COM Species 1 - Unit Amount for AECM 5a (Integration and maintenance of	Planned unit amount (Total Public Expenditure in EUR)	1,786.43	1,786.43	1,786.43	1,786.43	1,786.43			
	Maximum planned average unit amount (where applicable) (EUR)								

autochthonous Maltese species: Black Chicken) (Grant - Uniform) 91(3)(b) - 70-MT-80.00%	O.19 (unit: Livestock units)		2.33	2.33	2.33	2.33	2.33		11.65
MANG COM Species 2 - Unit Amount for AECM 5b (Integration and maintenance of autochthonous species: Maltese ox) (Grant - Uniform) 91(3)(b) - 70-MT-80.00%	Planned unit amount (Total Public Expenditure in EUR)	1,936.27	1,936.27	1,936.27	1,936.27	1,936.27			
	Maximum planned average unit amount (where applicable) (EUR)								
	O.19 (unit: Livestock units)		19.00	19.00	19.00	19.00	19.00		95.00
MANG COM Species 3 - Unit Amount for AECM 5c (Integration and maintenance of autochthonous species: Carob & Mulberry) (Grant - Uniform) 91(3)(b) - 70-MT-80.00%	Planned unit amount (Total Public Expenditure in EUR)		800.82	800.82	800.82	800.82	800.82		
	Maximum planned average unit amount (where applicable) (EUR)								
	O.19 (unit: Hectares)		2.00	2.00	2.00	2.00	2.00		10.00
TOTAL	O.19 (unit: Operations)							1.00	1.00
TOTAL	O.19 (unit: Livestock units)		21.33	21.33	21.33	21.33	21.33		106.65
TOTAL	O.19 (unit: Hectares)		2.00	2.00	2.00	2.00	2.00		10.00
	Annual indicative financial allocation (Total public expenditure in EUR)	50,000.00	142,918.49	202,918.49	212,918.49	222,918.49	212,918.49	170,000.00	1,214,592.45
	Annual indicative financial allocation (Union Contribution in EUR)	40,000.00	114,334.79	162,334.79	170,334.79	178,334.80	170,334.79	136,000.00	971,673.96
	Out of which for financial instrument (Total public Expenditure in EUR)								
	Out of which for financial instrument (Union Contribution in EUR)								
	Out of which carry-over (Total public Expenditure in EUR)								
	Out of which carry-over (Union contribution in EUR)								
	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)								
	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)								

ENVCLIM (70)	Environmental, climate-related and other management commitments								
RD MANG COMT	Land Based management commitments	2023	2024	2025	2026	2027	2028	2029	Total 2023 - 2029
MANG COM Unit 1 - Unit Amount for AECM 1(Control of weeds for vineyards and orchards) (Grant - Uniform) 91(3)(b) - 70-MT-80.00%	Planned unit amount (Total Public Expenditure in EUR)		1,282.45	1,282.45	1,282.45	1,282.45	1,282.45		
	Maximum planned average unit amount (where applicable) (EUR)								
	O.14 (unit: Hectares)		101.79	101.79	101.79	101.79	101.79		508.95
MANG COM Unit 2 - Unit Amount for AECM 2 (Maintenance of Trees) (Grant - Uniform) 91(3)(b) - 70-MT-80.00%	Planned unit amount (Total Public Expenditure in EUR)		800.82	800.82	800.82	800.82	800.82		
	Maximum planned average unit amount (where applicable) (EUR)								
	O.14 (unit: Hectares)		2.00	2.00	2.00	2.00	2.00		10.00
MANG COM Unit 3 - Unit Amount for AECM 3 (Introduction of bee boxes on holdings) (Grant - Uniform) 91(3)(b) - 70-MT-80.00%	Planned unit amount (Total Public Expenditure in EUR)		739.00	739.00	739.00	739.00	739.00		
	Maximum planned average unit amount (where applicable) (EUR)								
	O.14 (unit: Hectares)		12.85	12.85	12.85	12.85	12.85		64.25
MANG COM Unit 4 - Unit Amount for AECM 4 (Implementation of soil management and conservation plan on a parcel) (Grant - Uniform) 91(3)(b) - 70-MT-80.00%	Planned unit amount (Total Public Expenditure in EUR)		2,378.35	2,378.35	2,378.35	2,378.35	2,378.35		
	Maximum planned average unit amount (where applicable) (EUR)								
	O.14 (unit: Hectares)		271.64	984.30	1,500.00	1,500.00	1,500.00		5,755.94
TOTAL	O.14 (unit: Hectares)		386.85	1,101.00	1,616.64	1,616.64	1,616.64		6,337.77
	Annual indicative financial allocation (Total public expenditure in EUR)		787,081.53	2,482,657.83	4,937,475.12	4,937,475.12	4,937,475.13		18,082,164.73
	Annual indicative financial allocation (Union Contribution in EUR)		629,665.21	1,986,126.27	3,949,980.10	3,949,980.10	3,949,980.10		14,465,731.78
	Out of which for financial instrument (Total public Expenditure in EUR)								
	Out of which for financial instrument (Union Contribution in EUR)								
	Out of which carry-over (Total public Expenditure in EUR)								

	Out of which carry-over (Union contribution in EUR)								
	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)								
	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)								
ENVCLIM (70)	**Environmental, climate-related and other management commitments**								
RD- Animal Welfare	Animal Welfare Schemes	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**Total 2023 - 2029**
Animal Welfare Unit - Unit Amount for Animal Welfare Scheme (Grant - Uniform) 91(3)(b) - 70-MT-80.00%	Planned unit amount (Total Public Expenditure in EUR)	50.00	50.00	50.00	50.00	50.00			
	Maximum planned average unit amount (where applicable) (EUR)								
	O.18 (unit: Livestock units)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00			20,000.00
TOTAL	O.18 (unit: Livestock units)	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00			20,000.00
	Annual indicative financial allocation (Total public expenditure in EUR)	200,000.00	200,000.00	200,000.00	200,000.00	200,000.00			1,000,000.00
	Annual indicative financial allocation (Union Contribution in EUR)	160,000.00	160,000.00	160,000.00	160,000.00	160,000.00			800,000.00
	Out of which for financial instrument (Total public Expenditure in EUR)								
	Out of which for financial instrument (Union Contribution in EUR)								
	Out of which carry-over (Total public Expenditure in EUR)								
	Out of which carry-over (Union contribution in EUR)								
	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)								
	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)								
ENVCLIM (70)	**Environmental, climate-related and other management commitments**								
RD- Organic	Organic Farming Scheme	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**Total 2023 - 2029**

Organic Unit 1 - Unit Amount for Conversion to Organic Farming for Horticulture (Grant - Uniform) 91(3)(b) - 70-MT-80.00%	Planned unit amount (Total Public Expenditure in EUR)		4,377.60	4,377.60	4,377.60	4,377.60	4,377.60	4,377.60	
	Maximum planned average unit amount (where applicable) (EUR)								
	O.17 (unit: Hectares)		28.00	73.00	75.00	75.00	76.00	76.00	403.00
Organic Unit 2 - Unit Amount for Maintenance of Organic Farming for Horticulture (Grant - Uniform) 91(3)(b) - 70-MT-80.00%	Planned unit amount (Total Public Expenditure in EUR)		3,614.40	3,614.40	3,614.40	3,614.40	3,614.40	3,614.40	
	Maximum planned average unit amount (where applicable) (EUR)								
	O.17 (unit: Hectares)		67.00	67.00	79.25	93.45	105.65	130.05	542.40
Organic Unit 3 - Unit Amount for Conversion to Organic Perennial Crop Production (Grant - Uniform) 91(3)(b) - 70-MT-80.00%	Planned unit amount (Total Public Expenditure in EUR)		3,222.00	3,222.00	3,222.00	3,222.00	3,222.00	3,222.00	
	Maximum planned average unit amount (where applicable) (EUR)								
	O.17 (unit: Hectares)		10.00	19.55	20.55	21.55	22.55	23.55	117.75
Organic Unit 4 - Unit Amount for Maintenance of Organic Perennial Crop Production (Grant - Uniform) 91(3)(b) - 70-MT-80.00%	Planned unit amount (Total Public Expenditure in EUR)		1,057.00	1,057.00	1,057.00	1,057.00	1,057.00	1,057.00	
	Maximum planned average unit amount (where applicable) (EUR)								
	O.17 (unit: Hectares)				5.00	14.00	23.50	42.50	85.00
TOTAL	O.17 (unit: Hectares)		105.00	159.55	179.80	204.00	227.70	272.10	1,148.15
	Annual indicative financial allocation (Total public expenditure in EUR)		154,795.00	468,510.00	60,383.00	65,585.00	61,746.00	109,328.00	920,347.00
	Annual indicative financial allocation (Union Contribution in EUR)		123,836.00	374,808.00	48,306.40	52,468.00	49,396.84	87,462.40	736,277.64
	Out of which for financial instrument (Total public Expenditure in EUR)								
	Out of which for financial instrument (Union Contribution in EUR)								
	Out of which carry-over (Total public Expenditure in EUR)								
	Out of which carry-over (Union contribution in EUR)								
	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)								

	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)								
ANC (71)	**Natural or other area-specific constraints**								
RD AN CONSTRAINTS	Areas under natural or other area-specific constraints	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**Total 2023 - 2029**
AN CONSTRAINTS UNT1 - Unit amount 1 for areas with natural constraints (Grant - Uniform) 91(3)(a)-MT-65.00%	Planned unit amount (Total Public Expenditure in EUR)		263.97	263.97	263.97	263.97	263.97	263.97	
	Maximum planned average unit amount (where applicable) (EUR)								
	O.12 (unit: Hectares)		8,336.09	8,336.09	8,336.09	8,336.09	8,336.09	8,336.09	50,016.54
AN CONSTRAINTS UNT2 - Unit amount 2 for areas with natural constraints with more than 5 ha (Grant - Uniform) 91(3)(a)-MT-65.00%	Planned unit amount (Total Public Expenditure in EUR)		261.33	261.33	261.33	261.33	261.33	261.33	
	Maximum planned average unit amount (where applicable) (EUR)								
	O.12 (unit: Hectares)		520.00	520.00	520.00	520.00	520.00	520.00	3,120.00
TOTAL	O.12 (unit: Hectares)		8,856.09	8,856.09	8,856.09	8,856.09	8,856.09	8,856.09	53,136.54
	Annual indicative financial allocation (Total public expenditure in EUR)		2,337,741.67	2,337,741.67	2,337,741.67	2,337,741.67	2,337,741.68	2,337,741.68	14,026,450.04
	Annual indicative financial allocation (Union Contribution in EUR)		1,519,532.08	1,519,532.08	1,519,532.08	1,519,532.08	1,519,532.09	1,519,532.09	9,117,192.50
	Out of which for financial instrument (Total public Expenditure in EUR)								
	Out of which for financial instrument (Union Contribution in EUR)								
	Out of which carry-over (Total public Expenditure in EUR)								
	Out of which carry-over (Union contribution in EUR)								
	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)								
	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)								
INVEST (73-74)	**Investments, including investments in irrigation**								
RD OnFarm NP Invest	On-Farm Non-Productive Investments	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**Total 2023 - 2029**

RD OnFarm NP Unit - Unit Amount for On-Farm Non- Productive Investments (Grant - Average) 91(3)(b) - 73-MT-80.00%	Planned unit amount (Total Public Expenditure in EUR)	50,000.00	50,000.00	50,000.00	10,000.00	10,000.00	10,000.00	10,000.00	
	Maximum planned average unit amount (where applicable) (EUR)	80,000.00	80,000.00	80,000.00	20,000.00	20,000.00	20,000.00	20,000.00	
	O.21 (unit: Operations)	1.00	2.00	4.00		0.20	0.40	0.40	8.00
TOTAL	O.21 (unit: Operations)	1.00	3.00	4.00		0.20	0.40	0.40	9.00
	Annual indicative financial allocation (Total public expenditure in EUR)	50,000.00	100,000.00	200,000.00		5,000.00	5,000.00	5,000.00	365,000.00
	Annual indicative financial allocation (Union Contribution in EUR)	40,000.00	80,000.00	160,000.00		4,000.00	4,000.00	4,000.00	292,000.00
	Out of which for financial instrument (Total public Expenditure in EUR)								
	Out of which for financial instrument (Union Contribution in EUR)								
	Out of which carry-over (Total public Expenditure in EUR)								
	Out of which carry-over (Union contribution in EUR)								
	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)								
	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)								
INVEST (73-74)	**Investments, including investments in irrigation**								
RD Off Farm NP INVST	Off-farm Non-Productive Investments and Afforestation	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**Total 2023 - 2029**
Off Farm NP INV Unt1 - Unit Amount 1 for Off-Farm Non-productive Investments - Afforestration (Grant - Average) 91(3)(b) - 73-MT-80.00%	Planned unit amount (Total Public Expenditure in EUR)	1,250,000.00	1,250,000.00	1,250,000.00	1,250,000.00	1,250,000.00	1,250,000.00	1,250,000.00	
	Maximum planned average unit amount (where applicable) (EUR)	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00	2,500,000.00	
	O.23 (unit: Operations)				1.00			1.00	2.00
Off Farm NP INV Unt2 - Unit Amount 2 for Off-Farm Non-productive Investments	Planned unit amount (Total Public Expenditure in EUR)	625,000.00	625,000.00	625,000.00	625,000.00	625,000.00	625,000.00	625,000.00	
	Maximum planned average unit amount (where applicable) (EUR)	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	1,000,000.00	

(Grant - Average) 91(3)(b) - 73-MT-80.00%	O.23 (unit: Operations)		1.00	1.00	2.00	2.00	2.00	2.00	10.00
Off Farm NPINV Un1RD - Carry-over Unit Amount 1 for Off-Farm Non-productive Investments - Afforestration RD (Grant - Average) 91(3)(b) - 73-MT-80.00%	Planned unit amount (Total Public Expenditure in EUR)					50,000.00			
	Maximum planned average unit amount (where applicable) (EUR)								
	O.23 (unit: Operations)					2.00			2.00
Off Farm NPINV Un2RD - Carry-over Unit Amount 2 for Off-Farm Non-productive Investments -RD (Grant - Average) 91(3)(b) - 73-MT-80.00%	Planned unit amount (Total Public Expenditure in EUR)				50,000.00	50,000.00			
	Maximum planned average unit amount (where applicable) (EUR)								
	O.23 (unit: Operations)				1.00	4.00			5.00
TOTAL	O.23 (unit: Operations)		1.00	1.00	4.00	8.00	2.00	3.00	19.00
	Annual indicative financial allocation (Total public expenditure in EUR)		625,000.00	625,000.00	2,625,000.00	1,650,000.00	1,405,000.00	2,705,000.00	9,635,000.00
	Annual indicative financial allocation (Union Contribution in EUR)		500,000.00	500,000.00	2,100,000.00	1,320,000.00	1,124,000.00	2,164,000.00	7,708,000.00
	Out of which for financial instrument (Total public Expenditure in EUR)								
	Out of which for financial instrument (Union Contribution in EUR)								
	Out of which carry-over (Total public Expenditure in EUR)				50,000.00	300,000.00			350,000.00
	Out of which carry-over (Union contribution in EUR)				40,000.00	240,000.00			280,000.00
	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)								
	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)								
INVEST (73-74)	**Investments, including investments in irrigation**								
RD Off-Farm INFRA	Off Farm Investments – Infrastructure	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**Total 2023 - 2029**

Off-Farm INFRA RD - Carry-over Unit Amount for Off-Farm Infrastructure investments RD (Grant - Average) 91(2)(c)-MT-60.00%	Planned unit amount (Total Public Expenditure in EUR)				400,000.00	400,000.00			
	Maximum planned average unit amount (where applicable) (EUR)								
	O.22 (unit: Operations)				1.00	1.00			2.00
Off-Farm INFRA Unit - Unit Amount for Off-Farm Infrastructure investments (Grant - Average) 91(2)(c)-MT-60.00%	Planned unit amount (Total Public Expenditure in EUR)				10,000,000.00	10,000,000.00	10,000,000.00	10,000,000.00	
	Maximum planned average unit amount (where applicable) (EUR)				13,200,000.00	13,200,000.00	13,200,000.00	13,200,000.00	
	O.22 (unit: Operations)				0.20	0.20	0.25	0.35	1.00
TOTAL	O.22 (unit: Operations)				1.20	1.20	0.25	0.35	3.00
	Annual indicative financial allocation (Total public expenditure in EUR)	1,549,804.12	3,099,608.24	833,333.34	2,000,000.00	2,300,000.00	1,500,000.00	2,717,254.30	14,000,000.00
	Annual indicative financial allocation (Union Contribution in EUR)	929,882.47	1,859,764.94	500,000.00	1,200,000.00	1,380,000.00	900,000.00	1,630,352.59	8,400,000.00
	Out of which for financial instrument (Total public Expenditure in EUR)								
	Out of which for financial instrument (Union Contribution in EUR)								
	Out of which carry-over (Total public Expenditure in EUR)				400,000.00	400,000.00			800,000.00
	Out of which carry-over (Union contribution in EUR)				240,000.00	240,000.00			480,000.00
	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)								
	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)								
INVEST (73-74)	**Investments, including investments in irrigation**								
RD Off-Farm INFRARd	Off-Farm Infrastructure Rural Roads for Competitiveness	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**Total 2023 - 2029**
OFF-Farm INFRARD RD - Carry-over Unit Amount for Off-Farm Infrastructure investments (Grant - Average) 91(2)(c)-MT-60.00%	Planned unit amount (Total Public Expenditure in EUR)					500,000.00			
	Maximum planned average unit amount (where applicable) (EUR)								
	O.22 (unit: Operations)					4.00			4.00

