

GUIDELINES FOR
AID SCHEME FOR
LAND FARMERS TO
ENSURE
IRRIGATION WATER
SUPPLY DURING
SUMMER

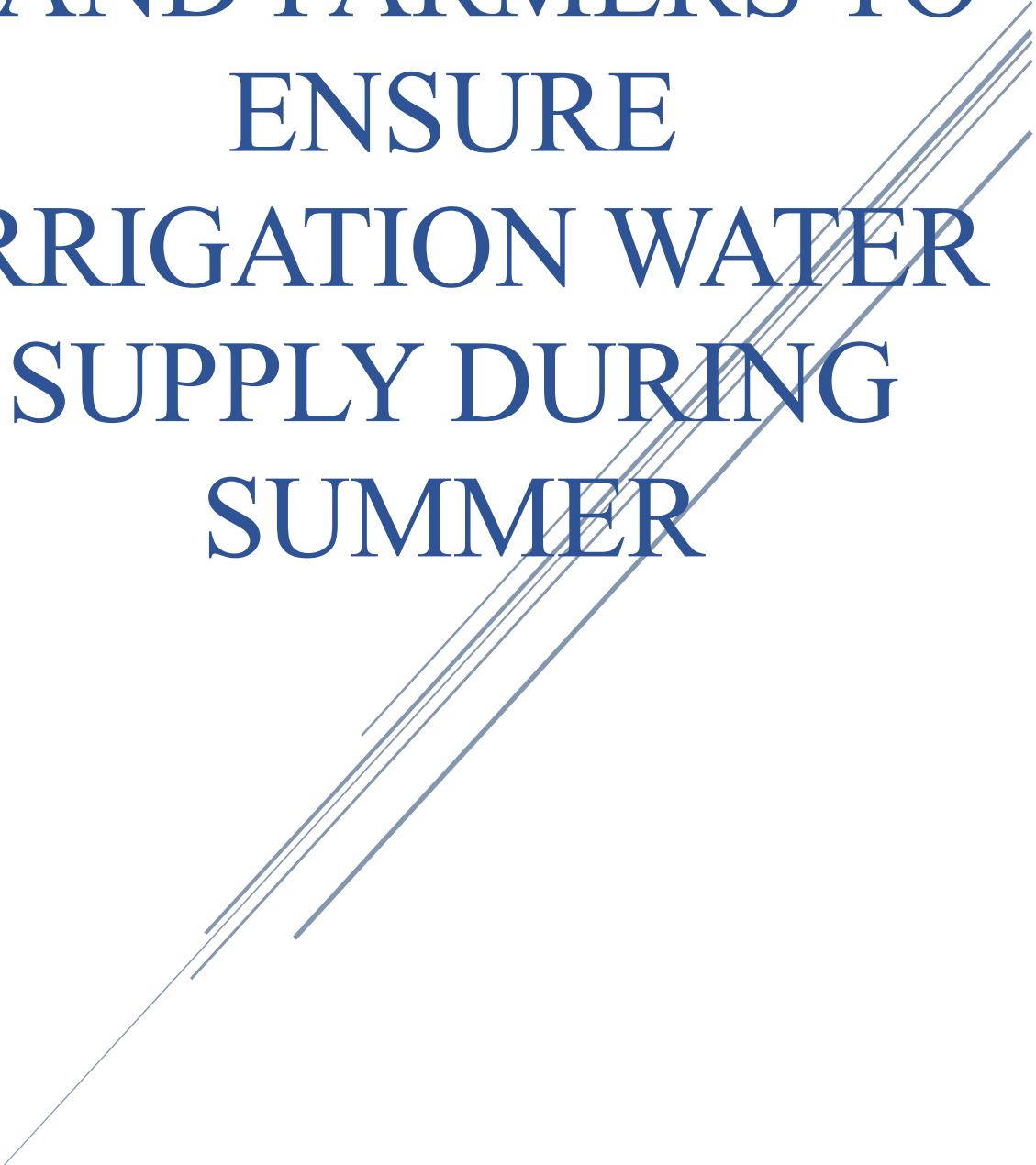
A decorative graphic consisting of several parallel diagonal lines in a light blue-grey color, extending from the bottom left towards the top right, partially overlapping the text.

