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CAP STRATEGIC PLAN 2023-2027 (LEADER)

LOCAL DEVELOPMENT STRATEGY FOR GOZO 2023-2027



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The European Agricultural Fund
For Rural Development:
Europe Investing in Rural Areas



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APPENDIX

Appendix I: LAG Statute

I. DEFINITION OF THE TERRITORY AND OF THE POPULATION



I.1. INTRODUCTION

- I.1.1. This Local Development Strategy (LDS) has been prepared by the Gozo Action Group Foundation (GAGF). It sets out the needs and priorities for the region of Gozo for the 2023-2027 funding period and outlines the measures proposed for funding under the LEADER programme.
- I.1.2. This Community-Led Local Development (CLLD) Strategy follows a bottom-up approach and is built on the experiences learnt from the previous programming period, an extensive consultation process involving various stakeholders, as well as a detailed analysis of the territory as described in the following sections of the Strategy.

I.2. LDS AREA PROFILE

- I.2.1. This profile provides a strategic overview of the area of the LDS, which will inform the proposed Local Development Strategy for the LEADER programme 2023-2027 in Gozo which for the purposes of the CAP SP 2023-2027 is considered a rural area. The Geographical area concerned is the administrative area of Gozo, all areas of which are considered rural for the purpose of this programme. With a population of 39,287¹ Gozo (including Comino) is the smallest of the three Local Action Group areas.
- I.2.2. Rural areas in Malta's CAP SP are defined as having:
- a population density that is lower than 5,000 persons per square kilometre;
 - a minimum of 10% of the locality agricultural land; and
 - a minimum 35% of the locality outside development zone (ODZ)².
- I.2.3. These criteria are in line with those adopted in previous programming periods. All the localities in Gozo meet the above criteria so the whole island is classified as a rural area. The 14 localities are: Il-Qala, In-Nadur, Ix-Xagħra, Iż-Żebbuġ, L-Għasri, L-Għarb, San Lawrenz, Ta' Kercem, Il-Munxar, Victoria, Il-Fontana, Ta' Sannat, Ix-Xewkija, Għajnsielem, see **Figure I.1.**

Il-Qala

- I.2.4. Il-Qala stretches over the larger part of the east side of the island Gozo, covering an area of 5.85 km². It has a population of 2,300 and ranks as one of the medium sized villages of Gozo. It is also one of the oldest villages on Gozo. It has a unique geology since it is the only village in the Maltese Islands where there are deposits of all the five strata of Maltese rock. It also includes within its limits the largest concentration of deep valleys in the islands. One deep valley runs across the centre of the village;

¹ <https://nso.gov.mt/wp-content/uploads/Regional-publication-salient-points.pdf> accessed on 21st August 2023

² Section 4.7.2 of the CAP SP page 193 accessed from: <https://fondi.eu/wp-content/uploads/2023/01/CAP-SP.pdf> on 18th August 2023.

this valley and other wider ones give rise to hills which form the skyline of Qala, a skyline very similar to that figuring on the emblem of Gozo. The social life in Qala revolves mostly around the village square where a variety of food and beverages outlets are open all year round. The greatest event during the year is the village festa, dedicated to St Joseph. It spreads over a period of ten days covering the last weekend of July and the first weekend of August.

In-Nadur

- 1.2.5. In-Nadur is situated on the easternmost hill of Gozo. With a population of 4,548, In-Nadur is one of the largest localities in Gozo. Along Nadur's coastline there are a number of bays including San Blas, Dahlet Qorrot and Ramla. Ta' Soppu Tower lies halfway through Dahlet Qorrot and San Blas. There is another tower known as Kenuna Tower, which was built in 1848, and served as a telegraph link between Malta and Gozo and not as a fort. Recently Kenuna tower was completely restored and is now serving for communication purposes. There is also a new Maltese Garden at Kenuna.

Ix-Xagħra

- 1.2.6. Ix-Xagħra is built on a hill towards the north-east centre of Gozo. It is the second largest town in Gozo, having a population of 5,161 inhabitants. It is one of the earliest inhabited parts of Gozo, being home to the Ġgantija megalithic temples, which date back to the year 3600BC, and the Xagħra Stone Circle. Natural underground features such as Xerri's Grotto and Ninu's Cave are found in this town, along with Calypso's Cave which overlooks the red sandy beach of Ramla. Ix-Xagħra is a popular tourist attraction, in view of its historical heritage, and natural assets such as Ramla Bay.

Iż-Żebbuġ

- 1.2.7. Iż-Żebbuġ is found in the northwest coast of Gozo and is located close to Għarb and Għasri and is built on two hilltop plateaus, Ta' Abram and Ix-Xagħra taż-Żebbuġ. The fishing port and tourist resort of Marsalforn lies within the Żebbuġ Council. The village has a population of 3,303 persons. With an area of 7.6 km², iż-Żebbuġ is the largest local council in Gozo by land area. The word Żebbuġ means "olive trees", a crop for which the village used to be noted, although nowadays very few olive trees remain on the slopes of iż-Żebbuġ. The village is also well known for its fine lacework and for its nearby coastal beauty spots.

L-Għasri

- 1.2.8. L-Għasri is the smallest village in Gozo; it has a population of only 518. It lies between the hills of iż-Żebbuġ and Għammar. The village is dominated by Ta' Ġurdan lighthouse which stands at the top of Ġurdan Hill above the village. From Għasri Village Square, a road leads to the valley of Wied il-Għasri. The valley opens onto the sea between high cliffs, and the secluded little inlet here is ideal for swimming, snorkelling and diving.

L-Għarb

- 1.2.9. Għarb started as a small hamlet which developed around the Middle Ages and is located in the most westerly place on Gozo. Għarb lies in some of Gozo's most scenic countryside, particularly at Dbiegi, the highest hill on the Island. The population of L-Għarb is 1,549 people. L-Għarb is surrounded by two villages, that of St Lawrence and Għasri, and the sea. Within the limits of Għarb is the Chapel of San Dimitri. Also nearby is the Basilica ta' Pinu, Malta's pre-eminent shrine to the Virgin Mary.

San Lawrenz

- 1.2.10. With a population of 772, San Lawrenz is the second least populated. The Dwejra nature reserve is administratively part of the town. Prominently in the reserve is the Fungus Rock, and formerly also the Azure Window landmark before its collapse on 8th March 2017. It is built on a plain surrounded by three hills, Għammar, Gelmus and Ta' Dbiegi. San Lawrenz is one of two Gozitan villages that have taken their name from that of their patron saint. The other is the nearby hamlet of Santa Luċija,

Ta' Kerċem

- 1.2.11. Ta' Kerċem has a population of around 1,881. It lies south-west of Victoria, spread between the picturesque Lunzjata Valley, the green hills of Tal-Mixta, Għar Ilma and Ta' Dbiegi, and stretching up to the Pond of Għadira ta' San Rafflu and Xlendi cliffs. Cultural activities include the annual Għadira Fair, which is a popular traditional family fair in the countryside area of Sarraflu. Ta' Kerċem is home to Kerċem Ajax Stadium, one of the biggest stadiums in Gozo. It is mainly used for Gozo Football League Second Division games. Incorporated within Ta' Kerċem is the hamlet of Santa Luċija.

Il-Munxar

- 1.2.12. Il-Munxar lies to the south of the island between Ix-Xlendi valley and the village of Ta' Sannat. Il-Munxar includes the Ix-Xlendi settlement, a popular tourist destination due to its character and picturesque scenery. It has a population of 1,707. Two main attractions are the Xlendi Tower and Caroline Cave that can be accessed through a flight of steps. The locality is characterised by vertical cliffs to the south, Wied Xlendi, which crosses the locality, and Wied il-Kantra. A large part of the locality is a Natura2000 site. The area includes the locality's western half, excluding the built-up pocket of Ix-Xlendi, and the southern coast of Il-Munxar.

Victoria

- 1.2.13. Victoria, also known as Rabat or by its title Città Victoria, is the main town on Gozo. It has a total population of 7,242 persons and is the largest locality in Gozo. The area around the town, situated on a hill near the centre of the island, has been settled since Neolithic times. Victoria embraces both the Citadel, the ancient, fortified city at the centre of the Island, and the surrounding town old Rabat and its modern additions. There are many places of historical and cultural interest in Victoria. The centre of Victoria is Pjazza Indipendenza, known as it-Tokk. The square is dominated by the Banca Giuratale, built between 1733 and 1738, formerly the seat of the

municipal government of Gozo and presently of the Local Council. The St George's Basilica stands in a smaller square just behind It-Tokk in the heart of the old town. The web of narrow streets around St. George's are the oldest in town.

Il-Fontana

- 1.2.14. Fontana originated from the suburb of Victoria on the Rabat-Xlendi road. It is the locality with the smallest area and has a population of 1,042 persons. Its local name is "It-Triq tal-Għajn", (the way to the spring), and it took its name from a spring at the bottom of the road leading to Xlendi, known locally as "l-Għajn il-Kbira". On the lower part of Fontana, on the right-hand side of the road to Xlendi, there is the Lunzjata Valley going up to the village of Kerċem.

Ta' Sannat

- 1.2.15. Ta' Sannat has a population of 2,186 and is located in the south of Gozo. It is popular for its very high cliffs, ancient cart ruts, temples and dolmens, and rich fauna and flora. Ta' Sannat is mainly known for the Ta' Ċenċ area which is an extensive area of garrigue and cliffs, an area that is protected as a Natura2000 site. The area is also popular for country walks and its scenic views. Ta' Sannat also includes part of Mġarr ix-Xini and Il-Wied ta' Mġarr ix-Xini.

Ix-Xewkija

- 1.2.16. Ix-Xewkija has a population of 3,555. It is situated between Għajnsielem and Victoria. Xewkija is famous for its church, The Rotunda of Xewkija, which is dedicated to St. John the Baptist. It is the largest in Gozo and its dome dominates the village. A helicopter service once ran between Malta International Airport and the Xewkija Heliport. On the suburbs of the village there are the University of Malta (Gozo Campus) and the offices of jobsPlus. There are also the Gozo Stadium, the Government Farm, St. Mary's Cemetery and Xewkija Cemetery. There is also an industrial estate which employs many Gozitan workers.

Għajnsielem

- 1.2.17. Għajnsielem, meaning "Peaceful Spring", is found on the southeastern coast of Gozo and includes the entire island of Comino. It has a population of 3,523 residents and is the first Gozitan village that greets the visitor on leaving Mġarr Harbour. As soon as you enter Mġarr Harbour, while still aboard the ferry, landmarks of Għajnsielem are visible just up the hill: Lourdes Chapel with its sharp steeple and shrine to Our Lady of Lourdes, Fort Chambrai on the left-hand side dominating the cliff-top and, more distant, the towering belfry of Għajnsielem's Parish Church.
- 1.2.18. Għajnsielem is also well-known for its Christmas annual event: Betlehem f'Għajnsielem. The exhibition is organised at Ta' Passi between the Għajnsielem settlement and the port of Mġarr. This initiative showcases local traditions and crafts and at the same time addresses the problem of seasonality by attracting visitors, both local and foreign, to Gozo in winter.
- 1.2.19. The island of Comino has a number of landmarks like the St Mary's Tower, St Mary's Battery, the cemetery and a small chapel. The small island also has a hotel (now

closed) and two beaches. The main landmark is the Blue Lagoon, which is a small channel between Comino and the islet of Cominotto. It is considered one of the most scenic views in the Maltese archipelago due to its pristine setting. The area faces a number of challenges in the summer months due to a high influx of local and foreign visitors.

Figure I.1: Localities in Gozo

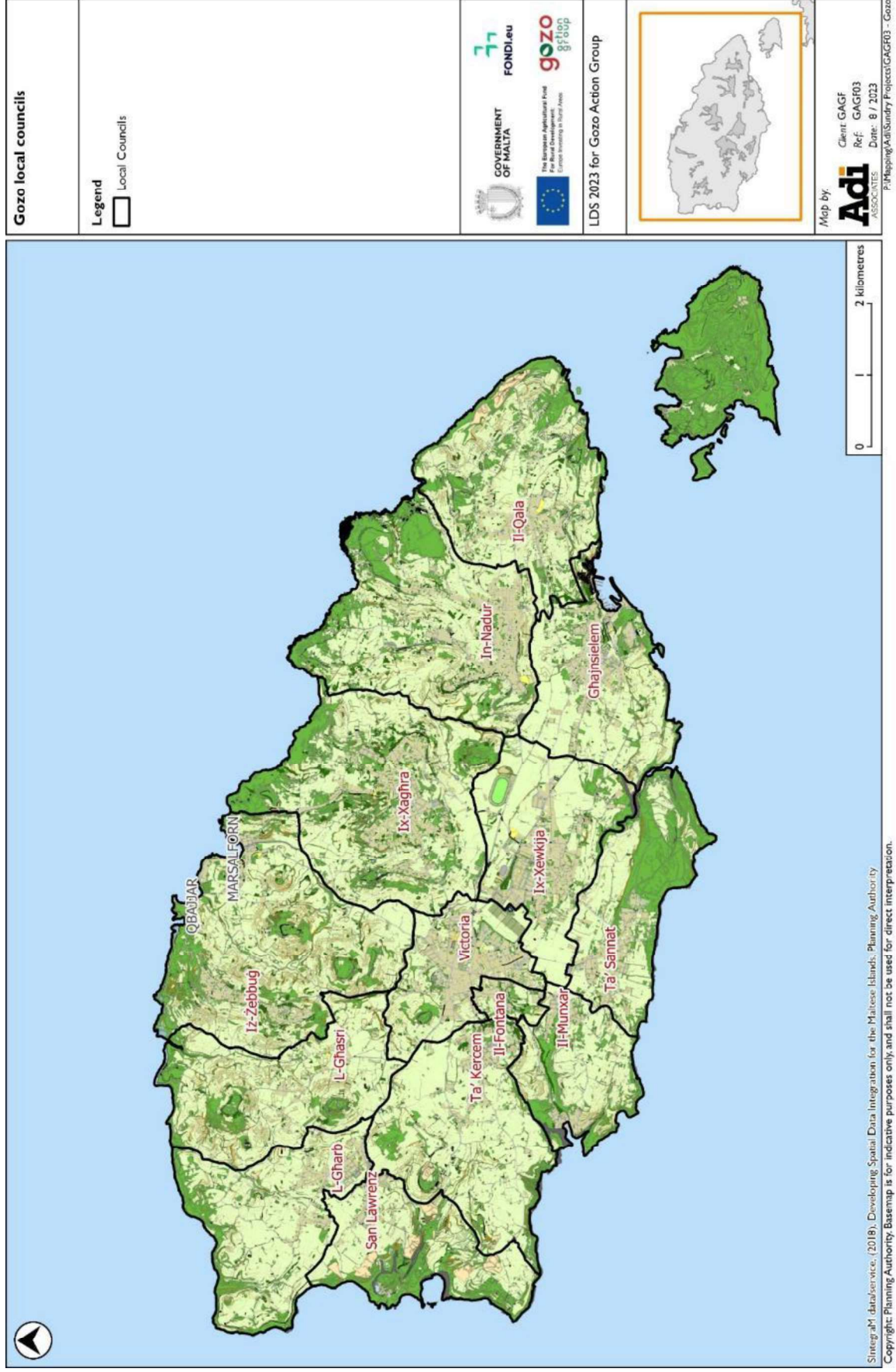
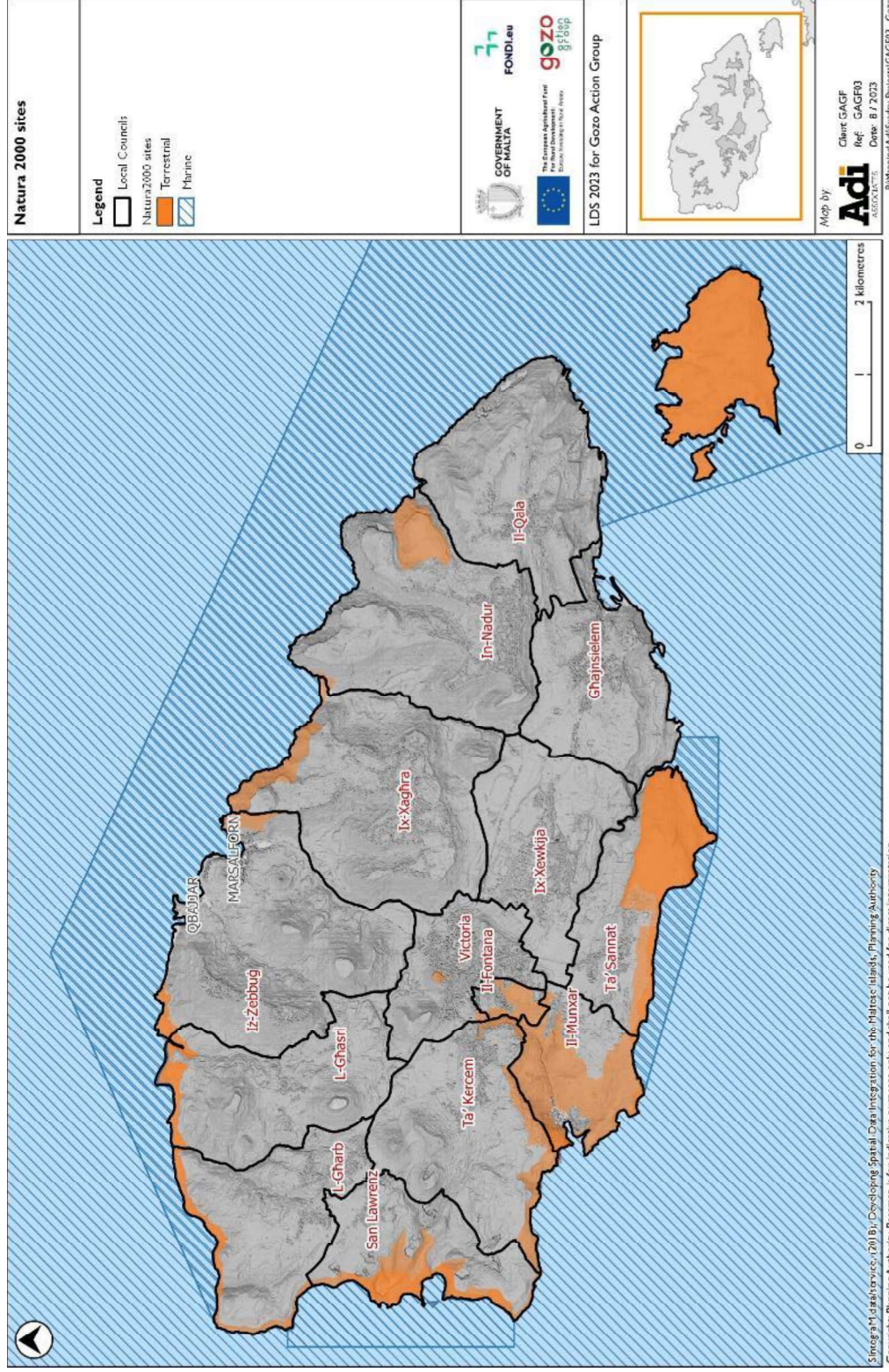
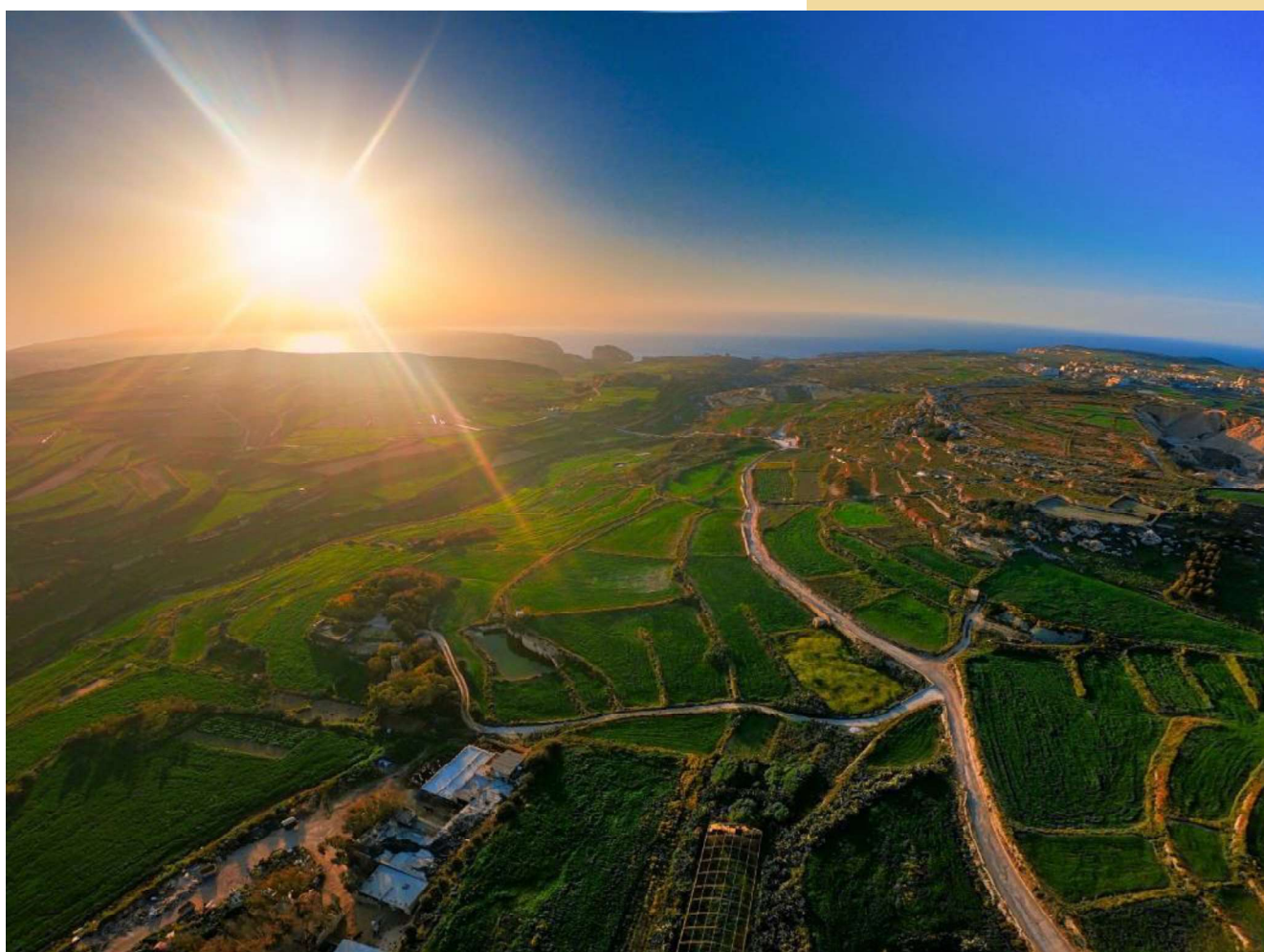


Figure I.2: Natura 2000 sites in Gozo



2. ANALYSIS OF THE TERRITORY



2.1. INTRODUCTION

2.1.1. This section provides the social, economic and environmental context of the territory, forming the basis on which the development of the strategy is based. It also describes the SWOT analysis based on the key features of the territory, the socio economic and environmental context, the review of policies applying to the area, the community and stakeholder consultations and the expert knowledge that was considered in identifying the key challenges and opportunities in developing the strategy.

2.2. ECONOMIC CONTEXT

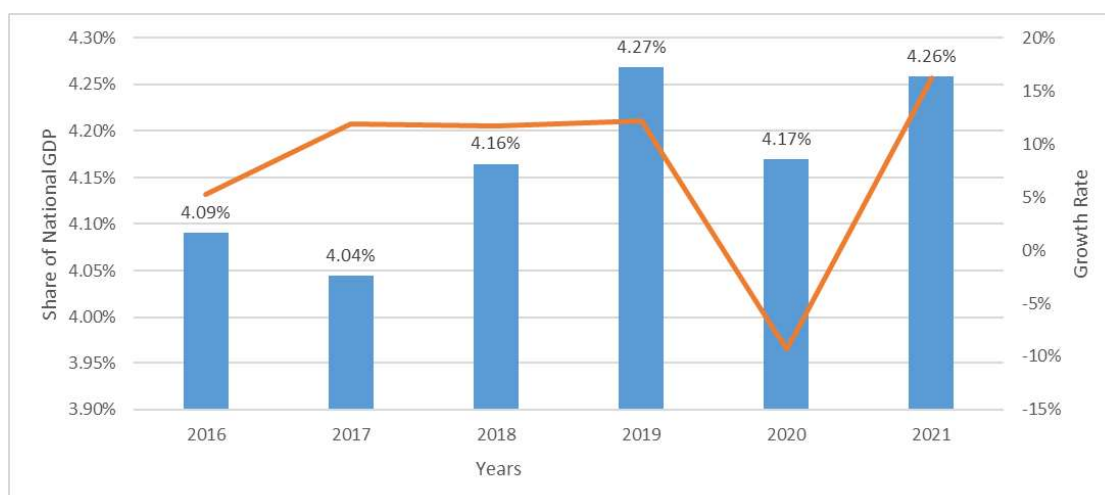
2.2.1. The latest available data for the Island Region of Gozo indicates that in 2021, Gozo had an estimated population of 39,287³ people, making up 7.6% of the total national population⁴. The economic output, measured by GDP at market prices, for Gozo in 2021, was €638 million, equivalent to 4.3% of the overall national GDP. This indicates that while Gozo's population represented 7.6% of the national total, its economic contribution, in terms of output and income, accounted for 4.3% of the national total. This underscores the significant role that Gozo plays in the national economy, despite the potential for further growth that has still not been fully realized.

2.2.2. Notwithstanding, there have been improvements as shown in **Figure 2.1** given that Gozo's contribution to the national GDP in 2021 was higher compared to 2016. This growth can be attributed to the fact that Gozo's average GDP growth rate, which stood at 6.8% per annum between 2016 and 2021, exceeded the average growth rate of the main Island of Malta, which was 4.8% per annum over the same period.

³ Census of Population and Housing 2021: Final Report: Population, migration, and other social characteristics (Volume I)
Date Published: 16th February 2023 and Regional Statistics, 2023.

⁴ National total refers to the total for Malta and Gozo

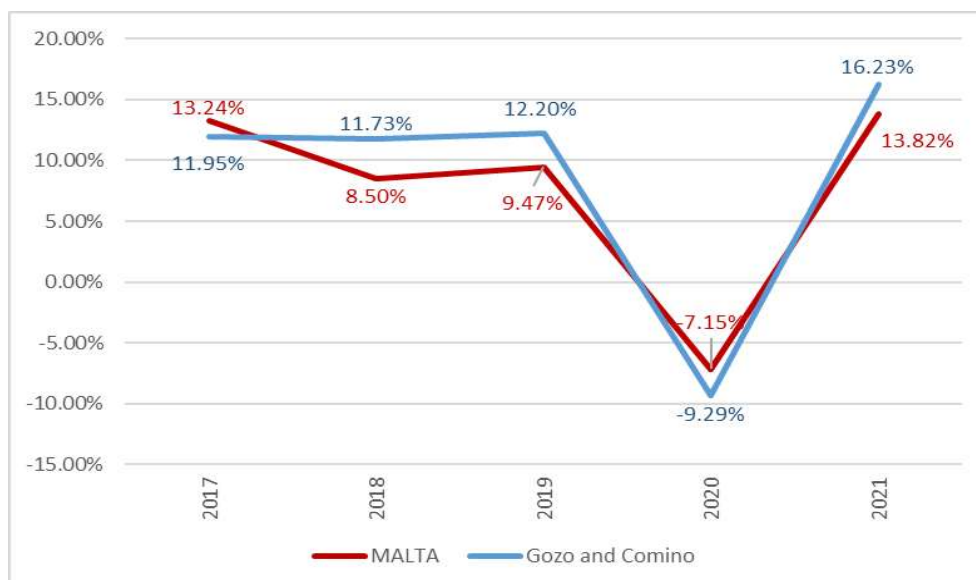
Figure 2.1: Share of Gozo GDP within national total and the Growth Rate



Source: Regional Statistics, NSO

2.2.3. **Figure 2.2** illustrates a notable decline in GDP growth in the year 2020 due to the impact of the Covid-19 pandemic, followed by a substantial rebound in 2021. Consequently, in 2021, Gozo achieved an impressive economic growth rate of 16.2%, surpassing the 11.9% growth recorded in 2017. Meanwhile, Malta's economic growth in 2021 reached 13.7%, up from 13.3% in 2017. This indicates that the Island of Gozo has been on an expansion trajectory, with significant untapped potential for further economic growth and investment opportunities.