OFF-Farm INFRARD Uni - Unit Amount for Off-Farm Infrastructure Rural Roads (Grant - Average) 91(2)(c)-MT-60.00%	Planned unit amount (Total Public Expenditure in EUR)		819,684.33	819,684.33	819,684.33	819,684.33	819,684.33	819,684.33	
	Maximum planned average unit amount (where applicable) (EUR)								
	O.22 (unit: Operations)		1.00	1.00	0.15	0.20	0.30	0.35	3.00
TOTAL	O.22 (unit: Operations)		1.00	1.00	0.15	4.20	0.30	0.35	7.00
	Annual indicative financial allocation (Total public expenditure in EUR)		819,684.33	819,684.33	200,000.00	2,200,000.00	700,000.00	998,421.65	5,737,790.31
	Annual indicative financial allocation (Union Contribution in EUR)		491,810.60	491,810.60	120,000.00	1,320,000.00	420,000.00	599,053.00	3,442,674.20
	Out of which for financial instrument (Total public Expenditure in EUR)								
	Out of which for financial instrument (Union Contribution in EUR)								
	Out of which carry-over (Total public Expenditure in EUR)					2,000,000.00			2,000,000.00
	Out of which carry-over (Union contribution in EUR)					1,200,000.00			1,200,000.00
	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)								
	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)								
INVEST (73-74)	**Investments, including investments in irrigation**								
RD Off-Farm P.INVEST	Off-farm Productive Investment	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**Total 2023 - 2029**
Off-Farm P INVS Unit - Unit Amount for Off-Farm Productive Investments (Grant - Average) 91(2)(c)-MT-60.00%	Planned unit amount (Total Public Expenditure in EUR)	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	333,333.33	
	Maximum planned average unit amount (where applicable) (EUR)	1,600,000.00	1,600,000.00	1,600,000.00	1,600,000.00	1,600,000.00	1,600,000.00	1,600,000.00	
	O.24 (unit: Operations)	1.00	2.00	3.00	4.00	4.00	3.00	3.00	20.00
TOTAL	O.24 (unit: Operations)	1.00	2.00	3.00	4.00	4.00	3.00	3.00	20.00
	Annual indicative financial allocation (Total public expenditure in EUR)	333,333.34	666,666.67	1,000,000.00	1,333,333.34	1,333,333.34	1,000,000.00	1,000,000.00	6,666,666.69
	Annual indicative financial allocation (Union Contribution in EUR)	200,000.00	400,000.00	600,000.00	800,000.00	800,000.00	600,000.00	600,000.00	4,000,000.00

	Out of which for financial instrument (Total public Expenditure in EUR)								
	Out of which for financial instrument (Union Contribution in EUR)								
	Out of which carry-over (Total public Expenditure in EUR)								
	Out of which carry-over (Union contribution in EUR)								
	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)								
	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)								
INVEST (73-74)	**Investments, including investments in irrigation**								
RD On-farm Invest P.	On-farm Productive Investments	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**Total 2023 - 2029**
On-farm P.Invst Unit - Unit Amount for On-Farm Productive Investments (Grant - Average) 91(2)(c)-MT-60.00%	Planned unit amount (Total Public Expenditure in EUR)	98,559.91	98,559.91	98,559.91	98,559.91	98,559.91	98,559.91	98,559.91	
	Maximum planned average unit amount (where applicable) (EUR)	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00	150,000.00	
	O.20 (unit: Operations)	10.00	21.00	35.00	37.00	39.00	38.00	47.00	227.00
TOTAL	O.20 (unit: Operations)	10.00	21.00	35.00	37.00	39.00	38.00	47.00	227.00
	Annual indicative financial allocation (Total public expenditure in EUR)	985,599.09	2,069,758.07	3,449,596.78	3,235,829.50	4,000,000.00	4,000,000.00	4,646,716.56	22,387,500.00
	Annual indicative financial allocation (Union Contribution in EUR)	591,359.45	1,241,854.84	2,069,758.06	1,941,497.70	2,400,000.00	2,400,000.00	2,788,029.95	13,432,500.00
	Out of which for financial instrument (Total public Expenditure in EUR)								
	Out of which for financial instrument (Union Contribution in EUR)								
	Out of which carry-over (Total public Expenditure in EUR)								
	Out of which carry-over (Union contribution in EUR)								
	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)								

	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)								
INSTAL (75)	**Setting up of young farmers and new farmers and rural business start-up**								
RD INSTAL YF	Setting up of young farmers	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**Total 2023 - 2029**
RD INSTAL YF Unit - Unit Amount for the Setting up of Young Farmers (Grant - Average) 91(2)(c)-MT-60.00%	Planned unit amount (Total Public Expenditure in EUR)	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	50,000.00	
	Maximum planned average unit amount (where applicable) (EUR)	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	100,000.00	
	O.25 (unit: Beneficiaries)	2.00	5.00	8.00	25.00	5.00	5.00	10.00	60.00
TOTAL	O.25 (unit: Beneficiaries)	2.00	5.00	8.00	25.00	5.00	5.00	10.00	60.00
	Annual indicative financial allocation (Total public expenditure in EUR)	200,000.00	722,222.22	1,244,444.45	1,900,000.00	650,000.00	650,000.00	733,333.34	6,100,000.01
	Annual indicative financial allocation (Union Contribution in EUR)	120,000.00	433,333.33	746,666.67	1,140,000.00	390,000.00	390,000.00	440,000.00	3,660,000.00
	Out of which for financial instrument (Total public Expenditure in EUR)		222,222.22	444,444.44	222,222.22	444,444.45	222,222.22	444,444.45	2,000,000.00
	Out of which for financial instrument (Union Contribution in EUR)		133,333.33	266,666.67	133,333.33	266,666.67	133,333.33	266,666.67	1,200,000.00
	Out of which carry-over (Total public Expenditure in EUR)								
	Out of which carry-over (Union contribution in EUR)								
	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)					188,101.67			188,101.67
	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)					112,861.00			112,861.00
COOP (77)	**Cooperation**								
RD COOP	Cooperation- Quality Schemes	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**Total 2023 - 2029**
COOP- QUALITY Unit - Unit Amount for Quality Schemes (Grant - Average) 91(2)(c)-MT-60.00%	Planned unit amount (Total Public Expenditure in EUR)	39,000.00	39,000.00	39,000.00	39,000.00	39,000.00	39,000.00	39,000.00	
	Maximum planned average unit amount (where applicable) (EUR)	500,000.00	500,000.00	500,000.00	500,000.00	500,000.00	500,000.00	500,000.00	
	O.29 (unit: Beneficiaries)	2.00	4.00	6.00	7.00	7.00	7.00	7.00	40.00
TOTAL	O.29 (unit: Beneficiaries)	2.00	4.00	6.00	7.00	7.00	7.00	7.00	40.00
	Annual indicative financial allocation (Total public expenditure in EUR)	78,000.00	156,000.00	234,000.00	273,000.00	273,000.00	273,000.00	273,000.00	1,560,000.00

	Annual indicative financial allocation (Union Contribution in EUR)	46,800.00	93,600.00	140,400.00	163,800.00	163,800.00	163,800.00	163,800.00	936,000.00
	Out of which for financial instrument (Total public Expenditure in EUR)								
	Out of which for financial instrument (Union Contribution in EUR)								
	Out of which carry-over (Total public Expenditure in EUR)								
	Out of which carry-over (Union contribution in EUR)								
	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)								
	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)								
COOP (77)	**Cooperation**								
RD COOP - EIP	EIP Operational Groups	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**Total 2023 - 2029**
COOP EIP Unit Amount - Unit Amount Cooperation Activities-EIP (Grant - Average) 91(3)(b) - 77(1)(a)-MT-80.00%	Planned unit amount (Total Public Expenditure in EUR)	166,666.60	166,666.60	166,666.60	166,666.60	166,666.60	166,666.60	166,666.60	
	Maximum planned average unit amount (where applicable) (EUR)	250,000.00	250,000.00	250,000.00	250,000.00	250,000.00	250,000.00	250,000.00	
	O.1 (unit: Projects)	3.00	2.00	2.00	2.00	1.00			10.00
TOTAL	O.1 (unit: Projects)	3.00	2.00	2.00	2.00	1.00			10.00
	Annual indicative financial allocation (Total public expenditure in EUR)	499,999.80	333,333.20	333,333.20	333,333.20	166,666.60			1,666,666.00
	Annual indicative financial allocation (Union Contribution in EUR)	399,999.84	266,666.56	266,666.56	266,666.56	133,333.28			1,333,332.80
	Out of which for financial instrument (Total public Expenditure in EUR)								
	Out of which for financial instrument (Union Contribution in EUR)								
	Out of which carry-over (Total public Expenditure in EUR)								
	Out of which carry-over (Union contribution in EUR)								

	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)								
	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)								
COOP (77)	**Cooperation**								
RD COOP LEADER	COOPERATION: LEADER	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**Total 2023 - 2029**
COOP LEADER Unit - Unit Amount for LEADER (Grant - Average) 91(3)(b) - 77(1)(b)-MT-80.00%	Planned unit amount (Total Public Expenditure in EUR)		1,748,385.00						
	Maximum planned average unit amount (where applicable) (EUR)								
	O.31 (unit: Strategies)		3.00						3.00
TOTAL	O.31 (unit: Strategies)		3.00						3.00
	Annual indicative financial allocation (Total public expenditure in EUR)		524,515.50	944,127.90	944,127.90	944,127.90	944,127.90	944,127.90	5,245,155.00
	Annual indicative financial allocation (Union Contribution in EUR)		419,612.40	755,302.32	755,302.32	755,302.32	755,302.32	755,302.32	4,196,124.00
	Out of which for financial instrument (Total public Expenditure in EUR)								
	Out of which for financial instrument (Union Contribution in EUR)								
	Out of which carry-over (Total public Expenditure in EUR)								
	Out of which carry-over (Union contribution in EUR)								
	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)								
	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)								
KNOW (78)	**Knowledge exchange and dissemination of information**								
RD KNOW	Knowledge exchange, advice, training and dissemination of information	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**Total 2023 - 2029**
RD KNOW Unit 1 - Unit Amount 1 for	Planned unit amount (Total Public Expenditure in EUR)				794,187.90			794,187.90	

Knowledge- Training, Exchange & Information (Grant - Average) 91(2)(c)-MT-60.00%	Maximum planned average unit amount (where applicable) (EUR)				1,588,375.80			1,588,375.80	
	O.33 (unit: Operations)				1.00			1.00	2.00
RD KNOW Unit 2 - Unit Amount 2 for Knowledge- Advisory (Grant - Average) 91(2)(c)-MT-60.00%	Planned unit amount (Total Public Expenditure in EUR)				1,393,312.10			1,393,312.10	
	Maximum planned average unit amount (where applicable) (EUR)				2,786,624.20			2,786,624.20	
	O.33 (unit: Operations)				1.00			1.00	2.00
TOTAL	O.33 (unit: Operations)				2.00			2.00	4.00
	Annual indicative financial allocation (Total public expenditure in EUR)	218,750.00	437,500.00	700,000.00	743,750.00	787,500.00	743,750.00	743,750.00	4,375,000.00
	Annual indicative financial allocation (Union Contribution in EUR)	131,250.00	262,500.00	420,000.00	446,250.00	472,500.00	446,250.00	446,250.00	2,625,000.00
	Out of which for financial instrument (Total public Expenditure in EUR)								
	Out of which for financial instrument (Union Contribution in EUR)								
	Out of which carry-over (Total public Expenditure in EUR)								
	Out of which carry-over (Union contribution in EUR)								
	Out of which needed to reach the minimum financial allocation set out in Annex XII (applicable to article 95(1) under article 73 and 75) (Total public expenditure in EUR)								
	Out of which needed to reach the minimum financial allocation set out in Annex XII (Union Contribution in EUR)								

7 Governance and Coordination system

7.1 Identification of governance and coordination bodies + control bodies

Authority type	Institution name	EAGF	EAFRD	Responsible name	Address	Email
Managing authority	Funds and Programmes Division (FPD), Office of the Prime Minister, European Funds, Equality, Reforms and Social Dialogue	Y	Y	Ing. Anthony Camilleri	Funds and Programmes Division, The Oaks Business Centre, Block B, Triq Farsons, Hamrun	anthony.c.camilleri@gov.mt
Competent Authority	EU Certifying Authority, Office of the Prime Minister, European Funds, Equality, Reforms and Social Dialogue	Y	Y	Mr Edwin Camilleri	Strategy and Implementation Division The Oaks Business Centre, Block B, Triq Farsons, Hamrun	edwin.a.camilleri@gov.mt
Paying Agency	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Y	Y	Ms Louisa Formosa	Government Farm, Ghammieri Head Office, Marsa, MRS3303	louisa.formosa@gov.mt
Certification Body	Internal Audit and Investigations Department (IAID), Office of the Prime Minister (OPM),	Y	Y	Mr Kevin Agius	Triq Sa Maison, Floriana	kevin.f.agius@gov.mt
Monitoring Committee	Monitoring Committee	Y	Y	Mr Jonathan Vassallo	31B, House of Catalunya, Triq Marsamxett, Valletta	jonathan.vassallo@gov.mt
Control Body	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Y	Y	Ms Louisa Formosa	Government Farm, Ghammieri Head Office, Marsa, MRS3303	louisa.formosa@gov.mt
AKIS coordination, including farm advice - Relevant coordination body	Funds and Programmes Division (FPD), Office of the Prime Minister, European Funds, Equality, Reforms and Social Dialogue	Y	Y	Ing. Anthony Camilleri	Funds and Programmes Division, The Oaks Business Centre, Block B, Triq Farsons, Hamrun	anthony.c.camilleri@gov.mt
CAP plan communication officer (cf. Article 48(2) CPR)	Communications Unit, Office of the Prime Minister, European Funds, Equality, Reforms and Social Dialogue	Y	Y	Mr Joenick Farrugia	Strategy and Implementation Division The Oaks Business Centre, Block B, Triq Farsons, Hamrun	joenick.farrugia@gov.mt

Brief description of the set up and organisation of the Competent Authority

The Competent Authority is the Ministry responsible for European Union funds and the Paying Agency is the Agriculture and Rural Payments Agency (ARPA) within the Ministry for Agriculture, Fisheries and Animal Rights (MAFA).

Within the Ministry responsible for European Union funds, the EU Certifying Authority is responsible for the Competent Authority function. The Competent Authority will decide on the accreditation of the Paying Agency and the designation of the Certification Body as referred to in Article 8 of Regulation (EU) 2021/2116.

The Competent Authority keeps the Paying Agency under constant supervision and with the support of an audit body reviews the Agency's compliance with the accreditation criteria prior to accreditation being granted as well as during periodic interactions such as the certification and clearance of accounts processes.

The Competent Authority functions are separate from those of the Paying Agency.

There will be no requirement for a coordinating body.

7.2 Description of the monitoring and reporting structure

Monitoring, evaluation and reporting functions emanating from the CAP Strategic Plan regulation shall be overseen by the Managing Authority that may be complemented with a team of external technical experts. The Managing Authority will coordinate the monitoring and reporting process and maintain communication with the Commission, in line with Article 110(1) of the CAP Strategic Plan Regulation. The Evaluation Unit will be responsible for all evaluations related to the CAP SP which may be delegated to technical experts.

In line with Article 9(3)(b) of Regulation (EU) 2021/2116, the Paying Agency (PA) is tasked to submit the Annual Performance Report (APR) on the implementation of the CAP SP in the previous financial year, including aggregate monitoring tables, referred to in Articles 123 and 134 of the CAP SP Regulation, within the deadline stipulated in Article 9(3)(b) of the Horizontal Regulation. In line with same article 9(3)(b) the Paying Agency shall play a central role in the preparation, data collation (including the development of the structure which shall contain the data), drafting and the development of the report. The Managing Authority and the Paying Agencyand possibly in collaboration with external technical experts/stakeholders, will also be collecting the necessary data for the calculation of output and result indicators and the presentation of financial data, as defined in Article 134(4) of the CAP SP Regulation.

Both Funding Authorities shall ensure that all data required is being captured at the different phases of the operation, including at application stage through to payments' stage, and is therefore available on the IT system, for both authorities to access and download in real time. The IT system shall be updated to cater for the requirements of the new Strategic Plans that will now include elements of both EAGF and EAFRD as well as new requirements not previously included in the APR (AIR 2014-2020).

The IT System linking the numerous schemes and interventions will monitor expenditure, outputs and results throughout the programming period. This system includes several dedicated IT modules established as part of this system.

Such IT System will also reduce the administrative burden associated with reporting under the CSP.

The system will cover a wide range of data requirements including payment data, land-based data and demographic information as well as the relevant output and result indicator data. The data provided allows the analysis of information required and the modelling needs for the evaluation element of the CAP Strategic Plan.