Table of Contents

1. Introduction.....	2
2. Definitions and Legal Basis.....	2
3. Duration of the Scheme	3
4. Eligibility/Entry Conditions.....	3
5. Applicable State aid Rules	4
6. Budget.....	4
7. Payment Calculation	5
8. Applications and Documentary Evidence	5
9. Suspension / Withdrawal from the Scheme	6
10. Administrative Checks / Controls	6
11. Debt Recovery.....	7
12. Data Protection.....	8
13. Disclaimer.....	9
14. Contact Details.....	10
Annex I. Crop Plan	11

1. Introduction

Water availability remains one of the most critical challenges for Malta's agricultural sector, exacerbated by the effects of climate change. With limited natural freshwater resources, a hot and dry Mediterranean climate, and sporadic rainfall, there is a persistent mismatch between irrigation needs and available water supplies. Malta ranks among the top ten most water-stressed countries globally, with only 60m³ of naturally occurring freshwater per capita (120m³ including rainfall).

Groundwater, which accounts for over 80% of the sector's water needs, is increasingly compromised by salinization from over-abstraction and seawater intrusion, negatively impacting soil health and crop yields. An additional 8% of agricultural water use comes from reclaimed water, and 9% from harvested rainwater.

Many farmers rely heavily on water delivered via road transport (bowsers), especially during summer. This dependence on costly alternatives undermines their competitiveness and long-term sustainability.

In light of these structural challenges, the Maltese authorities propose the introduction of a targeted support scheme under the De Minimis Regulation (EU) No 1408/2013. The scheme aims to alleviate the financial burden on farmers by compensating higher irrigation-related costs incurred during the dry season.

2. Definitions and Legal Basis

Definitions

Applicant: A land farmer engaged in land-based crop production, including horticulture and fodder, who is directly responsible for managing parcels of agricultural land for cultivation purposes.

Application: A formal request submitted by an eligible applicant to the Agricultural and Rural Payments Agency (ARPA) for financial support under this scheme.

Eligible Costs: Expenses incurred by the applicant for the purchase and delivery of irrigation water by bowsers to ensure their supply of irrigation water during the dry season.

ANC Beneficiaries: Farmers who were eligible under the Areas with Natural Constraints (ANC) measure in claim year 2024. These farmers have been verified by ARPA as actively engaged in farming within designated ANC areas, which includes the entire Maltese territory.

De Minimis Regulation: Commission Regulation (EU) No 1408/2013, which allows State aid up to €50,000 per agricultural undertaking over a rolling three-year fiscal period without prior notification to the European Commission.

Flat-Rate Grant: A fixed amount of financial aid, differentiated by farmer category, reflecting the estimated increased irrigation cost burden based on empirical data and available budget.

Farmer Categorisation: Classification of farmers in accordance with Subsidiary Legislation 639.10, which segments farmers into categories (e.g., Cat 1, Cat 2, etc.) based on economic scale, production intensity, and operational size. This categorisation is used to determine differentiated support levels under the scheme.

Legal Basis

- Agriculture and Fishing (Financial Assistance) Act, (CAP 146 of the Laws of Malta).
- Commission Regulation (EU) No 1408/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid in the agriculture sector.
- Subsidiary Legislation 639.10 on the Categorisation of Farmers

3. Duration of the Scheme

The Scheme will be applicable until 31st December 2025.

4. Eligibility/Entry Conditions

The scheme applies to micro and small enterprises.

In order for undertakings to be eligible for support, the following conditions must be met:

- be active land farmers registered with the Agricultural and Rural Payments Agency (ARPA);
- be farmers classified under Category 2 or higher in accordance with Subsidiary Legislation 639.10 on the categorisation of farmers;
- must have been beneficiaries of the Areas with Natural Constraints (ANC) during claim year 2024;
- make use of irrigation water on their irrigated fields through water purchased from bowsers;
- must have procured a minimum volume of water per Category, as shown in the table in section 7 – Payment Calculation, below, between 1st June and 30th September 2025;
- must have procured water from water bowser suppliers licenced by the Regulator for Energy & Water Services (REWS); and
- must provide fiscally valid fiscal receipts, dated between 1st June and 30th September 2025, indicating the volume of water procured in cubic metres.

In addition to the eligibility criteria already outlined, the following limitations shall apply to ensure better targeting of aid and alignment with actual irrigation needs:

Crop Plan Requirement: Applicants must submit a detailed crop plan covering the parcels for which support is being requested. This crop plan should include the type of crops cultivated and sowing/planting dates during the summer months. The crop plan will form part of the application package and will be used to verify the appropriateness of the aid request.

Exclusion of AECC 5 Fallow Parcels: Parcels committed under the Agri-Environmental Climate Commitment (AECC) 5, which requires the maintenance of parcels in fallow condition during the summer period, shall be excluded from eligibility under this Scheme. These parcels are considered not to require irrigation water during the critical summer months and therefore do not fall under the scope of support.

These refinements are introduced to maintain consistency with the objectives of the proposed scheme and ensure that support is provided only to parcels that are demonstrably reliant on irrigation between 1st June and 30th September 2025.

