

Social Conditionality: A Guide for CAP Beneficiaries

What is Social Conditionality?

As of 1 January 2025, Social Conditionality has become a mandatory requirement under the Common Agricultural Policy (CAP) across all European Union Member States in accordance with Regulation (EU) 2021/2115.

Social Conditionality links CAP payments to compliance with certain employment and occupational health and safety rules. This means that farmers receiving CAP support must respect the relevant labour and workplace safety requirements established under national and EU legislation.

The purpose of Social Conditionality is to promote fair working conditions and safe workplaces throughout the agricultural sector.

Does Social Conditionality Introduce New Obligations?

Social Conditionality does not create any new obligations for farmers. Beneficiaries are already required to comply with national employment and occupational health and safety legislation.

The new element is that breaches of these rules may now lead to a reduction in CAP payments.

Who Is Responsible for Social Conditionality in Malta?

The Agriculture and Rural Payments Agency (ARPA) is responsible for administering CAP payments and applying any reductions resulting from Social Conditionality infringements.

The competent authorities responsible for enforcing the relevant legislation are:

- The Department for Industrial and Employment Relations (DIER), which oversees employment legislation and working conditions.
- The Occupational Health and Safety Authority (OHSA), which oversees occupational health and safety requirements.

ARPA works closely with DIER and OHSA through formal cooperation agreements to ensure the effective implementation of Social Conditionality.

How Does the System Work?

DIER and OHSA continue to carry out their normal inspections, investigations and enforcement activities.

Where an infringement is notified to the beneficiary by the competent authority and it:

- is directly attributable to the CAP beneficiary;
- relates to the beneficiary's agricultural activity; or
- concerns the beneficiary's holding,

the competent authority shall notify ARPA.

ARPA will then assess the information received and apply any relevant reductions to CAP payments in accordance with the applicable rules.

What Happens if a Breach Is Identified?

Where a breach of the applicable employment or occupational health and safety legislation is reported to ARPA, a reduction may be applied to the beneficiary's CAP payments in line with Regulation (EU) 2021/2116.

The level of reduction depends on factors such as:

- the severity of the infringement;
- its extent;
- its permanence;
- whether it is a repeated infringement; and
- whether it was intentional.

Indicative Reduction Rates

Type of Non-Compliance	Reduction Applied
First time non-compliance	1%, 3% or 5%
First recurrence of the same infringement	10%
Intentional infringement	15%

Where multiple infringements occur, the reductions may be combined in accordance with the applicable legislation.

Where the same non-compliance persists or reoccurs once within three (3) consecutive calendar years, the percentage of reduction shall be a minimum of 10% of the total amount of payments, and the penalty incurred for the Claim Year in question shall not exceed 20% of the total payment due. Other occurrences of the same non-compliance without a justified reason by the beneficiary are considered cases of intentional non-compliance. In case of intentional non-compliances, the percentage reduction shall be a minimum of 15% of the total amount of payment, and the penalty incurred for the Claim Year in question shall not exceed 100%.

When Will No Penalty Be Applied?

No administrative penalty will be imposed where:

- the infringement is due to force majeure or exceptional circumstances recognised by ARPA; or
- the infringement results from compliance with an order issued by a public authority.

Why Is Compliance Important?

Compliance with employment and occupational health and safety legislation helps to ensure fair working conditions, protects workers' rights and contributes to safer workplaces within the agricultural sector.

By complying with these obligations, beneficiaries can avoid reductions to their CAP payments and contribute to a fair and sustainable agricultural industry.

Need More Information?

For information on employment legislation and working conditions, farmers may contact the Department for Industrial and Employment Relations (DIER).

For information on occupational health and safety obligations, farmers may contact the Occupational Health and Safety Authority (OHSA).

For information regarding CAP payments and the application of Social Conditionality, farmers may contact ARPA.