

# 1<sup>st</sup> Mediterranean Network Cluster

1<sup>st</sup> February 2012  
Thessaloniki



**National Rural Network Malta**  
**Rural Development Programme for Malta 2007-2013**  
The European Agricultural Fund for Rural Development  
*Europe Investing in Rural Areas*



# Introduction

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## □ Objectives of this presentation

- An overview on Measure 123, 132, 133 and the implementation success and problems faced.

## **Measure 123:**

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### **Adding value to agricultural products**

- This Measure aims to make agro-processing enterprises more competitive – which the Maltese agricultural sector needs most.
- It complements Malta's strategic direction of increasing the value added by Maltese enterprises and builds on other funds which address this same priority for the manufacturing industry.

# Measure 123 – success

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| Call No. | Budget Allocation | Launch Date   | Closing          | Applications/<br>Contracted   | Funds Requested      |
|----------|-------------------|---------------|------------------|---|----------------------|
| 1        | €4,000,000.00     | 20th Feb 2009 | 29th May<br>2009 | 25  | €2,238,903.10        |
| 2        | €1,760,000.00     | 24th Oct 2011 | 16th Dec<br>2011 | 30 applied.<br>Selection<br>process has<br>not yet<br>been<br>completed | <b>€4,560,555.14</b> |

- There is significant demand for more funds to be utilised under M123.
- Euro 2,800,555.14 surplus over the budget allocated under the 2nd call of M123.

# Way forward for M123

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## □ RDP Modification

- A request to shift funds from other measures to measure 123 is expected to further address the key strategic objectives of Axis 1 by enabling:
  - the agro-food sector to become more competitive
  - bring about a tangible benefit to the primary production sector
  - exploit or enhance certain intrinsic characteristics of the primary products.

# Measure 132

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## □ Participation of Farmers in Food Quality Schemes

| Call No | Budget Allocation | Launch Date                | Closing                   | Contracted | Funds requested |
|---------|-------------------|----------------------------|---------------------------|------------|-----------------|
| 1       | €1,200,000.00     | 26 <sup>th</sup> Sept 2009 | 18 <sup>th</sup> Dec 2009 | 4          | €11,594.60      |
| 2       | €500,000.00       | 24 <sup>th</sup> Oct 2011  | 16th Dec 2011             | 0          | €0.00           |

## Reasons for low take-up of M 132

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- There are only 8 recognised organic producers in Malta with very small parcels committed to organic production.
- Problems in the setting up of national food quality schemes arises from the fact that the producers do not agree amongst themselves on the criteria that “make” a national product. There appears to be a cultural barrier wherein producers mistrust each other and for them to come together to agree on what constitutes a certain product is very difficult.
- Although there are ongoing discussions with entities to set up national food quality schemes, to date no such schemes have been activated.
- The bureaucracy involved in setting up quality schemes.

# Proposed Plan of Action

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- Transfer of funds from Measure 132 to Measure 123
- Revisions of the targets for Output, Result and Impact Indicators to reflect reduction in budget allocation.
- One to one talks with potential stakeholders



# Measure 133

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## □ Information and promotion activities

| Call No | Budget Allocation | Launch Date                | Closing                   | Contracted | Funds requested |
|---------|-------------------|----------------------------|---------------------------|------------|-----------------|
| 1       | €670,000          | 26 <sup>th</sup> Sept 2009 | 18 <sup>th</sup> Dec 2009 | 0          | €0.00           |
| 2       | €670,000          | 3 <sup>rd</sup> Oct 2011   | 2 <sup>nd</sup> Dec 2011  | 0          | €0.00           |

## Reasons for low take up of M133

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- ❑ Absorptive capacity of the local agricultural sector and additional institutional set-ups which were not realised in practice, in view of the cultural characteristics of local farmers and the sector's economic structure;
- ❑ Lack of nationally-registered food quality schemes which are the result of insufficient co-operation among producers, which is hampering the drawing up of parameters necessary for the establishment of food quality schemes.

# Proposed Plan of Action

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- To minimize the risk of funds it is being recommended that a part of the budget is transferred to Measure 125.
- Revisions of the targets for Output, Result and Impact Indicators to reflect reduction in budget allocation
- Working closely with the Malta Standards Authority to try and create a Local Products Quality Scheme and potentially widen the scope of M133 and M132 to include such a scheme.

# Conclusion

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- Despite publicity for these measures via;
  - TV programmes,
  - radio programmes,
  - one-to-one meetings and
  - adverts on local newspapers,
- **There have been no applications for Measure 132 and Measure 133 but a surplus of applications under M123.**

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Thank You For Your Attention ....

Looking forward to your feedback