This system is accredited by the Certifying Authority, being the Internal Audit & Investigations Department (IAID).

The Managing Authority shall also ensure that the annual performance reports, as well as a summary for citizens of their content, , are made available to the public, in line with Article 134, para. 12 of the CAP SP Regulation.

Evaluation:

An Evaluation Plan shall be drawn up, providing indications of intended evaluation activities during the implementation period in line with Article 140(4) of the CAP SP Regulation. Line with Article 140(4) of the CAP SP Regulation. The Evaluation Plan shall be submitted to the Monitoring Committee no later than one year after the adoption of the CAP SP. The MA shall be responsible for implementing and publishing evaluation reports. The Evaluation Plan shall be submitted to the Monitoring Committee no

later than one year after the adoption of the CAP SP. The MA shall be responsible for implementing and publishing evaluation reports.

Main bodies involved in Monitoring and Reporting:

External technical experts shall be engaged to support the MA in reporting, monitoring and evaluation requirements of the CAP SP through implementation. These shall assist in evaluating output, result and impact indicators that will be used for monitoring, evaluation and annual performance reports, as well as monitoring targets and milestones.

Paying Agency:

The Paying Agency shall be required to work closely with the Managing Authority, the appointed evaluators and other bodies as may be referred to it by the MA, and provide all the necessary information and data in the format requested by the MA or its evaluators, for both EAFRD and EAGF.

The Paying Agency, through its Front Offices, may be delegated central roles for the scope of all type of dissemination of information related to both pillars, as well as offering a one-stop shop service equally and identically for both Pillars.

The Paying Agency shall be responsible for the submission of data to the Commission covered under Title [II] of the Implementing Act laying down detailed rules for Reg (EU) 2021/2115 as regards the evaluation the CAP SP and the provision of information for monitoring and evaluation, including disaggregated data on interventions and beneficiaries, data linked to intervention in certain areas, EIP and LEADER.

Monitoring Committee:

The role of the Monitoring Committee will be in line with Article 124 of the CAP SP Regulation including the monitoring of the implementation of the CAP SP, and progress made towards achieving the targets on the basis of the output and result indicators in line with regulatory parameters laid out in the CAP SP Regulation. Members of the monitoring committee shall include representatives from the civil society, as part of MCESD, which includes women and youths.

Local Action Groups:

Local action groups will assist the leading entities involved in monitoring and implementation by providing the necessary information required by the CAP SP authorities, including information required for the monitoring, reporting and evaluation purposes of the CAP SP.

Evaluation Steering Group:

The Managing Authority may consider the setting up of an Evaluation Steering Group to support the monitoring, reporting and evaluation process. This group shall aim to bring together various stakeholders whose contribution is required in the monitoring, reporting and evaluation process. Members of this Steering Group may include members of the Managing Authority, representatives from the Agriculture and *Evaluation Steering Group:*

The Managing Authority may consider the setting up of an Evaluation Steering Group to support the monitoring, reporting and evaluation process. This group shall aim to bring together various stakeholders whose contribution is required in the monitoring, reporting and evaluation process. Members of this

Steering Group may include members of the Managing Authority, representatives from the Paying Agency,, external technical experts, IT experts, representatives from other public entities that hold data required for monitoring, reporting and evaluation, and other stakeholders.

7.3 Information on the control system and penalties

7.3.1 IACS - Integrated Administration and Control System

Is IACS used to manage and control interventions in the wine sector as laid down in Title III of Regulation (EU) ../... [CAP Strategic Plan Regulation]? : **No**

Is IACS used to manage and control conditionality? : **Yes**

Article 65(4)(d) of the HZR gives the possibility to MS to define the "agricultural parcel". Please provide the definition of "agricultural parcel" in your Member State.

Agricultural Parcel shall be a parcel of at least 0.01Ha of agricultural areal defined by clear boundaries and at the farmers disposal and shall include:

(i) any agricultural area of the holding that, during the year for which support is requested, is used for an agricultural activity or, where the area is also used for non-agricultural activities, is predominantly used for agricultural activities.

(ii) any area of the holding:

1.covered by landscape features subject to the retention obligation under GAEC standard 9 listed in Annex III;

2.used to attain the minimum share of arable land devoted to non-productive areas and features, including land laying fallow, under GAEC standard 9;

3.which, for the duration of the relevant commitment by the farmer, is established or maintained as a result of an eco-scheme referred to in Article 31.

4.landscape features that together make less than 15% of the whole eligible area of a parcel

(iii) any area of the holding that gave a right to payments under Subsection 2 of Section 2 of Chapter II of Title III of this Regulation or under the basic payment scheme or the single area payment scheme laid down in Title III of Regulation (EU) No 1307/2013, and which is not an 'eligible hectare' as determined by sub-points (i) and (ii) of this point:

1.as a result of the application of Directives 92/43/EEC, 2009/147/EC or 2000/60/EC to this area;

2.as a result of area based interventions set out under this Regulation covered by the integrated system referred to in Article 63(2) of Regulation (EU) HzR allowing for the production of products not listed in Annex I TFEU by way of paludiculture provided that those interventions contribute to one or more specific objectives laid down in points (d), (e) and (f) of Article 6 of this Regulation;

3.for the duration of an afforestation commitment by the farmer, pursuant to Article 31 of Regulation (EC) No 1257/1999[1] or to Article 43 of Regulation (EC) No 1698/2005 or to Article 22 of Regulation (EU) No 1305/2013 or to Article 65 or Article 68 of this Regulation, or under a national scheme the conditions of which comply with Article 43(1), (2) and (3) of Regulation (EC) No 1698/2005 or Article 22 of Regulation (EU) No 1305/2013 or Article 65 or Article 68 of this Regulation;

4.for the duration of a commitment by the farmer resulting in the set aside of the area, pursuant to Articles 22, 23 and 24 of Regulation (EC) No 1257/1999, to Article 39 of Regulation (EC) No 1698/2005, to Article 28 of Regulation (EU) No 1305/2013 or to Article 65 of this Regulation.

5.Areas used for the production of hemp shall only be eligible hectares if the varieties used have a tetrahydrocannabinol content not exceeding 0,3%;

(iv) Arable land cultivated for crop production or areas available for crop production but lying fallow; in addition, it shall, for the duration of the commitment, be land cultivated for crop production or areas

available for crop production but lying fallow that have been set-aside in accordance with Articles 31 or 70 or GAEC standard 9 listed in Annex III of this Regulation, or with Articles 22, 23 or 24 of Council Regulation (EC) No 1257/1999, or with Article 39 of Council Regulation (EC) No 1698/2005, or with Article 28 of Regulation (EU) No 1305/2013;

(v) Permanent Crops, that is non-rotational crops other than permanent grassland and permanent pasture that occupy the land for five years or more, which yield repeated harvests, including nurseries and short rotation coppice.

[1] Council Regulation (EC) No 1257/1999 of 17 May 1999 on support for rural development from the European Agricultural Guidance and Guarantee Fund (EAGGF) and amending and repealing certain Regulations.

7.3.1.1 All elements of the IACS as set out in the Regulation [HZR] are established and operating as from 1 January 2023

All elements of the IACS as set out in the Regulation [HZR] are established and operating as from 1 January 2023 : **Yes**

7.3.1.1.1 Identification system for agricultural parcels (LPIS)

Article 3 par.2 of the delegated acts supplementing the HZ Reg specifies that a reference parcel shall contain one unique category of agricultural area representing either arable land, or permanent crops or permanent grassland. Currently this provision is being opposed by Member States, including Malta, as it implies that certain parcels within the LPIS needs to re-drawn to include one category of land cover only.

Article 2 par. 8 point (e) of the delegated acts supplementing the HZ regulation specifies that each parcel should record whether the parcel is subject to organic farming. This obligation is not agreed yet and the discussions on how to implement this are still ongoing during the expert groups. Should this obligation enter into force, the LPIS and eventually the GSAA and the BiedjaCam app should be enhanced to serve as a data input for this data.

The LPIS is in line with the rest of the specifications set out in the regulation.

7.3.1.1.2 Geo-spatial (GSA) and an animal-based application system (GSA)

The crop plan editor of the existing GSA is currently being enhanced to store crop plan data for each reference parcel such, as the crop type, its coverage, the planting and the harvesting dates. This crop plan will allow the creation and editing of data from multiple sources namely ARPA, FAS and the farmer. In turn it will be used to supply information for CAP SP indicators, aid application, nutrient management plans etc.

Article 8 para. 4 of the delegated acts supplementing the HZ regulation requests that the GSA, shall contain information on the use of plant protection products on the area of the holding. Should this obligation enter into force, the LPIS and eventually the GSAA and the BiedjaCam app should be enhanced to serve as a data input for this data.

7.3.1.1.3 Are you applying an automatic claim system (in the meaning of Article 65(4)(f)) of the HZR?

For area-based interventions? : **No**
For animal-based interventions? : **Yes**

7.3.1.1.4 Area monitoring system (AMS)

As from 2023 onwards, Malta has implemented the AMS system for the VCS tomatoes, BISS and ANC. The latter two interventions are monitored through a hybrid system based on:

•Automated system that uses commercial HHR satellite data with three-meter resolution to detect minimum agricultural activity. Despite the better resolution when compared to Sentinel, there are still a proportion of parcels that are either too small to contain sufficient pixel data or contain zero-pixel data. The parcels that are not fit for monitoring is 57% which represent 14% of the claimed utilizable area.

•Systematic annual LPIS manual refresh on the basis of VHR commercial data to detect changes between arable land and permanent crops and arable land and artificial sealed surfaces

BiedjaCam mobile application is being used for two purposes:

1.The primary use is that of an ancillary system supplementing the findings of AMS system to conclude on red cases so that farmers will receive notifications and can either amend the GSA or else take the necessary action and submit a GeoTagged photo.

2.BiedjaCam is also used independently of the AMS system that is based on time-series data and is currently used for certain eco-schemes so that farmers can submit geotagged photos of their annual commitment.

7.3.1.1.5 Control and penalties system

Are requirements set out in Article 72 of the HZR fulfilled? : **Yes**

7.3.1.1.5.1 Description of the control and penalty system(s) for IACS interventions

No document attached

7.3.1.1.6 System for the identification and registration of payment entitlements, where applicable

Are requirements set out in Article 71 of the HZR fullfilled? : **Yes**

7.3.1.1.7 System for the identification and registration of animals in the meaning of article 65(4)(c) [Article 66(1)(g) HZR]

Do you have a system for the identification and registration of animals referred to in Article 66(1)(g) of HZR? : **Yes**

system for the identification and registration of bovine animals laid down by Regulation (EC) No 1760/2000 of the European Parliament and of the Council : **No**

system for the identification and registration of ovine and caprine animals laid down by Council Regulation (EC) No 21/2004 : **No**

system for the identification and registration of pigs laid down by Council Directive 2008/71/EC : **No**

7.3.2 Non-IACS

7.3.2.1 Brief description on the penalty system for non-IACS interventions in line with the principles of effectiveness, proportionality and dissuasiveness

Non-IACS EAGF

Irregularities identified during on-the-spot checks

Intervention 1A-C:

Checklist Penalties

In the case of cooperatives, organisations and associations, they are to identify one active member who has a minimum of one (1) active bee box.

Beneficiaries are to inform the competent authorities on the exact location in which the bee boxes are placed to ensure adequate traceability and controls.

Beekeepers are required to notify ARPA of the movements carried out within 10 working days and prior to an OTS inspection announcement.

ARPA Officials shall confirm the presence of active apiculture activity whereby the beekeeper must keep and maintain a minimum of one (1) bee box in good health on the exact location as declared on application.

In case of breaches i.e., a minimum of one (1) active bee box is not found during OTS inspection by ARPA Officials, a 100 % forfeiture shall be applied under the relevant intervention/s.

Payment Penalties

- Over declaration sanction

Payments shall be calculated on the basis of amounts found to be eligible during the administrative checks.

ARPA shall examine the payment claim received from the beneficiary and establish the amounts that are eligible for support. It shall establish:

(a) the amount that is payable to the beneficiary based on the payment claim and the available funds;

(b) the amount that is payable to the beneficiary after an examination of the eligibility of the expenditure in the payment claim.

If the amount established pursuant to point (a) of the second subparagraph exceeds the amount established pursuant to point (b) of that subparagraph by more than 10 %, an administrative penalty shall be applied to the amount established pursuant to that point (b). The amount of the penalty shall be the difference between those two amounts but shall not go beyond full withdrawal of the support.

However, no penalties shall be applied if the beneficiary can demonstrate to the satisfaction of ARPA that he is not at fault for the inclusion of the ineligible amount or if ARPA is otherwise satisfied that the beneficiary concerned is not at fault.

Penalties will be applied in the following order:

1. Over declaration at invoice level
2. Checklist penalties deducted lastly

Intervention 2A-C:

Checklist Penalties

In the case of cooperatives, organisations and associations, they are to identify one active member who has a minimum of one (1) active bee box.

Beneficiaries are to inform the competent authorities on the exact location in which the bee boxes are placed to ensure adequate traceability and controls.

Beekeepers are required to notify ARPA of the movements carried out within 10 working days and prior to an OTS inspection announcement.

ARPA Officials shall confirm the presence of active apiculture activity whereby the beekeeper must keep and maintain a minimum of one (1) bee box in good health on the exact location as declared on application.

In case of breaches i.e., a minimum of one (1) active bee box is not found during OTS inspection by

ARPA Officials, a 100 % forfeiture shall be applied under the relevant intervention/s.

ARPA Officials shall confirm functionality of the investment
Beekeepers are required to retain boxes/packaging or provide timestamped photographic evidence of the investment.

In case of breaches i.e., no evidence of the investment is presented, a 100% forfeiture shall be applied of that part of the investment under the relevant intervention/s.

Payment Penalties
- Over declaration sanction
Payments shall be calculated on the basis of amounts found to be eligible during the administrative checks.

ARPA shall examine the payment claim received from the beneficiary and establish the amounts that are eligible for support. It shall establish:
(a) the amount that is payable to the beneficiary based on the payment claim and the available funds;
(b) the amount that is payable to the beneficiary after an examination of the eligibility of the expenditure in the payment claim.

If the amount established pursuant to point (a) of the second subparagraph exceeds the amount established pursuant to point (b) of that subparagraph by more than 10 %, an administrative penalty shall be applied to the amount established pursuant to that point (b). The amount of the penalty shall be the difference between those two amounts but shall not go beyond full withdrawal of the support.

However, no penalties shall be applied if the beneficiary can demonstrate to the satisfaction of ARPA that he is not at fault for the inclusion of the ineligible amount or if ARPA is otherwise satisfied that the beneficiary concerned is not at fault.

Penalties will be applied in the following order:
1. Over declaration at invoice level
2. Checklist penalties deducted lastly

Intervention 3A-B:
Checklist Penalties
In the case of cooperatives, organisations and associations, they are to identify one active member who has a minimum of one (1) active bee box.

Beneficiaries are to inform the competent authorities on the exact location in which the bee boxes are placed to ensure adequate traceability and controls.

Beekeepers are required to notify ARPA of the movements carried out within 10 working days and prior to an OTS inspection announcement.

ARPA Officials shall confirm the presence of active apiculture activity whereby the beekeeper must keep and maintain a minimum of one (1) bee box in good health on the exact location as declared on application.

In case of breaches i.e., a minimum of one (1) active bee box is not found during OTS inspection by ARPA Officials, a 100 % forfeiture shall be applied under the relevant intervention/s.

Payment Penalties
- Over declaration sanction
Payments shall be calculated on the basis of amounts found to be eligible during the administrative checks.

ARPA shall examine the payment claim received from the beneficiary and establish the amounts that are eligible for support. It shall establish:
(a) the amount that is payable to the beneficiary based on the payment claim and the available funds;
(b) the amount that is payable to the beneficiary after an examination of the eligibility of the expenditure in the payment claim.

If the amount established pursuant to point (a) of the second subparagraph exceeds the amount established pursuant to point (b) of that subparagraph by more than 10 %, an administrative penalty shall be applied to the amount established pursuant to that point (b). The amount of the penalty shall be the difference between those two amounts but shall not go beyond full withdrawal of the support.
However, no penalties shall be applied if the beneficiary can demonstrate to the satisfaction of ARPA that he is not at fault for the inclusion of the ineligible amount or if ARPA is otherwise satisfied that the beneficiary concerned is not at fault.

Penalties will be applied in the following order:
1. Over declaration at invoice level
2. Checklist penalties deducted lastly

Intervention 4A:

Checklist Penalties
In the case of cooperatives, organisations and associations, they are to identify one active member who has a minimum of one (1) active bee box.

Beneficiaries are to inform the competent authorities on the exact location in which the bee boxes are placed to ensure adequate traceability and controls.

Beekeepers are required to notify ARPA of the movements carried out within 10 working days and prior to an OTS inspection announcement.

ARPA Officials shall confirm the presence of active apiculture activity whereby the beekeeper must keep and maintain a minimum of one (1) bee box in good health on the exact location as declared on application.

In case of breaches i.e., a minimum of one (1) active bee box is not found during OTS inspection by ARPA Officials, a 100 % forfeiture shall be applied under the relevant intervention/s.