Aid is conditional on the submission of fiscally valid fiscal receipts from suppliers licenced by REWS confirming the volumes of water purchased between 1st June and 30th September 2025.

5. Applicable State aid Rules

- Aid granted under this scheme shall respect the cumulation rules as set out in Commission Regulation (EU) No 1408/2013 on de minimis aid in the agriculture sector. The total amount of de minimis aid granted to a single undertaking shall not exceed €50,000 over any period of three (3) fiscal years, taking into account all other de minimis support received. ARPA shall verify compliance with these thresholds prior to the approval and disbursement of aid under this scheme.
- Monitoring and reporting requirements shall apply. The relevant information on each individual aid above €50,000 granted under this scheme, will be published within 6 months from the moment of granting.

6. Budget

The budget available for this scheme is of €700,000 which will be entirely funded through National funds. The Agriculture and Rural Payments Agency reserves the right to amend the budget allocated and to set and amend support rates in accordance with the budget available.

7. Payment Calculation

The calculation of payments due shall be carried out by ARPA according to the established rate depending on the number of applications received in adherence to the limits set by the study and as mentioned in the previous point.

The proposed scheme uses a simplified cost option based on a farmer categorisation system determined by standard output (SO). Aid intensity varies across categories and is designed to compensate for irrigation water delivered via bowsers. Under a total budget of €700,000, support per holding ranges from €220 in Category 2 to €2,051 in Category 5, covering between 248m³ and 684m³ of water respectively, as shown in the table below:

<u>Category</u>	<u>Maximum Amount of Compensation</u> €	<u>Minimum Amount of Water procured</u> m ³
2	€220	73
3	€745	248
4	€1,599	533
5	€2,051	684

Thus, a farmer in Category 2 may benefit from a grant of €220 if he provides the required evidence that he procured 73m³ of water during the summer months. Alternatively, a farmer classified in Category 5 who does not procure the minimum required volume of water for that category (684 m³) may still be eligible for a grant corresponding to a lower category, provided that the minimum procurement requirement for that category is met. However, farmers in lower categories may in no way benefit from aid pegged to higher categories.

8. Applications and Documentary Evidence

Applications

Applications stating that the farmer meets the eligibility and *de minimis* state aid conditions are to be submitted prior to 26th September 2025. Following vetting and verifications, ARPA will thus establish a list of eligible farmers.

Applicants must submit a crop plan as per template in Annex I.

Required Documentation for Application

Together with the application, producers must provide the following documentation:

- A detailed crop plan covering the parcels for which support is being requested. This crop plan should include the type of crops cultivated and sowing/planting dates during the summer months.

Documentary Evidence

Documentary evidence required for the provision of the aid, i.e. fiscal receipts from valid providers etc., are to be submitted by the eligible farmers, established after submission of the declaration above, by a date to be established by ARPA.

Documentary evidence shall be evaluated according to these Guidelines and until the budget is exhausted.

Applications received after the deadline shall not be accepted.

Required Documentary Evidence

Eligible applicants must provide

- A fiscally valid fiscal receipts from licensed bowser providers indicating the volume of water procured in cubic metres.

9. Suspension / Withdrawal from the Scheme

The Paying Agency may suspend or withdraw in full the support where a non-compliance with these guidelines and application conditions by the beneficiary is detected.

The Paying Agency will suspend the award and/or payment of any aid under this scheme to any undertaking that has benefited from earlier unlawful aid declared incompatible by a Commission Decision, until that undertaking has reimbursed or paid into a blocked account the total amount of unlawful and incompatible aid and the corresponding recovery interest.

10. Administrative Checks / Controls

The checks shall include verification of:

- The eligibility of the Beneficiary; and
- Adherence to the conditions and commitments of the Scheme.

ARPA shall have the right to carry out On-The-Spot Checks (OTSCs) to verify the accuracy of the claims submitted by the applicants.

11. Debt Recovery

Should ARPA identify a breach in contract prior to three (3) years following the issuance of the final payment or any other undue payments issued to a beneficiary, or note that any other irregularities have been made by a beneficiary, ARPA will initiate debt recovery procedures. A beneficiary will be notified of a debt through a notification sent to the same beneficiary through registered mail. Such a letter will include the amount to be recovered and the reason for recovering these amounts. On receiving a debt notification, the Beneficiary is required to either accept the debt or object to it.

If the Beneficiary accepts the debt, he/she is to complete a Debt Acceptance Form, indicating whether the Debt will be paid by the Beneficiary. The debt is to be settled within thirty (30) calendar days from the date of the notification.

