
CAP Strategic Plan

2023 – 2027

2024 Annual Performance Report

Citizen Summary

Introduction

The Common Agricultural Policy (CAP) Strategic Plan (SP) continues to play a pivotal role in shaping agricultural support and development. As the implementation of the Plan progresses, its focus remains on providing essential direct payments, supporting agri-environmental and climate commitments, and launching targeted investment interventions to strengthen the rural economy and promote sustainable practices.

This support is being made possible through the CAP SP, which has a total budget of €165.6 million of EU and National Funds.

The second year of CAP SP implementation has been characterised by the implementation of direct payments and agri-environmental-climate commitments, payments related to these IACS interventions, as well as the launch of various investment interventions, as well as the conclusion of a number of selection processes.

a. EAGF & EAFRD IACS Measures

Direct Payments

ARPA launched a specific request period from November 14, 2022, to January 13, 2023, allowing farmers to express their interest in various IACS interventions outlined in the CAP SP. This process enabled ARPA to evaluate applicants' eligibility for these interventions, with all request data meticulously recorded in IACS.

To encourage participation in Eco-schemes, farmers could indicate interest in one or more interventions during the application campaign. Additionally, farmers' declarations for LPIS changes and their intentions to apply for specific interventions were documented in IACS. This data, along with updates from the LPIS annual refresh and outcomes from the Claim Year (CY) 2023 Control Campaign, was incorporated into the Geo-spatial Application.

Malta implemented a single application system for all IACS interventions, providing prefilled applications based on automatic claims generated within IACS. Farmers could submit these

applications either online or as signed hard copies, confirming the details provided. The campaign ran from April 10 to May 31, 2023, marking the penalty-free deadline, with a final submission cut-off date of June 15, 2023.

To further promote the uptake of Eco-schemes, farmers were permitted to express interest in one or more interventions throughout the application campaign. Take-up of Eco schemes was also being encouraged and promoted through yearly information sessions that are held over multiple days and at different times to accommodate as many potential applicants as possible. During these sessions, the available Eco-schemes are explained in detail.

Despite considerable promotional efforts, participation in Eco-schemes remained limited due to several key challenges: fragmented land holdings, intense competition for land, and farmers prioritising production-driven schemes. To address these obstacles, a range of targeted interventions and maximum policy flexibility are being employed to encourage greater uptake. Malta is nevertheless on course to surpass the 35% ring-fencing target set out in Article 93(1) of EC Regulation 2115/2021.

AECCs

Between 18 July and 16 September 2022, the Agriculture and Rural Payments Agency (ARPA) opened its annual request period, inviting farmers to express their interest in a range of IACS schemes, as set out in Malta's CAP Strategic Plan (CAP SP). This process allowed ARPA to assess the eligibility of applicants, with all requests carefully documented within the IACS system.

A key focus was on encouraging participation in the Agri-Environment Climate Commitments (AECCs) — a set of voluntary measures within the CAP that reward farmers for adopting environmentally friendly and climate-smart agricultural practices. These interventions not only help safeguard Malta's natural resources, reduce soil erosion/degradation, and support biodiversity, but also provide farmers with additional income streams, making sustainability a financially viable choice.

During the request period, farmers could register their interest in one or more AECC or other CAP interventions. Any declarations for changes to the Land Parcel Identification System (LPIS), as well as intentions to apply for specific measures, were also recorded. This information, combined with updates from the annual LPIS refresh and findings from the CY 2023 Control Campaign, was then integrated into the Geo-spatial Application.

Malta's CAP framework uses a single-application approach for all IACS interventions, streamlining the process for farmers. Prefilled forms — generated automatically from claims within IACS — were made available for submission either online or in signed hard copy, with farmers confirming the pre-entered details. The main application period ran from 10 April to 31 May 2023 (penalty-free), with the final cut-off for submissions on 15 June 2023.

For Financial Year 2024, the Basic Income Support for Sustainability (BISS) amounted to €6,040,840.78. The Complementary Income Support for Young Farmers (CIS-YF) totalled €141,962.21. The expenditure under Eco-Schemes amounted to €258,787.60. The Coupled Income Support (CIS) totalled €2,989,644.44, while AECC expenditure totalled €2,894,802.82.

b. Sectoral Interventions

Under the CAP SP, Malta's apiculture interventions aim to promote quality honey production and enhance pollinator health. Despite some progress, the uptake of these interventions varied across different measures. The ADVIBEES measure saw a slight improvement in 2024, with increased participation in training seminars, apiculture literature subscriptions, and dissemination of informative materials. The INVAPI measure remained consistently popular, especially for varroasis control and hive restocking, although the transhumance rationalization attracted low interest. The ACTLAB measure had limited applications for honey analysis, with no uptake for varroacide research. The COOPAPI measure received no applications, reflecting minimal stakeholder interest in research collaboration. The gross amount paid for each scheme under the IACS EAGF programme was as follows: €1,172.72 for ADVIBEES, €2,239.44 for INVAPI, €424.80 for ACTLAB, and €1,541.52 for COOPAPI.

c. EAFRD Non-IACS interventions

With regards to non-IACS interventions, the Off-farm Productive Investments and Off-Farm Infrastructure Rural Roads for Competitiveness were launched in December 2023, with applications received until end of April and end of May respectively.

For Off-farm Productive Investments, 27 applications were received with the budget request exceeding the funds allocated to this intervention. Ten applicants were awarded circa €7.5M.

