

WORKING DOCUMENT
RURAL DEVELOPMENT COMMITTEE

Member State: Malta

1. APPROVED PROGRAMME: The Rural Development Programme for Malta, 2007-2013 C(2008)730 of 18 February 2008 CCI 2007MT06RPO001

2. LEGAL BASIS FOR THE MODIFICATION

Modification related to the first implementation of Article 16a of Regulation (EC) No 1698/2005 – Modifications under Article 6, paragraph 1, letter a) of Regulation (EC) N° 1974/2006

3. REASONS JUSTIFYING THE AMENDMENT / STRATEGY CHOSEN

The amendment is proposed in the context of the European Recovery Package as described in Regulations (EC) 473/2009 and 482/2009.

4 DESCRIPTION OF THE AMENDMENTS PROPOSED:

4.1 New priorities / types of operations

Malta has received an additional financial allocation of 1,02 Million EUR foreseen for broadband and new challenges from the Recovery package. As Malta already enjoys an almost full broadband coverage across the whole territory with above EU average penetration rates being achieved (DSL coverage reaches 99% of the population of the territory), the Maltese authorities decided that the whole amount will be allocated to the measure 121 'Investments in agricultural holdings' which is an already existing measure in the programme, however it will be specifically targeted towards the dairy sector, which is a new priority.

Malta did not receive any financial allocation following the Health Check reforms (Regulation 74/2009).

Table 5.3.6 List of types of operations referred to in Article 16a (3)(a) of Regulation (EC)

No 1698/2005 and up to the amounts referred to in Article 69(5a) of that Regulation.

Axis/measure	Type of operation	Potential effects	"Existing" or "new" type of operation	Reference to the description of the type of operation in the RDP	Output indicator – target
Axis 1 Measure 121	Investment support related to dairy production	Improvement of the competitiveness of the dairy sector	New	Measure 121	Number of farm holdings supported 45 Total Volume of investment €2.7 M

4.2 Description of the amendments proposed to axes and measures

Measure 121 'Investments in agricultural holdings'

The additional funds available from the Recovery package will be specifically earmarked for the dairy sector. Therefore, the modification is related to the existing measure 121 'Investments in agricultural holdings' with the aim of helping dairy farms to modernise their holdings so as to improve the management and economic performance of their holdings.

The funds will be available for all three sub-measures of measure 121, namely: 'General modernisation and improvement in the performance of the agricultural holdings', 'Environmental investments' and 'On-farm investments to comply with newly introduced Community standards'.

This means that the measure 121 is not modified content wise but that the funds from the recovery package are specifically 'reserved' for the dairy sector.

5. THE EXPECTED IMPACTS OF THE AMENDMENTS

The total financial allocation for Malta will be increased by 1,02 Million EUR.

The dairy sector started to face already real international competition once Malta became a member of the EU and the market was liberalized. Now the dairy sector is facing additional challenges following the removal of the milk quota system. The specific support for the dairy sector will help reducing this negative impact on the sector.

The targets of the relevant output, result and impact indicators have been modified to take into account the additional support from the recovery package.

6 ASSESSMENT

General assessment of the modification

The amendment to the rural development programme is of a very minor nature. The modification is in line with the justification included in the National Strategy Plan and with the priorities identified in it.

The modifications comply with the relevant requirements of Council Regulation (EC) No1698/2005 and Commission Regulation (EC) No 1974/2005.

7 FINANCING

Table 6.1.: Annual contributions from the EAFRD (in EUR)

	2007	2008	2009	2010	2011	2012	2013	Total
Convergence regions (*)	12,434,359	11,527,788	10,656,597	10,544,212	10,347,884	10,459,190	10,663,325	77,633,355
New Challenges – Convergence Regions			600,000	420,000				1,020,000
Total EAFRD	12,434,359	11,527,788	11,256,597	10,964,212	10,347,884	10,459,190	10,663,325	77,653,355

Table 6.2.1: Financial plan by axis (in EUR total period)

Axis	Total public	EAFRD contribution rate (%)	EAFRD amount
Axis 1	35,640,000	75	26,730,000
Axis 2	25,025,000	80	20,020,000
Axis 3	32,986,667	75	24,740,000
Axis 4	3,875,000	80	3,100,000
Technical Assistance	4,084,473	75	3,063,355
Total	101,611,140	76	77,653,355

Table 6.2.2: Financial plan by axis - Additional funds from Article 69(5a) of Regulation (EC) No 1698/2005

Axis	Total public	EAFRD contribution rate (%)	EAFRD amount
Axis 1	1,360,000	75	1,020,000
Axis 2			
Axis 3			
Axis 4			
Technical Assistance			
Total	1,360,000	75	1,020,000

Table 6.3.: Indicative budget related to operations referred to in Article 16a of Regulation (EC) 1698/2005 between 1 January 2009 and 31 December 2013 (Article 16a(3b) up to the amounts specified in Article 69(5a) of Regulation (EC) No 1698/2005).

Axis/measure	EAFRD contribution for 2009-2013
Axis 1	
Measure 121	1,020,000
Total axis 1	1,020,000
Axis 2	
Total axis 2	0
Axis 3	
Total axis 3	0
— Related to priorities listed in Article 16a(1), points (a) to (f) of Regulation (EC) No 1698/2005	
— Related to priorities listed in Article 16a(1), point (g) of Regulation (EC) No 1698/2005	
Axis 4	
— Related to priorities listed in Article 16a(1), points (a) to (f) of Regulation (EC) No 1698/2005	
— Related to priorities listed in Article 16a(1), point (g) of Regulation (EC) No 1698/2005	
Total axis 4	0
Total programme	1,020,000