If on the other hand the Beneficiary does not agree with the debt, an Objection Form is to be completed and submitted to the Agency within fifteen (15) working days from the date of the debt notification. Objections submitted to the Agency will be reviewed by the Agency's Objection Board. The Beneficiary will be notified in writing of the Board's decision to accept or refuse such an Objection. Beneficiaries are encouraged to consult the Guidance for the Submission of Objections to Penalties/Reductions imposed by ARPA which may be accessed from ARPA's website at: <https://arpa.gov.mt>.

The acceptance and objection forms may be downloaded from the Agency's website: <https://arpa.gov.mt>

and may be submitted at:

Front Office, Pitkali Markets, Ta' Qali, L/O Attard or,

Gozo Office, Experimental Farm, Mgarr Street, Xewkija, Gozo

If the Beneficiary has any pending debts after the elapse of sixty (60) calendar days from the date of debt notification and has neither submitted a Debt Acceptance Form nor an Objection Form, interest at a rate of 8% will be applied as per Commission Regulation (EC) No 1122/2009, Directive 2011/7/EU and Article 1852 of Chapter 16 of the Laws of Malta.

12. Data Protection

The Agriculture and Rural Payments Agency carries out its functions in accordance with the applicable laws and in line with standing good practices.

In line with Article 13 of Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (hereafter ‘GDPR’), the Agency is hereby providing you with the following information:

- The “Controller” is the Agriculture and Rural Payments Agency and it can be contacted at the Government Farm, Għammieri, Marsa, Malta or on the email address arpa.mafa@gov.mt;
- The “Data Protection Officer” can be contacted at the Agriculture and Rural Payments Agency, Government Farm, Għammieri, Marsa, Malta or on the email address dpo.arpa@gov.mt;
- The general purpose of processing your personal data is to implement the measures under the Common Agricultural Policy in accordance with Title III of the Treaty on the Functioning of the European Union and related EU and National Law, more specific policies are dependent on the measures concerned and may be found specified further down;
- The recipient of your personal data is the Agriculture and Rural Payments Agency within the Ministry for Agriculture, Fisheries and Animal Rights. The category of recipients of your personal data is public authorities including also Union institutions, bodies, offices and agencies;
- Your personal data shall be retained for as long as legally required or reasonably necessary to satisfy the declared purposes and any legal obligations and, or claims that might possibly arise from your relationship with the Agency, or otherwise according to the Agency's Data Retention Policy provided with this declaration or accessible online at www.arpa.gov.mt;

Your rights as data subjects in connection with the processing of your personal data are:

- The right to receive a copy of your personal data undergoing processing, including information in relation to the processing activities.
- The right to request us to rectify personal data you think is inaccurate. You also have the right to ask us to complete personal data you think is incomplete.
- The right to request the erasure of your personal data in certain circumstances.
- The right to request the restriction of your personal data in certain circumstances.
- The right to portability of your personal data in relation to information that you have given us.
- The right to object to the processing of your personal data if we are able to process your information because the process forms part of our public tasks or is in our legitimate interests.

- The right to not be subject to a decision based solely on automated processing including profiling.
- The right to withdraw your consent at any time, where applicable.

Requests to exercise your rights are free of charge and should preferably be made in writing and sent to the Data Protection Officer of the Agriculture and Rural Payments Agency. Your identification details such as ID number, name and surname must be submitted with the request for the purpose of verifying your identity. In case the controller has reasonable doubts concerning your identity, you may be requested to provide additional information necessary to confirm it.

The Agriculture and Rural Payments Agency aims to comply as quickly as possible with the request and is obliged to respond without undue delay and at the latest within one (1) month from receipt of request.

The right exercised by the data subject may be limited or restricted, where necessary, pursuant to the applicable law.

The personal data you are providing to us is a contractual and, or legal requirement relating to your rights and obligations with respect to the Agency and its responsibilities.

By submitting this application/request you are declaring that you understand and accept that the Agency is to process personal data relating to you for the specific purpose of processing this application/request, in accordance with law. In order for your application/request to be processed, you shall provide your personal data for the declared purposes and anything reasonably and, or legally necessary to satisfy said purposes. Failure to provide such data might result in the impossibility of processing your application/request, without prejudice to other consequences according to law.

The processing of personal data shall be conducted according to the GDPR and the Data Protection Act.

13. Disclaimer

The Agriculture and Rural Payments Agency reserves the right to amend from time-to-time certain criteria established by this guidance document. Such amendments may become applicable and enforced retrospectively, as from the date of application.

Potential beneficiaries are requested to seek any clarifications deemed necessary prior to commitment.

14. Contact Details

For more information regarding the scheme, kindly contact:

Address: Agriculture and Rural Payments Agency Front Office
Ta' Qali L/O Attard
ATD4000

Telephone Number: +356 22926148

E-mail: arpa.mafa@gov.mt

Website: <https://arpa.gov.mt/en/>

Annex I. Crop Plan