Figure 2.2: Growth rate in GDP



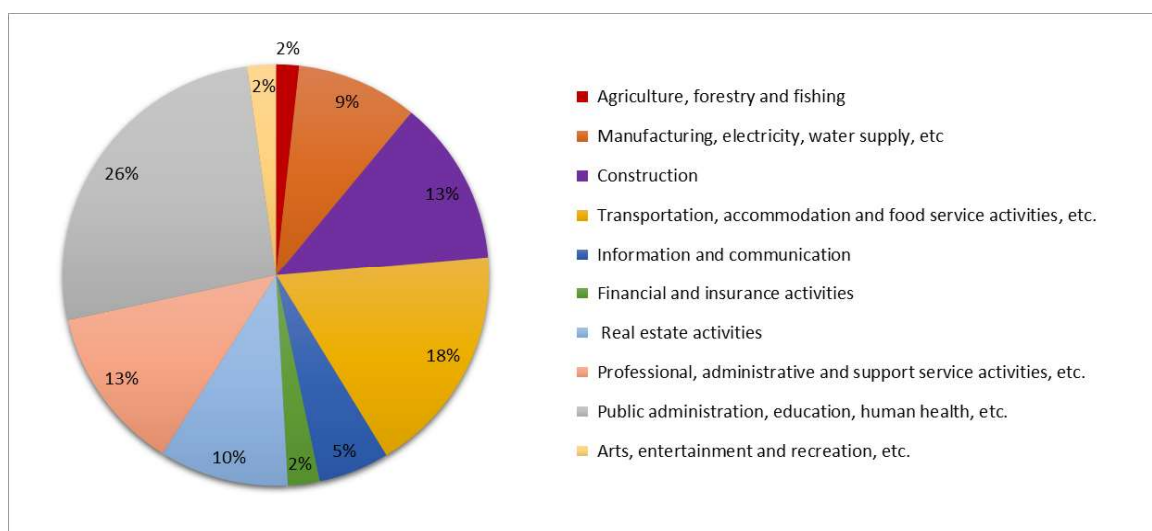
Source: Regional Statistics, NSO

2.2.4. In 2021, the unemployment rate in Gozo stood at 0.9% comparable to the rate in Malta. During the same year, the productivity per worker in Gozo stood at €38,217, whereas in Malta, it was €49,392. This means that the productivity per job in Gozo was approximately 77% of that in Malta, indicating that Gozo faces greater challenges in terms of human capital development.

2.2.5. The per capita annual output in Gozo in 2021 was estimated at €16,240, representing 56% of the national average, with limited evidence of Gozo catching up. This lower output per capita can mainly be attributed to the persistently lower employment rate in Gozo. Therefore, while improving job productivity is a significant concern in narrowing the development gap between Malta and Gozo, the creation of jobs within Gozo is an even more pressing issue. Gozo also has a higher concentration of lower-income households. In fact, the average household disposable income in Gozo was €30,321 in 2021, whereas in Malta, it was €32,752.

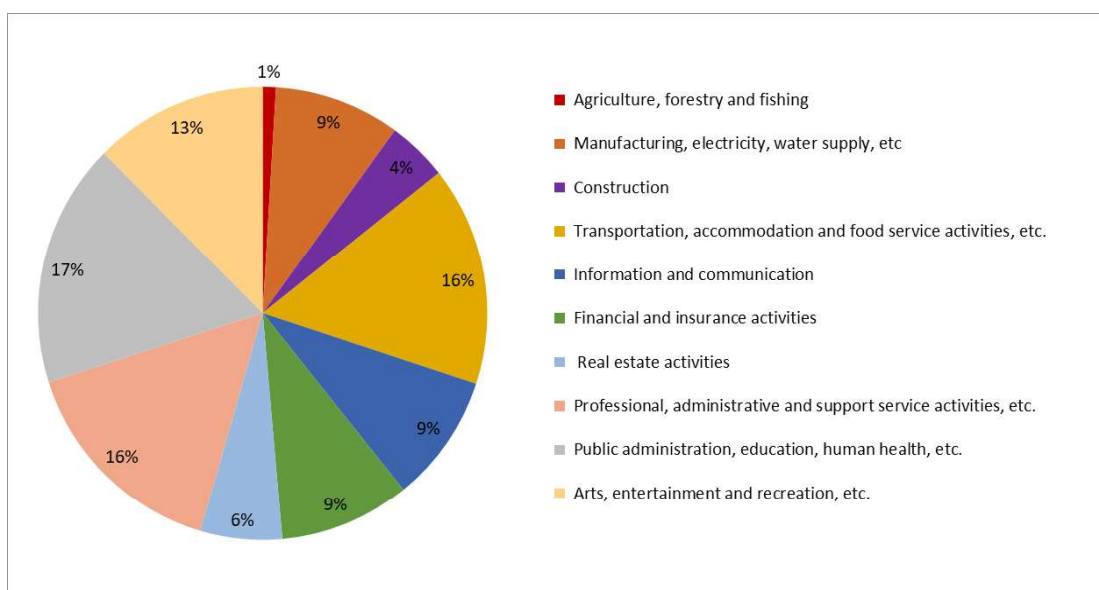
2.2.6. As depicted in **Figure 2.3**, the composition of economic activity in Gozo in 2021 was primarily centred around public administration, education, and human health, accounting for 26% of the total Gross Value Added (GVA), as well as transportation, accommodation, and food service activities, which make up 18% of total GVA. The agricultural industry represents a smaller portion, about 2% of the total GVA, down from 4% in 2014.

Figure 2.3: Gross Value-Added composition: Gozo (2021)



Source: *Regional Statistics Publication, NSO, 2023*

Figure 2.4: Gross Value-Added composition: Malta (2021)



Source: *Regional Statistics Publication, NSO, 2023*

2.2.7. An analysis of sectoral performance based on GVA reveals the following insights:

- The agricultural and fisheries sector contributes more value to Gozo's economy compared to Malta. However, in 2021, its contribution to the overall economy was one percentage point less than that of Malta's agricultural and fisheries sector.
- The construction and real estate sectors hold relatively more importance in terms of share of the economy's value in Gozo.
- Wholesale and retail trade, transportation, and tourism collectively play nearly equal roles in both the Gozitan and Maltese economies.
- Financial and insurance activities have a relatively smaller impact on the Gozitan economy.
- The professional, administrative, and support services sector in Gozo is less developed than in Malta.
- Public services activities have a higher significance in Gozo's economic activity.
- The arts, entertainment, and recreation sector, including the gaming industry, are significantly higher in Malta compared to Gozo.

Labour Market Developments

2.2.8. Labour market data for Gozo indicate positive trends in employment. In 2014, Gozo's unemployment rate stood at 6.9% but it has seen a significant decline, reaching an unemployment rate of 0.9% in 2021. **Figure 2.5** illustrates the unemployment rate from 2019 to 2021, highlighting the fact that while both Gozo and Malta face low unemployment rates, the rate in Gozo is slightly higher compared

to Malta. It is also to be noted that while this period is marked by the Covid pandemic, government support to maintain jobs supported the low unemployment rate.

- 2.2.9. In 2021, Gozo recorded a 6% increase in the labour supply while Malta experienced a 4% growth in its labour force.

Figure 2.5: Unemployment Rate



Source: *Gainfully Occupied and Registered Unemployment News Releases, NSO*

- 2.2.10. **Table 2.1** presents the FTE jobs in Malta and Gozo as distributed across the different economic sectors for the year 2021. On average, the number of FTE jobs in Gozo amounted to 10% those in Malta in 2021. The shaded area in the table indicates those economic sectors in which the employment in Gozo is significantly more pronounced relative to the average rate of 10%. These sectors are relatively more important for Gozo in terms of employment.

- 2.2.11. The table clearly highlights the reliance of employment on the agricultural and fisheries industry in Gozo. In 2021, the total number of FTE jobs in this sector amounted to 781, representing 3.4% of the total FTE jobs in Gozo. As a share of total jobs, the agricultural sector provides more jobs in Gozo relative to Malta. This is also indicated by the ranking of this sector in both regions.

- 2.2.12. The table also shows the low employment in the services sectors including arts, entertainment and recreation, information and communication, professional, administrative, and technical services, and financial and insurance activities. In each of these sectors, the FTE jobs in Gozo amount to an average of 7% of the jobs in the main Island. These sectors are typically of a higher value-added nature, implying that they produce a higher margin between the price of the final product and the cost of inputs used to produce them.

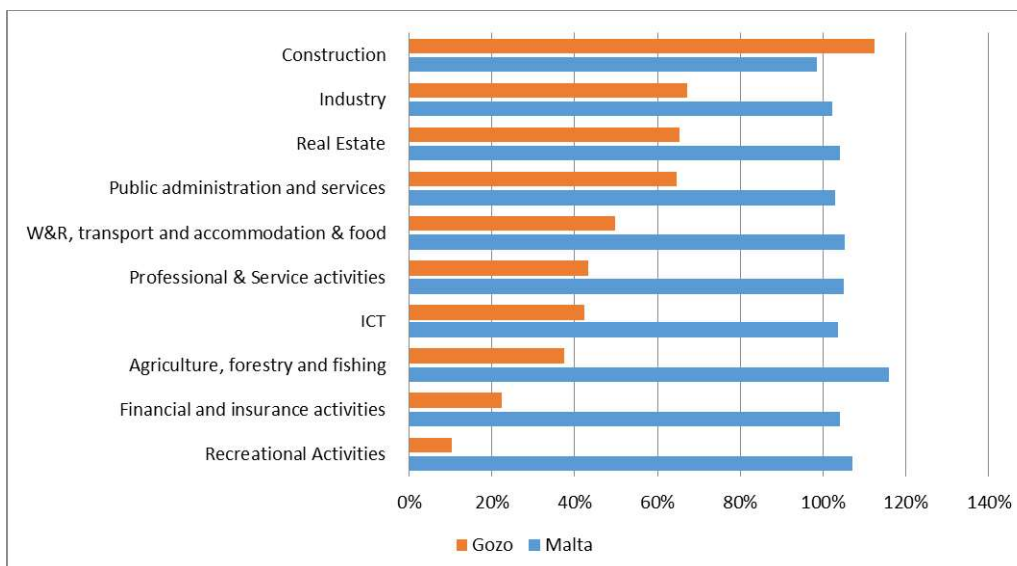
Table 2.1: Sectoral distribution of Full-Time Equivalent jobs within regions in 2021

Economic Sector	Gozo		Malta		Gozo:Malta
	Jobs	Rank	Jobs	Rank	
Agriculture, forestry and fishing	781	8	3,071	10	25%
Construction	1,736	4	15,185	7	11%
Real estate activities	309	11	2,595	11	12%
Public administration and defence; compulsory social security; education; human health and social work activities	5,859	2	54,945	2	11%
Wholesale and retail trade; repair of motor vehicles and motorcycles; transportation and storage; accommodation and food service activities	6,216	1	58,575	1	11%
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewerage, waste management and remediation activities	1,703	5	24,679	4	7%
of which: Manufacturing	1,538	6	22,368	5	7%
Arts, entertainment and recreation; repair of household goods and other services	1,509	7	18,845	6	8%
Information and communication	576	10	8,991	9	6%
Professional, scientific and technical activities; administrative and support service activities	3,750	3	42,813	3	9%
Financial and insurance activities	651	9	12,349	8	5%
Total	23,089		242,047		10%

Source: Gainfully Occupied, NSO

2.2.13. **Figure 2.6** presents the average productivity per FTE in each economic sector in Gozo relative to Malta. The figure clearly shows that the average productivity level continues to be lower in Gozo. The only sector in Gozo registering a higher average productivity than that in Malta is the construction sector, mainly triggered by the significant increase in the growth rate of the GVA of this sector in Gozo.

Figure 2.6: Productivity levels in Gozo in relation to Malta(2021)



Source: Regional Statistics and Gainfully Occupied Population, NSO

2.2.14. In 2021, average productivity per worker in Gozo declined by almost 20% over the previous year. The only sector which recorded an increase in the average productivity was the construction sector. This is in part due to the impact of the COVID-19 pandemic whereby all economic activities registered a slowdown except the construction industry. A decline was also registered in 2020 of around 12%, a decline from a 7% increase in 2019. This implies that Gozo has a long road ahead in terms of productivity not only to recover its own loss but also to catch up with Malta. As shown in the figure above, productivity levels are still below those registered in Malta for most of the sectors.

2.2.15. **Table 2.2** presents the growth rate in the productivity per worker over the year 2021. The lower growth can be mainly attributed to the unexpected events registered over the past three years including the COVID-19 pandemic.

Table 2.2: Growth rate in sector productivity per worker in 2021

Sectors	Growth rate 2020-2021	
	Malta	Gozo
Agriculture, forestry and fishing	62.4%	-18.8%
Mining and quarrying; manufacturing; electricity, gas, steam and air conditioning supply; water supply; sewerage, waste management and remediation activities	-1.8%	-3.6%
of which: Manufacturing	0.4%	-5.5%
Construction	-9.4%	-0.9%
Wholesale and retail trade; repair of motor vehicles and motorcycles; transportation and storage; accommodation and food service activities	-35.9%	-30.8%
Information and communication	-5.0%	6.0%
Financial and insurance activities	-5.6%	-7.9%
Real estate activities	-5.8%	-11.0%
Professional, scientific and technical activities; administrative and support service activities	-12.2%	-18.3%
Public administration and defence; compulsory social security; education; human health and social work activities	1.1%	-4.6%
Arts, entertainment and recreation; repair of household goods and other services	8.6%	-17.4%
Total	-9.0%	-12.2%

Source: *Regional Statistics and Gainfully Occupied Population, NSO*

2.2.16. The relatively lower employment prospects and lower labour productivity within Gozo could be mainly explained by a number of factors, including:

- Business Activity in Gozo is faced with a number of obstacles due to the challenges brought about by double insularity. This implies higher costs for entrepreneurs, leading to inefficiencies and loss in competitiveness.

The Extent of Access Problems faced by the economy of Gozo that are viewed as a critical deterrent to investment. Higher average travelling times are applicable to Gozo from a number of different points such as the airport and seaport, in comparison to Malta. For example, the average travelling time from the airport is estimated at 17.2 minutes for Malta in comparison to 94.1 minutes for Gozo which takes much longer due to the ferry crossing. This results in a 546% higher average travelling time for Gozo when compared to Malta.

- Higher seasonality element in Gozo’s economic activity. Gozo is less diversified in terms of the economic activities that the island engages in, making it more reliant on certain sectors, including the tourism services, construction and the agricultural sector. Tourism and agriculture, in particular, tend to be of a seasonal nature, thus making the Gozitan economy more sensitive to fluctuations in tourism hotel occupancy rates and seasonal climate behaviour. Lower demand for the tourism sector during the shoulder months, for instance, has the direct impact of reducing the demand for employment and thus potentially leading to a fall in income. The seasonal attribute of this industry spills over to other sectors as it translates itself in a decline in spending across different economic sectors. This implies that the second-round effects of this seasonal fall in demand for tourism services would impact the entire economy. This makes employment in Gozo relatively more seasonal and thus less secure.
- A lower rate of capacity utilisation evident by the lower rate of hotel occupancy in the tourism sector in Gozo as well as a lower ratio of hotel bed-nights per inhabitant when compared to mainland Malta. In 2022, according to the regional statistics publication, hotel bed-nights amounted to 3.8 nights per inhabitant in Gozo whilst that for Malta stood at 5.9 bed-nights⁵.
- Higher dependence on public sector employment. Latest available data show that full-time employment was predominant in the public administration and defence; compulsory social security; education; human health and social work activities. In 2021, the number of full-time persons employed in the public sector represented around 30% of total full-time employed population in Gozo against 19% for mainland Malta⁶. While contributing to further employment opportunities, the non-profit nature of public sector activities typically tends to act as a drag to growth in labour productivity.
- The lack of activity in Gozo within the major areas of growth for the entire economy of Malta over recent years. Gozo has, for many years, been associated with certain economic sectors such as agriculture and construction, which typically render less value added per input used to the economy. This requires not solely a greater focus on services industries but also putting to use the knowledge and experience that has been acquired in these sectors so as to provide more innovative products and services.
- The migration of younger, higher skilled individuals from Gozo to mainland Malta. A significant number of young Gozo residents who are University graduates seek employment opportunities in Malta and abroad.
- Female participation is relatively lower in Gozo. In 2021, the female participation

⁵ NSO Tourstat

⁶ Regional Statistics Publication, 2023

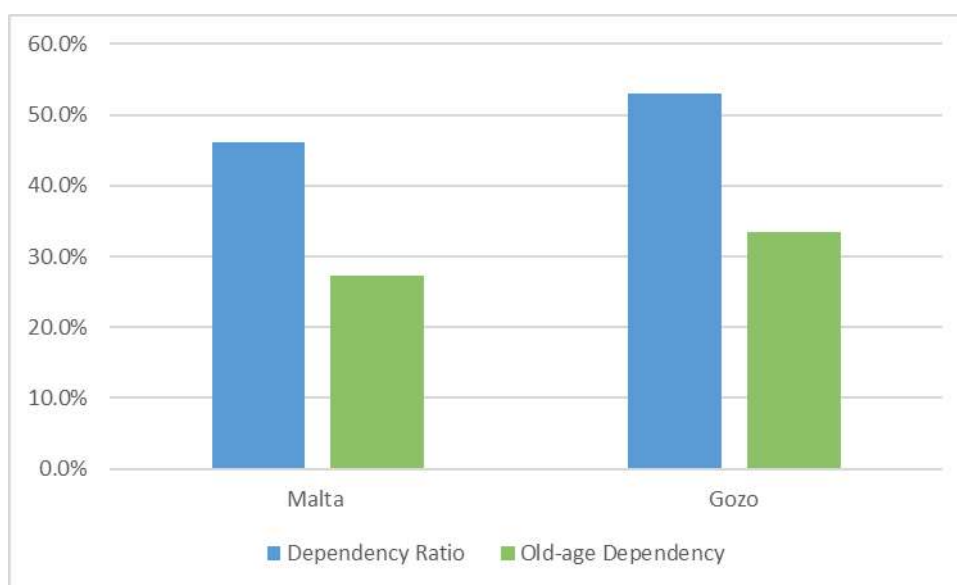
rate⁷ was around 84% in Malta and around 60% in Gozo⁸.

2.3. DEMOGRAPHIC AND SOCIAL CONTEXT

Population

- 2.3.1. In 2021, Gozo's population accounted for 7.6% of the total national population. The average age in Gozo was 43.8 years, which was slightly higher than the national average of 41.7 years. This demographic pattern is further highlighted in **Figure 2.8**, which provides insights into the dependency ratio and the proportion of elderly individuals.
- 2.3.2. An analysis of the demographic structure of the population highlights a more significant ageing challenge in the Island region of Gozo. The data clearly demonstrates that, in contrast to Malta, Gozo has a higher proportion of its population reliant on the working-age group. This may also reflect a situation where young workers prefer to work and reside in Malta due to greater job opportunities, as well as the lower commuting time and reduced travelling expenses.

Figure 2.8: Dependency ratio and old-age dependency ratio, year 2021



Source: Population Census, 2021

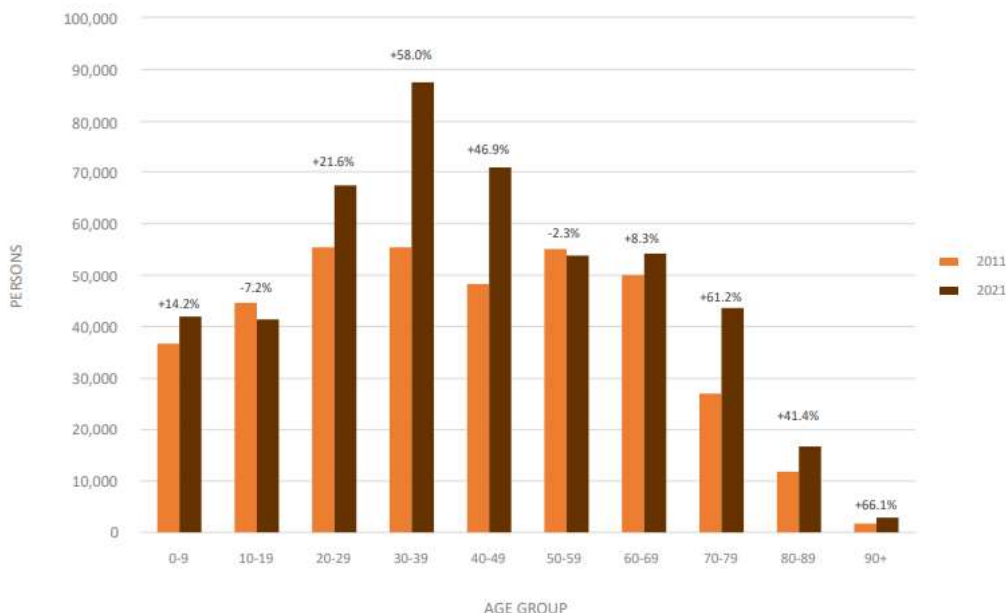
- 2.3.3. This trend is also evident through the composition of the population. Between 2011 and 2021, the highest percentage increases were observed in the age cohorts of 90 years and above, followed by the population aged 70 to 79. A similar pattern was observed in both regions, that is Malta and Gozo. In contrast, the age group between 10 and 19 experienced the most significant decrease, with a decline of 7.2% in the region of Malta and a more substantial decrease of 13.7% in the Gozo region. On the other hand, the population aged 0 to 9 witnessed a growth of 14.2% in Malta, while

⁷ The number of employed and self-employed females divided by the labour supply.

⁸ Figures are based on the regional statistics publication for 2023 and regional labour supply news release.

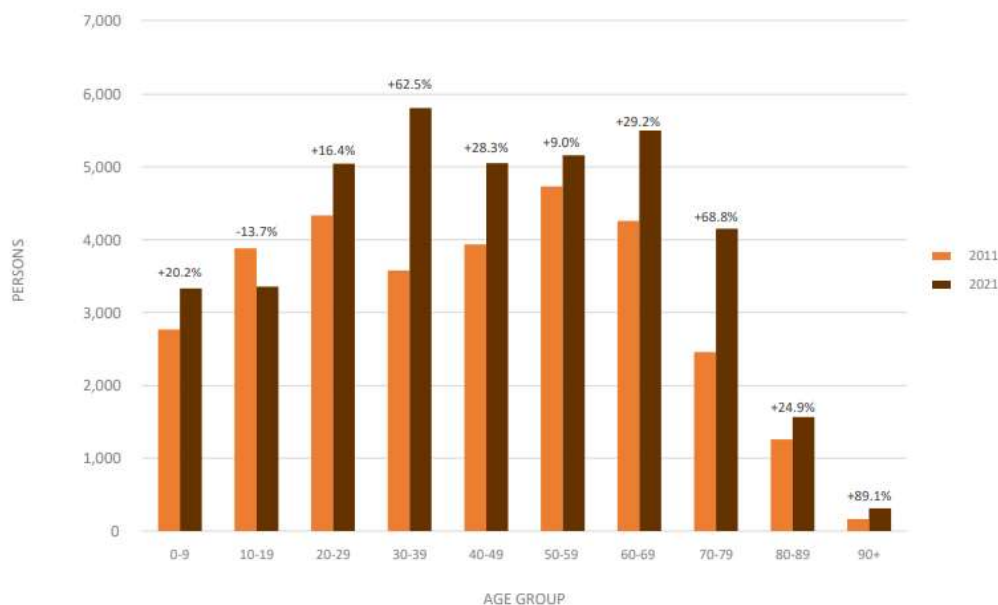
the Gozo and Comino region recorded an increase of 20.2% in the same age group. The following charts illustrate the changes in population cohorts between 2011 and 2021.

Figure 2.9 Changes in population structures in Malta region by age group



Source: Regional Statistics Publication, 2023, NSO

Figure 2.10 Changes in population structures in Gozo region by age group



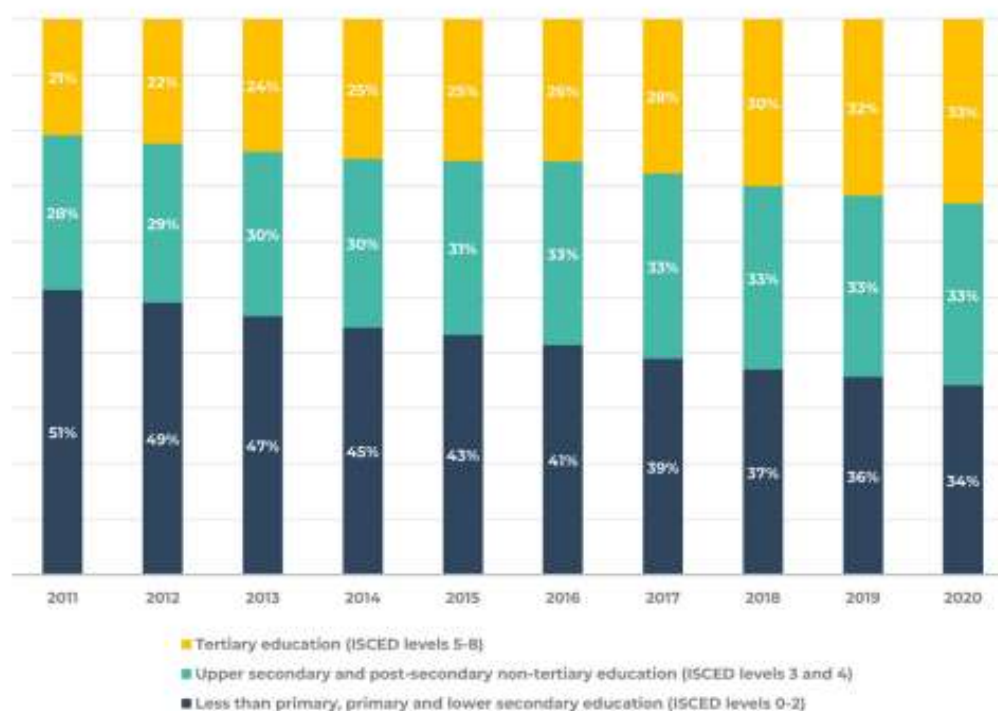
Source: Regional Statistics Publication, 2023, NSO

2.3.4. These demographic developments can have significant economic impacts, in terms of exerting a larger strain on the growth of output and productivity potential of Gozo.

Educational attainment

2.3.5. The educational attainment profile of the working-age population serves as a crucial indicator of the local skill supply quality. According to the 2023 Employment and Skills Report recently published by the GRDA, estimates reveal a decline in the percentage of low-skilled individuals in Gozo and those with less than primary education, over the ten-year period leading up to 2020 (as illustrated in **Figure 2.11**). Concurrently, there has been a consistent increase in the proportion of mid-skilled and high-skilled individuals. Despite gradual progress, when compared to mainland Malta, an unfavourable disparity still exists concerning the proportion of low-skilled individuals in Gozo.

Figure 2.11: Profile of Qualifications held by Working Age Population (Gozo).



Source: *Employment and skills report, 2023, GRDA*

2.3.6. The number of Gozitan students following courses at the University of Malta increased by almost 47% from the academic year 2019/20 to 2020/21. **Table 2.3** shows the number of University of Malta graduates in Gozo and Malta in different academic years. The number of graduates in Gozo in 2020/2021 amounted to 1.3% of the Gozo population whereas those for Malta represented 1.1% of the total population. Moreover, from 2019/20 to 2020/21, the number of graduates in Gozo increased by 56.9% compared to the 22.4% growth registered in the graduates in Malta.

Table 2.3: University graduates⁹

Region	2019/2020	2020/2021	Growth Rate
Malta	4145	5073	22.39%
Gozo	320	502	56.88%

Source: *Regional Statistics Publication, 2023*

- 2.3.7. Of the 1,990 Gozitan students following courses at post-secondary or tertiary level during 2020/21, 28% were engaged in Health and Welfare studies while around 19% were engaged in the area of Social Science, Business and Law¹⁰. These students tend to find better employment opportunities outside Gozo. For this reason, they typically seek employment elsewhere or leave Gozo entirely. It furthermore appears that education levels in areas where Gozo has a traditional vocation, including tourism, remain relatively low.

2.4. LAND COVER & ENVIRONMENTAL CONTEXT

Agriculture

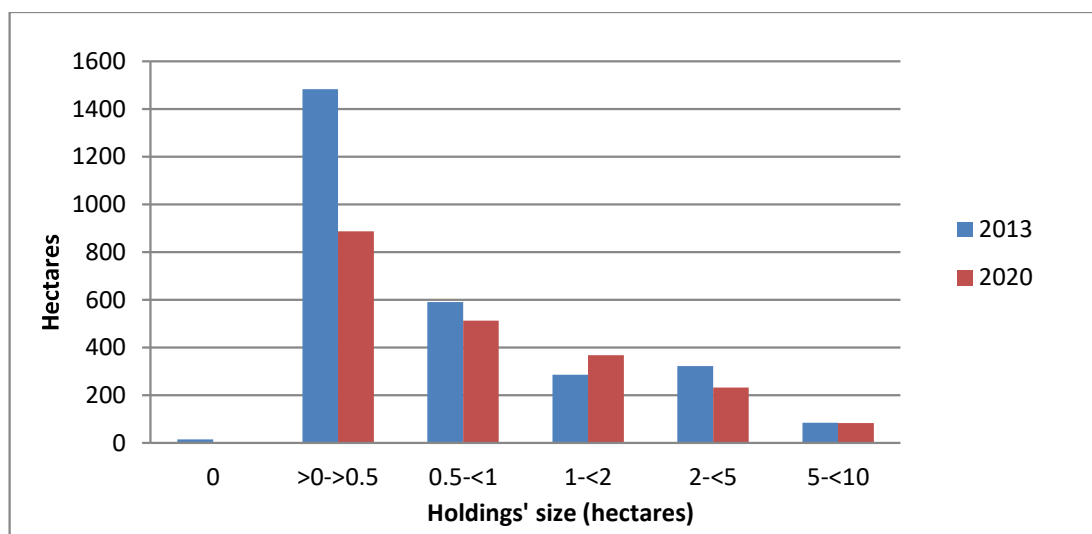
- 2.4.1. There is a total of 10,281 ha of utilised agricultural land at a national level¹¹. Gozo and Comino have 20.3% of this land. There has been a 17.5% reduction in the total utilised agricultural holdings area at a national level and a 25.1% reduction at a regional level when compared to 2013 figures.
- 2.4.2. The most common size of an agricultural holding at national and regional level in 2020 was less than 0.5 hectares. In Gozo, 887 ha of agricultural land consisted of holdings smaller than 0.5 ha, see figure below. This represents a reduction of 40.2% in holdings within this category.