Payment Penalties
- Over declaration sanction
Payments shall be calculated on the basis of amounts found to be eligible during the administrative checks.

ARPA shall examine the payment claim received from the beneficiary and establish the amounts that are eligible for support. It shall establish:

(a) the amount that is payable to the beneficiary based on the payment claim and the available funds;
(b) the amount that is payable to the beneficiary after an examination of the eligibility of the expenditure in the payment claim.

If the amount established pursuant to point (a) of the second subparagraph exceeds the amount established pursuant to point (b) of that subparagraph by more than 10 %, an administrative penalty shall be applied to the amount established pursuant to that point (b). The amount of the penalty shall be the difference between those two amounts but shall not go beyond full withdrawal of the support.
However, no penalties shall be applied if the beneficiary can demonstrate to the satisfaction of ARPA that he is not at fault for the inclusion of the ineligible amount or if ARPA is otherwise satisfied that the beneficiary concerned is not at fault.

Penalties will be applied in the following order:
1. Over declaration at invoice level
2. Checklist penalties deducted lastly

Undue Payments and Penalties
As per Article 9(1) of Commission Implementing Regulation (EU) N0 2015/1368 [1]'Undue payments and penalties':
"Interest added to the amount of undue payments recovered in accordance with Article 54(1), 58(1)(e) or 63(3) of Regulation (EU) No 1306/2013 [2] shall be calculated in accordance with Article 27 of Implementing Regulation (EU) No 908/2014[3]."

Irregularities due to fraud or negligence
As per Article 9(2) of Commission Implementing Regulation (EU) N0 2015/1368 'Undue payments and penalties':
"In case of fraud or serious negligence for which they are responsible, beneficiaries shall, in addition to repaying undue payments received and interest thereon in accordance with Article 63(3) of Regulation (EU) No 1306/2013, pay an amount equal to the difference between the amount initially paid and the amount they are entitled to."

Cases where no penalties are imposed
No penalties shall be imposed where:

a) The beneficiary has been unable to comply with the obligations as a result of Force Majeure or exceptional circumstances.

Cases of Force Majeure and exceptional circumstances shall be notified in writing to the competent authority (ARPA), with relevant evidence to the satisfaction of the competent authority, within fifteen (15) working days from the date on which the beneficiary or the person entitled through him, is in a position to do so, and prior to the announcement of an OTSC by the ARPA. After consultation with the Force Majeure Board, ARPA will decide whether there is a case of Force Majeure or otherwise according to the parameters of the applicable EU Regulations. Should ARPA deem a case to be affected by a Force Majeure event, the beneficiary may be justified or excused, totally or partially, with respect to some default that there may be. However, if the Force Majeure application is rejected, ARPA may seek to recover or withdraw all funds related to this aid.

[1]Commission Implementing Regulation (EU) 2015/1368 of 6 August 2015 laying down rules for the

application of Regulation (EU) No 1308/2013 of the European Parliament and of the Council with regard to aid in the apiculture sector.

[2] Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008.

[3] Commission Implementing Regulation (EU) No 908/2014 of 6 August 2014 laying down rules for the application of Regulation (EU) No 1306/2013 of the European Parliament and of the Council with regard to paying agencies and other bodies, financial management, clearance of accounts, rules on checks, securities and transparency.

Non-IACS EAFRD

Verifications performed by the Maltese Authorities may lead to the identification of ineligible expenditure and/or irregularities.

Procedural guidelines are in place at a national level detailing how irregularities are to be reported on, in line with Article 57 of Regulation (EU) No 2021/2116. Detected irregularities should be immediately reported to the Paying Agency, who in turn notifies the Managing Authority. The Paying Agency furnishes templates for the reporting procedures, ensuring that the report includes the necessary information about follow-up and responsible parties for subsequent action/s.

Part of the Paying Agency's responsibility is to ensure that all essential procedures are executed properly for the recovery of funds as per national law without unjustified delay. It also records any recoveries made. Ineligible expenditure is deducted from upcoming Payment Applications through the signed Irregularity Reports. The debtors' ledger is maintained by the same body.

Irregularity Reports also mandate the deadlines that all parties should observe for any follow-up actions. Irregular amounts, whether resulting from systemic and/or individual irregularities, must be recovered within the prescribed period. These periods may be interrupted in the case of legal proceedings or other justified circumstances.

The Paying Agency informs, on a quarterly basis, the Internal Audit and Investigations Department, in its role as AFCOS Malta, of any detected irregularities, or those notified by any stakeholders involved in the Programme's management and implementation, which are subject to a primary administrative or judicial findings. Any reportable irregularities, based on standing regulations, are reported to DG OLAF by AFCOS Malta on a quarterly basis through the Irregularity Management System (IMS).

The Certifying Body promptly reports any irregularities or suspected fraud cases to DG OLAF adhering to their predefined criteria. In compliance with Article 59 of Regulation (EU) No 2021/2116, Malta must report on irregularities. An 'irregularity' as defined by EU legislation can encompass interlinked irregular or fraudulent operations exceeding EUR10,000, even if each operation is below this threshold.

The Paying Agency reports to the Certifying Body on all action taken regarding irregularities previously notified to the Certifying Body until each irregularity case is settled and closed. Subsequently, within two (2) months following each quarter's end, the Certifying Body informs DG OLAF about the instituted procedures concerning previously reported irregularities and any significant changes.

Furthermore, the Certifying Body reports to DG OLAF any administrative or judicial decisions, or key points thereof, concerning the termination of procedures regarding the irregularities. This includes stating whether the findings suggest a fraud occurrence.

In cases where Malta deems an amount irrecoverable or unlikely to be recovered, the Paying Agency will

communicate to the Commission, in a special report, the un-recoverable amount and relevant facts for deciding the loss allocation.

The Maltese Authorities maintain in place suitable measures and mechanisms in place to prevent, detect, and correct irregularities, including potential fraud cases, and to identify 'red flags' and fraud indicators.

7.3.2.2 Brief description of the control system for non-IACS (control methods, cross-checks, durability of investments and related ex-post checks, etc)

Non-IACS EAGF

Controls

The expenditure covered by on-the-spot checks for Apiculture shall represent at least 5% of the total applications received each Calendar Year (Article 8 of Commission Implementing Regulation (EU) No 2015/1368[1]). The sample shall consist of 20%-25% of randomly selected beneficiaries and 75%-80% risk based selected beneficiaries ensuring that all interventions applied for are represented in the sample.

The risk criteria upon which the sample is extracted are outlined within the sample Risk Analysis report.

ARPA reserves the right to update the risk criteria from time to time as may be deemed necessary.

The Control Unit receives a list of applications from Unit C2.1 with the total eligible applications for that calendar year. The Control sample is selected from this list. ARPA reserves the right to carry out 100% on- the-spot checks on interventions. Furthermore, applicants may be selected over and above the sample extracted through the risk/random criteria, as deemed appropriate by ARPA.

Beneficiaries in the Risk Register receive higher points under the respective risk criteria during sample extraction, thus significantly increasing the chances of being extracted in the sample.

Method of Controls – OTSC

OTSC shall take place through on-site visits in the presence of the beneficiary in order to verify the expenditure being claimed and whether the measure guidelines/requirements are being adhered to by the beneficiary. Photographic evidence shall be taken on site by the inspectors and a control report shall be compiled by the inspectors which shall outline all the findings as evidenced through the checklist and photographic evidence. The control report shall be signed by the inspectors, while the beneficiary is given the opportunity to sign.

Method of Controls – Selection of Beneficiaries

Beneficiaries must satisfy one of the following criteria in order to be eligible:

a. Be registered with the Apiculture Register held by the Veterinary Regulation Department (VRD);

b. Qualify as a Beekeeping Association or produce rorganisation;

c. Apply on behalf of the Directorate of Agriculture.

- In the case of cooperatives, organisations and associations, all the documentation required by the ARPA relative to the fulfilment of Art.13(c) and point 3 of the Annex of Commission Implementing Regulation (EU) 2015/1368 laying down rules for the application of Regulation (EU) No 1308/2013 of the European Parliament and of the Council with regard to aid in the apiculture sector, inter alia details identifying the registered and active members, statute of the organization, financial plans and an activities programme should also be submitted in order to be eligible;

- In the case of beekeepers, these must be registered in the IACS Farmer Registry in order to be eligible.

Method of Controls – Checks related to moderation of costs

For each measure applied for, applicants are required to submit an invoice and proof of payment of the relevant costs incurred. The reasonability of costs will be determined through a comparison of the invoices submitted and the ceilings set under each measure as per Chapter 5.2.

[1] Commission Implementing Regulation (EU) 2015/1368 of 6 August 2015 laying down rules for the application of Regulation (EU) No 1308/2013 of the European Parliament and of the Council with regard to aid in the apiculture sector.

Non-IACS EAFRD

Management Verifications

One of the Paying Agency's primary responsibilities under Article 74 of (EU) Regulation (EU) 2021/2116 is to carry out administrative checks on the aid application and payment claims to verify the legality and regularity of the expenditure in accordance with Article 59(1), point (a) of the same Regulation. These checks are supplemented by on-the-spot checks, some of which may be executed remotely with the use of technology. This process ensures the authenticity of the co-financed products, services and works, the veracity of claimed expenditures and compliance with the applicable law, and support conditions for the operation. These management verifications, undertaken in writing, are risk-based and proportionate to the risk identified *ex ante* in writing.

As part of its internal control, the Paying Agency's management verifications include:

· Administrative verifications, including documentary checks covering payment claims made by beneficiaries; and

· On-the-spot verifications of operations to ascertain the reality of operations and the accuracy of the information provided by the Beneficiary regarding their implementation.

These verifications are carried out before submitting the accounts in line with Article 9(5) of Regulation (EU) 2021/2116. Checklists are used for management verifications and conclusions are documented.

Checks carried out by the Paying Agency include amongst others:

· Compliance with the relevant eligibility rules, EU and national rules on public procurement, State aid, publicity, equal opportunity requirements and non-discrimination, transparency, and access to persons with disabilities, gender equality, the Charter of Fundamental Rights of the European Union, the principle of sustainable development and of the Union policy on the environment in accordance with Article 11 and Article 191(1) of the TFEU,

· Compliance of expenditure with applicable law, the CAP SP, and the support conditions of the operation,

· Compliance with the Grant Agreement terms and the conditions,

· Assurance that the expenditure was incurred within the eligibility period,

· Adherence with the approved financing rate (where applicable),

· Accuracy and completeness of the beneficiaries' payment claims,

· Maintenance of a separate accounting system or an appropriate accounting code for all transactions relating to an operation,

· Evidence of an audit trail that documents the expenditure and any pertinent supporting documentation,

·Confirmation that the co-financed products and services have been delivered and functional.

When costs are set to be reimbursed as per Article 83(1)(a) of Regulation (EU) 2021/2115 (which concerns the reimbursement of eligible costs that have been actually incurred and paid) the Paying Agency will ensure that the expenditure claimed by the beneficiaries aligns with these costs and confirms that such amounts have been paid. Additionally, beneficiaries are expected to maintain separate accounting records or employ suitable accounting codes for all transactions tied to the operation. On the other hand, if the costs are meant to be reimbursed following points (b), (c), and (d) of Article 83(1) (which covers *Unit Costs; Lump Sums & flat rate financing*) the Paying Agency will ensure that all the conditions for reimbursing the beneficiary have been satisfied.

The Paying Agency carries out on-the-spot verifications to check the existence and veracity of the operation, whether the delivery of the product or service is in full compliance with the terms and conditions of the agreement, physical progress, respect for Union rules on publicity, and to ensure that the beneficiary is providing accurate information regarding the physical and financial implementation of the operation. The Paying Agency usually undertakes on-the-spot verifications when the operation is well under way, both in terms of physical and financial progress. These on-the-spot verifications will be based

on a risk/random sample as further described in an internal document outlining how management verifications are carried out. The Managing Authority may also accompany the Paying Agency for such on-the-spot verifications and/or carry out project visits on its own.

A Control Report template used during the OTS visit is provided in the ARPA Manual of Procedures. The on-the-spot check is carried out in the presence of the Beneficiary who is provided the opportunity to leave any comments and sign the Control Report accordingly. In case of any findings that lead to a deduction following an on-the-spot check, the beneficiary is sent a copy of the finalized Control Report outlining the findings and the respective deductions are notified in the accompanying First Notification Letter

The Paying Agency will also conduct its desk-based management verifications using a mix of risk and random sample-oriented approach. The parameters that the Paying Agency will employ to undertake this approach are outlined in an internal document outlining how management verifications are carried out. This document also delineates the particulars examined during administrative and on-the-spot verifications and furnishes checklists tailored to various verification types. Management verifications may also be based on/supplemented by expertise and technology available in the field. They may also include the possibility for Beneficiaries to clarify concerns detected during such management verifications before the pertinent authority takes any action deemed necessary to safeguard the EU budget.

The Grant Agreement makes explicit references to the Guidance documents issued, and the pertinent EU and National eligibility rules that govern the operation. They also outline additional obligations related to the funding provided to the beneficiary.

Furthermore, verification checks in public procurement are essential for ensuring transparency, fairness, and accountability in the process of acquiring goods and services by the beneficiaries. These checks help mitigate corruption, fraud, and conflict of interest in the procurement process whilst ensuring that the principles of good governance are adhered to. Such verifications will assess the compliance with regulations; conflict of interest check; and transparency and documentation. In addition to public procurement verifications, other types of verifications are also carried out in various areas, including simplified cost options and recruitment, as applicable.

Checks on double funding

The procedure adopted within the Ministry responsible for EU funds is to mitigate the risk of double funding. In Malta, the programming of EU funded plans and programmes is coordinated in a centralised manner, ensuring that synergies and possibilities for complementarities across funds are embedded in the programming process. This process is reflected in the Partnership Agreement and each Plan/Programme as applicable, whereby such synergies are outlined.

During implementation, checks for double funding are carried out across the different Programmes. The different Managing Authorities meet to discuss and identify any potential risks of double funding in terms of the projects selected for funding. Additionally, the Inter-Ministerial Consultative Committee (IMCC) which brings together stakeholders responsible for EU funds under direct, indirect, and shared management Funds, has a role to discuss complementarities between possible actions under different EU Funds. The Committee also mandates the Managing Authorities/implementing bodies to establish further delineation parameters where overlaps at Programme/Plan level are identified. This mechanism further solidifies Malta's efforts to improve synergies, prevent possibilities for double funding and further enable a holistic use of EU Funds across different programmes and regulatory regimes.

Payment Application

The Government of Malta prefinances expenditure for mainstream operations (with the exception of Aid Schemes) through the national budget. Prior to making payments to third party contractors/service providers or reimbursements to the implementing organisation in line with the parameters mentioned further on in this subsection, the Beneficiary certifies the delivery of works/products/services. Once verified by the beneficiary, the payment request is sent to the Paying Agency for the necessary verifications and to send instructions to the bank to effect payment to third party contractors/service

providers or the Beneficiary. In the case of Aid Schemes, the Beneficiary prefinances the operation in full prior to making a request for reimbursement to the Paying Agency for its share. The latter is then paid through the national budget following management verifications carried out by the Paying Agency. All payments are comprehensively documented in the electronic system.

Once payments are executed by the Paying Agency and a substantial number of payments is accumulated, a separate Unit within the Paying Agency establishes the expenditure to include in a payment application to the Commission.

Ex-Post Checks

Maltese authorities ensure that any contribution from the Funds to an operation comprising investment in infrastructure or productive investment, within a specific number of years from the final payment to the beneficiary as specified for individual Measures in previous chapters of the CAP SP (or within the period set out in State aid rules). Any identified issues are reported to the Director General ARPA, copying in the Head of the Managing Authority, for the final decision on recovery proceedings, if necessary.

The Paying Agency will carry out ex-post checks throughout the ex-post period of an operation and not necessarily within the immediate closure of said operation.

7.3.2.3 Public procurement rules?

Brief description how the compliance with public procurement rules is fulfilled.

The use of EAFRD funds in Malta is compliant with public procurement rules through adherence to legal frameworks, alignment with EU guidelines, the promotion of sustainable practices, support for local farmers and SMEs, capacity building, monitoring, and collaboration with stakeholders. By ensuring transparency, competition and accountability in procurement processes, Malta maximizes the impact of EAFRD funds on rural development, agricultural sustainability, and economic growth.

The utilization of EAFRD funds in Malta is governed by a legal framework that encompasses both EU regulations and national legislation. This legal framework is handled by a centralised department within Government structure, i.e. the Department of Contracts, which Department is responsible for overseeing public procurement processes, ensuring compliance with regulations, and promoting transparency and efficiency in the allocation of public funds for goods, services, and works.

The Managing Authority and the Paying Agency issue guidance to ensure that projects funded through EAFRD grants or subsidies adhere to guidelines set forth by the Department of Contracts. These guidelines include specific provisions related to public procurement to ensure that procurement processes are transparent, competitive, and compliant with EU regulations.

Apart from public entities who are obliged to follow public procurement regulations, the CAP SP also covers measures to support local farmers and small and medium-sized enterprises (SMEs) who by their very nature are not subject to such regulations. Nonetheless, Maltese authorities require that the spirit of such Regulations is also followed by the private sector to ensure that the principles of transparency, competition and accountability are observed in line with guidelines issued by such authorities and proportionate to the action/measure financed.

