

Brussels, 20 December 2007

Malta's Rural Development Plan

Country profile:

- The Maltese archipelago consists of three inhabited islands (Malta 245.7 km², Gozo 67.1 km² and Comino 2.8 km²) and a number of small islets. The total land area covers a surface of 316 km².
- 404,000 inhabitants with an average population density of 1,282 inhabitants/Km²; it remains by far the most densely populated Member State of the European Union. Approximately 64% of the total population lives in rural localities.
- Unemployment stands at 7.4% but is higher for females (9.2%) and young people (17.6%).
- Agriculture is the largest land user accounting for 47.8% of the total area of the islands.
- In 2005 the total agricultural land amounted to 11,791 hectares (ha), of which 87% or 10,254 ha constituted UAA¹, whilst around 1% constituted unutilised agricultural land and 12% other areas included garrique land.
- The total number of agricultural holdings amounted to 11,072 with an average size of 0.9 ha. Only 2% of the holdings have more than 5 ha.
- The UAA dedicated to organic farming is still very low at only 0.12% of the total UAA.
- All agricultural land in Malta has been designated as affected by specific handicaps.
- At present 0.9% of the Maltese islands is covered by woodlands. The last major afforestation project is the Foresta 2000 where about 9,000 trees have been planted.

Chosen strategy corresponding to the profile

The overall objectives are:

- to improve the competitiveness of the agricultural sector in order to offer more differentiated, higher quality products and services
- to improve the environment and the countryside
- to improve the quality of life in rural areas and enhance the multifunctional role of rural areas

UAA= utilised agricultural area

Budget overall and share of EU funding

Axis	Total Public Expenditure	Share of EAFRD in Public expenditure in %	EAFRD Contribution
Axis 1	34,280,000	75,00%	25,710,000
Axis 2	25,025,000	80,00%	20,020,000
Axis 3	32,986,658	75,00%	24,740,000
LEADER	3,875,000	80,00%	3,100,000
T A	4,084,473	75,00%	3,063,355
Total	100,251,131	76%	76,633,355

Overall aim of the programme

To strengthen competitiveness, develop a sustainable use of natural resources and the global attractiveness of rural areas by intervening on integration between the development of agricultural and forestry sector, environment, rural tourism and services.

Axis 1: budget allocation and main priorities

EAFRD: € 25,710,000. Total public funding: € 34,280,000.

This axis intends to improve the competitiveness of the agricultural sector.

The financial weight of axis 1 is 34%.

The division of resources, in terms of measures, is the following: concerning physical capital, 39% goes to financing actions for modernisation of agricultural holdings and improvement of infrastructures related to development and adaptation of agriculture, and 20% to adding value to agricultural and forestry products; for human capital, 9% goes to advisory services and 3% to vocational training and information actions. Quality schemes will also be supported through the programme with an allocation of 5% of the entire axis.

Axis 2: budget allocation and main priorities

EAFRD: € 20,020,000. Total public funding: € 25,025,000.

This axis intends to improve the environment and the countryside through encouraging the retention of agricultural activity and promotion of environmental friendly production methods in line with rural heritage.

The financial weight of axis 2 is 26%.

In terms of measures, the situation is the following: 58% of the resources goes to support for areas with handicaps, other than mountain areas, and 34% are addressed to financing agri-environment actions. A remaining 8% will be used for financing Natura 2000 payments and payments linked to Directive 2000/60/EEC (EU Water Framework Directive).

Axis 3: budget allocation and main priorities

This axis intends to improve the quality of life in rural areas through the conservation and valorisation of rural, natural and cultural heritage enhancing the multifunctional role of rural areas.

The financial weight of axis 3 is 32%.

The resources under this axis primarily go to the measure for conservation and upgrading of the rural heritage (64%), followed by the measure for encouragement of tourism activities (35%).

LEADER budget allocation

EAFRD: € 3,100,000. Total public funding: € 3,875,000.

This axis intends to build local capacity for improving governance and mobilising the endogenous development potential of rural areas.

The financial weight of axis 4 is 4%.