⁹ MQF 6 to 8

¹⁰ Regional Statistics Publication 2023, NSO

¹¹ NSO (2022) Census of Agriculture 2020, p. 43

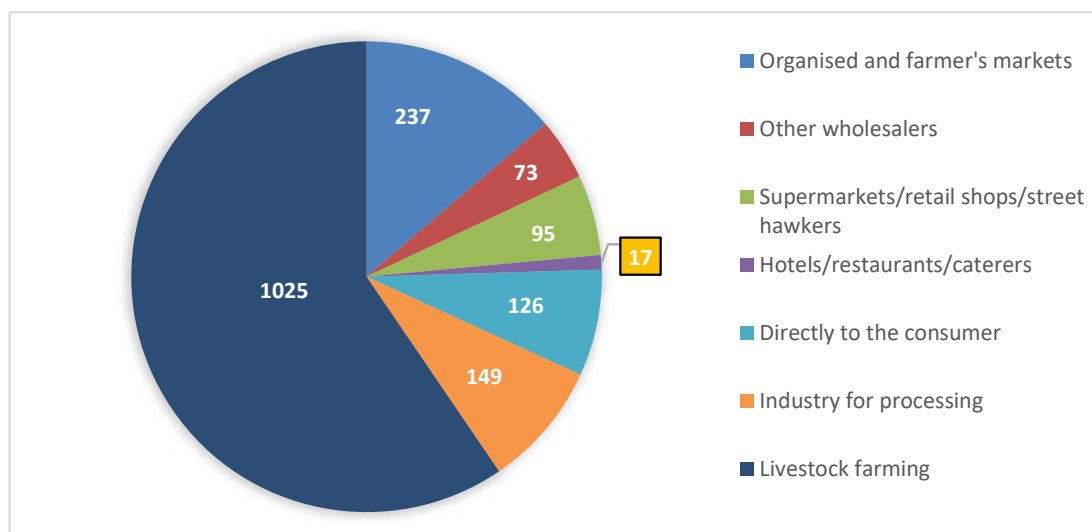
Figure 2.12: Agricultural land by holdings' size in Gozo and Comino (2013 vs 2020)



Source: NSO (2016) Agriculture and Fisheries 2014; NSO (2022) Census of Agriculture 2020

2.4.3. The main market niche for agricultural holdings both at a national and regional level were livestock farms with the figure below referring to the points of sale for the agricultural produce. The figure below is based on a total of 1,722 responses of which 1,366 were selling a share of their produce. It is important to note that the agricultural holdings selling a share of their produce, can sell it to different niche markets.

Figure 2.13: Number of agricultural holdings in the Gozo and Comino region and market niches



Source: NSO (2022) Census of Agriculture 2020

Livestock

- 2.4.4. Livestock refers to the raising of domesticated animals for food production. Livestock in Malta mainly refers to the raising of pigs, cattle, sheep and goats, poultry, and rabbits. The figure below presents the geographical distribution of farms on Gozo.
- 2.4.5. The Maltese Islands have a total cattle population of 14,447 heads of which, 5,996 are dairy cows across a total of 241 farms. Gozo has a total of 5,419 cattle heads (37.5 %) with the highest number of 2,883 dairy cows, that is, 38.9 % of the total dairy cow population in the Maltese Islands¹².
- 2.4.6. Sheep and goats are mainly used for milk production. The milk is mainly used for the production of the traditional cheeslets (ġbejniet). The Maltese Islands have a population of 16,177 sheep and 5,764 goats. Gozo represents the region with the highest concentration of sheep and goat population in the Maltese Islands¹³.
- 2.4.7. The Maltese Islands have a total population of 40,090 pigs, however the Gozo and Comino region has a small share of this population¹⁴.
- 2.4.8. In 2020, there were a total of 0.9 million poultry heads in the Maltese Islands. These consisted in 545,396 broiler hens (61.7%) and 338,516 laying hens (38.3%). There is a total of 111 broiler farms and 475 egg production farms. The Gozo and Comino region is the one with the highest concentration of poultry farms. However, in the case of the population of both broiler hens and laying hens, Gozo has a lower proportion of the total¹⁵.
- 2.4.9. Livestock farming is closely linked to waste management issues. The main problem in Gozo is that there is no waste treatment plant. Animal waste treatment is essential in the Maltese Islands because there is not enough land to make use of the generated waste. The use of the existing sewerage system for animal waste is a bad practice and results in infrastructural problems that have to be addressed¹⁶.

Fisheries

- 2.4.10. Gozo's main fishing village is L-Imġarr which is part of the Għajnsielem locality.
- 2.4.11. At the end of 2021, the Maltese Islands' fishing fleet consisted of 2,741 vessels¹⁷. This reflects a 6.9% decrease from the 2014 fleet size¹⁸. The designated port of L-Imġarr was the port that hosted the most fishing vessels i.e., 359 vessels.

¹² NSO (2022) Census of Agriculture 2020, p. 73

¹³ Ibid. p. 74

¹⁴ Ibid. pp. 77-78

¹⁵ NSO (2022) Census of Agriculture 2020, p. 79-80

¹⁶ Times of Malta (2019) Animal waste clogs and shuts down Gozo sewage treatment plant. [Accessed on 29 August 2023 - <https://timesofmalta.com/articles/view/animal-waste-clogs-and-shuts-down-gozo-sewage-treatment-plant.702036>]

¹⁷ NSO (2022) Transport Statistics 2022 (Reference Year: 2021), p.24

¹⁸ NSO (2016) Agriculture and Fisheries 2014, p. 120

2.4.12. In 2022, the total weight of fish caught at a national level was that of 2,552 tonnes for a value of €13,205,000. 10% of this was caught by vessels in Gozo.

Protected Areas and Biodiversity

2.4.13. Biodiversity consists of the variety and variability of the different living organisms. The different species and habitats constitute the basis of life-supporting ecosystems. The Maltese Islands have a rich biodiversity notwithstanding the islands' small size and the highly urbanised land cover. Terrestrial habitats include steppe, garrigue, maquis and woodland. These habitats have the potential of ecological succession, in this order. Ecological succession refers to a progression from one ecosystem to another. Other habitats include saline marshlands, rainwater rock pools, sand dunes, valley watercourses and rupestral communities, which include caves, cliffs and boulder shores.

2.4.14. The main threats to local biodiversity development in rural and marine areas include the introduction of alien species (including GMOs), and the exploitation of wildlife including illegal collection, hunting and trapping, littering and trampling.

2.4.15. Biodiversity is safeguarded mainly through the protection and management of sites and areas. The figure below illustrates the environmental designations for Gozo.

2.4.16. The Gozo and Comino region has nine terrestrial Special Areas of Conservation (SACs) of International Importance. These are:

- Iċ-Ċittadella;
- Il-Qortin tal-Magun u Il-Qortin il-Kbir;
- L-Inħawi ta' Ta' Ċenċ;
- L-Inħawi ta' Għajn Barrani;
- L-Inħawi ta' Dwejra u tal-Qawra, inluż Hġaret il-Ġeneral;
- L-Inħawi tar-Ramla;
- L-Inħawi tax-Xlendi u tal-Wied tal-Kantra;
- Kemmuna, Kemmunett, il-Hġriet ta' Bejn il-Kmiemen u l-Iskoll ta' Taħt il-Mazz; and
- Wied il-Mielah u l-Inħawi tal-Madwar

2.4.17. Furthermore, there are also three marine SACs:

- Żona fil-Baħar bejn Il-Ponta ta' San Dimitri (Għawdex) u Il-Qaliet
- Żona fil-Baħar bejn Il-Ponta tal-Ħotba u Tal-Fessej (Għawdex); and
- Żona fil-Baħar fl-inħawi tad-Dwerja (Għawdex).

2.4.18. Gozo has another two SACs of national importance. These are L-Għadira ta' San

Raflu in Kerċem and In-Nuffara Area.

2.4.19. The region includes five terrestrial Special Protection Areas (SPAs). These are:

- Kemmuna, Kemmunett, il-Ħagrjet ta' Bejn il-Kmiemen u l-Iskoll ta' Taħt il-Mazz.
- Rdumijiet ta' Għawdex: Id-Dawra tas-Sanap sa Tal-Ħajt;
- Rdumijiet ta' Għawdex: Il-Ponta ta' Ħarrux sal-Bajja tax-Xlendi;
- Rdumijiet ta' Għawdex: Il-Ponta ta' San Dimitri sal-Ponta ta' Ħarrux;
- Rdumijiet ta' Għawdex: Ta' Ċenċ; and
- Wied il-Mielah u l-Inħawi tal-Madwar

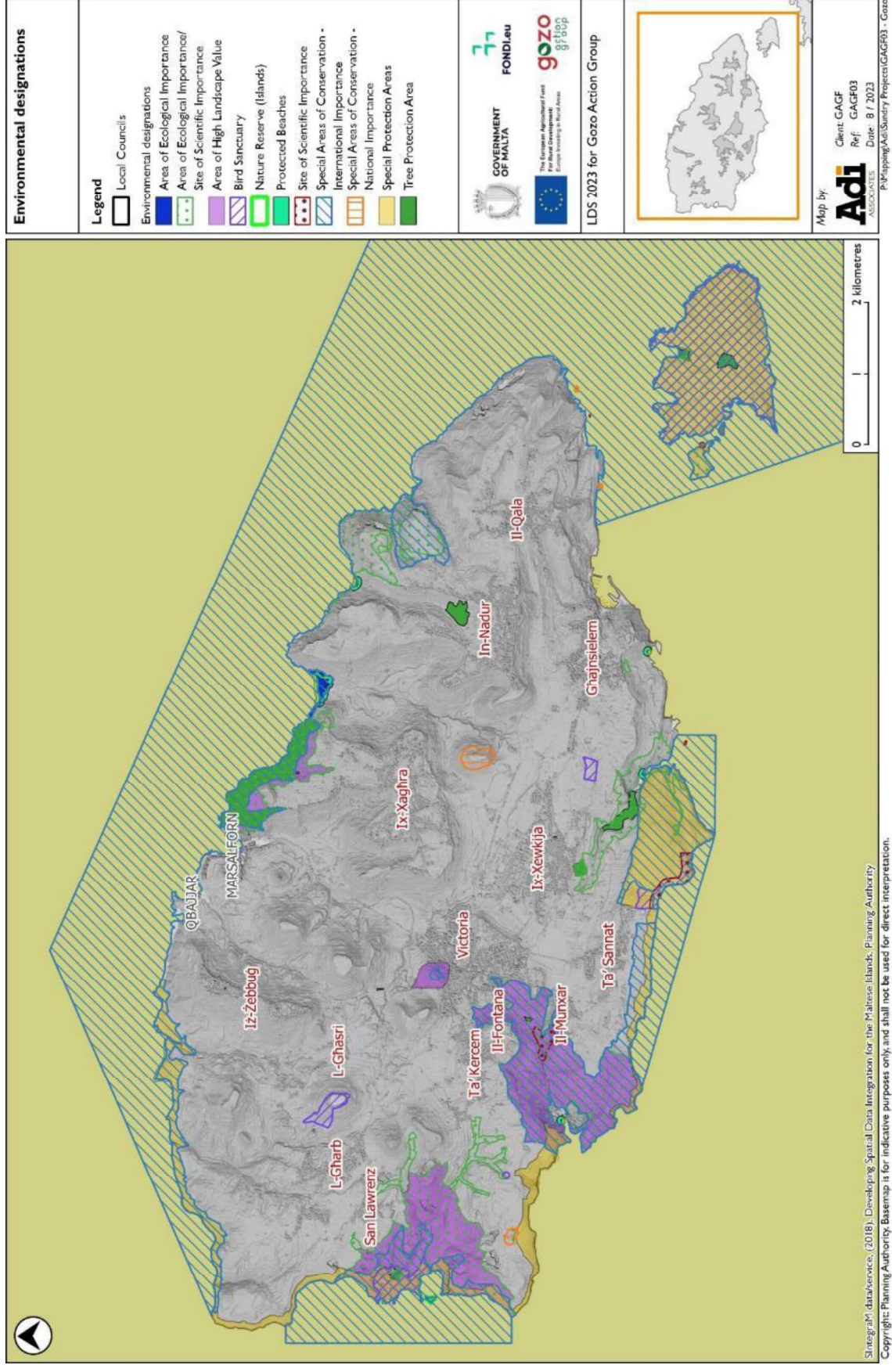
2.4.20. Furthermore, there is one marine SPA: Żona fil-Baħar madwar Għawdex.

2.4.21. Other environmental designations include: Areas of Ecological Importance, Sites of Scientific Importance, Tree Protected Areas and Bird Sanctuaries.

2.4.22. In 2011, a process for the management planning of all terrestrial Natura 2000 in the Maltese Islands was initiated. The result was the creation of a total of 22 management plans and eight conservation orders. These included five management plans and two conservation orders for Gozo and a management plan for Comino.

2.4.23. Common measures and actions that were presented in the management plans and conservation orders included: maintaining and/or extending of habitats, removal of alien species, site patrolling, restricting access in some areas whilst addressing access issues in other areas where access is not a threat to the habitats and species present, rehabilitating rural structures, limiting conflicting activities and undertaking studies on natural phenomena that impact the site (e.g. beach dynamics).

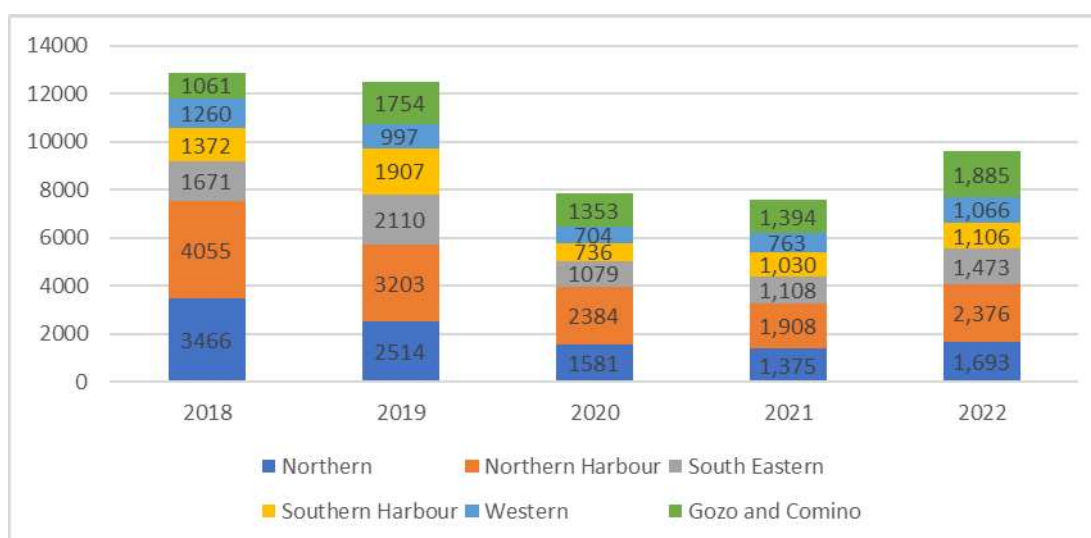
Figure 2.14: Environmental designations



Urban Development

- 2.4.24. There is increased awareness both nationally and regionally of the impact of over-development both in Malta and Gozo. Gozitan local councils, NGOs and the public have voiced their concern about this threat to the integrity of the island. The concerns revolve around the intensification of development, urban sprawl and a deterioration in the villages' aesthetic and landscapes of the island in general.
- 2.4.25. Statistics on approved residential dwellings in the last five years can be indicative of the increase in development and what has been permitted to be constructed in the upcoming months and years¹⁹. Whilst newly permitted dwellings increased by 23 % in Malta, between 2021 and 2022, in Gozo they increased by 35 %, only second to the western district (where a 40 % increase was recorded). It is noteworthy that in 2018 new dwellings permitted in Gozo accounted for 8% of the total new dwellings permitted nationwide, whilst in 2022 they accounted for 20 %. Whilst 2018 and 2019 represented a peak in development, there was a drop in approved residential dwellings in the following years, probably due to the impact of COVID-19. There was a general increase in 2022, however the increase at a national level could not be matched to the 2018 and 2019 levels. Nonetheless, in 2022, contrary to the national trend, Gozo reached the highest number of approved residential dwellings in absolute numbers. In 2018, the peak year from the last five years, the number of approved residential dwellings in Gozo was at its lowest, 1,061 new dwellings which increased to 1,885 permitted new dwellings in 2022,. These figures show that whilst nationally, there has been a slowdown in the increase in new dwellings, this trend is not reflected at a regional level in Gozo.

Figure 2.15: Approved new dwellings by district (2018-2022)



Source: NSO (2023) Regional Statistics 2023 Edition

¹⁹ NSO (2023) Regional Statistics 2023 Edition, pp. 144-145

Freshwater

- 2.4.26. Freshwater is a limited natural resource in the Maltese Islands. It is derived from rainwater percolating through the porous limestone rock and accumulating in aquifers from where it either seeps out from fissures in the rock or is extracted for agricultural use or human consumption.
- 2.4.27. There are two types of groundwater bodies: the mean sea level aquifer and the perched aquifer. The mean sea level aquifers are generally found in the Lower Coralline Limestone and are the result of the rain water's contact with the denser sea water. The perched aquifers are the result of percolation and infiltration of rainwater in Upper Coralline Limestone. The impermeable Blue Clay does not permit further infiltration thus creating a water table above it.
- 2.4.28. The Gozo and Comino region has two mean sea level aquifers: the Gozo Mean Sea Level groundwater body, which covers practically all Gozo, and the Comino Mean Sea Level groundwater body, which covers all Comino. The region also has five perched aquifers that take the name of their respective localities: Għajnsielem Perched, the Żebbuġ Perched, the Xagħra Perched, the Nadur Perched and the Victoria-Kerċem Perched, see figure below.
- 2.4.29. Malta has four main water sources: groundwater (61%); desalinated water from its reverse osmosis plants (29%); rainwater (7%) and treated wastewater (3%)²⁰. In 2022, water consumption in Gozo and Comino accounted for 7.8 % of the national consumption²¹. A 1.1 % increase in consumption was measured from the previous year. The Gozo and Comino region produced 2.9 million m³ of water in 2022. Interestingly, when the monthly water consumption of Malta and the Gozo and Comino regions were compared, it was clear that the consumption in Gozo and Comino is more influenced by seasonality, with well-defined summer peaks. The agricultural sector accounts for 37 % of the national water demand.
- 2.4.30. The Census of Agriculture 2020 showed that the main source of irrigation at a national level is the borehole / *spiera*²². In Gozo and Comino the main irrigation source are reservoirs, followed by boreholes / *spieri*. The Gozo and Comino region accounted for a total of 523 ha irrigated area in the census year, that is, 13.4 % of the total irrigated area. Land cultivated as kitchen gardens accounts for 44.6 % of the irrigated area. Kitchen gardens refers to land that is used to predominantly produce agricultural products for the holder and his household²³.

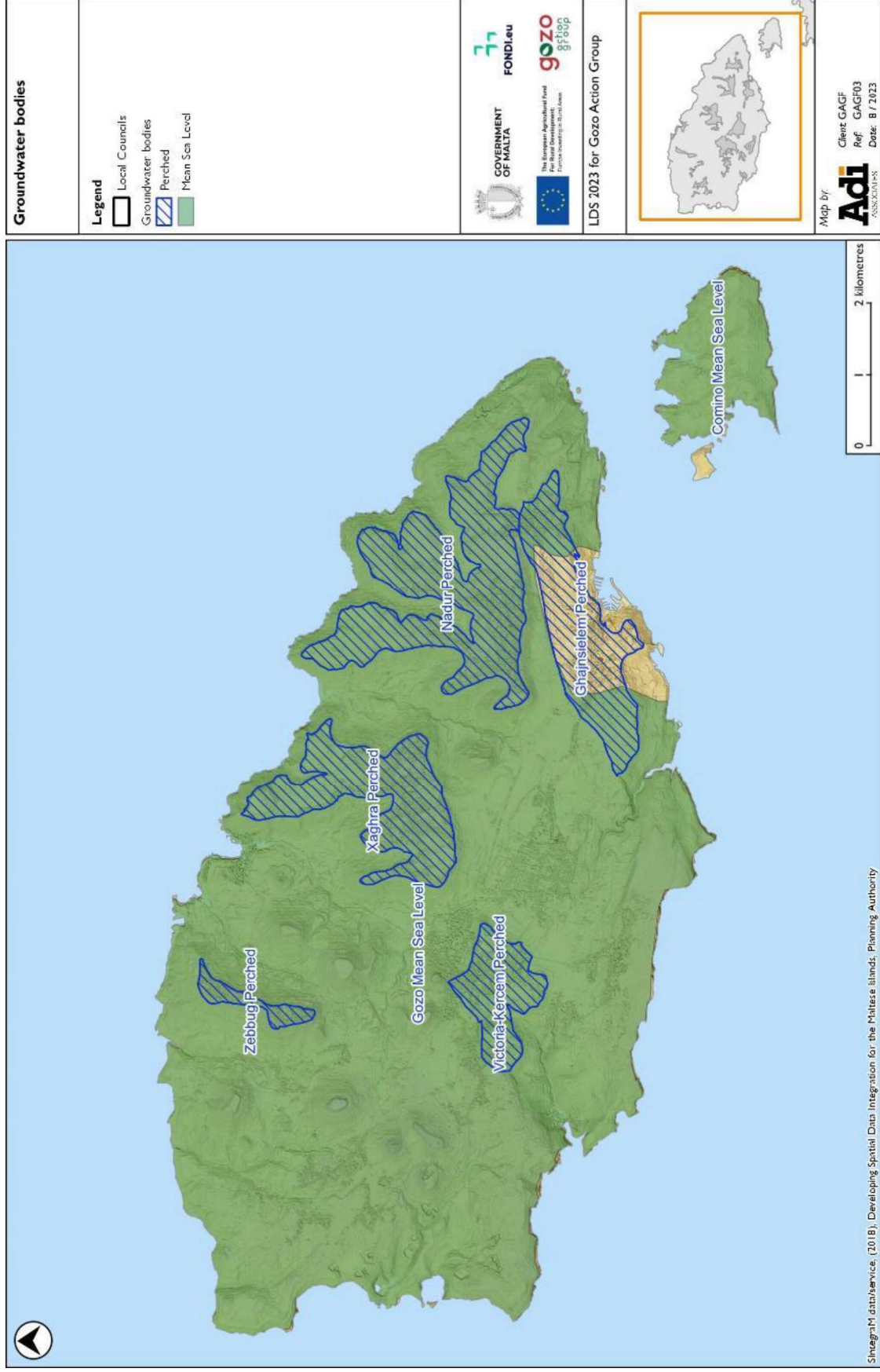
²⁰ ERA (2018) State of the Environment Report 2018: Summary Report

²¹ NSO (2023) Regional Statistics Malta – 2023 Edition

²² NSO (2022) Census of Agriculture 2020, p. 68

²³ Ibid, pp. 68-69

Figure 2.16: Groundwater bodies



Landscape

- 2.4.31. In 2004, MEPA published a Landscape Assessment Study. The Study presented and described 35 character areas for Gozo. The Gozitan landscape is predominantly agricultural but includes a number of settlements. The topography is steeper than Malta. The western coast is characterised by plunging cliffs whilst the eastern coastline is generally characterised by clay taluses. Pocket beaches are mostly found on the northern shore. The inland areas include plateaux and valleys.
- 2.4.32. The figure below is based on the Local Plan map showing the Areas of High Landscape Sensitivity.

Cultural Heritage

- 2.4.33. Gozo is rich in cultural heritage in different sectors: historical, traditions, etc.
- 2.4.34. Gozo's main historical landmarks are the Ċittadella in Victoria (Rabat) and the Ġgantija Temple complex, which is amongst the oldest free-standing buildings in the world and an UNESCO World Heritage site.
- 2.4.35. In addition to the main features mentioned above, there are also a number of places of cultural value, which are scheduled to ensure their protection and conservation. The figure below shows the scheduled features across Gozo and Comino.
- 2.4.36. Gozo also offers a number of cultural events such as festivals, village festas and local traditions. It also has a crafts village at Ta' Dbiegi, San Lawrenz.
- 2.4.37. There are two opera houses in Gozo – the Astra theatre and Aurora theatre, located on the same street in Victoria, which stage operas. The fiery rivalry between the two opera houses means that opera aficionados are never disappointed by the quality of the productions.

Figure 2.17: Areas of High Landscape Sensitivity

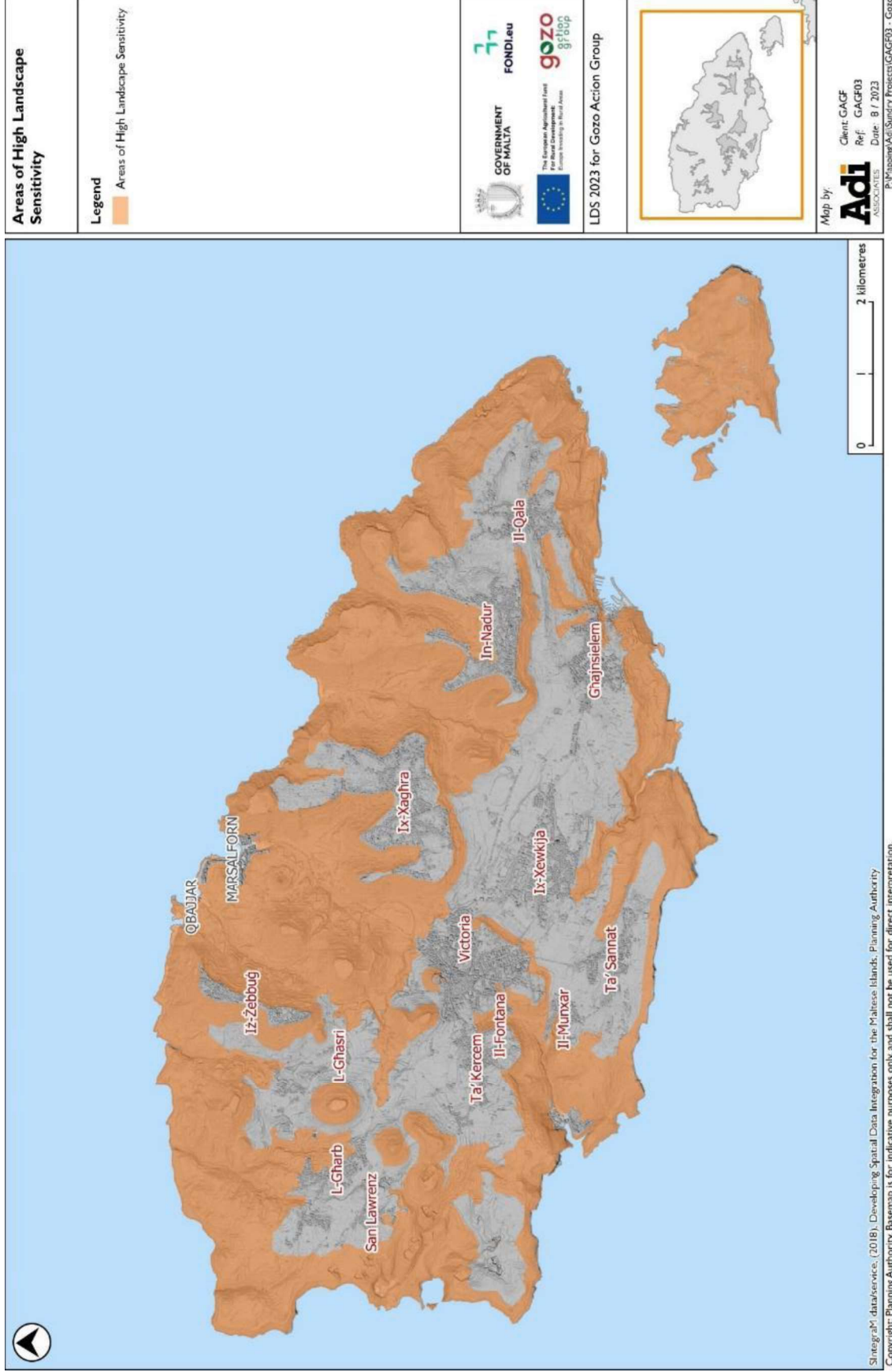
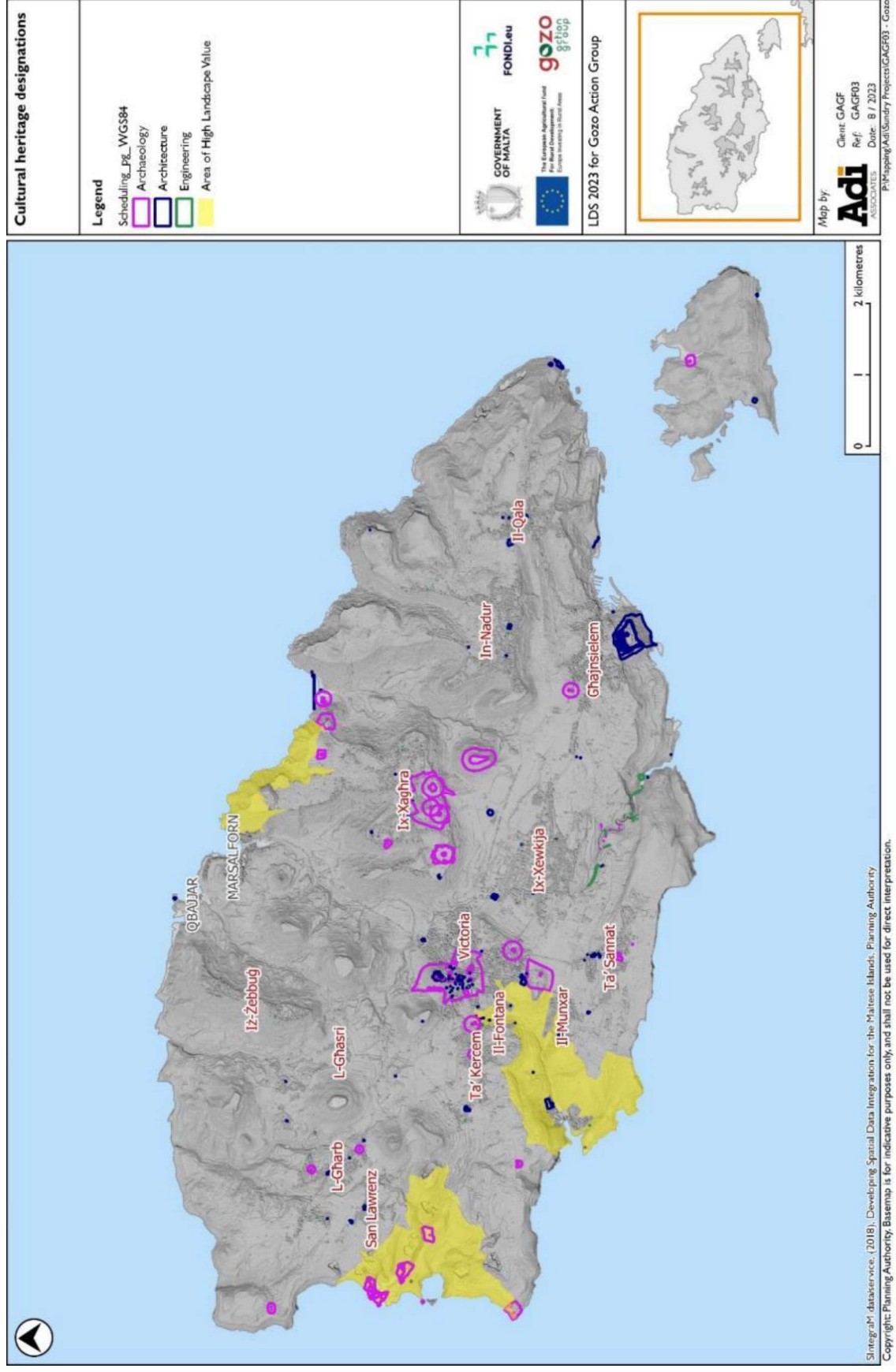


Figure 2.18: Cultural heritage designations



2.5. OUTCOME OF THE STAKEHOLDER ENGAGEMENT

2.5.1. As described in Section 4 of the LDS, the Strategy was formulated following an extensive public consultation programme. The following section describes the outcome of this public consultation exercise.