Furthermore, staff at the Managing Authority and the Paying Agency are exposed to training on public procurement to enhance their knowledge on the subject. Such knowledge is essential to ensure that operations financed through EAFRD are in line with these Regulations when carrying out management verifications, and any infringement thereto is duly recorded and remedial action is taken.

7.4 Conditionality

7.4.1 Control system for conditionality

7.4.1.1 Description of the control system for conditionality

As provided for under Article 84 of Regulation (EU) No 2021/2116, the following beneficiaries must

comply with the obligations laid down in Title III, Chapter I, Section 2 of Regulation (EU) 2021/2115:

a. Beneficiaries receiving direct payments under Title III, Chapter II of Regulation (EU) 2021/2115;
b. Beneficiaries receiving annual payments in accordance with Articles 70, 71 and 72 of Regulation (EU) 2021/2115;
c. Beneficiaries receiving support in accordance with Chapter IV of Regulation (EU) 228/2013[1] or Chapter IV of Regulation (EU) 229/2013[2].

In line with Article 2 of Regulation (EU) No 2024/1468:

Regulation (EU) 2021/2116 is amended as follows:

(1) Article 83 is amended as follows:
(a) paragraph 2 is replaced by the following:
‘2. Farmers with a maximum size of holding not exceeding 10 ha of agricultural area declared in accordance with Article 69(1) shall be exempted from controls under a system set up in accordance with paragraph 1 of this Article.’;

(2) in Article 84, the following paragraph is added:
‘4. Farmers with a maximum size of holding not exceeding 10 ha of agricultural area declared in accordance with Article 69(1) shall be exempted from the penalties referred to in paragraphs 1, 2 and 3 of this Article and in Article 85;’;

The control system to verify compliance with conditionality shall be as follows:
Each year, a sample of at least 1% of the total number of the above beneficiaries shall be chosen for on-the-spot checks. The sample shall consist of 20-25% randomly selected beneficiaries, and 75-80% risk-based selected beneficiaries.
The amount of points attributed to each risk criteria shall be reviewed and if required updated on a yearly basis by the ARPA.

Yearly review of conditionality control system

In line with Article 83(4) of Regulation (EU) 2021/2116, each year ARPA shall review the Conditionality control and penalty system and shall carry out a statistical analysis of the results of the previous year’s control campaign; should it be the case that the error rate is high, the following year’s minimum sample shall be increased in line with ARPA’s matrix relating to the percentage increase of the control sample. ARPA reserves the right to extract an additional sample in addition to the minimum 1% sample referred to above.
ARPA shall carry out changes to the design, set-up and functioning of the control system for conditionality throughout the programming period, if and when deemed necessary by the ARPA. Any changes or updates and the linked rationale are to be recorded in the respective Manual of Procedures.

[1] Regulation (EU) No 228/2013 of the European Parliament and of the Council of 13 March 2013 laying down specific measures for agriculture in the outermost regions of the Union and repealing Council Regulation (EC) No 247/2006
[2] Regulation (EU) No 229/2013 of the European Parliament and of the Council of 13 March 2013 laying down specific measures for agriculture in favour of the smaller Aegean islands and repealing Council Regulation (EC) No 1405/2006

7.4.1.2 Types of checks

SMR / GAEC	Types of checks
GAEC01 - Maintenance of permanent grassland based on a ratio of permanent grassland in relation to agricultural area at national, regional, sub-regional, group-of-holdings or holding level in comparison to the reference year 2018.Maximum decrease of 5% compared to the reference year.	On-the-spot control
GAEC02 - Protection of wetland and peatland	On-the-spot control
GAEC03 - Ban on burning arable stubble, except for plant health reasons	On-the-spot control
GAEC04 - Establishment of buffer strips along water courses	On-the-spot control
GAEC05 - Tillage management, reducing the risk of soil degradation and erosion, including consideration of the slope gradient	On-the-spot control
GAEC06 - Minimum soil cover to avoid bare soil in periods that are most sensitive	Remote sensing, On-the-spot control
GAEC07 - Crop rotation in arable land, except for crops growing under water	On-the-spot control
GAEC08 - Retention of landscape features.Ban on cutting hedges and trees during the bird breeding and rearing season.As an option, measures for avoiding invasive plant species	On-the-spot control
GAEC09 - Ban on converting or ploughing permanent grassland designated as environmentally-sensitive permanent grasslands in Natural 2000 sites	On-the-spot control
SMR01 - Directive 2000/60/EC of 23 October 2000 of the European Parliament and of the Council establishing a framework for Community action in the field of water policy: Article 11(3), point (e), and point (h), as regards mandatory requirements to control diffuse sources of pollution by phosphates	On-the-spot control
SMR02 - Council Directive 91/676/EEC of 12 December 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources: Articles 4 and 5	On-the-spot control
SMR03 - Directive 2009/147/EC of the European Parliament and of the Council of 30 November 2009 on the conservation of wild birds: Article 3(1), Article 3(2), point (b), Article 4(1), (2) and (4)	On-the-spot control
SMR04 - Council Directive 92/43/EEC of 21 May 1992 on the conservation of natural habitats and of wild flora and fauna: Article 6(1) and (2)	On-the-spot control
SMR05 - Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, laying down procedures in matters of food safety: Articles 14 and 15, Article 17(1) and Articles 18, 19 and 20	On-the-spot control
SMR06 - Council Directive 96/22/EC of 29 April 1996 concerning the prohibition on the use in stockfarming of certain substances having a hormonal or thyrostatic action and beta-agonists, and repealing Directives 81/602/EEC, 88/146/EEC and 88/299/EEC: Article 3, points (a), (b), (d) and (e), and Articles 4, 5 and 7	On-the-spot control
SMR07 - Regulation (EC) No 1107/2009 of the European Parliament and of the Council of 21 October 2009 concerning the placing of plant protection products on the market and repealing Council Directives 79/117/EEC and 91/414/EEC: Article 55, first and second sentence	On-the-spot control
SMR08 - Directive 2009/128/EC of the European Parliament and of the Council of 21 October 2009 establishing a framework for Community action to achieve the sustainable use of pesticides: Article 5(2) and Article 8(1) to (5); Article 12 with regard to restrictions on the use of pesticides in protected areas defined on the basis of Directive 2000/60/EC and Natura 2000 legislation; Article 13(1) and (3) on handling and storage of pesticides and disposal of remnants	On-the-spot control
SMR09 - Council Directive 2008/119/EC of 18 December 2008 laying down minimum standards for the protection of calves: Articles 3 and 4	On-the-spot control
SMR10 - Council Directive 2008/120/EC of 18 December 2008 laying down minimum standards for the protection of pigs: Articles 3 and 4	On-the-spot control
SMR11 - Council Directive 98/58/EC of 20 July 1998 concerning the protection of animals kept for farming purposes: Article 4	On-the-spot control

7.4.2 Penalty system for conditionality

7.4.2.1 Description on the penalty system for conditionality

As provided for under Article 84 of the regulation (EU) 2021/2116 administrative penalties shall only apply where the non-compliance is the result of an act or omission directly attributable to the beneficiary concerned; and where one or both of the following conditions are met:

a. The non-compliance is related to the agricultural activity of the beneficiary;
b. The non-compliance concerns the holding as defined in Article 3, point (2), of Regulation (EU) 2021/2115 or other areas managed by the beneficiary situated within the territory of the same Member State.

With regards to transfers as referred to in paragraph 2a of article 84 of regulation (EU) 2021/2116, unless it is recognised by ARPA as a case of Force Majeure or exceptional circumstance beneficiaries may not transfer agricultural parcels to another beneficiary during the calendar year. ARPA shall provide for a specific request period during which such transfers shall be allowed, however such transfers would apply for the next calendar year.

When the penalty across all land based interventions referred to in Article 84 paragraph 1 does not exceed €100 for the same calendar year ARPA may not apply the penalty and the beneficiary shall be informed about the finding and the obligation to take remedial action for the future.

No administrative penalty be imposed if:
i. the non-compliance is due to force majeure or exceptional circumstances recognised as such by ARPA; or
ii. the non-compliance is due to an order from a public authority.

In case of a negligence, ARPA shall apply a penalty of 1%, 3%, 5% depending on the extent, severity and permanence of the finding. In case of non-compliances that has no or only insignificant consequences for the achievement of the objective of the standard or requirement concerned, the beneficiary may be informed and asked to take remedial action, no administrative penalty shall be applied. Furthermore the beneficiary shall be invited to avail of Farm Advisory Services relating to the detected non-compliance.

In case of reoccurrence where the beneficiary:
1.Has committed a non-intentional non-compliance with the same requirement or standard more than once within three consecutive calendar years and,
2.Has been informed of the previous determined non-compliance and,
3.Has been sanctioned in line with the previous paragraph.

In such cases (1st re-occurrence) ARPA shall apply a penalty of 10% reduction of the yearly payment, and beneficiary shall be obliged to receive advice from an officially recognised Farm Advisory Service .

In case of intentionality (2nd re-occurrence onwards) ARPA shall apply a penalty of 15% of the total yearly payment.

Calculation of reductions for several non-compliances in the same calendar year of occurrence:

1.Where a determined non-compliance with a standard also constitutes a non-compliance with a requirement, the non-compliance shall be considered to be one single non-compliance. For the purpose of

the calculation of reductions, the non-compliance shall be considered as part of the area of the requirement. Where “requirement" means each individual statutory management requirement under Union law referred to in Article 12 of Regulation (EU) 2021/2115 within a given legal act, differing in substance from any other requirements of the same legal act; and “standard” refer to each individual standard for the Good Agricultural and Environmental Conditions as referred to in Article 13 of Regulation (EU) 2021/2115.

2.Where more than one determined non-reoccurring non-intentional non-compliances have occurred in the same calendar year, the procedure for the fixing of the reduction shall be applied individually to each non-compliance and the resulting percentages shall be added together. However the total reduction shall not exceed:

-5 % of the total amount resulting from the payments and support indicated in Article 84(1) first subparagraph of Regulation (EU) 2021/2116 where all non-compliances do not have grave consequences for the achievement of the objective of the standard or requirement concerned or constitutes a direct risk to public or animal health, or

-10 % of the total amount resulting from the payments and support indicated in Article 84(1) first subparagraph of Regulation (EU) 2021/2116 where at least one non-compliance has grave consequences for the achievement of the objective of the standard or requirement concerned or constitutes a direct risk to public or animal health.

3.Where more than one determined recurring non-intentional non-compliance have occurred in the same calendar year, the procedure for the fixing of the reduction shall be applied individually to each non-compliance and the resulting percentages of reductions shall be added together. However, the reduction shall not exceed 20 % of the total amount resulting from the payments and support referred to in Article 83(1), first subparagraph, points (a) to (c), of Regulation (EU) 2021/2116.

4.Where more than one determined intentional non-compliance have occurred in the same calendar year the procedure for the fixing of the reduction shall be applied individually to each non-compliance and the resulting percentages of reductions shall be added together not exceeding 100%.

5.Where multiple instances of non-intentional, recurring and intentional non-compliance have occurred in the same calendar year, the resulting percentages of reductions, and where relevant after the application of paragraphs 2, 3 and 4 of this Article, shall be added together. However, the reduction shall not exceed 100 % of the total amount resulting from the payments and support referred to in Article 83(1), first subparagraph, points (a) to (c), of Regulation (EU) 2021/2116.

These penalties depend on the outcome of checks entered the control system as regards adherence to obligations and commitments related to conditionality.

Cases where no penalties are to be imposed:

No penalties shall be imposed:

1.Where the non-compliance is due to force majeure or exceptional circumstances as referred to in Article 3 of regulation (EU) 2021/2116 and if confirmed as such by ARPA; moreover in such cases the beneficiary shall retain the right to receive aid in full for applications effected by the force majeure or exceptional circumstance;

2.Where it is determined by ARPA that the non-compliance is due to an error of the competent authority or another authority, and where the error could not reasonably have been detected by the person concerned by the administrative penalty;

3.Where the person concerned can demonstrate to the satisfaction of ARPA that he or she is not at fault for the non-compliance with the obligations referred to in paragraph 1 or if the ARPA is otherwise satisfied that the person concerned is not at fault; and

4.Where the non-compliance is due to an order from a public authority.

7.4.2.2 Definition and application of ‘reoccurrence’ (calculation and time span covered):

If a negligence is determined again within three consecutive years then that non-compliance shall be considered as a re-occurrence.

7.4.2.3 Definition and application of ‘intentionality’

In cases of a negligent non-compliance which re-occurs for the second time or more, then it shall be considered as intentional.

7.4.3 Indication of the application of a simplified control system for small farmers

For beneficiaries benefitting from the small farmers scheme provided in article 28 of the CAP SP regulation the implemented method of controls shall be through monitoring applicable to the entire population of beneficiaries (100%) under this scheme, and therefore no risk criteria for the sample extraction are required.

The control shall consist only of parcel verifications through Area Monitoring System (AMS). Parcels which cannot be confirmed as compliant through AMS shall be classified as ‘dubious’ or ‘suspended’ and a follow up activity shall be conducted in order to confirm compliance of the parcel. The follow up can be either a geotagged photo from the farmer or a rapid visit. Farmers having conclusive negative outcomes will be informed to amend the GSAA. No farmer inspection shall be required, and records related to conditionality shall not be requested. The agriculture activity of beneficiaries with less than 1ha of eligible area and who actively decide to benefit from the small farmers scheme foregoing opportunity for higher payment rates and participation in coupled support and/ or eco-schemes, have a very simple and small agriculture activity and hence risk of non-compliance is significantly low.

Penalties

A flat rate shall be paid to eligible applicants hence no area related penalties shall be applied.

7.4.4 Competent control bodies responsible for the checks of conditionality practices, statutory management requirements

The competent body responsible for controls on conditionality and SMR is ARPA within the Ministry responsible for Agriculture, Fisheries, Food and Animal Rights. The same control mechanisms will continue to be applied and build on established control bodies, taking into account the CAP SP requirements.

SMR / GAEC	Paying Agency Name	Name of the Control body	Name of the responsible for the check	Address	Email
GAEC01	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Ms Louisa Formosa	Government Farm, Ghammieri Head Office, Marsa, MRS3303	louisa.formosa@gov.mt
GAEC02	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Ms Louisa Formosa	Government Farm, Ghammieri Head Office, Marsa, MRS3303	louisa.formosa@gov.mt
GAEC03	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Ms Louisa Formosa	Government Farm, Ghammieri Head Office, Marsa, MRS3303	louisa.formosa@gov.mt
GAEC04	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Ms Louisa Formosa	Government Farm, Ghammieri Head Office, Marsa, MRS3303	louisa.formosa@gov.mt
GAEC05	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Ms Louisa Formosa	Government Farm, Ghammieri Head Office, Marsa, MRS3303	louisa.formosa@gov.mt
GAEC06	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Ms Louisa Formosa	Government Farm, Ghammieri Head Office, Marsa, MRS3303	louisa.formosa@gov.mt
GAEC07	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Ms Louisa Formosa	Government Farm, Ghammieri Head Office, Marsa, MRS3303	louisa.formosa@gov.mt

GAEC08	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Ms Louisa Formosa	Government Farm, Ghammieri Head Office, Marsa, MRS3303	louisa.formosa@gov.mt
GAEC09	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Ms Louisa Formosa	Government Farm, Ghammieri Head Office, Marsa, MRS3303	louisa.formosa@gov.mt
SMR01	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Ms Louisa Formosa	Government Farm, Ghammieri Head Office, Marsa, MRS3303	louisa.formosa@gov.mt
SMR02	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Ms Louisa Formosa	Government Farm, Ghammieri Head Office, Marsa, MRS3303	louisa.formosa@gov.mt
SMR03	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Ms Louisa Formosa	Government Farm, Ghammieri Head Office, Marsa, MRS3303	louisa.formosa@gov.mt
SMR04	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Ms Louisa Formosa	Government Farm, Ghammieri Head Office, Marsa, MRS3303	louisa.formosa@gov.mt
SMR05	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Ms Louisa Formosa	Government Farm, Ghammieri Head Office, Marsa, MRS3303	louisa.formosa@gov.mt
SMR06	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Ms Louisa Formosa	Government Farm, Ghammieri Head Office, Marsa, MRS3303	louisa.formosa@gov.mt
SMR07	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Ms Louisa Formosa	Government Farm, Ghammieri Head Office, Marsa, MRS3303	louisa.formosa@gov.mt
SMR08	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Ms Louisa Formosa	Government Farm, Ghammieri Head Office, Marsa, MRS3303	louisa.formosa@gov.mt

SMR09	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Ms Louisa Formosa	Government Farm, Ghammieri Head Office, Marsa, MRS3303	louisa.formosa@gov.mt
SMR10	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Ms Louisa Formosa	Government Farm, Ghammieri Head Office, Marsa, MRS3303	louisa.formosa@gov.mt
SMR11	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Agriculture and Rural Payments Agency (ARPA), Ministry for Agriculture, Fisheries and Animal Rights (MAFA)	Ms Louisa Formosa	Government Farm, Ghammieri Head Office, Marsa, MRS3303	louisa.formosa@gov.mt

7.5 Social conditionality

7.5.1 Description of the control system for social conditionality

The control system for the social conditionality shall build upon the existing governance structures aimed at enforcing social and employment legislation and applicable labour standards. Such structures are composed and implemented by the following entities:

a) The Department for Industrial and Employment Relations (DIER) established based on the parameters of the Employment and Industrial Relations Act, aims to protect the interests of parties in employment with a view to promote healthy employment relationships across various sectors. The department provides information relating to the conditions of employment, regulates employment contracts in an equitable manner to safeguard the rights and obligations pertaining to each party in the contact, assists the parties involved in employment relationship whose employment relationship has been terminated and promotes good practices in line with existing employment legislation, amongst others.

b) The Occupational Health and Safety Authority Act (Cap. 424 of the Laws of Malta) was published on the 17th November 2000 and brought into force in its entirety on the 29th January 2002.