With regards to Off-Farm Infrastructure Rural Roads for Competitiveness, 3 applications were awarded circa €4.1M.

The On-farm Productive Investments intervention small investments scheme (grant amount up to €15,000) was launched in April 2024, attracted c. 480 applications, with a budgetary request of approximately €4.5M. Award letters, awarding c.€3.8M were issued in December 2024.

Furthermore, the Knowledge exchange, advice, training and dissemination of information intervention was launched in October 2024 for training, demonstration activities, together with a separate call targeting advisory business plans, that include business plans required for the submission of an application for the setting up of young farmers intervention.

On LEADER, Local Development Strategies (LDSs) were selected within the timeframes stipulated in Article 32, paragraph 3, of Regulation (EU) 2021/1060. Throughout FY2024, LAGS carried out preparations related to the launch of the measures outlined in their respective LDS, including the drafting of the necessary guidance notes and application forms.

Throughout FY 2024, several preparations for the launch of other CAP SP investment interventions have taken place. The On-farm Productive Investments main scheme, for grants exceeding €15,000 and the project related to enhancement of an electronic veterinary prescription system and the upgrade to the National Veterinary Laboratory under the same intervention were launched in late October and November 2024 respectively.

The Setting up of young farmers intervention and Off Farm Investments – Infrastructure (water) were launched in November 2024. The EIP - EIP Operational Groups intervention was pre-launched in

December 2024 while the Conservation and sustainable use of genetic resources (non-IACS project) was also launched in December.

The launch of every intervention was accompanied by several information sessions that were held across Malta and Gozo to ensure maximum outreach.

With regards to the financial instrument related to the purchase of land by young farmers, the ex-ante assessment required in line with Article 58, paragraph 3 of Regulation 2021/1060 was initiated, with the first stakeholder interviews held throughout September 2024.

Significant efforts were also undertaken to make the necessary preparations for the launch of the On-Farm Non-Productive Investments, Off-farm Non-Productive Investments and Afforestation, that were pre-launched in November 2024. The Cooperation- Quality Schemes, On-farm productive investments diversification and Knowledge, exchange, training and dissemination of information (Farm Exchanges) interventions are expected to be launched in the first months of 2025.

The following table shows the respective budget for each non-IACS scheme that was available during the year 2024.

| Intervention | Programmed Amount (Public) | Budget Requested [Budget Committed] (Public) |
|--|---------------------------------------|---|
| RD COOP LEADER - COOPERATION: LEADER | €5,245,155.00 | €5,245,155.00 [€5,245,155.00] |
| RD Off-Farm P.INVEST - Off-farm Productive Investment | € 6,666,666.69 | €12,891,948.34 [€7,490,748.96] |
| Off-Farm Infrastructure Rural Roads for Competitiveness | €5,737,790.33 | €7,647,382 [€4,105,434.52] |
| RD On-farm Invest P. - On-farm Productive Investments | €21,387,500.04 | €4,523,910.03 [€3,600,000.00] |
| RD KNOW - Knowledge exchange, advice, training and dissemination of information (Training) | €2,786,624.20 | €940,000 [TBC] |
| RD KNOW - Knowledge exchange, advice, training and dissemination of information (Advice) | €1,588,375.80 | €1,600,000 [TBC] |

d. Control Campaign CY2023

The CY 2023 control campaign for CAP 2023–2027 included various verification methods such as on-the-spot checks, geo-tagged photo verifications, and monitoring through the Area Monitoring System (AMS). ARPA expanded AMS to include BISS, BIS SF, and CIS YF, using commercial HHR imagery to assess parcel maintenance. Observations were shared with farmers via the BiejdaCam mobile platform, leading to corrective actions by 40% of contacted farmers. Internal tests and a three-tier Quality Assurance (QA) framework ensured accuracy, with QA results being finalized for submission to the QUAP platform. Farmers' declarations and updates from the LPIS refresh were integrated into the Geo-spatial Application.

e. Horizontal Aspects

Preparations for the second CAP SP modification were in full swing towards the end of FY 2024 – important discussions were held throughout FY 2024, whereas official submission was carried out towards the end of October 2024.

The main changes carried out included updates to the setting up of young farmers intervention, changes in durability requirements, shifting of budget towards AECC 4, updates to the non-productive elements eco-scheme following the adoption of amendments to Regulation (EU) 2021/2115, and the inclusion of two new animal welfare eco-schemes for dairy bovines and sheep and goats.

The first Annual Review meeting and the second Monitoring Committee for the CAP SP were held in December 2024.

The CAP Network 2024 meeting was held in November, updating members on the CAP SP's progress and ongoing Rural Development Programme (RDP) projects. The network, covering both the CAP Network and AKIS, aims to foster stakeholder collaboration and best practice sharing. The Department of Agriculture serves as its secretariat.

Conclusion

In summary, the year 2024 was marked by comprehensive planning, diligent execution, and robust collaboration among all stakeholders involved in the implementation of CAP SP interventions. The successful launch of various schemes and the proactive engagement with Local Action Groups, young farmers, and sectoral representatives reinforced the commitment to sustainable rural development and agricultural innovation.

With the ongoing refinement of strategies, the introduction of new interventions, and the establishment of the CAP Network, Malta and Gozo are well-positioned to advance their goals, ensuring adaptability and resilience in the face of evolving regulatory and sectoral challenges. Continued stakeholder engagement and the timely execution of planned measures will remain central to driving progress and realising the ambitions set forth in the strategic plans.