Group Stakeholder Events

2.5.2. The following is a summarised report of the discussion and feedback received from the stakeholder events, organised under the headings:

1. *What are the top 5 **requirements** which the LDS for Gozo should aim for?*
2. *Who are the top 5 **population groups** which the LDS for Gozo should target?*
3. *Which are the top 5 **types of interventions** which the LDS for Gozo should prioritise?*

2.5.3. In order to rank the requirements, stakeholders were given access to the three polling questions above and were requested to identify their top 3 preferences. The results are presented below.

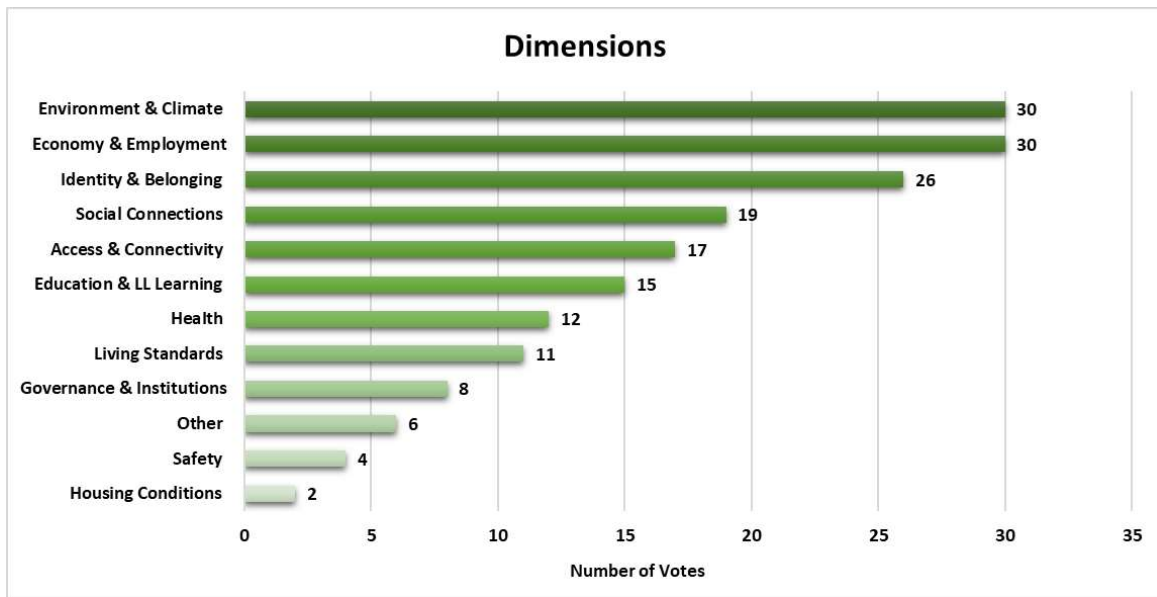
Top 5 requirements that the LDS in Gozo should aim for:

2.5.4. The top 5 requirements emerging from the initial public stakeholder exercise were:

- Environment and climate
- Economy and Employment
- Identity and belonging
- Social connection
- Access and connectivity

2.5.5. These are shown in **Figure 2.19** below.

Figure 2.19: Prioritized dimensions for the LDS emerging from public consultation



2.5.6. The following points on this topic emerged from the group discussions:

- Both the environment and climate are important and the willingness for Gozo not to become like Malta and remain intact is very evident.
- There is a lack of green open spaces in Gozo for families with children.
- Activism needs to increase and as does awareness on activism.
- The top 3 dimensions picked by the stakeholders are each affecting one another, starting from the economy and employment which is affecting the environment and Gozo's identity.
- Through the strategy, we can increase awareness and collectively improve the environment.
- Sustainability is an important issue.
- Transport and emissions related to it are a challenge.
- Water scarcity and cleanup of valleys should also be addressed.
- Another environmental issue in Gozo is air pollution, especially in Victoria.
- Despite a higher education attainment by Gozitans, highly qualified jobs are lacking in Gozo.
- The traditional skills and crafts in Gozo are being lost as the return is limited and these skills are no longer taught at vocational schools.
- Emphasis on the gastronomy sector including the use of locally produced goods,

wellbeing and health.

- A higher percentage of workers in the tourism sector are foreigners which may diminish the authentic experience in Gozo unless adequate training is provided.
- There are elderly people in Gozo who can pass on traditions to younger generations.
- Migration should be addressed through the strategy as third country nationals have become part of the Gozitan community.
- The lack of entertainment activities for youths on the island and elderly who are vulnerable to loneliness and social isolation.
- LEADER could support youths in entrepreneurship through funding.

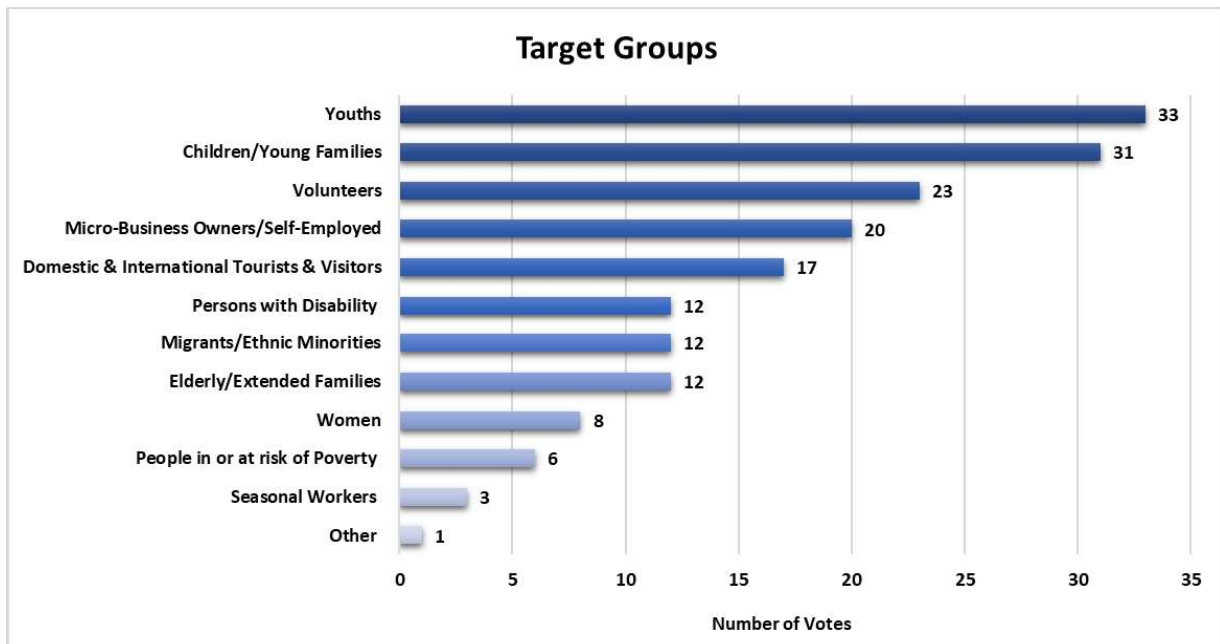
The top 5 population groups which the LDS for Gozo should target:

2.5.7. The top 5 population groups emerging from the initial public stakeholder exercise were:

- Youths
- Children / young families
- Volunteers
- Micro business owners / self-employed
- Domestic and International Tourists and Visitors

2.5.8. These are shown in **Figure 2.20** below.

Figure 2.20: Prioritized target groups for the LDS emerging from public consultation



2.5.9. The following points on this topic emerged from the group discussions:

- Gozo lacks youth volunteers. Volunteer groups need adequate premises and knowledge and resources to apply for funding.
- Training of traditional trades, skills and crafts can be a challenge because of lack of formal training of the trainers themselves.
- Inclusion is a very important aspect. Projects need to be inclusive and not just target one group.
- The use of animals as a form of therapy for vulnerable target groups.

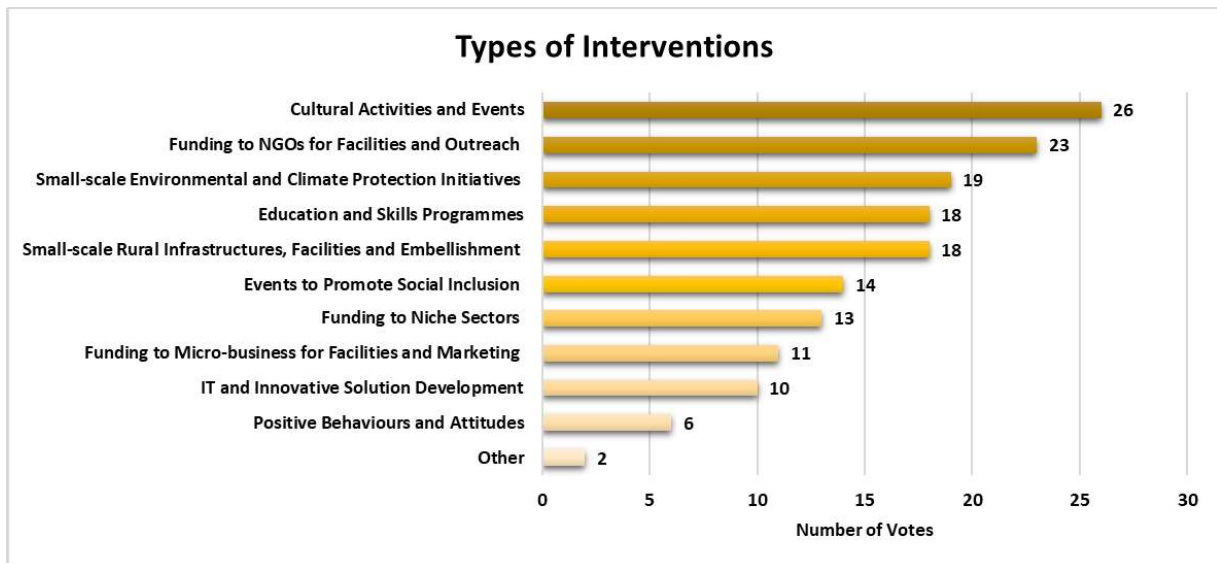
The top 5 types of interventions which the LDS for Gozo should prioritise:

2.5.10. The top 5 types of interventions emerging from the initial public stakeholder exercise were:

- Cultural activities and events
- Funding to NGOs for facilities and outreach
- Small-scale environmental and climate protection initiatives
- Education and skills programmes
- Small-scale rural infrastructure, facilities and embellishment

2.5.11. These are shown in **Figure 2.21** below.

Figure 2.21: Prioritized interventions for the LDS emerging from public consultation



2.5.12. The following points on this topic emerged from the group discussions:

- Funding is required for cultural events and activities to be maintained.
- The development of walking tracks, common signage in rural areas and rural infrastructure should be considered.
- Diving is a prominent activity in Gozo.
- An interpretation centre to showcase and promote activities that are unique to the island of Gozo, for example promoting Gozo as a film making destination.
- Local councils should come together to install uniform local signage across rural areas in Gozo to make such areas more attractive.
- Embellishment of playing fields and public gardens and the restoration of the cultural heritage assets.
- Local councils should work on the integration of migrants within the community and educate them, particularly on waste collection which is becoming an increasing challenge in Gozo.
- Small interventions and budgets should be considered in the LDS and partnerships should not be obligatory.
- Education and skills programmes to educate all ages and abilities.
- Youths can also research and tap skills from the elderly and use it to modernize traditional trade.

Report of the Stakeholder Interviews / Meetings

2.5.13. Various meetings were held with ministries and Government entities. The main aim of the meetings was to discuss policy areas, funding opportunities already available so

not to overlap and any gaps in funding that could be covered by the LEADER funding.

2.6. POLICY CONTEXT

- 2.6.1. This section describes the main policy documents that informed the formulation of the LDS. As shown below, the SWOT and needs of the LDS are in line with national documents and the direction taken in the LDS is based on the CAP SP for the Maltese Islands.

Common Agricultural Policy Strategic Plan

- 2.6.2. The CAP SP is the main EU funding instrument for supporting agriculture in Malta in complementarity with other EU funded interventions and investments. The CAP SP, with a total budget of approximately €166 million, builds on the types and patterns of support that were offered under previous CAP measures, direct payments and schemes.
- 2.6.3. The Plan covers the entire territory of the Maltese Islands and provides funding and support from 2023 to the end of 2027. It aims to maintain overall consistency with Malta's National Agricultural Policy for the Maltese Islands 2018 – 2028. In line with the new European Policies and Regulations for this period, the CAP SP for Malta supports all three general objectives outlined in the regulatory framework that aim to:
1. foster a smart, competitive, resilient and diversified agricultural sector ensuring long-term food security;
 2. support and strengthen environmental protection, including biodiversity, and climate action and contribute to achieving the environmental and climate-related objectives of the Union, including its commitments under the Paris Agreement; and
 3. strengthen the socio-economic fabric of rural areas.
- 2.6.4. CAP SP resources target the needs of the agricultural sector with the specific aim of providing adequate resources to meet future demands including environmental and climate objectives, new technologies and digitisation, fair income for farmers and workers, improving rural conditions, and improving farm resilience. Other commitments target organic farming systems, animal welfare awareness, the apiculture sector, eco-schemes and more sustainable agricultural practices as well as support for young farmers. Specifically on Gozo, initiatives supported through the CAP SP will be implemented in line with Government's commitment to earmark 10% of funds under Cohesion and Agricultural funds for Gozo, whereby the plan will address the needs of the agricultural sector in Gozo through several measures.
- 2.6.5. The SWOT analysis of the CAP SP identified emigration of young, highly skilled people from Gozo as a weakness specific to Gozo.
- 2.6.6. Strategic Objective (SO) 8 of the CAP SP under which the LEADER measures is programmed aims to *promote employment, growth, gender equality, including the participation of women in farming, social inclusion and local development in rural areas, including the circular bio-economy and sustainable forestry.*
- 2.6.7. SO8 will mainly fund local investment in community infrastructure and activities

under LEADER. The interventions that will be most relevant to this SO will include the development and update of the Local Development Strategy, together with the implementation of the LEADER programme that will be carried out by the Local Action Groups.

- 2.6.8. Whilst through LEADER, the CAP SP will support small projects in rural areas, the main aim of such efforts will remain the improvement and well-being of local communities. Such actions will enable local communities, including local councils, to further sustain the upkeep, services, accessibility, facilities and safety within such communities. Actions may also include small scale restoration/regeneration of areas, including maintenance of open spaces, with a view to foster socio-economic development.
- 2.6.9. Actions to encourage and promote community activities thereby enhancing social inclusion and equality under LEADER, as also identified in the LDSs, will contribute towards the wider ambitions of the national strategies.
- 2.6.10. These actions under this LDS are in line with the CAP SP objectives for LEADER as described above.

Integrated territorial Development Strategy for Gozo 2017-2020

- 2.6.11. The Integrated Territorial Development Strategy for Gozo provides an assessment of the development needs and identifies potential development areas for the Island. The Strategy includes a SWOT Analysis. It identifies that Gozo's good climatic conditions, island features, small size and natural habitats, as well as good workmanship and skills, various traditions and activities that are synonymous with Gozo, help to enhance Gozo's tourism attractiveness. Nevertheless, the island's small size and double insularity continue to present intrinsic weaknesses, which hinder Gozo's development such as the limited infrastructure capacity and economic feasibility for various interventions in Gozo. Whilst the island boasts a robust education system, the island's characteristics often lead to low skilled employment opportunities and a limited economic diversification on the island. These impinge on the increasing brain drain from Gozo, which leaves the island with skills mismatches and a shortage in labour supply.
- 2.6.12. The Strategy identifies the loss of youths from Gozo who seek better employment opportunities in Malta or abroad as leading to an increasing ageing population as well as a limited entertainment industry. In this respect, efforts to attract more youths to Gozo and the organisation of activities aimed at attracting quality entertainment facilities and services remain necessary for economic development. In addition, building on Gozo's unique identity the development of niche tourism markets will enable Gozo's shift towards more quality tourism (both domestic and foreign). Measures aiming to foster SME development remain imperative. The lack of broadband redundancy and limitations related to SME growth potential in Gozo continue to limit the island's economic development. In this respect, building on ongoing investment and by attracting new investment, including foreign direct investment, these weaknesses can be mitigated.
- 2.6.13. The Strategy notes that addressing Gozo's challenges with respect to its economic development must also be met with advances with respect to health, education and social infrastructure and services.

2.6.14. Efforts to improve Gozo's accessibility should remain a priority and the effects of surges in Gozo's population, particularly during the summer months and on weekends, are also increasing the strain on infrastructure. The promotion of renewable energy sources and energy efficiency to mitigate carbon footprint remain necessary. Rainwater conservation and capture as well as the designation of natural open areas, amongst others, will aid to protect and further promote Gozo's environment.

2.6.15. Diversification within the operations of the agricultural sector, including through better cooperation amongst farmers, incentives to attract new and full-time green jobs, particularly for young farmers, and better water management for agricultural purposes, also aim to provide the potential for further development within this sector. In addition, improved synergies between the tourism, agricultural, fisheries and maritime sectors are also necessary to fully exploit the potential emanating from the interaction of these sectors. Furthermore, efforts to attract new industries and further develop already established markets within the maritime sector, such as the diving sector, will continue to facilitate Gozo's shift towards a blue economy.

2.6.16. The Strategy provides a strategic direction for Gozo and the following development areas are identified:

- Fostering economic growth and job creation;
 - Support for SMEs;
 - Job creation in Gozo;
 - Facilitating working conditions for frequent commuters;
 - Investment in human capital;
 - Bringing policies in line with industry trends;
- Developing Gozo's unique identity;
 - Creating a brand for Gozo
 - Focusing on a quality tourism offering
 - Overcoming the dependence on seasonality
 - Enhancing traditional and cultural events and activities
 - Maximising tourist day trips and introducing evening trips
 - Preserving Gozo's natural environment
 - Maximising the potential of the agricultural, fishing and maritime sectors
- Facilitating accessibility;
 - Introducing alternative inter-island transport services
 - Improving port infrastructure and increasing port capacities

- Air connectivity
- Upgrading the road network
- Improving digital accessibility
- Promoting new services for a better quality of life
 - Improved health and social services
 - Adequate social infrastructure including sports and leisure facilities
 - Reducing social disparities through increased services and apposite training
 - Fighting illiteracy and providing modern facilities for primary education
 - Further and higher education
 - Promoting centres of excellence
 - Consolidating Gozo's administration.

Regional Development Strategy for Gozo 2021-2030

2.6.17. The Regional Development Strategy for Gozo 2021-2030 was published in September 2023.

2.6.18. The main aims of the Strategy are to:

- *Promote the regionality of the Island of Gozo and the re-valuing Gozo's characteristics;*
- *Serve as the territorial development strategy for Gozo for the period 2023-2027;*
- *Be consistent with other already established national, EU and global strategies.*

2.6.19. The vision for Gozo as presented in the strategic document has three main thematic areas, namely:

- *Promoting Sensible Use of Land and the Environment*
- *Re-aligning Economic Growth with Well-Being*
- *Re-Valuing Gozo's Identity.*

2.6.20. Under promoting sensible use of land and the environment are a number of themes and goals as follows:

- **Gozo Spatial Planning & Sustainable Urban Development**
 - Seek a better quality of life for the residents of Gozo and visitors alike;
 - Build on Gozo identity as an 'Island of Villages';
 - Achieve a natural network of accessible open spaces within the urban and rural environment for residents and visitors alike in which the island's

- biodiversity can thrive;
 - Provide opportunities for innovative methods of sustainable construction;
 - Ensure that the urban landscape of Gozo represents the rich communities that live within and offers opportunities for interaction and communication;
 - Encourage planning policies that safeguard and build an ecologically sustainable environment over the long term; one which contributes positively to the economic prosperity and quality of life of the present and future generations.
- **Infrastructure & Accessibility**
 - Create a safe and resilient infrastructure that is efficient for Gozo today and has a vision for its future needs;
 - Improve accessibility and connectivity to mitigate the negative insularity and increase the economy's productive capacity;
 - Build safe and enduring internal infrastructure enabling Gozo to boost competitiveness, including attracting inward knowledge-based investment;
 - Work closely with lead ministries responsible for implementing core backbone infrastructure;
 - Preserve Gozo unique characteristics and using this as a focal motive to generate more sustainable economic progress rather than rapid and short term expansion.
- **Rural Development**
 - Make rural Gozo a better place to live and work;
 - Valorise Gozitan food and produce as a brand and strengthen its value under the EU Framework on Geographical Indications (GIs) and Traditional Specialities Guaranteed (TSG);
 - Support farmers in building sustainable enterprises and, in doing so, increasing rural employment, particularly among the younger generation;
 - Encourage practices to counter climate change impacts;
 - Protect and enhance Gozo's biodiversity, natural, traditional and historical heritage;
 - Heighten Gozitan communities awareness and appreciation of our natural, traditional and historical heritage;
 - Hand over a sustainably managed environment to future generations.

2.6.21. The objective 'Re-Aligning Economic Growth with Wellbeing' includes a number of themes and goals:

- Economic and Human Talent Development
 - Continue to foster the diversification of the Gozitan economy;
 - Attract talent from outside the Island by offering a good business and lifestyle platform;
 - Close the development gap between Malta and Gozo by creating higher value-added employment;
 - Provide opportunities for start-ups and existing micro-firms better suited for Gozo's economic development;
 - Further enhance the excellence of Gozo's labour force by investing more in education and continuous professional development.
- New Economy
 - Foster the adoption of new technologies and digitalisation within traditional industries;
 - Develop an ecosystem of companies in the digital sector in Gozo;
 - Help attract businesses making use of green technologies;
 - Help create a conducive ecosystem for businesses to play a central part in the decarbonisation efforts;
 - Increase the overall competitiveness and resilience of the Gozitan economy;
 - Revigorated traditional activities through the adoption of new technologies.
- Sustainable Tourism
 - Spread more the number of visitors to minimise excessive pressure on the infrastructure and the natural environment;
 - Encourage the private sector to play their part in improving the Gozitan brand and product;
 - Increase destination loyalty and encourage return visits;
 - Shift from mass tourism towards higher quality tourism;
 - Create new 'anchor' attractions and leverage existing ones.

2.6.22. The themes and goals under the objective 're-valuing Gozo's identity' are:

- Social Development
 - Strengthen Gozo's society and its social capital;
 - Develop secure communities;

- Increase efforts to fight social exclusion and discrimination;
- Facilitate the acceptance of diversity and enable the inclusion of different ethnic and racial minority groups;
- Ensure an adequate social development infrastructure;
- Develop appropriate and effective responses to housing needs.
- Culture, Heritage & Arts
 - Enhance accessibility and connectivity to cultural heritage, resources and activities physically and through digitalisation;
 - Enable the right conditions for local talent to flourish;
 - Revitalise and repurpose heritage assets for new forms of cultural activities;
 - Enhance cultural connectivity and dialogue and strengthen regional cultural governance;
 - Promote a culturally distinctive Gozo;
 - Enhance economic diversification, enterprise stimulation and job creation through a more robust creative sector.

2.6.23. The last Chapter of the strategy is entitled Global Issues, Local Actions; it addresses sustainability, and climate neutrality. It goes on to support Gozo's active participation and commitment in the 100 Climate-Neutral and Smart Cities initiative.

2.6.24. While the LDS is cognitive of the above priorities and goals, and is generally in line with the direction provided by the Regional Development Strategy, it is obviously not expected to fulfil all the above goals also noting the scope of the LDS and the limited budget.

2.7. SWOT ANALYSIS

2.7.1. This section presents an analysis of the Strengths, Weaknesses, Opportunities and Threats (SWOT) of the Gozo region. The SWOT analysis provides a structured and holistic approach towards assessing Gozo's state of play by identifying internal factors, including the strengths and weaknesses of the region which are mostly of an inherent nature, as well as external factors in terms of potential opportunities and perceived threats that have a bearing on the socio-economic and environmental development of the region.

2.7.2. This analysis is primarily derived on the basis of desk research and on the basis of the policy documents outlined above, as well as discussions with local actors and other relevant stakeholders who have a stake in ensuring that Gozo's needs are being addressed. Indeed, the SWOT took into account feedback from stakeholders, including the GAGF Decision Committee. Desk research to derive the SWOT primarily consisted of a review of relevant literature, as explained above and data

sources including survey-based studies published by the GRDA²⁴ on various issues concerning Gozo, namely employment and skills, developments in agriculture and the tourism sectors. Most of the SWOT elements are also backed by the socio-economic and environmental context laid out in Sections 2.1 – 2.3 above. Although this provided a strong basis for the development of the SWOT analysis, it was further enhanced through a bottom-up approach whereby public consultations were undertaken as part of the process towards the development of the Community-Led Local Development Strategy.

- 2.7.3. The Strength, Weaknesses, Opportunities and Threats identified throughout this process have been categorised under 5 main elements, namely:
- 1) Economy;
 - 2) Environment;
 - 3) Social;
 - 4) Culture and Heritage; and
 - 5) Governance.
- 2.7.4. The SWOT analysis carried out for each of the abovementioned categories is also consistent with the CAP objectives upon which each country designed its CAP SP for the period 2023-2027. The specific objectives of the CAP primarily aim to create jobs and growth within rural areas, ensure a viable farm income, enhance market orientation and increase competitiveness, improve food value chains, agriculture and climate mitigation and adaptation, foster sustainable development and efficient management of natural resources and ensure safe, nutritious and sustainable food, as well as animal welfare. The CAP SP also seeks to address the single cross-cutting objective of the CAP SP towards fostering knowledge, innovation and digitalization within the agricultural sector.
- 2.7.5. The findings of the SWOT analysis, which were agreed with the Decision Committee on 11th August 2023, are presented in **Table 2.4**.

²⁴ <https://grda.mt/category-publication/discussion-papers/>

Table 2.4: SWOT Analysis

Categories	STRENGTHS				
	Economy	Environment	Social	Culture and Heritage	Governance
	<p>S.1 Prevalence of microbusinesses provides an extent of flexibility and resilience to economic shocks.</p> <p>S.2 Gozo is benefitting from a long-established, strong reputation for domestic tourism, as well as incipient activities in tourism niches that are consistent with Gozo's ecological model including agritourism and gastrotourism, amongst others.</p> <p>S.3 Strong recent development of infrastructure mainly related to tourism, agriculture and transport, with a significant contribution of EU funding.</p> <p>S.4 Gozo has a relatively higher share of tertiary education graduates potentially due to higher</p>	<p>S.5 Presence of unique natural environment including biodiversity assets, Natura 2000 sites with management plans approved by Government.</p> <p>S.6 Environmental capital is relatively more abundant and relatively well-maintained, also through EU-funded investment.</p> <p>S.7 Gozo offers a distinctive visitor experience owing to its beautiful coastline, sea and countryside, all of which provide an oasis of tranquility.</p>	<p>S.8 More pronounced sense of social cohesion and community ties as compared to the national situation.</p> <p>S.9 Elderly people with considerable amount of knowledge on traditions that could be transmitted to younger generations.</p> <p>S.10 Perceived enhanced quality of life for specific segments of the population including seniors and families with children, as well as national and international visitors.</p> <p>S.11 Safe and secure living environments.</p>	<p>S.13 Presence of a significant number of designated sites and tangible and intangible assets that are protected for their cultural heritage value.</p> <p>S.14 The strong presence of unique features of social congregation and traditional ways of commemorating religious, historical and cultural events.</p>	<p>S.15 Existence of specific Ministry to interact at national government level</p> <p>S.16 Active involvement in local government as a means for the improvement of quality of life.</p> <p>S.17 Strong presence of NGOs</p> <p>S.18 Existence of the Gozo Regional Council to participate in social dialogue at a national level.</p>

Categories	Economy		Environment		Social		Culture and Heritage		Governance	
		competition for opportunities.				S.12 Lower population density in comparison to national average				
WEAKNESSES	W.1 Accessibility issues which could result in loss of business and higher transport costs due to insufficient transport infrastructure. Detachment from core economic and social activity in mainland is often reflected in lower rates of capacity utilisation in tourism and manufacturing.		W.9 Lack of quantity and quality of water for irrigation.		W.13 Degentrification of population reflecting the emigration of younger workers and families to the main Island and elsewhere mostly due to insufficiently rewarding job opportunities.		W.16 Aging population could result in loss of traditions that are unique to Gozo.		W.19 Excessive fragmentation of NGOs and lack of partnership among Gozitan stakeholders with similar interests which is often characterised by small competing outfits with limited links with the business sector.	
	W.2 Emigration of youths, especially those with better education, resulting in lower labour force and skills drain.		W.10 Land fragmentation, negatively effecting profitability and sustainability of agriculture while creating strong conflicts between competing uses of land.		W.14 Social proximity could at times hinder openness to external cultural influences which could be beneficial to social development.		W.17 Exploitation of widely known cultural heritage sites, with the lesser-known ones being ignored especially by the tourism sector.		W.20 Smallness of public and private entities accentuate the cost of bureaucratic procedures on individual entities.	