This Act established the Occupational Health and Safety Authority (OHSA) to ensure that the physical, psychological and social well-being of all workers in all workplaces are promoted and safeguarded by whosoever has such a duty. The OHSA aims to foster a culture which values prevention, increase awareness with regards to occupational health and safety, to mainstream occupational health and safety into all policy areas and maintain a downward trend with regards to OHS-related incidents.

Building on established practices, the Managing Authority responsible for the implementation of the CAP SP and the entities outlined above are in the process of outlining arrangements to ensure compliance with the social and employment legislation and labour standards in the implementation of the CAP SP. In this regard, a Covenant will be signed between the respective CAP Funding Authorities and the Ministries responsible for the said entities to formalise such arrangements within the first few years of implementation and prior to 2025.

The Covenant will include information on the involvement of the indicated parties at programming, measure design/evaluation/implementation stage (as relevant) as well as at reporting stage. A notification mechanism between the respective CAP Funding Authorities and these entities on cases of non-compliance/infringement of beneficiaries supported by the CAP SP will also be established. Furthermore, the Covenant will also outline the scope for possible areas of cooperation between the MA and the said entities throughout the programming period.

7.5.2 Description on the penalty system for social conditionality

s provided for in Article 88 of the regulation (EU) 2021/2116 ARPA shall be notified where non-compliance is identified related to the agriculture activity and on the holding of the concerned beneficiary. Such cases shall be treated as follows:

In case of a negligence ARPA shall apply a penalty of 1%, 3%, 5% depending on the extent, severity and permanence of the finding.

In case of reoccurrence where the beneficiary:

1.Has committed a non-intentional non-compliance with the same requirement or standard more than once within three consecutive calendar years and,

2.Has been informed of the previous determined non-compliance and,

3.Has been sanctioned in line with the previous paragraph;

In such cases (1st re-occurrence) ARPA shall apply a penalty of 10% reduction of the yearly payment.

In case of intentionality (2nd re-occurrence onwards) ARPA shall apply a penalty of 15% of the total yearly payment.

Calculation of reductions for several non-compliances in the same calendar year of occurrence:

1.Where more than one determined non-recurring non-intentional non-compliances have occurred in the same calendar year, the procedure for the fixing of the reduction shall be applied individually to each non-compliance and the resulting percentages shall be added together. However, the total reduction shall not exceed:

- 5 % of the total amount resulting from the payments and support indicated in Article 84(1) first subparagraph of Regulation (EU) 2021/2116 where all non-compliances do not have grave consequences for the achievement of the social conditionality rules;
- 10 % of the total amount resulting from the payments and support indicated in Article 84(1) first subparagraph of Regulation (EU) 2021/2116 where at least one non-compliance has grave consequences for the achievement of the objective of the standard or requirement concerned or constitutes a direct risk to public or animal health.

2. Where more than one determined recurring non-intentional non-compliance have occurred in the same calendar year, the procedure for the fixing of the reduction shall be applied individually to each non-compliance and the resulting percentages of reductions shall be added together. However, the reduction shall not exceed 20 % of the total amount resulting from the payments and support referred to in Article 83(1),first subparagraph, points (a) to (c), of Regulation (EU) 2021/2116.

3.Where more than one determined intentional non-compliance have occurred in the same calendar year the procedure for the fixing of the reduction shall be applied individually to each non-compliance and theresulting percentages of reductions shall be added together not exceeding 100%.

4.Where multiple instances of non-intentional, recurring and intentional non-compliance have occurred in the same calendar year, the resulting percentages of reductions, and where relevant after the application of paragraphs 2, 3 and 4 of this Article, shall be added together. However, the reduction shall not exceed 100 % of the total amount resulting from the payments and support referred to in Article 83(1), first subparagraph, points (a) to (c), of Regulation (EU) 2021/2116.

These penalties depend on the outcome of checks entered the control system as regards adherence to obligations and commitments related to social conditionality.

Cases where no penalties are to be imposed:

No administrative penalty be imposed if:

i. the non-compliance is due to force majeure or exceptional circumstances recognised as such by ARPA;

ii. the non-compliance is due to an order from a public authority.

8 Modernisation: AKIS and digitalisation

8.1 AKIS

8.1 Overall envisaged organisational set-up of the improved AKIS

Agricultural Knowledge and Information System (AKIS) aims to create a thriving network through which knowledge can be disseminated between the different actors, while also enhancing the links between researchers and practitioners. The need for training and advice among Malta's farm and rural population is significant, since many farms are managed on a part-time basis and management practices are learned informally from parents or other relatives.

As outlined in the SWOT analysis, significant cross-cutting issues need to be targeted for the agricultural sector to be able to renew itself and further develop the production of high quality, sustainably produced food. Lack of relevant expertise among farmers contributes to limited traceability and lengthy food supply chains that do not benefit the primary producer. Hence, within this context, capacity building measures are required to improve knowledge for better food quality, safety and traceability. Opportunities to strengthen AKIS could also incentivise farmers' bargaining power through acquired knowledge and enhancement of traditional working practices.

The current knowledge transfer and advisory set-up in Malta requires better consolidation. The CAP SP will aim to ensure a more coordinated approach to knowledge transfer, innovation and digitalisation in Malta among key actors such as the Malta College for Arts, Science and Technology (MCAST), Malta Council for Science and Technology (MCST), University of Malta, Agriculture Directorate, other private advisors who assist in the drafting of applications, and entities responsible for setting up training courses aimed at supporting arable land farmers and livestock breeders.

Malta will establish an AKIS coordination body which will provide a platform to improve synergies and complementarities between the core stakeholders mentioned above and the National CAP Network.

The AKIS Coordination Body will facilitate the implementation of the CAP SP deliverables linked to:

- Education and all types of training experiences;
- Improving the relevance and uptake of research & innovation by potential CAP beneficiaries;
- Knowledge Transfer and Farm Advisory Services;
- Improved networking, collaboration and development of innovation support services to strengthen links between research, registered advisors, the farming community, and cooperation & interactive-innovation projects, including the Digital Transition in Agriculture.

While as per section 7 of the CAP SP the MA will act as a coordinator for the AKIS coordination body for the scope of the CAP SP, the Ministry responsible for the Agricultural Sector will play a central role in the achievement of the objectives of the AKIS in Malta. This in view of both the remit and obligations of the Ministry's portfolio but also in ensuring maximization of the already established structures such as the AgriHub, AgriConnect and Front Office Services. It shall be ensured that these pillars of AKIS application and implementation have the necessary capacity to fully support the objectives of the AKIS from inception through to dissemination.

All actors, including but not limited to those outlined above, will also play a critical role in the successful outcome of the identified AKIS objectives.

The MA may delegate, in part or in full, the role of coordinator for the AKIS Coordination Body, including but not limited to, one of the actors outlined above. In such case, the MA will maintain the

necessary monitoring.

Training and advice will play a pivotal role in the CAP Strategic Plan and shall target Specific Objectives 2, 7 and 9. Apart from targeting these Specific Objectives, training and advice aim to contribute towards the achievement of relevant national strategies, plans and policies.

As outlined under interventions contributing towards Specific Objective 2, training and advice shall be targeted towards improving the viability and resilience of farmers, enhancing their market orientation and improving their position in the food supply chain. Such knowledge transfers will also contribute towards adapting to a changing environment. In addition, further development of farmers' skills is required on possible interventions supporting the use of modernised digital systems, efficient and safe management of manures, soil conservation, operation of efficient irrigation systems including smart techniques, amongst others. Support for young farmers may be necessary to ensure profitable and environmentally sustainable farming. There is also the need to update farmers on hygiene, health and animal welfare issues, in line with Specific Objective 9.

In line with the Regulatory Framework, a national CAP Network will be set up within twelve months after the approval of the Commission of the CAP Strategic Plan, which builds upon the existing National Rural Network. The National CAP Network shall endeavour to foster innovation and support the inclusion of an interaction between stakeholders that are involved in knowledge exchange and building. There is therefore scope for the National CAP Network to also include entities that carry out research and innovation, together with representatives of the sector that could disseminate such information to those active within the sector. Furthermore, operational groups shall disseminate a summary of their plans and of the results of their projects, in particular through the National CAP network.

Some concrete actions fulfilling the obligation in Art 114(a) may include:

The advisors, including the registered impartial private advisors, will exchange on a regular and frequent basis the needs from practice to the researchers. The researchers will present on a regular and frequent basis the needs from practice to the researchers. Advisors and researchers will attend demonstration events where they can meet and exchange with farmers and other AKIS actors. All these actions can be financed under the various CAP interventions or under the CAP network knowledge and innovation branch.

Advisors and researchers will provide training on best practices or research results ready for practice to farmers and other AKIS actors.

Researchers, together with advisors, need to build a back-office with specialists covering all practice-ready knowledge in a thematic way. These specialists can help the field advisors with specific questions and be at the service of all AKIS actors;

The CAP network will provide researchers and advisors on a regular and frequent basis the information from the knowledge and innovation unit of the EU CAP network, in particular the outcomes of EU MS' Operational Groups and of the Horizon multi-actor projects that have relevance for application in Malta. The CAP network will support the search for interesting farm/exchanges for farmers and advisors.

The CAP network will regularly connect with the Horizon National Contact points to seek synergies with the EU level projects, to support Maltese farmers, advisors and researchers with the latest information. It will undertake action to connect EIP OGs with Horizon multi-actor projects, such as through brokering events at the time of publication of the Horizon annual work programmes. These Horizon multi-actor projects have a strong recommendation to involve OGs, so are looking for them and a brokering event will help. The CAP network will also do efforts to include Maltese advisors in the EU advisory networks and

in the thematic networks which are thematically collecting existing knowledge for practice. In particular, efforts will be done to include the Slovak Operational Groups in the annual call to build thematic networks exclusively on EIP OGs.

8.2 Description of how advisory services, research and CAP networks will work together within the framework of the AKIS (Art.114)(a)(ii))

In the RDP 14-20, it was mandatory on MS to have a dedicated Farm Advisory Service. In the CAP 23-27, this obligation is revamped, through an AKIS set-up. The AKIS coordination is led by the CAP SP Managing Authority as outlined under Chapter 7, however the MA may delegate all or parts of the assigned remit to other bodies.

With regards to Farm advisory services, these shall be integrated with other relevant stakeholders, in the Agricultural Knowledge and Innovation System. Amongst other topics, advice shall cover support related to innovation, particularly for the preparation and development of digital technologies.

Furthermore, the Agriculture Directorate has been reorganized to ensure that it continues to function as a regulator of the sector whilst at the same time be able to develop new products for the sector through its research and development arm and offer an efficient service through its advisory and extension services. The Research and Development functions operate under AgriHub whilst the extension and advisory services are operated under AgriConnect.

Through ArgiHub, the Directorate aims at creating the required framework and platform to support the agriculture sector through research, which generates knowledge that may be communicated and disseminated through AgriConnect, while also serving as the basis for a coordinated approach between researchers and farmers to embark on a more sustainable form of food production.

In May 2020, the Ministry responsible for agriculture launched its inhouse, accredited, Farm Advisory Service, AgriConnect.[1] This FAS will aim to provide free advice to farmers, that is being funded through the advisory measure of the 2014 – 2020 Rural Development Programme. AgriConnect may provide advice related to Conditionality, agri-environment climate measures, other rural development measures and the use of new technologies.[2] Agri-Connect already offers other numerous services which are being listed hereunder:

- Consultancy regarding the adherence to the requirements resulting from Conditionality Requirements. This consists in on-site visits to Land, Livestock and Farm; Provision of reports to farmers on the findings of the visit, development of crop plans and fertiliser plans based on soil testing. Nutrient Management Plans and Assistance for record keeping are also offered.
- Crop compensation calculations for loss of agricultural land. AgriConnect caters for the issuing of crop compensation losses in cases where Agricultural land is lost due to infrastructural projects or in cases where land is expropriated by a Government entity.
- Advisory service on Soil Management Plans (SMP) AgriConnect caters for the issuing of crop compensation losses in cases where Agricultural land is lost due to infrastructural projects or in cases where land is expropriated by a Government entity.
- Organisation and delivery of training to farmers on the use of Plant Protection Products (PPP); Use of Nitrates; and obligations linked to the Agri Environmental Climate Measures (AECM).
- Front office services where farmers have access to all the service and schemes offered and accessible through the Agriculture Directorate.

This will therefore create synergies between advisors and researchers operating within the agricultural sector, which is in line with the AKIS principle.

The CAP Network will encourage the participation of Maltese Farmers, advisers and researchers on other EU programmes, as well as supporting the connection between any EIP OGs with other EU Platforms.

The back-office with thematic specialists who are constantly keeping interaction and capturing up-to-date knowledge ready for practice will help field advisors with specific questions they are not competent in yet. Vice versa, the back-office specialists will hear from the field advisors what are the latest questions and needs farmers are raising and this will help to orient their daily work to collect knowledge from any source. The CAP network can help the back-office with information on EU Horizon projects and outcomes of all MS Operational Groups.

[1] Press release by the Ministry for Agriculture, Fisheries and Animal Rights, Launch of AgriConnect, available at:
https://www.gov.mt/en/Government/DOI/Press%20Releases/Pages/2020/May/12/pr200892en.aspx (accessed 19 May 2020)
[2] AgriConnect-FAS, available at: https://agrifish.gov.mt/en/agric/Pages/DCD/agriConnect.aspx (accessed 19 May 2020)

8.3 Description of the organisation of all farm advisors according to the requirements referred to in Articles 15(2), 15(3) and 15(4)

On the basis of the lessons learnt from previous programming periods, a sufficient training and advisory structure will be put in place with the aim of ensuring adaptation to rural development requirements and regulations whilst enhancing the quality of projects supported by the CAP Strategic Plan.

The farm advisory service structures that were set up during the 2014 – 2020 will be strengthened further with the aim of enhancing their effectiveness and outreach in line with the obligations of the new CAP rules on advice. A public farm advisor register will provide transparency on the capacities of the registered impartial advisors and advisors will have to ensure compliance with the obligations of Reg 2021/2115, Art 15(3). This will enable farmers to be free to choose in an informed manner the type of advice and advisor/s they need. The scope of available advice will be significantly broadened and cover all 3 elements of sustainability: economic, environmental and social dimensions (Art 15(2)). Registered Advisors will be integrated in the AKIS with a variety of actions, regular interaction with research and CAP networks, involvement in actions such as, for example, providing training and demonstration actions to farmers and other AKIS actors, receiving relevant information from the CAP network, etc.

Farm advisory services will provide support and guidance to beneficiaries in order to enhance their economic and environmental performance. This may include, amongst others, and according to the needs of the farmers advice concerning regulatory requirements related to agri-environment-climate measures, organic farming measures, and support provided for areas facing natural and other specific constraints and other topics, as outlined in Article 15 of the CAP Strategic Plan regulation. The expertise and knowledge provided by the registered impartial advisors will permit beneficiaries to enhance the performance of their agricultural holding and enhance the marketing and quality of local produce, adapt to conditionality obligations, whilst ensuring adherence to eco-scheme and AECM obligations as well as other support that can be accessed through the CAP SP.

The CAP Strategic Plan will continue to provide advice and information on interventions funded by the CAP Strategic Plan, also taking into account developments within the CAP Network. The provision of advice will be continuously developed throughout the implementation of the CAP Strategic Plan based on ongoing requirements of the sector, conditionality requirements, and relevant EU targets, including those possibly emanating from the European Green Deal and the Farm to Fork Strategy. Such information may be provided through tailor made advice, information seminars, workshops, webinars, class-based training, or through other means, as required.

[1] Press release by the Ministry for Agriculture, Fisheries and Animal Rights, Launch of AgriConnect, available at:
https://www.gov.mt/en/Government/DOI/Press%20Releases/Pages/2020/May/12/pr200892en.aspx (accessed 19 May 2020)
[2] AgriConnect-FAS, available at: https://agrifish.gov.mt/en/agric/Pages/DCD/agriConnect.aspx (accessed 19 May 2020)

8.4 Description of how innovation support is provided as referred to in Article 114(a)(ii)

In May 2020, the Ministry responsible for agriculture launched its inhouse, accredited, Farm Advisory Service, AgriConnect, which now operates within the Agriculture Directorate.[1] The Research and Development functions operate under AgriHub, which falls within the Agriculture Directorate, whereby support for innovative agriculture applicable research and implementation of pilot projects using and testing the latest technologies are possible through support to farmers to help with their decision-making process.