Categories	Economy				Environment				Social				Culture and Heritage				Governance			
	Economy				Environment				Social				Culture and Heritage				Governance			
	<p>W.3 Smallness and peripherality limiting the reaping of economies of scale.</p>				<p>W.11 Unsustainability of certain practices in the agricultural sector especially related to emissions from waste management in livestock and lack of infrastructure to address waste management from agriculture</p>				<p>W.15 General lack of sufficient amenities for youths and young families including sports and recreational facilities.</p>				<p>W.18 Lack of purpose-built facilities where local artists can exhibit their work of art including drama, music, dance and other performing arts.</p>				<p>W.21 Insufficient statistical information on Gozo which can be used for studies and analysis to help identify Gozo's needs and priorities.</p>			
	<p>W.4 Low productivity, lower wages, high concentration of lower income households and, relative low investment rates as compared to the mainland.</p>				<p>W.12 Lack of open urban green spaces, a relatively high vehicle density coupled with shortage of parking spaces resulting in negative environmental externalities.</p>												<p>W.22 Fragmentation of business limits horizontal activities such as human resource activities and research and innovation.</p>			
	<p>W.5 Education efforts conflicted between the requirement to provide widely marketable skills and the need to create skills which can be specifically used in the narrow range of economic activities in Gozo.</p>																<p>W.23 Excessive proximity in social networks at times inhibits from proper and fair conduct of certain governance functions.</p>			
	<p>W.6 Seasonality in economic activity, with a marked drop in business during the winter season.</p>																			

Categories	Economy	Environment	Social	Culture and Heritage	Governance
	<p>W.7 Excess dependence on public sector and a few traditional economic activities including the tourism industry with limited economic diversification, restricting the variety of job opportunities.</p> <p>W.8 Very low presence of 'new economy' activity</p>				
OPPORTUNITIES	<p>O.1 Gozo's location and uniqueness can serve as an opportunity to develop niche markets, allowing for economic diversification.</p>	<p>O.8 Presence of under-valued sites whose amenity value could be increased through interventions.</p>	<p>O.11 Positive traits of Gozo's lifestyle could be promoted to wider audiences.</p>	<p>O.13 Widening of knowledge and appreciation of indigenous food and craft products, as well as sites could enhance cultural and natural heritage capital.</p>	<p>O.14 Stronger collaboration between stakeholders could produce an overall better utilisation of scarce resources. Challenges encountered in previous LEADER strategy implementation could be used as an opportunity to improve collaboration between relevant stakeholders.</p>
	<p>O.2 Economic value for tourism valorisation of Gozo unique characteristics through the creation of distinctiveness and innovative approaches. Gozo has a natural</p>	<p>O.9 Potential to invest in systems that address climate change adaptation including shifts towards low-carbon transportation and renewable energy sources.</p>	<p>O.12 Youth could be attracted to social activities through a modernisation effort by NGOs and other social actors.</p>		

Categories	Economy	Environment	Social	Culture and Heritage	Governance
	vocation to excel in providing an ecological brand for tourism and for residential investment.				
	O.3 Potential for further development of agricultural produce in terms of quality and variety for niche markets.	O.10 Limit built-up area by retrofitting and renovating old and derelict properties.			
	O.4 Improvement in connectivity could open opportunities for 'new economic' activities.				
	O.5 Unexploited potential of youth entrepreneurship				
	O.6 Gozo's potential as a test-bed for research, development and testing of innovative technologies and solutions.				

Categories	Economy	Environment	Social	Culture and Heritage	Governance
	<p>O.7 Gozo's potential as a digital nomad destination of choice where nomad workers can perform their jobs in a peaceful and quiet ambience equipped with robust digital connectivity, good accommodation and business friendly policies.</p>				
THREATS	<p>T.1 Excessive dependence on a limited number of sectors may lead to individual shocks having severe repercussions.</p>	<p>T.5 Vulnerability to climate change</p>	<p>T.8 Development of economic activities in a manner that is incompatible with the valorisation of Gozo's lifestyle.</p>	<p>T.10 Development of economic activities in a manner that is incompatible with the valorisation of cultural and natural heritage sites.</p>	<p>T.11 Excessive fragmentation and inappropriate use of proximity could deteriorate the efficiency of resource use.</p>
	<p>T.2 Vulnerability of agriculture to climate conditions.</p>	<p>T.6 Development of economic activities and overdevelopment in a manner that is incompatible with the valorisation of Gozo's natural environment.</p>	<p>T.9 Increased anti-social behaviour, crime and social issues which have an impact on Gozo's unique identity.</p>		
	<p>T.3 Dependence on national political decisions for the undertaking of substantial investment which will be required in coming years to sustain and improve connectivity.</p>	<p>T.7 Pressure on the carrying capacity of the island.</p>			

Categories	Economy	Environment	Social	Culture and Heritage	Governance
	<p>T.4 Careers in traditional activities are perceived to be inferior by workers and students inhibiting the restructuring to higher value-added niches within such activities.</p>				

- 2.7.6. The strengths identified under each of the abovementioned categories play a pivotal role in safeguarding the region of Gozo against potential threats. For instance, Gozo's excessive dependence on a limited number of sectors makes the economy more vulnerable to external shocks with severe repercussions. Nonetheless, its long-established, strong reputation for domestic tourism and incipient activities in tourism niches present an opportunity for Gozo to diversify even further within these industries, bolstering their resilience in the face of external shocks. Exploring new markets which are consistent with Gozo's ecological model through the creation of distinctive and innovative approaches could potentially reduce the vulnerability of the agricultural sector and other small sectors and foster job creation. Gozo's location, uniqueness and its potential to serve as a testbed for innovative solutions also offer the best opportunity for businesses and especially youth entrepreneurs to venture to Gozo.
- 2.7.7. Beyond economic considerations, this SWOT analysis highlights the profound sense of community and belonging within the Gozo region, underlining the role of a safe and secure environment in enhancing overall quality of life particularly for specific segments of the population including seniors and families with children as well as national and international visitors. In spite of this, Gozo lacks adequate amenities including open spaces, recreational facilities which could be enjoyed by young families and youths towards enhancing the quality of life in Gozo.
- 2.7.8. The region's environmental capital also stands out, being relatively abundant and well-preserved. Gozo offers visitors a truly distinctive experience, with its captivating coastline, serene sea, and picturesque countryside combining to create a tranquil environment.
- 2.7.9. However, it grapples with significant weaknesses, such as a scarcity of high-quality irrigation water, land fragmentation issues that adversely affect agricultural profitability and sustainability, and unsustainable agricultural practices, particularly related to waste management and infrastructure. Green spaces are limited, and a high density of vehicles contributes to adverse environmental effects.
- 2.7.10. Despite these challenges, Gozo holds promising opportunities, including the potential to enhance the value of undervalued sites through strategic interventions. Nevertheless, it remains vulnerable to climate change and grapples with the strain on its carrying capacity, both of which demand careful attention for the island's long-term sustainability.
- 2.7.11. In the realm of culture and heritage, Gozo possesses a significant array of designated sites, tangible and intangible assets, all cherished for their significant cultural heritage. Challenges emerge as the population ages, potentially leading to the erosion of Gozo's distinctive culture and traditions from one generation to the next. Nonetheless, there are significant opportunities for Gozo to facilitate the exchange of cultural and traditional values between different demographic cohorts to broaden awareness and appreciation of Gozo' traditional and historical heritage amongst Gozitan communities and visitors alike.
- 2.7.12. The existence of a dedicated Ministry facilitating interaction with the national government, active local government participation, a robust presence of NGOs, and

the Gozo Regional Council's engagement in national-level social dialogue are among the strengths identified with respect to Governance in Gozo. Opportunities for improvement emerge from stronger collaboration among stakeholders, promoting more efficient resource utilization to address the excessive fragmentation that is present in Gozo, often resulting in small competing entities that are working towards the same aims.

- 2.7.13. The conversion of weaknesses into opportunities would require innovative approaches that are underpinned by strong collaboration between all actors involved, creating a virtuous circle of demographic and cultural regeneration based on the retention and attraction of talent within the younger population.

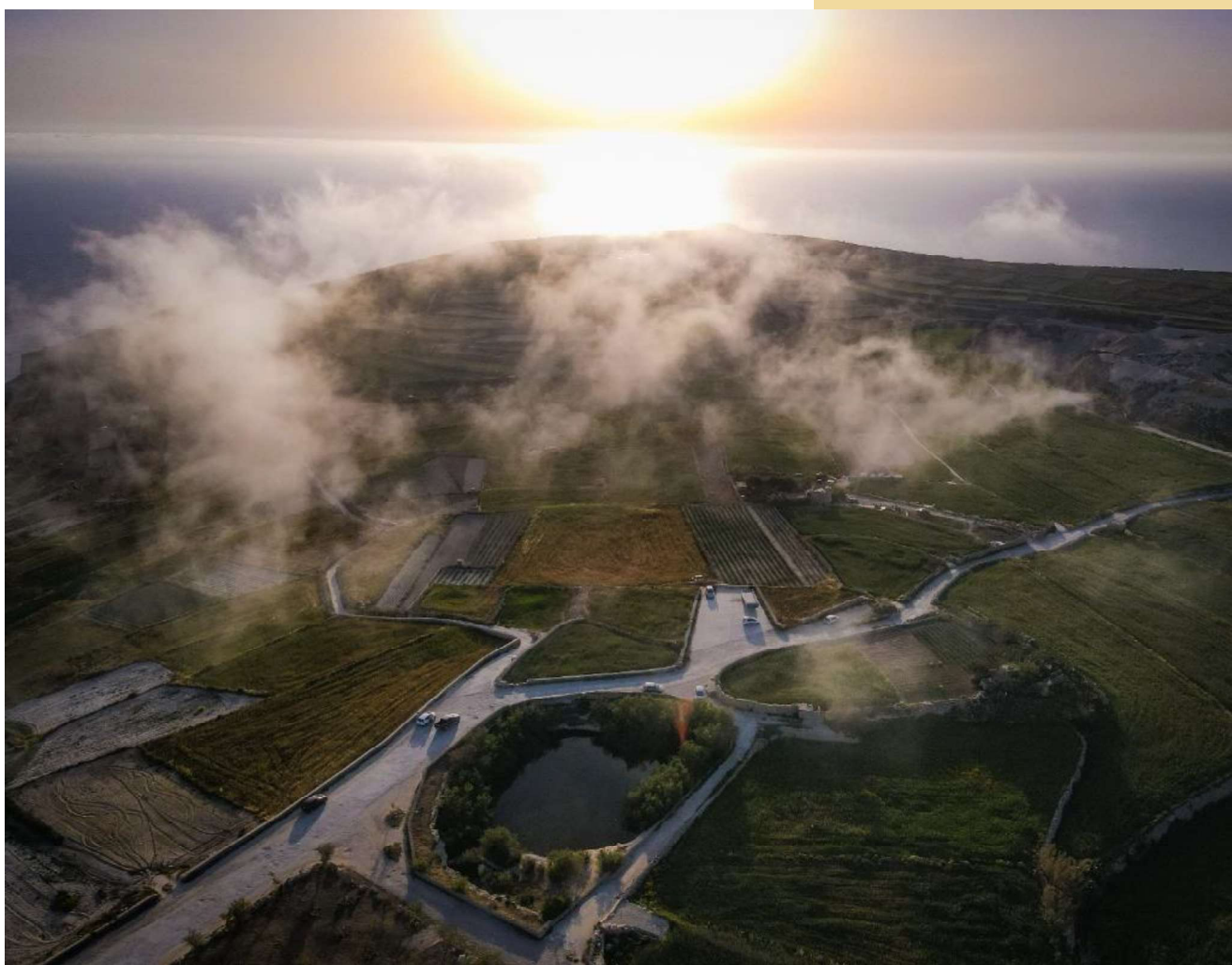
2.8. IDENTIFICATION OF NEEDS

- 2.8.1. This section identifies the needs of the region, which ultimately contribute to the design of actions to address these needs (**Table 2.5**). Gozo's specific needs and the objectives of the strategy are in turn derived from the SWOT analysis. On this basis, the following needs were identified:
- N.1 'New Economy Activities' – This reflects the need for the development of innovative and new economic activities as well as the diversification of existing sectors into complementary yet distinctive niches of economic activity which are conducive to the economy of Gozo.
 - N.2 'Youth Entrepreneurship' – This reflects the need to retain and attract talent while also driving business success in Gozo through the provision of adequate opportunities for the younger generation to thrive in Gozo.
 - N.3 'Agriculture & Environment' – This reflects the need to valorize, protect and enhance the contribution of the agricultural sector also through innovative approaches towards ensuring the sustainability of the sector in line with the strategic objectives of the CAP SP.
 - N.4 'Climate & Environment' – This reflects the need to preserve and protect our environmental resources through actions that are aimed at mitigating or adapting to climate change and the amelioration of our natural assets.
 - N.5 'Gozo Lifestyle' - This need emphasizes the importance of promoting Gozo's enhanced way of life perceived through a tranquil ambiance and secure and safe environment.
 - N.6 'Cultural Heritage' – This reflects the need to accentuate and promote unique heritage that can only be found in Gozo and valorise the distinctive contribution to national assets.
 - N.7 'Traditional Values' - This reflects the need to facilitate the exchange of traditional values between different demographic cohorts and instill an appreciation of local traditions, skills and crafts which are at risk of being lost from one generation to the next.

Table 2.5: Gozo needs

NEEDS WITH SPECIFIC RELEVANCE TO LEADER PROGRAMME				
N.1 'New Economy Activities'	N.2 'Youth Entrepreneurship'	N.3 'Agriculture & Environment'	N.4 'Climate and Environment'	
<p>The need for the development of new economic activities and the diversification of existing sectors into new niche segments which:</p> <ul style="list-style-type: none"> (i) Generate better job opportunities for Gozitan workers and for youth to venture into business. (ii) Create synergies with the existing economic base, while reducing dependence on a few sectors. (iii) Are conducive to the economy of Gozo and consistent with its ecological model. (iv) Are based on a backbone of micro-and small enterprises whose competitiveness does not require economies of scale. 	<p>The need to foster youth entrepreneurship in Gozo would contribute towards:</p> <ul style="list-style-type: none"> (i) Attracting and retaining younger talent to maintain a skilled and dynamic society in Gozo. (ii) Driving business success in Gozo through the creation of innovative ideas and solutions. (iii) Generating employment opportunities for the Gozitan community. (iv) Contributing to community development and cohesion in Gozo through active participation of youths within the community. 	<p>The need to enhance the interplay between agriculture and environment through:</p> <ul style="list-style-type: none"> (i) investments which reduce inherent weaknesses in agriculture (ii) improving the environmental sustainability of agricultural practices (iii) promoting innovative and climate-friendly practices (iv) enhancing value added and reducing seasonality in the agricultural sector 	<p>The need to enhance environmental amenities and climate resilience in Gozo within the context of sustainable economic development, including reduction of emissions from transport and waste, sound and light pollution, the conservation of carbon-capturing elements within natural environments and water conservation.</p>	
N.5 'Gozo Lifestyle'	N.6 'Cultural Heritage'	N.7 'Traditional Values'		
<p>The need to preserve and valorise the Gozo traditional lifestyle, while ensuring sufficient openness to positive external influences for social regeneration through the retention and attraction of younger population cohorts and migrants by offering a better quality of life and mental wellbeing.</p>	<p>The need to valorise and preserve cultural heritage, both tangible and intangible assets and facilitate the exchange of knowledge pertaining to such cultural assets with the aim of fostering sustainable tourism, educational initiatives, and other activities.</p>	<p>The need to facilitate and promote the exchange of traditional values across generations and instil an enduring appreciation for local traditions, skills, and crafts that are at risk of being lost.</p>		

3. DESCRIPTION & OBJECTIVES OF THE STRATEGY



3.1. INTRODUCTION

- 3.1.1. This section of the report describes the objectives of the LDS and the integrated and innovative features of the strategy and detailed information regarding each intervention which is proposed by the Local Action Group and how the measures tie in with the objectives of the strategy.

3.2. OBJECTIVES

- 3.2.1. On the basis of the aforementioned needs, the following seven objectives are identified:
1. Developing new niche sectors and diversifying existing ones into new niches of economic activity.
 2. Retaining and attracting young talent to pursue goals in Gozo.
 3. Enhancing sustainability in Gozo's agriculture sector by promoting eco-friendly and innovative practices that optimize produce quality and environmental stewardship.
 4. Increasing amenities to protect the environment and address the pressing challenge of climate change.
 5. Enhancing the quality of life and overall well-being of all individuals living in Gozo by fostering a culture of inclusiveness and community engagement.
 6. Valorizing and safeguarding Gozo's distinctive lifestyle, preserving its rich cultural heritage and ensuring the conservation of its natural assets.
 7. Safeguarding traditions, customs, crafts and skills for present and future generations.
- 3.2.2. **Table 3.1** shows how each need contributes towards one or more of these objectives.
- 3.2.3. The objectives of the Strategy and needs of the region are transformed into actions that will support beneficiary projects. This section provides a list of four main 'Actions' that address these objectives and needs. These actions are assessed in accordance with their merits and risks and the best response to addressing the CLLD strategy objectives and needs of the Region.
- 3.2.4. The following are the Actions (or measures) identified to address the aforementioned needs and objectives:
- M1: Keeping the Culture and Traditions of Gozo Alive
 - M2: Youth entrepreneurship in Gozo: Taking Ideas to the Marketplace
 - M3: Empowering Communities to act as Environmental Stewards
 - M4: Promoting Health and Sustainable Lifestyle in Gozo
- 3.2.5. These four measures are laid out in further detail hereunder. Each measure is explained in terms of what is expected from operations presented under each measure, potential applicants/ beneficiaries, the criteria that need to be met, an indication of the allocated budget, indicators and targets, risk and mitigation factors and its overall consistency with the CAP SP and other programmes.

Table 3.1: The contribution of the strategy's objectives towards Gozo needs

Needs	Objectives						
	1. Developing new niche sectors and diversifying existing ones into new niches of economic activity.	2. Retaining and attracting young talent to pursue their goals in Gozo.	3. Enhancing sustainability in Gozo's agriculture sector by promoting eco-friendly and innovative practices that optimize produce quality & environmental stewardship.	4. Increasing amenities to protect the environment and address the pressing challenges of climate change.	5. Enhancing the quality of life and overall well-being of all individuals living in Gozo by fostering a culture of inclusiveness and community engagement.	6. Valorizing and safeguarding Gozo's distinctive lifestyle, preserving its rich cultural heritage and ensuring the conservation of its natural assets.	7. Safeguarding traditions, customs, crafts and skills for present and future generations.
N.1 'New Economy Activities'	✓	✓					
N.2 'Youth Entrepreneurship'	✓	✓					
N.3 'Agriculture & Environment'			✓				
N.4 'Climate & Environment'				✓			
N.5 'Gozo Lifestyle'	✓	✓			✓	✓	
N.6 'Cultural Heritage'						✓	
N.7 'Traditional Values'							✓

3.3. LIST OF MEASURES

Measure 1: Keeping the Culture and Traditions of Gozo Alive

Aim and Scope

- 3.3.1. The objective of the measure is to enable the distinctive elements of the culture and traditions of Gozo to serve as a means of enhancing the quality of life in the Region. Activities supported by the measure will culminate into at least one event to serve as a focal point where culture and tradition will engender social interactions between different demographic cohorts of resident and visitor population. Furthermore, culture and traditions at risk of being lost will be kept alive especially among the younger population and immigrants, thereby being preserved and evolved to be passed on to future generations.

General Description of the Action

- 3.3.2. This measure will support actions culminating in the holding of at least one event which will feature attractions and activities spread out at different locations throughout Gozo during a pre-determined period, where all the beneficiaries would showcase their cultural assets and instil an appreciation of local traditions, skills and crafts.
- 3.3.3. Beneficiaries will be supported to facilitate the exchange of culture and traditional values between different demographic cohorts, acquire necessary materials and equipment, undertake small scale infrastructural interventions across the Region consistent with the objectives of the measure, and undertake research, including through practice-based approaches, into culture and traditions. Beneficiaries will also be supported to undertake the necessary activities related to the participation in the event.
- 3.3.4. This measure will enable the distinctive elements of the culture and traditions of Gozo, including agricultural and rural traditions, to serve as a means of enhancing the quality of life and social inclusion. Through this measure, culture and traditions at risk of being lost will be re-discovered, recognised and kept alive especially among the younger population and immigrants.

Intervention Logic in terms of contribution to Gozo-Specific Needs as per LDS

- Need 5 – Gozo Lifestyle – The valorisation of Gozo’s culture and traditions is expected to foster a deeper connection between residents and the Gozitan traditional lifestyle.
- Need 6 – Cultural Heritage - The action is expected to create a medium for showing cultural and natural heritage assets.
- Need 7 – Traditional values - The action is expected to create awareness on traditional values and attract different cohorts towards participating in traditions.

Intervention Logic in terms of contribution to CAP SP

- Objective 8.1 - Support small projects within rural areas to foster local development - The action is expected to support small projects within rural areas directly contribution towards the need identified under SO8 of the CAP SP
- Objective 8.2 - Promote and encourage community and social activities within rural areas - This action is specifically focused on encouraging community involvement through the showcasing of projects through the annual events linked to the measure.
- Cross-cutting objective - Modernising the sector through fostering knowledge sharing, innovation and digitalisation in agricultural practices and rural areas - This action seeks to promote knowledge sharing particularly through the support aimed at promoting the traditions in Gozo which are being lost across generations, and their valorisation and accessibility to younger generations.

Eligible Beneficiaries*

- 3.3.5. The eligible beneficiaries are: Local and Regional councils, Voluntary Organizations (VOs), Educational Institutes (including schools, colleges, campuses or similar), micro and small enterprises (as defined in the EU Commission recommendation 2003/361) and private individuals.

Eligible Expenditure

- 3.3.6. Support under this measure shall focus on, but is not limited to, the following:
- i. acquisition of necessary materials and equipment (up to an indicative 10% of the total project Expenditure) required to retain and enhance culture and traditional activities insofar as the acquisition is primarily aimed towards ensuring that the skill/trade retains presence in the region as well as inclusion activities, with the overall aim of enhancing and maintaining traditions and cultures, without excluding improvement in economic productivity of traditional products..
 - ii. acquisition of necessary material and equipment (up to an indicative 10% of the total project Expenditure) to participate in the event in order to showcase cultural and traditional values insofar as the acquisition does not affect economic productivity but is aimed as Corporate Social Responsibility (CSR) and inclusion activities.
 - iii. expenditure for small scale infrastructure and/or amelioration of facilities to sustain culture and traditional activities, applicable only for Local Councils and Vos.
 - iv. expenditure for the conservation of cultural assets including small scale restoration.
 - v. provision of audio-visual material for the showcasing of cultural and traditional activities.
 - vi. dissemination activities (minimum of an indicative 1% of the total project expenditure).

- vii. A flat rate of 7% overhead costs in line with Article 54 (a) of Regulation (EU) 2021/1060 will be applied to projects financed through the Strategy.

(Any and all eligible expenditure must comply with the 2021 – 2027 National Eligibility Rules available [here](#)).

Non-Eligible Expenditure

3.3.7. Applicants are informed that the list of expenditure below is considered ineligible and inadmissible. Applicants may seek guidance on non-eligible expenditure from the GAGF prior to submitting the application. Note that this is not a comprehensive list:

- i. The purchase of all types of vehicles for whatever purpose;
- ii. Temporary works not directly related to the execution of the project;
- iii. Maintenance Expenditure for existing buildings, plant or equipment;
- iv. Like for like replacement;
- v. Payments for gifts and donations;
- vi. Criminal fines and damages;
- vii. Legal expenses in respect of litigation;
- viii. Expenditure related to fireworks.

3.3.8. The GAGF maintains the right to refuse expenditure that is presented as eligible expenditure in the application.

General Eligibility Criteria

3.3.9. A selected action shall:

- Comply with the provisions set out above on Eligible Beneficiaries, Eligible and Non-Eligible Expenditure, and of the General Notes set out below;
- Obtain the maximum score out of criteria set by an Evaluation Committee appointed by the Decision Committee of the LAG so as to reflect the attainment of the objectives set out in the Intervention Logic in terms of contribution to Gozo-specific needs, and within this context present a solid case of its capability to attain the targets;
- Allocate budget in a manner which addresses the Gozo-specific needs identified in this LDS as specified in the Intervention Logic;
- Show consistency with CAP SP; and
- Comply with any other provisions as may be set out by the Evaluation Committee and the Decision Committee in the furtherance of this Strategy.

Aid intensity

3.3.10. The aid intensity is: 80%, as per CAP SP (2023-2027)

Budget Allocation

3.3.11. The EAFRD Contribution is: **€415,418.82**.

3.3.12. The indicative budget allocation per application:

- Minimum Amount of assistance to be requested by the applicant: €5,000.00
- Maximum Amount of assistance to be requested by the applicant: €50,000.00

Indicators and Targets

3.3.13. The indicators and targets for the Measure are:

- Number of events: 1
- Number of infrastructure/amelioration/restoration projects of important cultural value: 4
- Number of projects promoting traditions in Gozo: 8
- Number of affected locations: 8

Risk and Mitigating Factors

3.3.14. The following risks and mitigating factors have been identified:

Risk 1:	Insufficient interest/know-how in the generation of suitable applications
Mitigant 1:	Strong interest in action through public consultation; previous experience by Local Councils and Vos.
Risk 2:	Lack of coordination in the organisation of the event
Mitigant 2:	The predetermined time of the year when the event will be held will be established by the Gozo Action Group Foundation where all the beneficiaries would showcase their cultural assets and instil an appreciation of local traditions, skills and crafts.
Risk 3:	Lack of participation in the event by the beneficiaries
Mitigant 3:	Reimbursement of an indicative 5% of the budget allocated for the project will be tied to the participation of the event.

Overall Assessment

3.3.15. Gozo hosts an ageing population and a migrating younger generation which over time entails a loss in the distinct rural and traditional ways of life which characterises the region. This action has strong potential to address this challenge by engaging actors towards the conservation of culture and traditions for the benefit of present-day and future communities.

* General Notes on Eligible Applicants and Applications and Selection Criteria

- A partnership between entities towards an application is not a requirement but is encouraged through the award of higher points in the selection criteria. A partnership signifies the establishment of a collaborative arrangement among all participating entities submitting a joint application. These entities stand to derive financial benefits from the project and, consequently, are obligated to adhere to the appropriate administrative eligibility criteria.
- All applicants (public governance, business, VOs, other) must have a physical centre of activity located in the Gozo Region and/or have a direct interest in activities in the region, proven through a track record.
- Any one entity (whether main applicant or partner) can apply under one or more of the measures but cannot participate under different/competing applications within the same measure.
- All activities proposed will need to prove future financial and resource sustainability.
- Applications shall gain points by showing wide involvement of actors, achievement of objectives, and synergies with other measures.

Measure 2: Youth entrepreneurship in Gozo: Taking Ideas to the Marketplace

Aim and Scope

- 3.3.16. This measure will support youths and micro enterprises²⁵ to develop creative business ideas which can benefit the rural society of Gozo. It will also support youths who are already in a business activity but may wish to diversify, furthering their business or tap into other markets.
- 3.3.17. The support is intended to promote youth entrepreneurship allowing for the improvement of pathways for young people to access economic opportunities in rural areas.

General Description of the Action

- 3.3.18. Youths with creative ideas will be supported to develop business concepts and ideas acquire skills and knowledge, and develop information and demonstration materials.

Intervention Logic in terms of contribution to Gozo-Specific Needs as per LDS

- Need 1 – New Economy Activities -This measure will give preference to actions with a direct benefit to the economy of Gozo especially in terms of diversification and the further generation of youth employment and entrepreneurship.
- Need 2 - Youth Entrepreneurship - The action is intended to encourage talent to develop within the rural area of Gozo. This measure will be filling the existing gap between the early inception of ideas by youth entrepreneurs and the stage where such ideas are expressed as proofs of concept that would be amenable to investor opportunities.