Innovation support services are supported under the KNOW intervention: advisors and other AKIS actors will capture individual grassroots innovative ideas and help to develop them into EIP Operational Group projects.

The Agriculture Directorate will support farmers through the development of guidance documents and support based on the data and information gathered and generated through the Operational Group projects. The capturing of innovative ideas will be supported at the occasion of activities on the demonstration sites, where farmers can also experience and understand the concepts and benefits of integrated production using precision agriculture and the production of good quality fodder for livestock, and ideas for further innovation may arise. Likewise, precision farming is based on the optimized management of inputs in a field according to actual crop needs. It involves data-based technologies, including satellite positioning systems like GPS, remote sensing and the internet, to manage crops and reduce the use of fertilizers, pesticides and water.

To optimize and attain the best quality of results, AgriHub has opted for the use of AI in various forms. Such as but not limited to the monitoring of some of the most notorious pests present in Malta. Farmers constantly monitor to control their population and obtain other parameters which directly and indirectly affect the pest populations. Such parameters include weather data, such as air temperature and humidity as well as soil parameters such as conductivity, humidity, and temperature. All this information is then channelled into a single platform where the aim is to facilitate decision-making by the user through the data. In the end, all this data through the platform and its incorporation into standards of production will allow for the cultivation of crops within the local agriculture community in a more sustainable and targeted manner. This could also be subject for development of EIP Operational Group projects.

AgriConnect is operating within the same Directorate as the unit that undertakes research projects within the agriculture ministry. This will therefore create synergies between advisors and researchers operating within the agricultural sector, which is in line with the AKIS principle. If advisors encounter interesting innovative ideas that cannot be dealt with by means of Operational Groups, they will communicate them to the researchers who may work upon them in their own research actions.

Innovation will continue to be strengthened through the actions proposed through the CAP SP in particular, management of water and waste on farms and the identification of potential markets for new products/varieties. Further investment may support livestock farmers to participate in the electronic prescription system which covers the cost of use of the electronic system and technical support and will

enable a national inventory of antibiotic use amongst farmed animals, in line with the Strategy and Action Plan for the Prevention and Containment of Antimicrobial Resistance in Malta (2020 – 2028).

[1] Press release by the Ministry for Agriculture, Fisheries and Animal Rights, Launch of AgriConnect, available at:
https://www.gov.mt/en/Government/DOI/Press%20Releases/Pages/2020/May/12/pr200892en.aspx (accessed 19 May 2020)

8.5 Digitalisation strategy (Art.114)(b))

Fostering a digital and resilient economy is one of the national objectives of the Recovery and Resilience Plan, which will aim to fast track digital transformation. This is no exception to the environment sector, whereby measures targeting waste management, water and energy are prioritized. The importance of innovation in these areas stems from the need for tailor-made solutions to enable Malta to fulfil the legal obligations that it has in this field as well as its commitment to fulfilling international agreements such as the European Green Deal, Paris Agreement and UN's Sustainable Development Goals. The present and future challenges associated with the sector will require Malta to build on the country's existing capacity and investments to further improve its design and management of resource and energy-efficient systems. The CAP SP will aim to contribute towards these objectives while building on actions that were developed during the 2014 – 2020 RDP, with the aim of streamlining processes in management and control systems of EU funds and to further reduce the administrative burden for beneficiaries. Among the interventions defined in the CAP SP that may facilitate digitalisation there are farm advisory services in relation to organic production, improved pesticide management, smart and precision farming, smart irrigation techniques, innovative technological processes and the electronic prescription system to support livestock farmers, amongst others.

Maltese households and different types of farms, as well as different population groups, already enjoy full coverage of connectivity with fast broadband and access to information through digital means, interventions forseen through the CAP SP will indirectly continue to contribute towards improved digital awareness. Please refer to additional detail provided in Section 2 XCO.

Other simplification actions include measures at application stage, project selection phase, procurement phase, horizontal simplification measures and measures related to the IT systems.

Pre-application and application stage

In order to send out generic notices, such as dates of information sessions or the launch of funding schemes/measures, a text message is sent out to all those registered on the IACS farmers registry. Short-message-service has proven to be the most effective way of communication with farmers, at least during the 2014 – 2020 programming period. Further communication methods may be considered by the Managing Authority throughout the 2023 – 2027 programming period. The Managing Authority will provide assistance to prospective applicants through information sessions held prior to the new launch of respective measures, aimed at providing information about such measures and answering questions of prospective applicants. The Managing Authority may assign such tasks to third parties to carry out such roles. Whenever required, the Managing Authority may compile a list of 'Frequently Asked Questions' that will also be published on the MA website. This will provide prospective applicants with further clarifications regarding the different measures, providing guidance based on user needs.

The MA may delegate all or some of the tasks/roles outlined above to third parties, including but not limited to the Front Offices operating within ARPA. Other tasks/roles covering, inter alia, information and promotion activities, can also be delegated to third parties, including but not limited to the Front Offices operating within ARPA.

The MA shall endeavour to develop a common approach in the issuing of measure application forms, ensuring a consistent approach to the layout of guidance notes and application forms. The use of a common language and definitions will benefit applicants applying for funding through various measures. Following the past experience of the 2014 – 2020 programming period, the possibility of ongoing open calls will be considered, where appropriate.

The Managing Authority shall consider the possibility of consolidating applications through Integrated Project Proposals for projects that tap funds from different measures. A single application form may be considered in cases where there is compatibility between interventions. Where such approaches are considered, the MC would have to approve the eligibility & selection criteria as per above. The use of Simplified Cost Options is beneficial to both beneficiaries and to the Managing Authority as well as ARPA since their use will bring about a reduction in administrative burden.

Reasonableness of costs and cost effectiveness would have been performed at programming stage.
The MA shall endeavour to find a balance between simplification of the application form and collection of information required for monitoring and reporting purposes.

Project selection stage

The use of SCOs should help accelerate project selection since vetting of reasonableness of costs and cost effectiveness would no longer need to be carried out during the project selection process. The MA shall endeavour to streamline the Project Selection Committee processes established during the 2014 – 2020, and identify and finetune such best practices.

IT system

In order to simplify the vetting process and to move towards a paperless environment, the aim is to roll out an online system through which an application can be submitted without the need to submit a physical application form at one of the Front Offices. This will reduce the time between submission of applications and adjudication since the application will no longer require manual input by the MA.

Streamlining of the Penalty System

During the 2014-2020 programming period, different computation of penalties for different measures were used. This system shall be streamlined to provide the same penalty for the same type of infringement, making it simpler for beneficiaries to understand such penalties.

Monitoring/mobile apps

As part of the Commission’s vision for the digitalization of Europe, new technologies may be introduced in agriculture to improve the sustainability and competitiveness of the sector, while simplifying the daily work of farmers.

In order to reduce the number of on-the-spot checks that require field visits, a remote monitoring method will be applied to all aid applications. In cases where the monitoring system yields uncertain results, farmers will be asked to provide evidence from the field through geo-tagged photos. Through this process,

farmers will be able to correct aid applications. This process can be carried out through the BiedjaCam app or similar, that can act as a communication and information tool for farmers.

Annexes

Annex I on the ex-ante evaluation and the strategic environmental assessment (SEA) referred to in Directive 2001/42/EC

1. Summary of ex-ante evaluation process and results

The Ex-ante Evaluation process has been ongoing since 2020 and has been finalised taking into account the final CAP SP as well as the parameters of the CAP SP regulatory framework, including secondary legislation. The evaluation has been prepared in line with the guidelines provided by the European Commission, primarily through the European Evaluation helpdesk and Agrihub set-up. In 2022, a consultation exercise with key stakeholders on the main findings of the evaluation was carried out with a view to finalizing the ex-ante assessment, including recommendations. The CAP SP has been reviewed to take into consideration such recommendations.

The SEA process was also carried out on the basis of the types of actions foreseen in the CAP SP. A public consultation exercise was carried out between July and August 2022. Information in this regard may be found on the EU Funds website (https://eufunds.gov.mt/en/EU%20Funds%20Programmes/EU%20Territorial%20Programmes/Pages/Public-Consultation-Process-on-the-Environmental-Assessment-of-the-CAP-SP-2023-2027.aspx). Information on the outcome of the consultation exercise may be found in the SEA Report itself.

2. Recommendations of the ex-ante evaluation and SEA and how they have been addressed

Title / Reference	Category of recommendation	Date	SO1	SO2	SO3	SO4	SO5	SO6	SO7	SO8	SO9	XCO
Climate Change	SEA specific recommendations	06-09-2022					X					
Enhancing biodiversity	SEA specific recommendations	06-09-2022						X				
Enhancing biodiversity	SEA specific recommendations	06-09-2022						X				
Recommendation 4.1 - Need for further direct evidence support	SWOT analysis, needs assessment	10-06-2022	X	X	X	X	X	X	X	X	X	X
Recommendation 4.2 - Elaboration in the text recommended	SWOT analysis, needs assessment	10-06-2022	X	X	X	X	X	X	X	X	X	X
Recommendation 4.3 - Categorisation (including suggested removal of certain items within the text)	SWOT analysis, needs assessment	10-06-2022	X	X	X	X	X	X	X	X	X	X
Recommendation 4.4 - Formatting issues	SWOT analysis, needs assessment	10-06-2022	X	X	X	X	X	X	X	X	X	X
Recommendation 5.1 – More information in the evaluation plan	Outputs, results and establishment of milestones and targets	13-05-2022										X
Recommendation 5.2 – Evaluation plan to include previous experience	Outputs, results and establishment of milestones and targets	13-05-2022										X
Recommendation 5.3 – Improving section 7.3	Outputs, results and establishment of milestones and targets	13-05-2022										X
Recommendation 5.4 – Capacity Issues	Outputs, results and establishment of milestones and targets	13-05-2022										X
Recommendation 6..4	Outputs, results and	13-05-									X	

Title / Reference	Category of recommendation	Date	SO1	SO2	SO3	SO4	SO5	SO6	SO7	SO8	SO9	XCO
	establishment of milestones and targets	2022										
Recommendation 6.1	Outputs, results and establishment of milestones and targets	13-05-2022										X
Recommendation 6.2	Outputs, results and establishment of milestones and targets	13-05-2022										X
Recommendation 6.3	Outputs, results and establishment of milestones and targets	13-05-2022										X
Recommendation 6.5	Outputs, results and establishment of milestones and targets	13-05-2022							X			
Recommendation 6.6	Outputs, results and establishment of milestones and targets	13-05-2022	X	X	X	X	X	X	X	X	X	X
Recommendation 6.7	Outputs, results and establishment of milestones and targets	13-05-2022	X	X	X	X	X	X	X	X	X	X
Reducing greenhouse gas emissions and addressing climate change	SEA specific recommendations	06-09-2022				X						
Reducing greenhouse gas emissions and addressing climate change	SEA specific recommendations	06-09-2022	X	X	X	X	X	X	X	X	X	X
Selection of projects during implementation	SEA specific recommendations	06-09-2022	X	X	X	X	X	X	X	X	X	X

Climate Change - Description

Climate change is likely to affect soil erosion, water quantity and water quality increasing risk of droughts and extreme heat with the agricultural sector being particularly vulnerable to these impacts. The proposed targeted investments in more eco-friendly and adaptive systems, as well as less water-intensive farming, should be monitored for take up to ensure such systems are implemented over the life span of the CAP SP

Climate Change - Justification

The on-farm and off-farm non-productive investment interventions will support the construction and maintenance of rubble walls, reservoirs, afforestation and planting of trees, all of which can help mitigate soil erosion brought about by torrential rainfall events whose frequency is expected to increase due to climate change.

Enhancing biodiversity - Description

The conservation of biodiversity and preservation of habitats and landscape have been identified as potential positive impacts from the CAP SP. The CAP SP's role in implementing these impacts should be fully exploited. Measures addressing actions in Natura 2000 areas should be encouraged.

Enhancing biodiversity - Justification

Measures addressing Natura 2000 are foreseen under off-farm non-productive investments and afforestation through measures supporting conservation of existing woodland and support for new tree planting that will contribute to improved habitat and biodiversity, which should be line with existing or newly designated management plans such as the biodiversity strategy and Natura 2000 management plans. Habitat restoration can also be supported. Other investments foreseen include on-farm non-productive investments through the restoration of rural on-farm landscape features such as rubble and terrace walls, and habitat conservation actions, amongst others.

As regards biodiversity, the eco-scheme related to the implementation of an IPMP and the area-based payment related to mechanical weeding instead of using herbicides, both promote a reduction in use of plant protection products. The CAP SP will also support conversion to and maintenance of organic farming practices that use lower inputs compared to conventional farming. An eco-scheme specifically targeting biodiversity on holdings will also be supported.

Enhancing biodiversity - Description

In addition to having a positive impact on biodiversity, the encouragement of integrated pest management practices also contribute to the EU Green Deal target on reducing the risk and use of pesticides by supporting lower use and the use of less hazardous pesticides

Enhancing biodiversity - Justification

This is being targeted in the CAP SP through the eco scheme that supports Integrated Pest Management Plan on land parcels, as well as through measures supporting the conversion and maintenance of organic produce, amongst others

Recommendation 4.1 - Need for further direct evidence support - Description

This type of recommendation was intended to highlight areas where there was a need for further evidence to support claims and observations.

Recommendation 4.1 - Need for further direct evidence support - Justification

It is noted that most of the observations requiring further direct evidence were supported either through stakeholder feedback or through the commentary provided elsewhere within the Needs assessment already.

Recommendation 4.2 - Elaboration in the text recommended - Description

This type of recommendation was intended to provide added context to the ‘Need’ being discussed within the text with a view to aid the reader better understand the arguments put forward in light of Malta’s particular sector specificities.

Recommendation 4.2 - Elaboration in the text recommended - Justification

The text of the CAP SP presented sufficiently outlines the main needs as required by the regulation. Furthermore, we note that additional information was presented at the finalization stage of the plan.

Recommendation 4.3 - Categorisation (including suggested removal of certain items within the text) - Description

This type of recommendation was intended to enhance the structure and logical flow of the text, through refined categorisation or re-classification. For instance, certain items listed as threats could be better suited to be listed as weaknesses.

Recommendation 4.3 - Categorisation (including suggested removal of certain items within the text) - Justification

Recommendations put forward were taken on board, particularly those suggesting their removal and/ re-classified, in line with our suggestion.

Recommendation 4.4 - Formatting issues - Description

This type of recommendation revolved around formatting issues such as font type and size, broken links within the text, headers not appropriately labelled, repetition of paragraphs, appropriate use of quotation marks, and appropriate referencing, amongst others.

Recommendation 4.4 - Formatting issues - Justification

The CAP SP follows a structured approach through the SFC as it is understood that recommendations will be implemented within the framework of what is allowed in the SFC.

Recommendation 5.1 – More information in the evaluation plan - Description

Include more information in the evaluation plan under Section 7.2 such as baseline data, company and farmer data, linking company/farmer data and the Farm Accountancy Data Network (FADN) with company financial information, use of NSO data, etc.

Recommendation 5.1 – More information in the evaluation plan - Justification

During the review stages of the documents as submitted to us in January 2021 and September 2022, we noted that the reviewed Plan was much more comprehensive than previous versions and considered sufficient.

Recommendation 5.2 – Evaluation plan to include previous experience - Description

The evaluation plan in Section 7.2 should include previous experience from past evaluations on the delivery system, an explanation of how these were taken into account, and how effective such evaluations were for the implementation of the programme.

Recommendation 5.2 – Evaluation plan to include previous experience - Justification

During the review stages of the documents as submitted to us in January 2021 and September 2022, we noted that the reviewed Plan was much more comprehensive than previous versions and considered sufficient.

Recommendation 5.3 – Improving section 7.3 - Description

Section 7.3 could be improved by referring to systems used in the 2014-2020 programming period. It should be explained that the same management system will be used, thus leading towards a solid level of preparedness for the CAP SP implementation. An iterative enhancement model will be applied to the system based on the requirements of the Programme and the needs of the MA and/or the Paying Agency.

Recommendation 5.3 – Improving section 7.3 - Justification

During the review stages of the documents as submitted to us in January 2021 and September 2022, we noted that the reviewed Plan was much more comprehensive than previous versions and considered sufficient.

Recommendation 5.4 – Capacity Issues - Description

It is recommended that the Maltese Authorities continue ensuring that resources from the TA budget is adequate to achieve and maintain required staffing levels particularly at the times of planned peak periods which typically correspond with the overlap of programme launch and closure. TA resources should also be allocated towards capacity building, to ensure that the staff complement has the skillset required.

Recommendation 5.4 – Capacity Issues - Justification

The allocation for capacity in the CAP SP is deemed sufficient to address the needs required in the implementation of the plan.

Recommendation 6..4 - Description

Improve the response of EU agriculture to societal demands on food and health, including safe and

nutritious food produced in a sustainable way, food waste, as well as animal welfare could also be included as a related specific objective given that the intervention is focused on the protection of bees.

Recommendation 6..4 - Justification

This was addressed in the CAP SP since the latter plan follows the main health priorities set by relevant health strategies. Furthermore animal welfare measures are also included in line with national animal welfare policies.

Recommendation 6.1 - Description

While justifications for the Need 1.2 not being targeted by the CAP SP are given elsewhere in the document (in section 3.6), it is being suggested to include a bullet point (page 23) linking to section 3.6. This would help the reader understand why such a need is not addressed in the CAP SP.