Intervention Logic in terms of contribution to CAP SP

- Objective 8.1- Support small projects within rural areas to foster local development - The action is expected to support small projects within rural areas directly contributing towards the need identified under SO8 of the CAP SP
- Objective 8.2 - Promote and encourage community and social activities within rural areas - This action is specifically focused on encouraging community involvement namely through youth entrepreneurs in a bid to encourage youth participation and retain talent in Gozo.
- Cross-cutting objective - Modernising the sector through fostering knowledge sharing, innovation and digitalisation in agricultural practices and rural areas - This action seeks to promote knowledge creation and potentially sharing.

²⁵ All the ultimate beneficiary owners should be aged up to 41

Eligible Beneficiaries*

3.3.19. The eligible beneficiaries are: youths (that is any natural person under 41 years of age) as well as micro enterprises.

N.B. The project applicant must be under the age of 41 at the time of the submission of the application.

N.B. In the case of micro enterprises, all the ultimate beneficiary owners should be aged up to 41.

Eligible Expenditure

3.3.20. Support under this measure shall focus on, but is not limited to, the following:

- i. Expenditure in order to acquire skills and knowledge which can be linked to specific aspects such as marketing and presentation capabilities, finance, and technical competencies.
- ii. Expenditure on advisory support to develop a business idea
- iii. Development of information and demonstration materials.
- iv. A flat rate of 7% overhead costs in line with Article 54 (a) of Regulation (EU) 2021/1060 will be applied to projects financed through the strategy.

(Any and all eligible expenditure must comply with the 2021 – 2027 National Eligibility Rules available [here](#))

Non-Eligible Expenditure

3.3.21. Applicants are informed that the list of expenditure below is considered ineligible and inadmissible. Applicants may seek guidance on non-eligible expenditure from the GAGF prior to submitting the application. Note that this is not a comprehensive list:

- i. The purchase of all types of vehicles for whatever purpose;
- ii. Temporary works not directly related to the execution of the project;
- iii. Maintenance Expenditure for existing buildings, plant or equipment;
- iv. Like for like replacement;
- v. Payments for gifts and donations;
- vi. Criminal fines and damages;
- vii. Legal expenses in respect of litigation;
- viii. Expenditure related to fireworks.

3.3.22. The GAGF maintains the right to refuse expenditure that is presented as eligible expenditure in the application.

General Eligibility Criteria

3.3.23. A selected action shall:

- Comply with the provisions set out above on Eligible Beneficiaries, Eligible and Non-Eligible Expenditure, and of the General Notes set out below;
- Obtain the maximum score out of criteria set by an Evaluation Committee appointed by the Decision Committee of the LAG so as to reflect the attainment of the objectives set out in the Intervention Logic in terms of contribution to Gozo-specific needs, and within this context present a solid case of its capability to attain the targets;
- Allocate budget in a manner which addresses the Gozo-specific needs identified in this LDS as specified in the Intervention Logic;
- Show consistency with CAP SP; and
- Comply with any other provisions as may be set out by the Evaluation Committee and the Decision Committee in the furtherance of this Strategy.

Aid intensity

3.3.24. The aid intensity is: 80%, as per CAP SP (2023-2027).

Budget Allocation

3.3.25. The EAFRD Contribution is:* **€100,000.00**

3.3.26. The indicative budget allocation per application:

- Minimum Amount of assistance to be requested by the applicant: €5,000.00
- Maximum Amount of assistance to be requested by the applicant: €10,000.00

Indicators and Targets

3.3.27. The indicators and targets for the Measure are:

- Number of supported youths / microenterprises: 10
- Number of youths enhancing their skills: 6

Risk and Mitigating Factors

3.3.28. The following risk and mitigating factor has been identified:

Risk I: Insufficient interest/know-how in the generation of suitable applications

Mitigant I: Strong interest in action through public consultation.

Overall Assessment

3.3.29. As an island and rural area, Gozo has been facing persistent challenges in retaining youths. This is in part due to a lack of job opportunities as well as leisure activities which increases young people's tendency to move from Gozo to Malta and further

ashore. This measure has strong potential to encourage entrepreneurship among youths among diversified economy sectors. It can also address a lacuna which often exists between the inception of a business concept towards its effective undertaking.

* General Notes on Eligible Applicants and Applications and Selection Criteria

- Applicants are encouraged to apply for more than one type of eligible expenditure in order to develop the business idea.
- Any one individual can apply under one or more of the measures but cannot participate under different/competing applications within the same measure.
- All applicants must have a registered address in the Gozo Region.
- Applications shall gain points by showing that their planned activity can lead to diversification of economic activity in Gozo.

Measure 3: Empowering Communities to act as Environmental Stewards

Aim and Scope

- 3.3.30. The general aim of this measure is to improve the quality of the environment of the Region through small-scale initiatives within the territory. This measure will enable communities to put into action small-scale plans aimed at improving the quality of life through interventions that would address water conservation, climate change, biodiversity, waste management and emissions to the environment.

General Description of the Action

- 3.3.31. This measure will support actions that would lead to the protection and sustainable use of water resources, protect and improve biodiversity, and mitigate and / or adapt to climate change and waste management. Examples would include the reduction of emissions from transport and waste, the conservation of carbon-capturing elements within natural environments, and activities which manage sound and light emissions as well as water conservation and waste management. Activities supported must include the implementation of plans which result in one or more of these elements: (1) behavioural change actions; (2) small scale infrastructure development; (3) small scale investment for green spaces. The applicant is expected to submit a plan to describe the action and how this will be implemented. All actions need to be accompanied by a plan.
- 3.3.32. Beneficiaries will be supported to acquire necessary materials and equipment, undertake small scale infrastructural interventions across the Region, and undertake activities that support environmental stewardship.
- 3.3.33. This measure will enable the distinctive elements of the natural environment of Gozo to serve as a means of enhancing quality of life.

Intervention Logic in terms of contribution to Gozo-Specific Needs as per LDS

- Need 3 – Agriculture & Environment - This measure is expected to reduce the environmental footprint of agriculture, lower greenhouse gas emissions, protect biodiversity, and safeguard natural resources, leading to a more environmentally friendly and resilient agricultural sector.
- Need 4 – Climate & Environment - The action is expected to create awareness and positive action in the fields of water, waste, biodiversity and climate change.

Intervention Logic in terms of contribution to CAP SP

- Objective 8.1 - Support small projects within rural areas to foster local development - The action is expected to support small projects within rural areas directly contribution towards the need identified under SO8 of the CAP SP
- Objective 8.2 - Promote and encourage community and social activities within rural areas - This action indirectly addresses this need through interventions that could bring together the community to enhance their locality.
- Cross-cutting objective - Modernising the sector through fostering knowledge

sharing, innovation and digitalisation in agricultural practices and rural areas - This action seeks to promote knowledge sharing and innovation through sustainable use practices.

Eligible Beneficiaries*

3.3.34. The eligible beneficiaries are: Local and Regional councils, VOs, Educational Institutes (including schools, colleges, campuses or similar), and micro and small enterprises (as defined in the EU Commission recommendation 2003/361).

Eligible Expenditure

3.3.35. Support under this measure shall focus on, but is not limited to, the following:

- i. Acquisition of necessary materials and equipment to improve environmental conditions; such acquisition will not affect economic productivity.
- ii. Expenditure related to the reduction in emissions (air, noise, vibration light).
- iii. Expenditure related to water conservation and management.
- iv. Expenditure to improve local waste management.
- v. Expenditure for the conservation of natural assets including green spaces which must be accessible to the public.
- vi. Expenditure related to activities addressing behavioural changes.
- vii. Dissemination activities (minimum of an indicative 1% of the total project expenditure).
- viii. A flat rate of 7% overhead costs in line with Article 54 (a) of Regulation (EU) 2021/1060 will be applied to projects financed through the strategy.

(Any and all eligible expenditure must comply with the 2021 – 2027 National Eligibility Rules available [here](#))

Non-Eligible Expenditure

3.3.36. Applicants are informed that the list of expenditure below is considered ineligible and inadmissible. Applicants may seek guidance on non-eligible expenditure from the GAGF prior to submitting the application. Note that this is not a comprehensive list:

- i. The purchase of all types of vehicles for whatever purpose;
- ii. Temporary works not directly related to the execution of the project;
- iii. Maintenance Expenditure for existing buildings, plant or equipment;
- iv. Like for like replacement;
- v. Payments for gifts and donations;
- vi. Criminal fines and damages;
- vii. Legal expenses in respect of litigation;

viii. Expenditure related to fireworks.

3.3.37. The GAGF maintains the right to refuse expenditure that is presented as eligible expenditure in the application.

General Eligibility Criteria

3.3.38. A selected action shall:

- Comply with the provisions set out above on Eligible Beneficiaries, Eligible and Non-Eligible Expenditure, and of the General Notes set out below;
- Obtain the maximum score out of criteria set by an Evaluation Committee appointed by the Decision Committee of the LAG so as to reflect the attainment of the objectives set out in the Intervention Logic in terms of contribution to Gozo-specific needs, and within this context present a solid case of its capability to attain the targets;
- Allocate budget in a manner which addresses the Gozo-specific needs identified in this LDS as specified in the Intervention Logic;
- Show consistency with CAP SP and other relevant national policies;
- Comply with any other provisions as may be set out by the Evaluation Committee and the Decision Committee in the furtherance of this Strategy; and
- Provide a declaration that the action cannot be funded from national or other European funds.

Aid intensity

3.3.39. The aid intensity is: 80%, as per CAP SP (2023-2027).

Budget Allocation

3.3.40. The EAFRD Contribution is:* €415,418.81

3.3.41. The indicative budget allocation per application is:

- Minimum Amount of assistance to be requested by the applicant: €15,000.00
- Maximum Amount of assistance to be requested by the applicant: €50,000.00

Indicators and Targets

3.3.42. The indicators and targets for the Measure are:

- Number of small-scale infrastructure projects: 4
- Number of behavioural change projects: 4
- Number of projects enhancing green spaces: 5
- Number of affected locations: 8

Risk and Mitigating Factors

3.3.43. The following risks and mitigating factors have been identified:

- Risk 1: Insufficient interest / know-how in the generation of suitable applications
 Mitigant 1: Previous experience by Local Councils and VOs; support through the LAG itself; Support through Servizzi Ewropew f' Malta (SEM)
- Risk 2: Double funding of operations
 Mitigant 2: Applicants to declare that project cannot be funded through other programmes / national funds and the GAGF will maintain dialogue with the Managing Authority and Paying Agency to ensure that such risks are identified at an early stage of the application process, and eliminated.

Overall Assessment

3.3.44. The wide range of natural features of the LDS territory have been extensively reported through the Area Profile. Through the SWOT analysis and consultations held, the potential of the Gozo's natural environment was to the fore in terms of increasing the quality of life of rural communities but also in terms of retaining the localised tourism offering. This measure is also relevant from to national policies relating to the protection of biodiversity, climate change and water. The measure has strong potential to generate positive environment impacts as well as enhancing the quality of life for the territory's community.

*** General Notes on Eligible Applicants and Applications and Selection Criteria**

- A partnership between entities towards an application is not a requirement but is encouraged through the award of higher points in the selection criteria. A partnership signifies the establishment of a collaborative arrangement among all participating entities submitting a joint application. These entities stand to derive financial benefits from the project and, consequently, are obligated to adhere to the appropriate administrative eligibility criteria.
- All applicants (public governance, business, VOs, other) must have a physical centre of activity located in the Gozo Region and/or have a direct interest in activities in the region, proven through a track record.
- Any one entity (whether main applicant or partner) can apply under one or more of the measures, but cannot participate under different/competing applications within the same measure.
- All activities proposed will need to prove future financial and resource sustainability.
- Applications shall gain points by showing wide involvement of actors, achievement of objectives, and synergies with other measures.

Measure 4: Promoting Health and Sustainable Lifestyle in Gozo

Aim and Scope

3.3.45. As a small island and rural area, Gozo offers distinctive features which can be used to promote healthy (both physical and mental health) and sustainable lifestyles (encouraging suitable consumption, recreation and time management behaviours). Local products are conducive towards a healthy Mediterranean diet and the unique natural and man-made environmental assets coupled with a slower pace of life and raw landscape offer an environment which contribute towards a better wellbeing.

General Description of the Action

3.3.46. Interventions may include the possibility to invest in equipment, small scale rural infrastructure and facilities and events. This measure can allow for the development of amenities such as open spaces, spaces which can be enjoyed by the community for social activities, promotion of healthy diets (with an emphasis on local gastronomy) and mental well-being. Activities towards the provision of animal therapy and public safety within rural areas are also applicable under this Measure.

Intervention Logic in terms of contribution to Gozo-Specific Needs as per LDS

- Need 5 – Gozo Lifestyle - This measure will seek to promote the distinctiveness of the rural area by providing an environment which is amenable to a healthy lifestyle.

Intervention Logic in terms of contribution to CAP SP

- Objective 8.1 - Support small projects within rural areas to foster local development - The action is expected to support small projects within rural areas directly contributing towards the need identified under SO8 of the CAP SP
- Objective 8.2 - Promote and encourage community and social activities within rural areas - This action is specifically focused on encouraging community involvement.
- Cross-cutting objective - Modernising the sector through fostering knowledge sharing, innovation and digitalisation in agricultural practices and rural areas - This action promotes knowledge sharing, innovation and digitalisation through initiatives that seek to improve the quality of life and wellbeing in Gozo.

Eligible Beneficiaries*

3.3.47. The eligible beneficiaries are: Local and Regional Councils, VOs, micro and small businesses enterprises (as defined in the EU Commission recommendation 2003/361), and educational institutes (including schools, colleges, campuses or similar).

Eligible Expenditure

3.3.48. Support under this measure shall focus on, but is not limited to, the following:

- i. Expenditure for equipment insofar as the equipment does not affect economic productivity.

- ii. Expenditure of event organisation insofar as the event does not affect economic activity (capped at indicative 25% of the expenditure).
- iii. Small scale rural infrastructure and facilities.
- iv. Dissemination and promotional material (minimum of an indicative 1% of the total project expenditure).
- v. A flat rate of 7% overhead costs in line with Article 54 (a) of Regulation (EU) 2021/1060 will be applied to projects financed through the Strategy.

(Any and all eligible expenditure must comply with the 2021 – 2027 National Eligibility Rules available [here](#))

Non-Eligible Expenditure

3.3.49. Applicants are informed that the list of expenditure below is considered ineligible and inadmissible. Applicants may seek guidance on non-eligible expenditure from the GAGF prior to submitting the application. Note that this is not a comprehensive list:

- i. The purchase of all types of vehicles for whatever purpose;
- ii. Temporary works not directly related to the execution of the project;
- iii. Maintenance Expenditure for existing buildings, plant or equipment;
- iv. Like for like replacement;
- v. Payments for gifts and donations;
- vi. Criminal fines and damages;
- vii. Legal expenses in respect of litigation;
- viii. Expenditure related to fireworks.

3.3.50. The GAGF maintains the right to refuse expenditure that is presented as eligible expenditure in the application.

General Eligibility Criteria

3.3.51. A selected action shall:

- Comply with the provisions set out above on Eligible Beneficiaries, Eligible and Non-Eligible Expenditure, and of the General Notes set out below;
- Obtain the maximum score out of criteria set by an Evaluation Committee appointed by the Decision Committee of the LAG so as to reflect the attainment of the objectives set out in the Intervention Logic in terms of contribution to Gozo-specific needs, and within this context present a solid case of its capability to attain the targets;
- Allocate budget in a manner which addresses the Gozo-specific needs identified in this LDS as specified in the Intervention Logic;

- Show consistency with CAP SP; and
- Comply with any other provisions as may be set out by the Evaluation Committee and the Decision Committee in the furtherance of this Strategy.

Aid intensity

3.3.52. The aid intensity is: 80%, as per CAP SP (2023-2027).

Budget Allocation

3.3.53. The budget allocation (EAFRD Contribution)*: **€415,418.82**

3.3.54. Indicative budget allocation per application:

- Minimum Amount of assistance to be requested by the applicant: €15,000.00
- Maximum Amount of assistance to be requested by the applicant: €50,000.00

Indicators and Targets

3.3.55. The indicators and targets for the Measure are:

- Number of supported projects: 8
- Areas with improved facilities conducive to a healthy and sustainable lifestyle: 3
- Activities conducive towards a healthy and sustainable lifestyle: 3

Risk and Mitigating Factors

3.3.56. The identified risk and mitigating factor is:

Risk I: Insufficient interest/know-how in the generation of suitable applications
 Mitigant I: Strong interest in action through public consultation.

Overall Assessment

3.3.57. Gozo offers distinctive features which include unique natural assets and landscapes coupled with a rural landscape which produced local products and offers a sense of peace and tranquillity. This measure has potential to promote and develop these features in order to attract not only residents but also non-residents towards a better quality of life offered by the region.

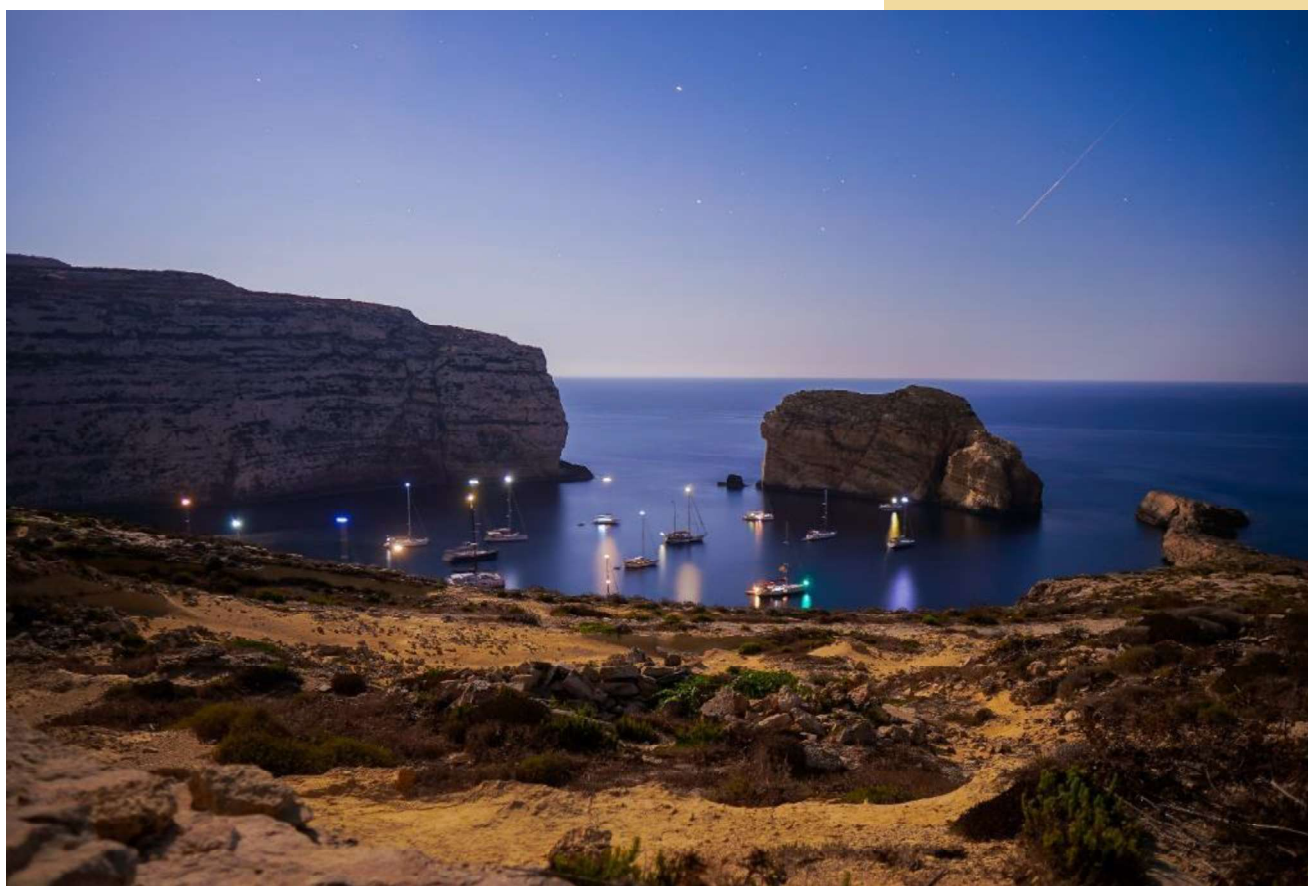
* General Notes on Eligible Applicants and Applications and Selection Criteria

- A partnership between entities towards an application is not a requirement but is encouraged through the award of higher points in the selection criteria. A partnership signifies the establishment of a collaborative arrangement among all participating entities submitting a joint application. These entities stand to derive financial benefits from the project and, consequently, are obligated to adhere to the appropriate administrative eligibility criteria.
- All applicants (public governance, business, VOs, other) must have a physical centre of activity located in the Gozo Region and/or have a direct interest in activities in the region, proven through a track record
- Any one entity (whether main applicant or partner) can apply under one or more of the measures, but cannot participate under different/competing applications within the same measure.
- All activities proposed will need to prove future financial and resource sustainability.
- Applications shall gain points by showing wide involvement of actors, achievement of objectives, and synergies with other measures.

3.4. TRANSNATIONAL/ INTER-TERRITORIAL COOPERATION PROJECTS

- 3.4.1. The transnational/inter-territorial cooperation projects have a budget of €52,451.55. These refer to projects undertaken in collaboration between different rural areas, involving from at least one Member State in the case of transnational cooperation. The LAG has indicated its preference to participate in cooperation on transnational projects, as this will provide stakeholders with alternative and innovative opportunities consistent with the LEADER objectives, while potentially infusing local projects with new dimensions.
- 3.4.2. Following the SWOT analysis as well as stakeholder engagement, the LAG has identified a Priority Theme for transnational co-operation, namely in the area of gastronomy. This theme will encompass aspects such as local identity, healthy lifestyles, tourism, sustainability, and job sustainability/creation as secondary theme. On the secondary themes the GAGF can incorporate one or more theme in the project. The GAGF would partner with are LAGs that are undertaking gastronomy projects for their region.
- 3.4.3. The scope and objectives of transnational cooperation which are envisaged would thus include the:
- participation in a network that contains LAGs with an interest in developing their capabilities to contribute to regional development through exploring the gastronomic theme, whereby implementation capacity is improved through knowledge sharing between LAGs and from local actors within LAGs participating in the co-operation projects;
 - sharing of experiences and best practices in gastronomy through LEADER, particularly with respect to animating community involvement; and
 - creation of a durable network between participating LAGs so as to sustain learning and knowledge creation into the future.
- 3.4.4. It is considered that this project will lay important foundations leading to an enhanced implementation of the current Strategy and the durability of future LEADER activities. The importance of this type of cooperation activity is furthermore essential to promote and increase the likelihood of success of the more innovative elements in this Strategy, including the strong emphasis on healthy lifestyle, local traditions and cultures.
- 3.4.5. This project is also considered to be consistent with meeting needs identified in the CAP SP, particularly those relating to the improvement in the quality of life through LEADER interventions. It also supports LDS needs and measures, especially those related to sustainable lifestyles, traditions and culture. It furthermore has the potential to indirectly contribute to meeting all the Gozo-specific needs that are being addressed through the actions put forward in this Strategy.

4. PROCESS FOR ENGAGEMENT IN LDS PREPARATION & IMPLEMENTATION



4.1. INTRODUCTION

- 4.1.1. One of the main recommendations emerging from the LEADER Local Development Strategies (LDS) Guidance on design and implementation, is the implementation of a bottom-up approach and the Regulations make it clear that it is important not only to involve the community in the development of the LDS but also to demonstrate how effectively this has been done. This Chapter describes the process of community involvement in the development of the LDS.
- 4.1.2. An extensive stakeholder consultation programme was carried out to inform the formulation of this Local Development Strategy. This Chapter describes the consultation programme, including who was consulted and the consultation activities undertaken. A summary of the feedback received was provided in **Chapter 2**.

4.2. STAKEHOLDERS

- 4.2.1. Steps were undertaken to identify the key stakeholders, where their input was considered to be essential or important for the formulation of the Local Development Strategy. The consultation programme was also more widely advertised, in order to capture the attention of any unidentified key stakeholders, as well as to invite the participation of the wider public in the formulation of the Local Development Strategy.
- 4.2.2. The identification of the key stakeholders was undertaken in consultation with the GAFG. Furthermore, there was liaison with Servizzi Ewropej f' Malta (SEM), in relation to raising awareness and advertising the consultation programme.
- 4.2.3. Key stakeholders included Government Ministries and agencies; the Gozitan Local Councils and Administrative Councils; non-governmental organisations (NGOs) with an interest in Gozo; and national entities and associations with an interest in Gozo.

4.3. STAKEHOLDER CONSULTATION PROGRAMME

- 4.3.1. The programme of stakeholder consultation activities was designed having regard to the need to advertise the preparation of the Local Development Strategy 2023-2027 in order to optimise the participation of local groups and organisations in identifying the local needs and initiatives to inform preparation of the Strategy. The consultation programme was also designed to encourage discussion and identification of the lessons learnt from the implementation of the previous 2014 – 2020 Local Development Strategy.
- 4.3.2. The consultation programme took two main forms:
- Group stakeholder events – events open to the public and targeted at the local community in Gozo as well as the identified stakeholders; and
 - Interviews and meetings with individual key stakeholders and small groups of stakeholders.

Group Stakeholder Consultation Events

4.3.3. Three group stakeholder consultation events were held, as follows:

- Tuesday 8th August 2023, Oratoriju, Rabat / Victoria between 9:30 am – 11:30 am;
- Thursday 10th August 2023, NGO Centre Xewkija between 5:30 pm – 7:30 pm; and
- Saturday 19th August Arka Foundation, Għajnsielem, between 9:30 am – 11:00 am.

4.3.4. As mentioned, these events were targeted at the community at large in Gozo (with open invitation), as well as the identified stakeholders. All three events were widely advertised, as follows:

- Press adverts were placed in The Times of Malta (on 30th July 2023 and 6th August 2023), KullHadd (on 30th July 2023 and 6th August 2023) and Il-Mument (on 30th July 2023 and 13th August 2023);
- Facebook and LinkedIn posts including a video promoting the event;
- Individual email invitations were sent to all the identified key stakeholders; in these emails the Local Councils were urged to publicise the events to the residents of the locality, and the NGOs and national entities and associations were urged to publicise the events to their members; and
- SEM advertised the events to all its members.

4.3.5. All three consultation events were well attended. In the discussion, the participants were prompted to consider the positive and negative aspects of the previous 2014-2020 Local Development Strategy, and to make suggestions for the new LEADER programme, in respect of future projects and issues relevant to Gozo which could be the focus for future projects. The final public consultation exercise was focused on the proposed measures. The participants were encouraged to comment openly.

4.3.6. Once the draft measures were agreed with the Gozo Action Group Decision Committee, a meeting was held with the Regional Council of Gozo including all the Local Councils on Monday 4th September 2023. During the meeting the draft LDS measures were discussed and broadly agreed.

4.3.7. A final public consultation exercise was held on 11th September 2023. During this meeting the draft measures were presented and discussed with the stakeholders.

Interviews and Meetings with Key Stakeholders

4.3.8. In total, discussions were held with over 16 key stakeholders through the interviews / meetings including the Gozo Action group Foundation Decision Committee, and various ministries including the Ministry for Gozo. The purpose of the interviews / meetings was both to elicit information on the positive and negative aspects of the previous LEADER programme and on future projects and issues which could be the

focus for future projects in the new programme. Again, the stakeholders were encouraged to comment openly.

5. TRANSPOSING NEEDS AND OBJECTIVES INTO PROJECTS



5.1. INTRODUCTION

5.1.1. This section describes the method used to transpose the objectives into projects. For each measure, the method used to transform the objectives of the strategy and needs of the region into measures that will support beneficiary projects is described.

5.1.2. It is at the outset specified that the demand for LEADER actions in Gozo was found to be significant, especially in the context of the stakeholder engagement and community led requirements. It can safely be stated that the budget that the Region will receive will fall short of the potential needs of Gozo, ranging from embellishments in the village cores and countryside, the development of amenities and green spaces towards improving the quality of life of the community including seniors and families with children, the preservation of heritage traditions and culture, the attraction and retention of young talent in Gozo, the diversification of the tourism product in line with Gozo's ecological model, as well as the consolidation of agricultural activities and environmental protection also through sustainable practices and methods. While it is recognised that the relatively small LEADER budgetary allocation is in good part a reflection of resource constraints at Programme level, it is the intention of this Strategy to contribute to the use of LEADER in Gozo in a manner that justifies an expansion of resources allocated in future Programmes, based on benefit-cost considerations.

5.1.3. This section is organised as follows:

- i. The principal criteria used to identify and select a preferred action to address the needs identified and the objectives set by the Strategy are articulated.
- ii. The rationale for each of the four actions set out in this Strategy is subsequently derived on the basis of meeting the criteria set out in (i) above, in terms of its nature, budget, and nature of expected applicants and applications, and constituting the best response among options that can be identified in this respect.
- iii. Examples of the type of projects that can effectively be expected to be implemented / supported through the actions are finally provided, to better illustrate how the actions can in practice produce concrete results towards meeting the objectives of the Strategy.

5.2. PRINCIPAL CRITERIA USED IN ACTION IDENTIFICATION AND SELECTION

5.2.1. The criteria used to identify and select preferred actions include:

1. **Relevance to the LEADER (CLLD) programme** and the principles that the LEADER approach is based upon, with particular emphasis on:
 - a. enhancing competitiveness, innovation and quality of life through a bottom-up approach where collaboration and networking are key tools in action selection and implementation;

- b. an integrated strategy that complements and adds value to other interventions in Gozo including planned actions outlined in the Gozo Regional Development Strategy for Gozo covering the period 2021-2030 and other initiatives that are potentially being funded through other publicly-funded resources, particularly other measures under the CAP SP, ERDF and ESF, whilst avoiding overlapping and duplication of interventions.

- 2. **Relevance to Gozo** and to the future role to be played by LEADER in the region, which entailed an emphasis upon:
 - a. effectively addressing the needs identified in Section 2 of this LDS;
 - b. providing an element of continuation from the previous programme and addressing the residual demand that has been identified through public consultation, particularly in terms of safeguarding traditions and culture also through active participation of youths, improvements in the quality of life and the environment, the sustainability of agriculture and the environment and the development of new niche sectors also through further diversification of existing ones.
 - c. Infusing LEADER interventions with innovation with the clear objective of obtaining better returns on investment through effective improvements in the quality of life, driven by the creation of jobs and through environmental and climate dividends;
 - d. infusing LEADER interventions with bottom-up, networking and partnership approaches, via extensive consultation in the derivation of measures, and by encouraging partnership approaches in the implementation of actions;
 - e. Improving networking in Gozo and engendering critical mass in interventions, whereby in a small and peripheral region as Gozo, the absence of this factor is often a key hindrance to development. Therefore, although partnerships between entities towards an application is not a requirement, it is encouraged through the reward of higher points in the selection criteria.

- 3. **Effectiveness**, whereby the actions would represent the best available approach to satisfying the identified need, within the context of:
 - a. Balance, in terms of a design of a set of actions which allows progress to be achieved in a fair and equitable manner across all needs, without creating disparities which may ultimately result in social inequalities;
 - b. Synergies, that would ideally be created (i) within the action, in terms of the various activities which would be undertaken, and (ii) across the actions

within the Strategy, to maximise the combined effects on improvements in development and in the quality of life in the Region;

- c. The potential to attain financial sustainability whereby the benefits of a project within an action would continue to be enjoyed beyond project implementation.

- 4. **Efficiency and regulatory compliance in Strategy implementation**, which in good part depends on factors outside the control of the implementation of LEADER within the Region, such as procedures designed and implemented at the level of the Managing Authority, but that can also be influenced by strategy design, including through requirements of sufficient critical mass and bureaucratic competence within project applicants and at the level of the LAG.

5.2.2. It is worth highlighting that the achievement of these criteria relies on every aspect of action design, encompassing specific intervention objectives, the total action budget, allocations to individual projects within it, the definition of eligible expenses, and the requirements placed on the characteristics of the applicants.

5.3. THE RATIONALE FOR THE ACTIONS SELECTED IN THE STRATEGY

5.3.1. The rationale for each of the actions selected in the strategy is articulated in the following tables, in terms of their expected performance in relation to the criteria set out in the previous sections particularly in terms of the needs. Indeed, one of the main criteria on which the measures have been selected is related to the relevance of the measures to Gozo's needs, as identified in Section 2 of this document. For ease of reference, the needs are summarised hereunder:

N.1 'New Economy Activities'

N.2 'Youth Entrepreneurship'

N.3 'Agriculture & Environment'

N.4 'Climate & Environment'

N.5 'Gozo Lifestyle'

N.6 'Cultural Heritage'

N.7 'Traditional Values'

Rationale for Measure 1: Keeping the Culture and Traditions of Gozo Alive

<p>Relevance to LEADER approach</p>	<p>Enhancing competitiveness, innovation and quality of life</p>	<p>Reviving and re-discovering traditional crafts and skills can open up new opportunities for local artisans to market their products and for local councils and VOs to preserve their traditions and the community's cultural assets while fostering community engagement. It can also serve as an attraction for tourists interested in the Gozitan authentic experience and creates opportunities for residents to actively participate in cultural events, workshops, and heritage conservation. Therefore, this measure has the potential to create a unique and attractive identity, stimulate innovation by blending traditional wisdom with modern solutions, and improve the quality of life by fostering community pride and cohesion.</p>
<p>Promoting a bottom-up approach, cooperation among different territorial actors, inclusivity and networking</p>	<p>Promoting a bottom-up approach, cooperation among different territorial actors, inclusivity and networking</p>	<p>Activities supported by the measure will culminate into at least one event to serve as a focal point where culture and traditions will engender social interactions between different demographic cohorts of resident and visitor population. This event will promote inclusiveness and facilitate networking and potential collaboration among different beneficiaries. Although partnership between applicants is not a requirement, it is being encouraged through the award of higher points in the selection criteria.</p>
<p>Avoidance of overlapping with other interventions</p>	<p>Avoidance of overlapping with other interventions</p>	<p>This action, within its full scope and reach, is not considered to replicate other interventions. It is however complementary to other measures outlined in the Gozo Regional Development Strategy 2021-2030 aimed at protecting, promoting and preserving Gozo's identity and culture while enhancing Gozo's social fabric by engaging communities and foster social interaction and inclusion.</p>

<p>Relevance to Gozo</p>	<p>Addresses needs identified in Strategy</p>	<p>N5: The preservation and exhibition of Gozo's culture and traditions foster a deeper connection between residents and the Gozitan lifestyle. Such interconnectedness between cultural preservation and community engagement enhances the quality of life, sense of belonging and strengthens the social fabric of Gozo.</p> <p>N6: This measure serves as a medium for the dissemination of indigenous knowledge on both tangible and intangible heritage assets to be passed on to present and future generations.</p> <p>N:7 This measure aims to instill an appreciation of traditions, skills and crafts, support and facilitate the inter-generational exchange of such traditional values and encourage active participation by all age groups.</p>
<p>Elements of continuation from previous programme</p>	<p>Elements of continuation from previous programme</p>	<p>The previous programme financed the development of an ICT media platform for the valorization of the Gozitan lifestyle concept. Among its aims, this platform was aimed at preserving aspects of Gozitan identity, cultural and natural heritage for future generations. The new intervention is intended to support the preservation of traditional values, crafts and skills through practice-based approaches and facilitate the exchange of such values between different demographic cohorts through practical and hands-on experiences including through the showcasing event that will take place in various localities around Gozo.</p>
<p>Innovative elements for Gozo</p>	<p>Innovative elements for Gozo</p>	<p>Beneficiaries of this measure can make use of innovative methods and approaches to rediscover, preserve and exhibit Gozo's cultural assets, traditions, customs, skills and crafts.</p>
<p>Improving networking in Gozo and engendering critical mass in interventions</p>	<p>Improving networking in Gozo and engendering critical mass in interventions</p>	<p>The event will undoubtedly foster a robust networking environment in Gozo, where each and every beneficiary will have the opportunity to showcase the projects that will be developed through the support of this measure. Furthermore, the event is expected to enhance social interaction among Gozitans and visitors of all ages, thereby improving the overall sense of community involvement and collaboration.</p>

Effectiveness	Best available approach as compared to other actions	<p>The design of this measure is considered to be the best approach when compared to other alternative actions such as the provision of training courses specialized in traditional crafts and skills which are hardly possible due to the lack of accredited individuals with official certification. Therefore, although there are knowledgeable and experienced individuals who wish to pass on their traditional values to future generations, the lack of accreditation poses an issue.</p>
	Balance in interventions within and across actions	<p>This measure is absorbing around 31% of the total budget allocated for the implementation of operations under the LDS. This will in itself be divided into a number of different individual interventions including infrastructure, amelioration or restoration projects of important cultural value and other projects aimed at promoting traditions in Gozo.</p>
	Synergies within action and with other actions	<p>The interconnectedness of measures is evident in their capacity to boost the socio-economic and environmental development of Gozo, while enhancing the quality of life of its residents. Retaining and attracting young people to Gozo can play a vital role in keeping the island's culture and traditions alive through the active participation of the younger generation. The preservation of traditions and skills not only helps maintain cultural identity but also aims at strengthening rural development, enhances well-being by fostering a sense of community and belonging, and contributes towards environmental sustainability through the promotion of eco-friendly traditional practices.</p>
	Sustainability of project benefits	<p>The recognition and awareness of traditional and cultural values that will be created through this measure will instill considerable appreciation and interest within the community to engage and participate in such activities in the future in an effort to keep the traditions of Gozo alive.</p>
Efficiency and Regulatory Compliance	Efficiency and Regulatory Compliance	<p>Attempts have been maintained to reduce the administrative burden and regulatory compliance in a cost-effective manner. The selection of the projects is subject to a set of National Eligibility Rules as well as other regulatory provisions as required by the Strategy.</p>

The Rationale for M2: Youth entrepreneurship in Gozo: Taking ideas to the marketplace

Relevance to LEADER approach	Enhancing competitiveness, innovation and quality of life	Young entrepreneurs are capable of introducing fresh ideas, technologies and approaches, driving innovation and diversification including the development of new products. Overall, the presence of youths can enhance the island's quality of life through economic prosperity, job opportunities, and a more vibrant and dynamic community.
	Promoting a bottom-up approach, cooperation among different territorial actors, inclusivity and networking Avoidance of overlapping with other interventions	Young entrepreneurs tend to bring fresh perspectives and innovative ideas which can stimulate cooperation with established actors in Gozo who recognize the potential for new partnerships and ventures that can benefit both parties. In fact, as part of this measure, business angles may be engaged to possibly provide practical inputs into the implementation of this measure thereby enhancing cooperation and networking. This action, within its full scope and reach, is not considered to replicate other interventions. It is however complementary to other measures outlined in the Gozo Regional Development Strategy 2021-2030 which seek to create a spirit of entrepreneurship among Gozitan youths through the provision of other support mechanisms including training and access to finance.
	Addresses needs identified in Strategy	<p>N1: This initiative will prioritize activities that directly boost Gozo's economy, particularly by fostering diversification and creating more opportunities for youth employment and entrepreneurship.</p> <p>N2: This measure aims to nurture talent within Gozo's rural areas by encouraging youth entrepreneurship. It aims to bridge the existing gap between the initial stages of idea generation by young entrepreneurs and the point where these ideas can be presented as viable concepts to potential investors.</p>

<p>Relevance to Gozo</p>	<p>Elements of continuation from previous programme</p>	<p>One of the measures included in the previous programme was aimed at rejuvenating Gozo by improving the attractiveness of Gozo for youths and young families. This new initiative will continue to improve on what has been achieved through this measure by promoting and supporting youth entrepreneurship, thereby contributing to the attraction and retention of young talent, the generation of new and innovative ideas as well as the regeneration of cultural and demographic trends.</p>
	<p>Innovative elements for Gozo</p>	<p>Youth entrepreneurs often foster innovation through their fresh perspectives, willingness to take risks and adaptability. Young individuals also tend to challenge the status quo, embrace change, and use technology and innovation to create new solutions.</p>
	<p>Improving networking in Gozo and engendering critical mass in interventions</p>	<p>Youth entrepreneurs may seek partnerships with established businesses, local organizations, or educational institutions. These partnerships can lead to joint initiatives, knowledge sharing, and mutually beneficial collaborations that address critical needs in Gozo. This can also be facilitated through the engagement of business angles who have an extensive entrepreneurial experience, knowledge and expertise with respect to the island of Gozo.</p>
<p>Effectiveness</p>	<p>Best available approach as compared to other actions</p>	<p>The design of this measure is considered to be the best approach when compared to other alternative actions which have been contemplated including the provision of training courses which are already being provided at a national level and which often falls short in imparting the depth of knowledge and skills needed to thrive as an entrepreneur.</p>
	<p>Balance in interventions within and across actions</p>	<p>Given the specific nature of this measure, it will be absorbing around 7.5% of the total budget allocated for the implementation of operations under the LDS. A balanced approach will be adopted in the allocation of resources which will finance a diverse range of activities including expenditure for the acquisition of skills and knowledge, as well as the development of prototypes.</p>
	<p>Synergies within action and with other actions</p>	<p>The interconnectedness of measures is evident in their capacity to boost the socio-economic and environmental development of Gozo, while enhancing the quality of life of its residents. Retaining and attracting young people to Gozo can play a vital role in keeping the island's</p>

		<p>culture and traditions alive through the active participation of the younger generation. Furthermore, young entrepreneurs often develop sustainable solutions, such as renewable energy projects and environmentally conscious products. This measure is also expected to empower young individuals by providing them with a sense of purpose and self-confidence which can lead to a higher overall sense of well-being and life satisfaction in Gozo.</p>
	<p>Sustainability of project benefits</p>	<p>This measure is expected to empower young individuals by equipping them with the necessary resources, mentorship and opportunities to thrive and contribute to Gozo's long-term economic, social and environmental sustainability. This is expected to be achieved through the creation of new economic activities and job opportunities, the retention and attraction of the younger generation and the development of sustainable practices and innovative solutions.</p>
<p>Efficiency and Regulatory Compliance</p>		<p>Attempts have been maintained to reduce the administrative burden and regulatory compliance in a cost-effective manner. The selection of the projects is subject to a set of National Eligibility Rules as well as other regulatory provisions as required by the Strategy.</p>

The Rationale for M3: Empowering Communities to act as Environmental Stewards

<p>Relevance to LEADER approach</p>	<p>Enhancing competitiveness, innovation and quality of life</p>	<p>This measure seeks to empower local communities to implement small-scale projects aimed at tackling issues related to water conservation, climate change mitigation, preservation of biodiversity, waste management, and the reduction of emissions. Such environmental challenges could be addressed through innovative approaches towards achieving a better quality of life in Gozo.</p>
<p>Promoting a bottom-up approach, cooperation among different territorial actors, inclusivity and networking</p>	<p>Avoidance of overlapping with other interventions</p>	<p>This measure promotes a bottom-up approach by involving local residents in the development of action plans to safeguard and responsibly utilize natural resources while protecting the environment. Furthermore, it encourages collaboration among diverse community stakeholders, including small and micro businesses, voluntary organizations, local governing bodies, and educational institutions, towards achieving common environmental goals. This would naturally foster networking opportunities, facilitating the exchange of knowledge and the pooling of resources, ultimately enhancing the effectiveness of environmental initiatives.</p>
<p>Relevance to Gozo</p>	<p>Addresses needs identified in Strategy</p>	<p>This action, within its full scope and reach, is not considered to replicate other interventions. It is however complementary to other measures outlined in the Gozo Regional Development Strategy 2021-2030 aimed at protecting and preserving Gozo's natural environment and resources.</p>
<p>Addresses needs identified in Strategy</p>	<p>Addresses needs identified in Strategy</p>	<p>N3: This measure is expected to reduce the environmental footprint of agriculture, lower greenhouse gas emissions, protect biodiversity, and safeguard natural resources, leading to a more environmentally friendly and resilient agricultural sector.</p>
<p>Addresses needs identified in Strategy</p>	<p>Addresses needs identified in Strategy</p>	<p>N4: This measure is expected to create awareness and action to improve the quality of the environment in Gozo through small-scale initiatives in the fields of water, waste, biodiversity and climate change.</p>
<p>Addresses needs identified in Strategy</p>	<p>Addresses needs identified in Strategy</p>	<p>The previous programme financed projects aimed at promoting Gozitan culinary tradition, its evolution and future sustainability including improvements in the value chain from local production to consumption. Apart from the sustainability of agricultural practices, the new initiative seeks to support the protection and conservation of our natural assets and resources, thereby ensuring the</p>

		sustainability of water, waste and energy which would in turn contribute towards sustainable agricultural production.
	Innovative elements for Gozo	Innovative methods, creative approaches and climate-friendly practices can be employed to safeguard and conserve resources while enhancing the overall environmental well-being in Gozo.
	Improving networking in Gozo and engendering critical mass in interventions	Although partnership between entities towards an application is not a requirement, it is encouraged through the award of higher points in the selection criteria. Collaborative efforts can achieve larger-scale impact and can lead to the implementation of more extensive and effective measures.
Effectiveness	Best available approach as compared to other actions	The design of this measure is considered to be the best approach as it encompasses a wide range of tangible and concrete actions that could be applied towards the protection of the environment and the sustainable use of resources. The design of an action plan is crucial for the execution of the project as it serves as a valuable tool for setting, organizing and successfully achieving the desired goals.
	Balance in interventions within and across actions	This measure is absorbing around 31% of the total budget allocated for the implementation of operations under the LDS. This will in itself be divided into a number of different individual interventions including small-scale infrastructure, behavioural change and improvements of green spaces, amongst other initiatives. All of these efforts contribute towards enhancing the environmental quality in Gozo.

<p>The interconnectedness of measures is evident in their capacity to boost the socio-economic and environmental development of Gozo, while enhancing the quality of life of its residents. Preserving environmental assets assumes a critical role in safeguarding traditions particularly those which are deeply intertwined with the natural environment, thereby ensuring their continuity across generations. This measure also poses an opportunity for young entrepreneurs to establish eco-friendly businesses that align with sustainability principles, including agro-tourism, sustainable agriculture, eco-tours, or the production of artisanal goods utilizing local resources. Furthermore, environmental conservation efforts produce tangible benefits, including enhanced air and water quality, reduced pollution, and the creation of recreational areas, all of which collectively elevate the overall well-being in Gozo.</p>	<p>Synergies within action and with other actions</p>
<p>This measure is targeted towards the sustainability of Gozo's natural assets and resources. It aims to foster a culture of environmental stewardship in Gozo by implementing projects that encourage either changes in behavior or the establishment of small-scale environmental infrastructure.</p>	<p>Sustainability of project benefits</p>
<p>Attempts have been maintained to reduce the administrative burden and regulatory compliance in a cost-effective manner. The selection of the projects is subject to a set of National Eligibility Rules as well as other regulatory provisions as required by the Strategy.</p>	<p>Efficiency and Regulatory Compliance</p>

The Rationale for M4: Promoting Healthy and Sustainable Lifestyles in Gozo

<p>Relevance to LEADER approach</p>	<p>Enhancing competitiveness, innovation and quality of life</p>	<p>Prioritizing healthier and sustainable lifestyles not only enhances individual well-being but also leads to improvement in worker's productivity, thereby enhancing the competitiveness of the region.</p>
<p>Relevance to Gozo</p>	<p>Promoting a bottom-up approach, cooperation among different territorial actors, inclusivity and networking</p>	<p>This measure promotes a bottom-up approach as it empowers the local community to initiate and participate in sustainable initiatives that align with Gozo's specific needs. This measure encourages healthier lifestyles involving the creation of support networks that foster inclusivity by providing spaces for people from various backgrounds to come together, share experiences and support one another. Particular emphasis is placed on the more vulnerable elements of the population including children, youths, women, the elderly, and minority groups, among other segments which require special attention from an inclusiveness perspective.</p>
	<p>Avoidance of overlapping with other interventions</p>	<p>This action, within its full scope and reach, is not considered to replicate other interventions. It is however complementary to other measures outlined in the Gozo Regional Development Strategy 2021-2030 aimed at improving the quality of life and wellbeing in Gozo while engaging communities and foster social interaction and inclusion.</p>
	<p>Addresses needs identified in Strategy</p>	<p>N5: This measure seeks to promote the distinctiveness of the rural area by providing an environment which is amenable to a healthy and sustainable lifestyle.</p>
	<p>Elements of continuation from previous programme</p>	<p>One of the measures financed under the previous programme was directed towards the attraction of youths and young families to Gozo. This new intervention will continue to build on what has been achieved in the previous programme, with greater emphasis on the promotion of sustainable lifestyles with particular emphasis on physical and mental health and the production of local genuine products.</p>

	<p>Innovative elements for Gozo</p>	<p>Beneficiaries of this measure can make use of innovative methods and approaches towards achieving a healthier and sustainable lifestyle in Gozo.</p>
	<p>Improving networking in Gozo and engendering critical mass in interventions</p>	<p>Although partnership between entities towards an application is not a requirement, it is encouraged through the award of higher points in the selection criteria. Collaborative efforts can achieve larger-scale impact and can lead to the implementation of more extensive and effective measures.</p>
<p>Effectiveness</p>	<p>Best available approach as compared to other actions</p>	<p>The design of this measure is considered to be the best approach as it encompasses a wide range of tangible and concrete actions that can contribute towards a healthier and more sustainable future in Gozo. It enables the creation of amenities like open spaces for community gatherings, the promotion of healthy diets emphasizing local gastronomy, initiatives for mental well-being and animal therapy, as well as the enhancement of public safety in rural areas.</p>
	<p>Balance in interventions within and across actions</p>	<p>This measure is absorbing around 31% of the total budget allocated for the implementation of operations under the LDS. This will in itself be divided into a number of different individual interventions including small scale rural infrastructure and facilities, dissemination and promotional material, purchasing of equipment and events.</p>
	<p>Synergies within action and with other actions</p>	<p>The interconnectedness of measures is evident in their capacity to boost the socio-economic and environmental development of Gozo, while enhancing the quality of life of its residents. Enhancing the quality of life and well-being in Gozo would not only serve to retain but also attract young individuals to the island, where their active involvement can play a crucial role in preserving the region's culture and traditions. Concurrently, this measure strives to strengthen rural development, cultivate a stronger sense of community and belonging, and promote environmental sustainability by encouraging eco-friendly traditional practices.</p>
	<p>Sustainability of project benefits</p>	<p>This measure will in itself promotes sustainable living by facilitating initiatives that create a safe, healthy and sustainable environment for people to live and thrive in Gozo.</p>

Efficiency and Regulatory Compliance

Attempts have been maintained to reduce the administrative burden and regulatory compliance in a cost-effective manner. The selection of the projects is subject to a set of National Eligibility Rules as well as other regulatory provisions as required by the Strategy.

5.4. RATIONALE BEHIND BUDGETARY ALLOCATION ACROSS ACTIONS

5.4.1. The budgetary allocation across measures is an essential element of the formulation of the Strategy and its eventual success. This was affected in a manner that reflects the principles utilised in the derivation of the Strategy itself, especially the following:

- Balance between measures so as to attain progress on all the needs identified in the Strategy;
- An element of continuity in supporting activities to an extent and of a nature that is not excessively dissimilar from those supported in the previous Programme; and
- Providing sufficient resources for the proposed actions to be undertaken effectively and efficiently, while allowing for a critical mass to be established within projects.

5.4.2. As indicated earlier, the potential demand for resources under LEADER in the Region of Gozo could be significantly higher than the availability of funds through the CAP SP. Within the context of this limitation, it is considered that the allocation to the four individual measures and the suggested range of allocations to individual projects achieves all of the above objectives in a reasonable manner. This is within the context of the emphasis of this Strategy for the involvement of private business and public entities to:

- Provide the necessary 20% co-financing element as indicated in the CAP SP; and
- Provide additional financial resources to undertake activities in a sustainable manner that increase economic and social activity in Gozo – in this manner, the LEADER funds would act as a base upon which additional public and private capital would leverage to create activities of sufficient scale to make an important impact on the quality of life in Gozo. This is a key feature in this Strategy, which must be properly communicated and motivated in the context of the animation and implementation of the Strategy itself to ensure durability of the effects of funding interventions.

5.5. THE ELEMENT OF RISK

5.5.1. An overarching risk associated with the implementation of the Strategy is the level of uptake of initiatives funded through the strategy and the possibility of a general lack of participation by local communities, either due to a lack of interest or knowledge in generating suitable applications. However, this risk is mitigated by the robust and extensive public consultation exercise conducted during the strategy's design phase, where significant interest was expressed with respect to all four measures. The strong local connections that the LAG has with potential beneficiaries, along with the free support provided by SEM throughout the application development and project implementation stages, also help mitigate this risk. To further encourage participation, the LAG will utilize its communication channels to inform the community about initiatives and calls related to the LEADER strategy.

- 5.5.2. Another potential risk associated with the implementation of the Strategy is the increase in the process of certain services such as accountancy, audits, rent of premises, website costs, adverts and other professional services. As a mitigating factor the GAGF has asked local councils and private members forming part of the Foundation to pay an annual endowment fee.
- 5.5.2. The possible lack of coordination and active participation by beneficiaries and the local community in events and activities organized to showcase and promote funded initiatives is also considered a risk, especially concerning Measure 1, where participation in such events is a part of the beneficiaries' obligations. To mitigate this risk, the Gozo Action Group Foundation will be responsible for the coordination and timing of the event. Additionally, 5% of the project's allocated budget will be contingent on the beneficiaries' active participation in the event.
- 5.5.3. This Strategy, however, considers that these risks are worth taking, and that concrete efforts should be undertaken to ensure that LEADER funds deliver the objectives set in the next Programming period.
- 5.5.4. As indicated in previous sections, although partnership between entities towards an application is not an obligation in this programming period, it is being encouraged through the award of higher points in the selection criteria. Emphasis is placed on interventions attaining sufficient critical mass, as opposed to the scattering of funds across numerous projects that do not create a consistent intervention, in a manner which is furthermore conducive to ensure durability of effects.
- 5.5.5. The feedback received from the extensive public consultation undertaken and from the Decision Committee of the GAG point to the fact that there is extensive public support for the Strategy as designed and awareness of the risks involved, together with the confidence that the Strategy can be implemented in a manner that overcomes the negative effects of risks and reap the intended benefits.

5.6. CONCLUSION

- 5.6.1. The process of transposition of needs into actions for the Gozo region is based on rational criteria as discussed in this section and was furthermore greatly informed by the extensive stakeholder consultation process. Stakeholder consultation pointed to a series of projects that were implementable in practice, and that this Strategy seeks to enable through the articulation of four all-encompassing measures aimed towards attaining the objectives of the strategy that seek to address the needs of the region.
- 5.6.2. It is considered that this approach is what Gozo needs at this particular juncture of its socio-economic development, and that it is fully consistent with the aims which LEADER seeks to achieve at the regional level. It is therefore highly probable that a number of interesting projects will be conceived and implemented under the aegis of this Strategy.

6. IMPLEMENTATION PLAN



6.1. INTRODUCTION

- 6.1.1. This section includes a description of the strategy management, monitoring, evaluation and control. The implementation plan describes how all actions will be implemented and when, what actions will be required for the launch of each action, information sessions, press releases, adverts, evaluation of applications, board meetings, contracting of beneficiaries, monitoring of project progress, site visits etc. A plan of how the LDS can be monitored and evaluated is also included in the LDS.
- 6.1.2. A quality monitoring and evaluation plan is a key element in the development and implementation of any programme or project. The overall aim of this Monitoring & Evaluation Framework is to enable the quantitative and qualitative assessment of the Local Development Strategy 2023-2027. The LDS will be appraised in terms of development and performance so as to improve current and future management of outputs, outcomes and impacts of the LEADER element of the Rural Development Programme in Gozo. The methodology outlined in this section which is consistent with the requirements of Operating Guidelines (Version 1.12) and LEADER guidance documents will ensure a coherent and cohesive approach to monitoring and evaluation of LEADER 2023-2027 in Gozo. Any changes to the Operating Guidelines as issued by the MA will need to be taken into account in the monitoring and evaluation of the LDS.
- 6.1.3. Finally, a communication plan is presented of how information about applications, decisions, results of the measures and Strategy or any other matter will be communicated to the stakeholders.

6.2. MANAGEMENT

- 6.2.1. The GAGF is responsible for implementing and managing the Strategy. It is responsible for project assessment, monitoring of progress as well as administrating the Strategy including financial management. Following approval of this LDS by the Decision Committee and eventually the Managing Authority, the implementation phase starts.
- 6.2.2. **Table 6.1** represents the indicative implementation timeline in the LDS, indicating when each measure is expected to be launched and implemented. It is envisaged that all calls would have been launched by no later than Q1 of 2025.

Table 6.1: Timing of Calls

	2024				2025				2026				2027			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Measure 1			Open Call													
Measure 2		Open Call														
Measure 3			Open Call													
Measure 4			Open Call													

The call for applications will open in the respective quarters and shall remain open until the entire budgetary allocation under the Measure is absorbed.