Recommendation 6.1 - Justification

The SO XCO10 is a cross cutting objective and therefore the justifications are provided across various sections of the CAP SP, reflecting the nature of this SO.

Recommendation 6.2 - Description

While justifications for Need 4.2 is not being targeted by the CAP SP are given elsewhere in the document (in section 3.6), it is being suggested to include a bullet point (page 26) linking to section 3.6 for the reason outlined in recommendation 6.1. it might do well if such reasonings are given in the text on page 27.

Recommendation 6.2 - Justification

The SO XCO10 is a cross cutting objective and therefore the justifications are provided across various sections of the CAP SP, reflecting the nature of this SO

Recommendation 6.3 - Description

The statistic quoting that 40% of the local Utilised Agricultural Area (UAA) is not backed up by the relevant external source. The relevant external source ought to be referenced and included as a footnote, unless it is referenced in earlier chapters of the CAP SP, in which case, a direct link to that part of the report should be made.

Recommendation 6.3 - Justification

We understand that this point will be addressed through the latest Agricultural Census (launched in October 2020) which was taken into account in the latest CAP SP version.

Recommendation 6.5 - Description

Synergy was observed between RD INSTAL YF - Setting up of young farmers and the intervention found within CIF-YF (30) Complementary income support for young farmers. Both support efforts of generation renewal, the former offers initial support in dealing with set-up costs whilst the latter provides an annual payment over the course of 5 years. This synergy could be highlighted in the text and considered when communicating the schemes to young farmers.

Recommendation 6.5 - Justification

Improved synergies will be promoted as part of the implementation of the plan.

Recommendation 6.6 - Description

For target values based, in the main, on the current RDP and on past experience, it is being recommended that the main text provides an explanation on why this is the appropriate approach (e.g. no change in context or absorption capacity) in terms of the justification for the planned unit amounts.

Recommendation 6.6 - Justification

The cap takes into account the allocated amounts in the RDP but more importantly the new priorities of the CAP SP, as well as the reduced budget.

Recommendation 6.7 - Description

We suggest that those Result indicators with substantially low targets (<2%) are considered for revision by assessing whether a re-allocation of financial allocation makes sense within the context of the new Programme and the realities on the ground.

Recommendation 6.7 - Justification

Result indictors are based on the methodology. Removing indicators would result in the removal of interventions altogether. The CAP SP takes into account the new priorities within a national and European context.

Reducing greenhouse gas emissions and addressing climate change - Description

In terms of emissions, Malta’s agricultural sector has high emissions of greenhouse gasses (GHG), mainly coming from livestock. Measures to decrease emissions from enteric fermentation and manure should be encouraged. In terms of the agriculture sector’s energy consumption this is relatively high and continues to increase.

Climate change mitigation and adaptation should be encouraged through supporting the reintroduction of local breeds and crop varieties that are more resilient in drier conditions, promoting afforestation, and energy efficiency.

Reducing greenhouse gas emissions and addressing climate change - Justification

SEA Recommendation:

In terms of emissions, Malta’s agricultural sector has high emissions of greenhouse gasses (GHG), mainly coming from livestock. Measures to decrease emissions from enteric fermentation and manure should be encouraged. In terms of the agriculture sector’s energy consumption this is relatively high and continues to increase.

Climate change mitigation and adaptation should be encouraged through supporting the reintroduction of local breeds and crop varieties that are more resilient in drier conditions, promoting afforestation, and energy efficiency.

Response:

With regards to energy consumption, Malta has one of the lowest shares of energy consumption across the EU, at 0.9%, which is below the EU average of 3.3%. Despite this, EE will be targeted through the on-farm and off-farm investment interventions since these may finance the purchase of modern machinery and equipment that is more efficient in the use of energy and resources. Therefore, EE is expected to be targeted through the CAP SP.

With respect to climate change adaptation and mitigation, the CAP SP includes support schemes that will incentivise farmers to be more ambitious in their environmental and climate-related commitments (through eco schemes under direct payments and area-based management commitments such as organic farming, maintenance of trees and supporting mechanical control of weeds instead of using herbicides under rural development). Afforestation and planting of trees shall be supported through on-farm and off-farm non-productive investments intervention.

With regards to high emissions from livestock and measures to decrease emissions from enteric

fermentation, from our understanding MT's contribution to methane and enteric fermentation from agriculture is minimal when compared to other sectors (i.e. such as the transport sector), since no grazing takes place in Malta as all cattle, pigs, sheep and goats are housed, and strict legislation on the handling of manures is already established. In this regard, while emissions per head are obviously high due to limited land space, their impact on the overall emissions is low.

Malta will be working towards a complete disconnection of farm waste from the sewage network through concrete measures that are aimed at achieving full compliance with the Urban Wastewater Treatment Directive by end of 2026. This will be achieved through the development of three slurry treatment facilities, two in Malta and one in Gozo, that will process farm slurry separating it into a solid fraction and a liquid fraction. The solid fraction will undergo compaction following any necessary treatment to be used as a soil enhancer or processed into other products, whereas the liquid fraction will be treated in line with Directive 91/27/EEC concerning urban wastewater treatment or Regulation (EU) 2020/741 on minimum requirements for water reuse.

Pending the setting up of these treatment farm waste will be diverted to the dewatering facility set up at the South Urban Wastewater Treatment Plant. The solid fraction resulting from the dewatering process will be processed in a Processing and Granulation Centre that is planned to start operating by December 2022. Such processing will ensure storage and management of the solid fraction in compliance with the Nitrates Action Programme Regulations (Subsidiary Legislation 549.66). These projects will not only target water related issues but also emission related ones, given that the process ensures the correct handling of slurry and manures.

With regards to renewable energy, support is not being foreseen through the CAP Strategic Plan. Malta's potential for further RE deployment is affected by physical and spatial limitations, technological advancement, and resource potential, with resource availability and cost of land being predominant barriers. As noted in Malta's Low Carbon Development Strategy the main expected increase in RE from 2021 to 2030 relates to PVs and solar water heaters which are expected to reach maximum capacity by 2030 due to local roof space limitations. Limitations related to economies of scale and energy storage capacity also hinder the increase in RES uptake while posing restrictions in relation to offshore energy generation. Government has over the years incentivised the use RE across households, industry and public buildings and spaces. Various nationally funded schemes are in place to support such investments by households and private operators. As outlined in the Court of Auditors Report, there is limited added value in EU grants for RES as project owners could implement their projects without grants, also in view of the advantageous feed-in tariff. Nevertheless, in line with the NECP 2030, Malta's Smart Specialisation Strategy 2021-2027, the National Strategy for Research and Innovation in Energy and Water (2021-2030), and Malta's Low Carbon Development Strategy the objectives identified in the European Green Deal and the REPower EU Initiative, ERDF resources will explore pilot RES initiatives with a view to pave the way for a new generation of RE.

Reducing greenhouse gas emissions and addressing climate change - Description

As identified in Table 7.2, there are four main approaches to reducing livestock greenhouse gas emissions: husbandry (animal breeding, feed supplements), management systems (stocking rates, biological control), numbers of livestock, and manure management. Reducing the number of unproductive animals on a farm can potentially improve profitability and reduce GHG emissions. Strategies such as extended lactation in dairying reduce herd energy demand which thus potentially also reduces methane emissions. Ensuring that the livestock sector maximizes its efforts cost-effectively, to reduce GHG emissions, can result in potentially significant mitigation of emissions from this sector. Farmers can be requested to identify measures that they will implement to help reduce GHG emissions

Reducing greenhouse gas emissions and addressing climate change - Justification

Measures addressing manure management are foreseen under the CAP SP as part of the off-farm infrastructure intervention through the implementation of projects aimed at targeting farm waste, converting it to a resource which can be used as fertilizer, which is also in line with the principles of the Circular Economy. With regards to livestock, an animal welfare measure is being foreseen as part of the CAP SP which will incentivise broiler farms to undergo stocking density improvements. On-farm

investments that reduce GHG emissions, including waste management systems and the purchase of modern machinery that is more energy efficient, can also be supported through the on-farm productive investments intervention.

Selection of projects during implementation - Description

One of the key recommendations emerging from the SEA is the need to ensure that, during project selection, proposals / initiatives that address a number of environmental concerns should be given priority over those that do not. Environmental requirements during project selection should be allocated enough weighting to ensure that project proponents actively pursue environmental requirements.

Additionally, and in accordance with the feedback received from the Environment & Resources Authority, preference should be given to proposed development, infrastructure and similar interventions which are least harmful to the environment, which are primarily accommodated in existing suitable committed sites, away from important environmental areas, such as valleys, ridge-edges, cliffs, escarpments, natural habitats and sites, natural coast, etc. Moreover, it is important to ensure that the siting of development and similar interventions on site avoid impacts on site features like rubble walls, trees, etc.

Furthermore the CAP Strategic Plan should support projects that seek to:

• make efficient use of existing legitimate buildings, structures and infrastructure, so as to avoid new development pressures scattered in the countryside;

• restore already degraded land, natural habitats and landscapes where reasonably possible as well as prevent adverse environmental impacts that may arise from indirect and consequential implications of development, such as impacts associated with widening of rural roads, infrastructure, rural tourism, etc; and

• improve specific aspects of the environment, including the protection and conservation of the natural/rural environment, including site topography, natural physical features, valleys and watercourses, cliffs/escarpments, old rubble walls, traditional terraced fields, mature trees (e.g. carobs), areas of garrigue(xaghri), maquis or mosaic landscapes (made up of a mix of patches of arable land and patches of garrigue/maquis, and/or characterised by non-trivial rock outcrops, etc.). If implemented correctly, depending on the type of interventions envisaged and other site-specific issues, such measures could also have a beneficial impact on protected sites (SACs and SPAs).

Selection of projects during implementation - Justification

These recommendations are reflected in Section 5 of each RD Intervention on the CAP SP outlining the principles of selection. MT will continue encouraging and facilitating investments contributing to Environmental requirements in line with the CAP SP ambitions. Whilst ranking criteria will be established through the MC consultation procedure in line with Art. 79 and Art. 124 of the CAP SP Regulation, such actions contributing directly to weaknesses and opportunities identified in the SWOT analysis should be promoted, and shall be weighted accordingly during the selection process.

3. Ex-ante evaluation report

No document attached

4. Strategic environmental assessment report

No document attached

Annex II on the SWOT analysis

No document attached

Annex III on the consultation of the partners

No document attached

Annex IV on the crop-specific payment for cotton (where relevant)

Annex V on the additional national financing provided within the scope of the CAP Strategic Plan

Basis	Intervention	Budget	higher number of beneficiaries	a higher aid intensity	providing financing to a certain operation within the intervention	Additional information
Legal Notice 15 of 2018 Organic Production and Labelling of Organic Products Regulations	ENVCLIM(70) - RD- Organic Organic Farming Scheme	3,000,000.00	X			Complementary national initiatives are foreseen to contribute to the 5%* target under organic production by 2030. *Actual target is in line with the National Organic Action Plan..

National financial assistance in the fruits and vegetables sector under Regulation (EU) 2021/2115

	Calendar year 2023	Calendar year 2024	Calendar year 2025	Calendar year 2026	Calendar year 2027	Total 2023-2027
Estimated amount of national financial assistance (in EUR) (Article 53)	0.00	0.00	0.00	0.00	0.00	0.00

The annual estimated amount of national financial assistance in the Fruits & Vegetables sector per region concerned and the total for the Member State

This is not applicable for Malta.

Annex VI on transitional national aid (where relevant)

a) the annual sector-specific financial envelope for each sector for which transitional national aid is granted

Sector	The sector-specific financial envelope, EUR				
	2023	2024	2025	2026	2027
Nil	0.00	0.00	0.00	0.00	0.00

b) where relevant, the maximum unit rate of support for each year of the period

Sector	Maximum unit rate of support, in %				
	2023	2024	2025	2026	2027
Nil	0.00	0.00	0.00	0.00	0.00

c) where relevant, information as regards the reference period modified in accordance with the Article 147(2) second subparagraph

Sector	informations as regards the reference period modified
Nil	Malta does not envisage the use of transitional national aid in the implementation of the CAP Strategic Plan interventions at initial programming stage.

d) a brief description of the complementarity of the transitional national aid with CAP Strategic Plan interventions

Malta does not envisage the use of transnational national aid in the implementation of the CAP Strategic Plan interventions.

Other annex: Consistency with and contribution to the Union targets for 2030

National contribution to the EU 2030 target of 50% reduction of nutrient losses, while ensuring no deterioration in soil fertility

Malta aims to reduce nutrient losses indicatively by 6.5% by 2030. This complements Malta's ambition for reducing the use of fertilisers indicatively by 2.5% within the same timeframe.

Due to the specific conditions of Malta's agricultural sector, including the small size of the holdings, relatively immature and shallow soils, and intensity of cropping, actions that are aimed at reducing fertiliser use often cause a deterioration in soil fertility. Within this context and taking into account the direct impact of fertiliser reduction on nutrient losses, in line with the Gross Nitrogen Balance established at 117kg/N, Malta is proposing a realistic target for the reduction of nutrient losses whereby a number of initiatives in the plan will also target this aim.

National contribution to the EU 2030 target of 10% of agricultural area under high-diversity landscape features.

Malta's indicative target for agricultural area under high-diversity landscape features by 2030 is 9.5%.

Presently, the reference value for land under high-diversity landscape features for Malta is based upon the area of fallow land. With the availability of more precise information, this could be adjusted to include also other features such as terrace walls that support biodiversity and other linear features such as boundary trees. Malta's indicative target aims to take into account the small size of holdings and landscape features which continue to pose inherent limitations for achieving high-diversity landscape features.

National contribution to the EU 2030 target of 25% of the EU's agricultural land under organic farming

Malta's indicative target for agricultural land under organic farming by 2030 is 5%. The actual target is determined by the National Organic Action Plan. Through the CAP SP Malta is targeting to reach 2.54% of UAA area under organic within the timeframes of the CAP SP.

Malta currently has the lowest share of agricultural land under organic farming among EU Member States. In this context, Malta's aims to reach the preliminarily target of around 5% of its agricultural land (500 ha) under organic farming by 2030. Through this ambitious approach, which reflects the objectives of Malta's National Organic Action Plan. Malta will aim to foster a shift in agricultural production primarily due to the benefits of this type of production across the entire food system. The success of this strategy depends on the extent to which Malta has the flexibility to support organic operators in a tailored manner under the CAP SP with financial incentives that accurately reflect national realities.

National contribution to the EU 2030 targets of 50% reduction of the overall use and risk of chemical pesticides, and use of more hazardous pesticides

Malta's indicative target for the reduction of overall use and risk of chemical pesticides by 2030 is 5%.

Malta's climate and characteristics together with an extremely small market, a wide variety of pests, especially insect pests due to climatic conditions and high-density of cropping, limit the abrupt shift towards reduction of pesticides. Within this context, any reduction in pesticides use needs to be gradual and without the imposing drastic measures that would, further disrupt the market and exacerbate the crisis. The reduction in pesticides use and risk, including that related to hazardous pesticides that are candidates for substitution, will be achieved through actions including those targeting support for organic farming.

National contribution to the EU 2030 target of 50% reduction of sales of antimicrobials for farmed animals and in aquaculture

Malta's indicative target for reducing sales of antimicrobials for farmed animals by 2030 is 15%.

In January 2020, Malta launched the 'Strategy and Action Plan for the Prevention and Containment of Antimicrobial Resistance in Malta (2020 – 2028)' with the overall target of bringing about an increase in the prudent use of antimicrobials. This aims to achieve a 15% reduction in the sales of antimicrobials, principally by limiting the use of antimicrobials only to those situations where they are necessary and in so doing delaying or mitigating the adverse effects of antimicrobial resistance (AMR). The total amount of antimicrobials sold in 2020 was 1773 kg (data submitted to OIE in 1-03-21).

National contribution to the EU 2025 target to roll-out of fast broadband internet in rural areas to achieve the objective of 100% access

According to the Digital Economy and Society Index (DESI), in 2021 Malta ranks 6th out of 27 EU Member States. Already since 2019, all Maltese households are reached by Very High Capacity Networks

offering speeds of up to 1Gbps. Regarding wireless networks, in 2021 4G coverage was near-universal across the Maltese islands whilst Malta’s first nationwide 5G network was also launched. Within this context, and considering that there is no differentiation between urban and rural areas in terms of broadband penetration or use, Malta is deemed to already have achieved it's full contribution to this European target.

DOCUMENTS

Document title	Document type	Document date	Local reference	Commission reference	Files	Sent date	Sent by
Methodology of Indicators	Annex Chapter 5: Direct payments, sectoral and rural development interventions specified in the strategy	6 Nov 2025	MT_CAP SP Methodology Document	Ares(2025)9620512	MT CAP SP 2025 Amendment Methodology Document	7 Nov 2025	Scicluna, Kenneth
Programme snapshot 2023MT06AFSP001 4.0	Snapshot of data before send	7 Nov 2025		Ares(2025)9620512	Programme snapshot 2023MT06AFSP001 4.0 Programme snapshot 2023MT06AFSP001 4.0	7 Nov 2025	Scicluna, Kenneth