6.2.3. The GAGF has to prepare the applications for all the measures as well as communicate the opening of calls in a timely manner. It is noted that the application form will be simplified further and there will be one common application across the board. The procedures will be aligned with the respective Operating Rules. The diagram below illustrates a summary of the process from the development stage of a project to its contracting stage. The entire process will be in line with Section 4.2.4 of the Guidelines and will include the following steps:

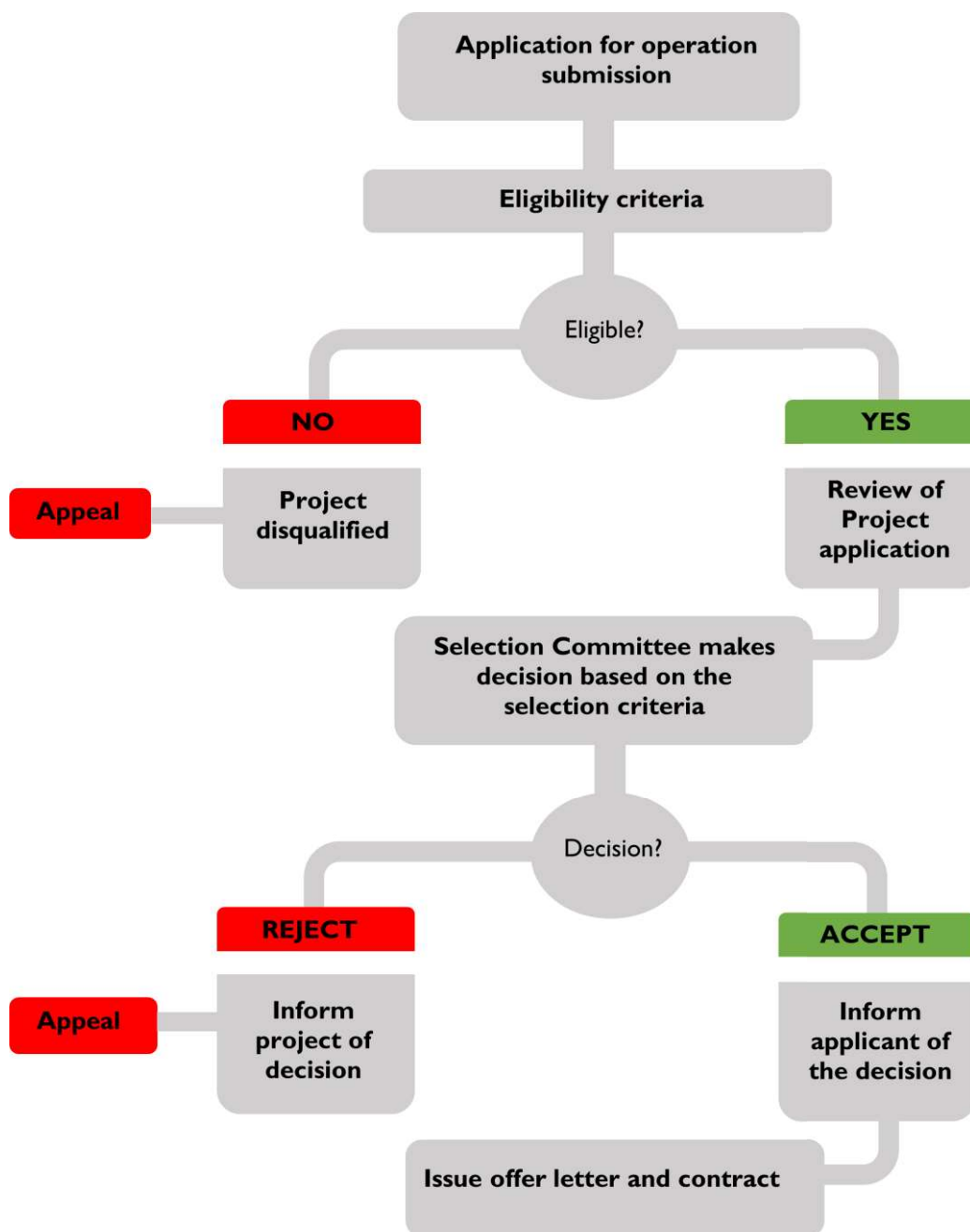
1. General Provisions to ensure project eligibility
2. Commitments of Aid requirements
3. Development of guidelines and application forms for calls, including Manual for Evaluation Committee and Appeals Board
4. Launch of publicity and information actions, including information sessions
5. Publication of call, preceded by a pre-call
6. Receipt of Application
7. Inputting of all Applications in IACS (prior to eligibility checks)
8. Administrative checks for any missing documentation and information
9. Notification to applicants for submission of missing documents
10. Rejection of application, failing to provide information / documentation required
11. Eligibility checks on admissible applications
12. Presentation of Evaluation Reports, checklists and relevant information to the Decision Committee
13. Selection concluded by the Decision Committee and preliminary ranking list published
14. Procedure to be adopted in case of conflict of interest²⁶
15. Letters notifying applicants of selection outcome
16. Notification to appellants of outcome
17. Appeals window open and appeals lodged with Chairperson of appeals board
18. Letter of Offer and Letter of Acceptance
19. Contracting of selected beneficiaries by the LAG, including possibility of Advance

²⁶ In this regard, reference should be made to Commission Notice Guidance on the avoidance and management of conflicts of interest under the Financial Regulation (2021/C 121/01), and as the LAG may be guided by the Managing Authority.

payments to LAG Beneficiaries

20. Monitoring and Control of project by the LAG, including on-the-spot check by LAG officials; records of such checks to be maintained (including soft format). Ex-post checks on project to be carried out by LAG up to the durability obligation period (for both investments and documentation)
21. Receipt and verification of beneficiaries' payment claims by LAG prior to forwarding to ARPA
22. Processing of interim payments by ARPA
23. Support ARPA's requests with additional information/documentation within stipulated timeframes
24. Upon completion of 80% of project (or as decided by ARPA) an on-the-spot check is carried out by the Control Unit within ARPA
25. Once outcome of check is positive, ARPA to process final payment
26. Provide MA, ARPA and any other appointed body with ongoing and ex-post data and information.

Figure 6. 1: Summary of Application Process



Project Selection

- 6.2.4. The project selection process starts with the LAG agreeing with the Decision Committee on the budget per call, measures guidelines and application form, eligibility and selection criteria and time schedule for call as well as appeal procedure. Once the call is launched, applicants must submit their application, together with the required supporting documentation as indicated in the Guidelines for Applicants.
- 6.2.5. Once an application is received, the Evaluation Committee of the LAG will evaluate and conduct administrative checks provided to select eligible projects. Whenever an application lacks crucial information for the evaluation process, it will be automatically disqualified and rejected.
- 6.2.6. Evaluation of the application is carried out on the basis of the information as submitted by the applicant and the Evaluation Committee can request clarifications. For each Application, the Evaluation Committee will prepare an administrative and technical report including recommendations for project funding or rejection. The Decision Committee will then initiate the selection process and once this is concluded, the Decision Committee will proceed to publish the preliminary results.
- 6.2.7. The Decision Committee will also set up an autonomous and independent appeals board. Any appeals presented must be lodged with the Chairperson of the appeals board. The outcome of the appeals process is final and cannot be altered by the Decision Committee.
- 6.2.8. The LAG will publish a final result with a list of the projects eligible for financial support on the notice Boards of the LAG, and on the LAGs website. The LAG must issue a letter of acceptance/conditionality/rejection to each applicant. 6.2.8. The form of support provided under these Measures is a non-repayable grant in line with any of the forms of financing outlined in Article 83 of Regulation (EU) 2021/2115, as may be announced in the Call for Project Proposals issued, and/or at the latest in the document setting out the conditions for support.
- 6.2.9. Operations shall not be eligible for support where they have been physically completed or fully implemented before the application for support is submitted to the LAG. irrespective of whether all related payments have been made.
- 6.2.10. Checks will be undertaken by the relevant authorities to ensure that the project and ensuing payments conform to all EU and national requirements governing the management of the CAP SP. This includes checks with regards to State Aid so that all measures that give rise to State Aid implications, would comply with the applicable State Aid rules.

6.3. MONITORING & EVALUATION

- 6.3.1. The legal framework outlines the responsibilities of the Local Action Group (LAG), which encompass overseeing the execution of the Strategy and conducting specific evaluation activities related to it. One effective means of ensuring the attainment of goals set for the LDS is through the establishment of a continuous monitoring and evaluation system for the Strategy. This monitoring and evaluation process empowers the LAG to identify and resolve concerns throughout the Strategy's duration, adapt and enhance its processes, offer essential support, and inform future programming and policy decisions. It also aids in establishing and providing feedback on successful approaches for meeting various needs of the territory and demonstrating the value of adopting the LEADER approach.
- 6.3.2. Evaluation is considered an important activity which leads to the improvement of the LAG. The LAG will continue to strengthen its existing processes of self-evaluation, the purpose of which is to help the LAG in decision-making, to ascertain achievement, ensure public accountability and to enable reflection so as to identify future change.
- 6.3.3. Self-evaluation includes taking stock of the implementation of the Strategy, scrutinising its structures including financial ones and critically reflecting on how to improve the LAG's activities and processes. As part of its self-evaluation process, the LAG will periodically review the intervention logic of the strategy, the objectives and the needs identified in the strategy to ensure that they continue to remain relevant for the region of Gozo while monitoring the implementation of the strategy so that targets identified in the strategy are adequately met.
- 6.3.4. As outlined in the LDS guidelines, the LAG will engage in monitoring and evaluation to ensure that the specific objectives of the Strategy are met and contributed towards the objectives of the CAP SP. It will also collect data to monitor the implementation of the Strategy and support its evaluation while also meeting the reporting requirement of the CAP SP.
- 6.3.5. The monitoring system is designed to encompass periodic reviews of each project, enabling the assessment of performance in terms of timing, budget adherence, and achievement of desired outcomes. This process facilitates the identification of weaknesses and other issues that may arise, allowing for the development of timely and effective solutions. Additionally, the monitoring system aims to identify best practices that can be recommended and applied.
- 6.3.6. The monitoring process is essential to ensure that:
- The project aligns with the objectives specified in Chapter 3;
 - Project commitments and expenditures conform to the budget, thereby anticipating any issues that could result in a slow utilisation of funds.; and
 - The project delivery and progression are in line with the timeline and action plan established.

- 6.3.7. To anticipate risks, annual monitoring is required. Monitoring activities may involve:
- Visits to project sites;
 - Meetings with beneficiaries; and
 - Other activities that enable LAG members and staff to receive feedback and gain an overview of project implementation.
- 6.3.8. Any existing or anticipated problems should be promptly identified and reported to the LAG for communication to beneficiaries, along with recommended solutions. Effective communication remains crucial for achieving the objectives.
- 6.3.9. Beneficiaries will also be expected to provide Project Progress Reports to the Gozo Action Group providing an updated on the implementation of their projects.

6.4. COMMUNICATION PLAN

6.4.1. This Strategy presents the basis for an efficient and effective communication plan that is vital at all stages throughout the implementation of the LDS. It is important to involve all stakeholders throughout each of the implementation phase to ensure that stakeholders contribute towards the effective implementation of the Strategy ensuring that the planned objectives are attained.

6.4.2. As stated in the Guidelines, a communication and publicity plan will be made public on the LAG's webpage. The LAG will implement communication activities, before the launching of calls for interested parties to apply for. The publicity requirements of the calls are as follows:

- Adequate pre-announcement of the calls to be issued (not more than 4 weeks);
- Information sessions targeting potential beneficiaries that will be publicised; and
- Publication of an advert in a local newspaper at the pre-launch or at actual call stage as well as publicizing the calls on the LAG website, notice board and Local Council notice boards.

6.4.3. The advertisements for the call will have the following information:

- Address and contact details of the LAG;
- Title and reference number of the call;
- Details of the expected outcome as defined in LDS;
- Deadline for receiving clarification requests and applications;
- General co-financing rates;
- Budget allocated to the call; and
- Logos of the European Union, of the Republic of Malta, and of the Ministry for the Economy, European Funds and Lands (MEFL)²⁷.

6.4.4. The LAG will ensure that:

- Objectives, processes and requirements are clear and not ambiguous – the LAG will communicate in writing to any queries presented by applicants and beneficiaries;
- All processes will be explained in detail. Applicants need to understand the importance of the monitoring and evaluation mechanisms and thus understand clearly why their contribution in terms of providing the right information in a

²⁷ The Communications Unit within MEFL should be contacted for communication related issues during implementation.

timely manner is vital; and

- Findings will be clearly communicated and where appropriate the recommendations will be implemented. This should be part of the monitoring and evaluation mechanism to guarantee that what has been communicated is not disregarded but applied.

6.4.5. For effective and efficient communication, the LAG will consider the following questions:

- **What needs to be communicated (and why)?**
 - The LAG will make sure that all objectives, requirements and procedures are well communicated in a timely, transparent and non-discriminatory manner. Information for each action proposed by the Strategy will be clearly defined through a clear description of the type of operations, the type of support, the objectives that need to be achieved, eligible and non-eligible criteria and all selection criteria. Applicants have to be aware of all the information that will enable them to fill applications appropriately with submission of all necessary documents. Proper communication of information allows for a better decision making.
 - Communication is a continuous process that does not start and finish upon submission of applications. The LAG will keep open communication with the MA and ARPA in relation to the implementation of the Strategy and with beneficiaries to ensure that they are aware of all procedures. Any changes or issues that may arise will be communicated to all involved parties.
- **Who does it need to be communicated to?**
 - The entire process, from the formulation of the LDS to its implementation has to involve the participation of all relevant parties. To this end this Strategy is developed using a bottom-up approach ensuring that information coming from the MA and the LAG is communicated to local actors who in turn contributed in building the Strategy. All parties shall remain involved in the implementation, monitoring and evaluation process. All changes, problem, irregularities and decisions have to be duly communicated to all those involved.
- **Who and when does it need to be communicated?**
 - At any phase of the LDS from its construction to its implementation and evaluation, communication cannot come to a halt. It is an on-going process involving all parties. Communication of information and decisions shall occur on a continuous basis through all phases by all those involved.
- **What means and channels should be used?**
 - Channels of communication could include face to face communication, broadcast and print media, written and electronic communication and any

other form of channel that is deemed appropriate.

- **How will effectiveness be assessed?**

- The extent of the communication effectiveness can be assessed through the smooth operation of the implementation, monitoring and evaluation processes. Effective communication shall translate into successful applications, appropriate delivery of requested information, submission of reports, queries addressed and recommendations executed in a timely manner. All communications need to be documented and recorded for auditing and evaluation purposes.

6.4.6. All communication processes and evaluation reports including results of the measures and Strategy implementation should be made publicly available in an accessible format to ensure transparency.

6.4.7. The LAG retains the prerogative to apply any of forms of financing outlined in Article 83 of Regulation {EU} 2021/2115, and as may be agreed to with the Managing Authority.

6.5. FINANCIAL ALLOCATION OF THE IMPLEMENTATION PLAN

6.5.1. A proportion of the budget earmarked for the Gozo LEADER initiative will be directed towards running and animation costs. This is in line with the CAP SP, which becomes applicable once the LDS is officially approved, and preparatory support is no longer required. The eligible expenditure will be determined in the Operational Guidelines issued by the MA. The scope of this budget is to ensure the efficient administration of the LAG. This budget shall cover expenses related to training of the LAG, promotional events, activities to engage the community, animation actions and any associated costs linked with the implementation of the LDS. Other administrative functions that will be covered by this budget include:

- Preparation and publication of applications;
- Receipt, assessment and selection and contracting of projects;
- Management, monitoring and implementation of the strategy; and
- Bookkeeping and legal-related specific issues.

6.5.2. All of these activities, including management, monitoring, evaluation, control, and communication, contribute to the successful implementation of the LDS. Therefore, it is essential to distribute the budget to these specific tasks in a manner that ensures an effective implementation plan. The allocated budget is €349,677 and is distributed across the running and animation activities as shown in **Table 6.1**.

6.4.8. **Table 6.2** provides an estimation of how the budget could be allocated, a distribution of 95% for running costs and 5% for animation costs. However, the LAG can allocate the budget in a different proportion across the animation and running costs and between the different non-exhaustive list of activities as necessary.

Table 6.2: Indicative running and animation costs

	Activities	€
Running Costs	Training of LAG and travelling expenses Personnel/staff costs and allowances Members allowance Book-keeping, legal fees and insurance Utilities Other operational costs (office supplies, telecommunications, rent & insurance, repair & maintenance, cleaning) Receipt, analysis, assessment, selection and contracting of projects Management, monitoring and implementation of the strategy	332,193.15
Animation Costs	Promotional events Provision of information Preparation and publication of public calls in line with the LDS	17,483.85
	Total	349,677.00

7. FINANCIAL PLAN



- 7.1. This section presents the financial plan allocated per need and objective of the Strategy. As presented in Section 3, the LDS identifies seven needs translated into seven objectives for the Strategy. Measures were developed with the purpose of achieving these objectives in an effort to address the needs of Gozo. **Table 7.1** shows how the budget assigned to each measure is allocated across needs and objectives, adding up to a total budget of €1.35 million for the implementation of the Strategy.
- 7.2. The lowest amount of budget is allocated to Measure 2 given the specific nature of the measure that is dedicated to youth entrepreneurship. This constitutes around 7.5% of the total budget allocated for the implementation of operations under the LDS. The other three measures are equally assigned around 31% of the total budget given their multifaceted scope in terms of activities that could be financed under each of these three measures. The rationale behind the financial allocation of each measure is outlined in Section 5 of the LDS.
- 7.3. **Table 7.2** shows the percentages allocated to each of the respective needs and objectives. Most of the budget is directed towards addressing Need 5 representing Gozo lifestyle with a sum of €498,502.58, followed by Need 4 representing the Climate and the Environment with a sum of €332,335.05. The amount of budget allocated to these two needs account for 37% and 25% of the total budget respectively. It is to be appreciated that this allocation reflects the prioritisation derived through the stakeholder consultation exercise and is also consistent with the needs identified in other policy documents which are of relevance to Gozo.

Table 7.1: Expectations of budget distribution²⁸

Objectives	Objective 1	Objective 2	Objective 3	Objective 4	Objective 5	Objective 6	Objective 7	Total
	Developing new niche sectors and diversifying existing ones into new niches of economic activity.	Retaining and attracting young talent to pursue their goals in Gozo.	Enhancing sustainability in Gozo's agriculture sector by promoting eco-friendly and innovative practices that optimize produce quality and environmental stewardship.	Increasing amenities to protect the environment and address the pressing challenges of climate change.	Enhancing the quality of life and overall well-being of all individuals living in Gozo by fostering a culture of inclusiveness and community engagement.	Valorizing and safeguarding Gozo's distinctive lifestyle, preserving its rich cultural heritage and ensuring the conservation of its natural assets.	Safeguarding traditions, customs, crafts and skills for present and future generations.	
Measures/Needs	N.1 'New Economy Activities'	N.2 'Youth Entrepreneurship'	N.3 'Agriculture & Environment'	N.4 'Climate & Environment'	N.5 'Gozo Lifestyle'	N.6 'Cultural Heritage'	N.7 'Traditional Values'	
M1: Keeping the Culture and Traditions of Gozo Alive								€415,418.82
M2: Youth entrepreneurship in Gozo: Taking Ideas to the Marketplace	€30,000.00	€70,000.00						€100,000.00
M3: Empowering Communities to act as Environmental Stewards			€83,083.76	€332,335.05				€415,418.81
M4: Promoting Health and Sustainable Lifestyle in Gozo					€415,418.82			€415,418.82
Total	€30,000.00	€70,000.00	€83,083.76	€332,335.05	€498,502.58	€166,167.53	€166,167.53	€1,346,256.45

²⁸ This table is provided for indicative purposes and is not subject to an audit

Table 7.2: The percentage budget allocated

Measures/Objectives	Objective 1	Objective 2	Objective 3	Objective 4	Objective 5	Objective 6	Objective 7	Total Budget
	N.1 'New Economy Activities'	N.2 'Youth Entrepreneurship'	N.3 'Agriculture & Environment'	N.4 'Climate & Environment'	N.5 'Gozo Lifestyle'	N.6 'Cultural Heritage'	N.7 'Traditional Values'	
Measure 1					20%	40%	40%	€415,418.82
Measure 2	30%	70%						€100,000.00
Measure 3			20%	80%				€415,418.81
Measure 4					100%			€415,418.82

8. SET-UP OF THE LOCAL ACTION GROUP



8.1. LAG STATUTE

- 8.1.1. This section of the LDS describes the local partnership set-up including the composition of the Decision Committee. The statute of the LAG is annexed to the LDS.
- 8.1.2. In accordance with the regulations, the Statute of the Gozo Action Group Foundation describes the composition of the Decision Committee as follows: 3 members representing the public sector and 4 members representing the private sector. In addition to the Founding Members, any Public and private partners from locally-based socio-economic sectors in Gozo are eligible to join the Foundation.
- 8.1.3. The Foundation was set up on 6th August 2016 with the following objectives:
- Promote and improve the territory of the group through a holistic approach with the aim to upgrade the quality of life of the rural community;
 - Work towards achieving collaboration between the public and private sectors with the intention of becoming a Local Action Group (LAG);
 - Define and implement an area-based local development strategy for the territory concerned;
 - Practice a bottom-up approach in decision-making for both the elaboration and implementation of the local development strategy;
 - Participate in inter-territorial and trans-national actions, together with other partners or Leader-type organizations having the same objectives, with the aim to programme, develop, implement, put into practice, run and realize joint-action projects; and
 - Participate actively in the National Rural Network, the European Network for Rural Development as well as any other LEADER Committees, as necessary.
- 8.1.4. The structure of the Foundation is as follows:
- Annual General Meeting of the Founders, both initial and subsequent
 - Chairperson and Manager
 - Decision Committee
 - Operational Groups
 - Initial and subsequent members.
- 8.1.5. The current members comprise all the Local Councils within Gozo (public sector) as well as the Gozo Business Chamber, the Gozo Tourism Association, the Gozo NGOs Association, and the Gozo Confederation of Agriculture & Fisheries (private sector).
- 8.1.6. The Decision Committee is made up of 7 members where 51% of the members are

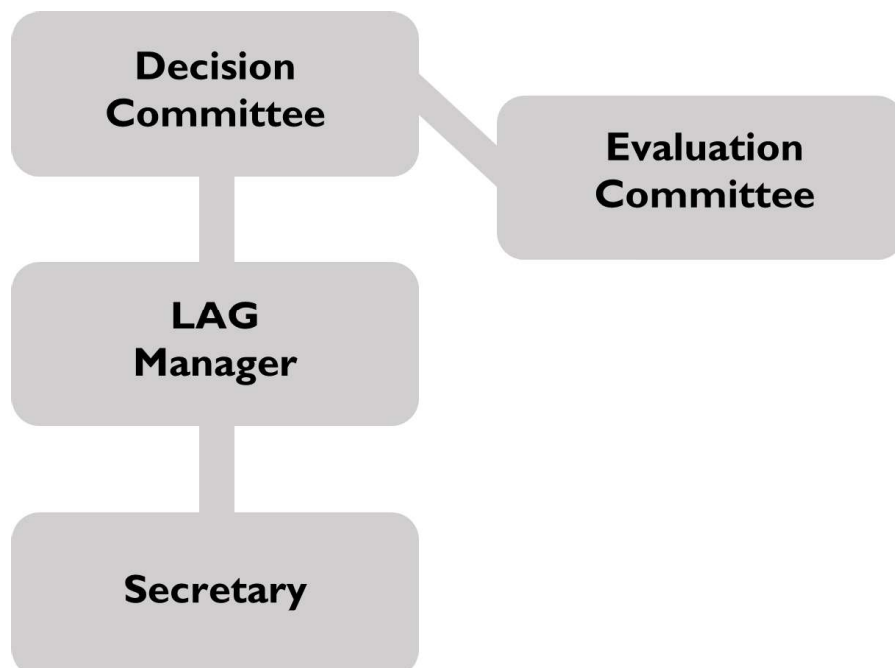
presenting civil and commercial society. Three members are chosen by the Local Councils whereas the other four members are chosen by the private sector entities listed above.

9. IMPLEMENTATION CAPACITY



- 9.1. The day-to-day operations of the LAG are carried out by the LAG Manager who is assisted by an administrative secretary. The Manager of the LAG is responsible for ensuring the sound operational and financial management of the LAG and the implementation of the LDS in line with National and European regulations and guidance, as well as MA guidelines. The LAG Manager also leads the evaluation process of applications and works closely with the Chairperson of the Decision Committee to ensure effective functioning of the LAG and delivery of the Local Development Strategy.
- 9.2. The Evaluation Committee (EC) as appointed by the LAG is made up of 2 members: the LAG Manager and the LAG Administrative Secretary. None of the members of the EC hold any voting rights but are responsible for administratively checking the applications. The role of the Evaluation Committee is therefore to make recommendations on administrative and technical aspects of each application. The EC prepares two reports for consideration: an administrative report and a technical report to which the Project Assessment Sheet is attached.
- 9.3. In addition to the Decision Committee there is also a Project Selection Committee (PSC) that would be composed of DC members or independent members selected on ad-hoc basis by the DC. The PSC recommends the ranking of projects to the DC. Once the DC is satisfied by the evaluation process, the LAG can publish the results.
- 9.4. The figure below depicts the LAG structure.

Figure 9.1: Structure of the LAG



Appendix I: LAG Statute

Today, the ninth (9th) of
November two thousand
and twenty two (2022).

Before me Anthony Hili, Doctor of Laws and Notary Public, duly admitted and sworn have personally appeared after due identification according to law:

Joseph Cordina, an accountant, son of Joseph and Maria Stella nee' Hili, born in Victoria, Gozo on the 13th of November 1962 and residing at Xaghra, Gozo, holder of identity card number 55762G and Paul Scicluna, Manager, son of the late John and the late Grace nee Attard, born in Victoria, Gozo on the 21st of September 1955 and residing at Victoria, Gozo, holder of identity card number 55655G, who are respectively appearing hereon in their capacities as Chairman and Secretary of the **Gozo Action Group Foundation (GAGF)**, having registration number LPF-224, as duly authorized by virtue of the Statute of the said foundation.

The parties declare and premise:

Whereas by virtue of a deed enrolled in the records of Notary Enzo Refalo of the sixth (6th) of August two thousand and sixteen (2016) hereinafter referred to as "the Deed", a Public Foundation with the name **Gozo Action Group Foundation**, was set up;

Whereas by virtue of a deed enrolled in my records of the eighteenth (18th) of December two thousand and twenty (2020), hereinafter referred to as "the Corrective Deed", the Founders made changes to the Deed and the statute;

Whereas the Founders would like to further amend the Deed and the Corrective Deed by changing the Deed, the Corrective Deed and relative statute and this in line with Act thirty six (XXXVI) of the year two thousand and eighteen (2018);

Whereas the initial endowment has already been made by the Founders as per Annual General Meeting held on the twenty-seven (27th) of December two thousand and nineteen (2019);

**DR. ANTHONY HILI LL.D.
NOTARY PUBLIC MALTA**

Whereas the initial endowment has already been made by the Founders as per Annual General Meeting held on the twenty-one (21st) of June two thousand and twenty two (2022);

Now therefore by virtue of this deed:

First Amendment – Amendment to the Statute:

Section 2 named “Registered Address” shall be renumbered Section 2A

Second Amendment – Amendment to the Statute:

A new Section is introduced numbered 2B and shall read as follows

2B. “Category of the Foundation

The category of the Foundation shall be that of a social purpose for public benefit Foundation.”

Third Amendment – Amendment to the Statute:

Under section named “*Interpretation*” the definition of “Current Founding Members” shall be replaced by the following:

““Current Founding Members” means those of the Founding Members who have contributed assets and/or have made an additional endowment to the Foundation”

Fourth Amendment – Amendment to the Statute:

Under Clause six point eleven (6.11) shall be replaced by the following;

“6.11 A list of the Current Founding Members shall be kept by the Foundation, which shall be updated every calendar year, consisting of those of the Founding Members which shall have contributed assets and/or have made additional endowments to the Foundation. Such list shall be subject to the approval of the Decision Committee”.

Fifth Amendment – Amendment to the Statute:

Clause seven point nine (7.9) of the Statute shall be replaced with the following:

The current administrators are:



**DR. ANTHONY HILI LL.D.
NOTARY PUBLIC MALTA**

A black ink signature, likely of a witness or administrator, written in a cursive style.

A black ink signature, likely of the notary or another official, written in a cursive style.

Representing the Public Sector:

Mr Joe Cordina, of Maltese nationality, holder of Maltese Identity card number 55762G, residing at "Cordina", Triq l-Ghonqa, Xaghra, Gozo, representing the Local Councils

Mr Mario Azzopardi, of Maltese nationality, holder of Maltese Identity card number 23368G, residing at Madonna Ta' Pinu, Triq Guze Flores, Kercem, Gozo, representing the Local Councils

Mr Paul Azzopardi, of Maltese nationality, holder of Maltese Identity card number 24967G, residing at Assumption, Triq ta' Rinota, Munxar, Gozo, representing the Local Councils

Representing the Private Sector:

Mr Michael Galea, of Maltese nationality, holder of Maltese Identity card number 342267M, residing at 76, Girlanda, Triq Tal-Far, Victoria, Gozo, nominated by Gozo Business Chamber;

Mr Paul Scicluna, of Maltese nationality, holder of Maltese Identity card number 55655G, residing at Maria, Triq L-Arcisqof Pietru Pace, Victoria, Gozo, nominated by Gozo Tourism Association;

Mr Saviour Grech, of Maltese nationality, holder of Maltese Identity card number 30253G, residing at 18, Triq il-Providenza, Victoria, Gozo, nominated by Gozo Non-Governmental Organizations (NGO) Association;

Mr Joseph Debrincat, of Maltese nationality, holder of Maltese Identity card number 9769G, residing at Santa Maria, Triq Dun Alwig Mizzi, Gharb, Gozo, nominated by the Gozo Confederation for Agriculture and Fisheries (GCAF) Paths

Sixth Amendment – Amendment to the Statute:

Any reference to the words "membership fees" has been deleted.

For all intents and purposes the newly amended statute of the Foundation is being herewith attached as document "A".

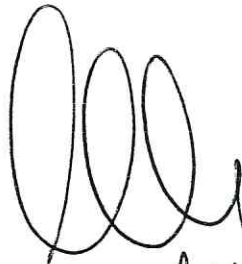
**DR. ANTHONY HILI LL.D.
NOTARY PUBLIC MALTA**



The notary seal is circular with the text "ANTHONY HILI LL.D." around the top edge and "NOTARY PUBLIC MALTA" around the bottom edge. A blue ink signature is written over the seal. Below the seal, there are two more signatures in black ink.

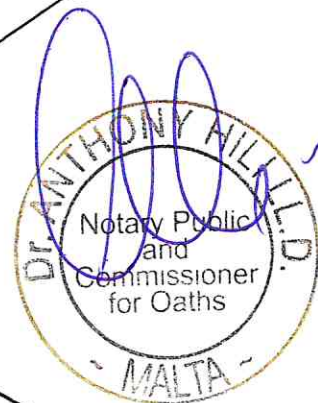
Saving the modifications carried out by virtue of this deed, the parties hereby ratify the above-mentioned deeds in the records of Notary Enzo Refalo of the sixth (6th) of August two thousand and sixteen (2016) and in my records of the of the eighteenth (18th) of December two thousand and twenty (2020).

Done, read and published after due explanation thereof in terms of Law, in Gozo, Victoria, Republic Street, number one hundred and nine (109).



NOTARY PUBLIC MALTA

TRUE COPY OF
THE ORIGINAL
QUOD ATTESTOR



**DR. ANTHONY HILI LL.D.
NOTARY PUBLIC MALTA**

A

Gozo Action Group Foundation



Statute



Approved, sixth (6th) of August two thousand and sixteen (2016)
Amended and updated at the Annual General Meeting, Gozo NGO
Centre, Xewkija, twenty seven (27th) of December two thousand and
nineteen (2019)

Amended and updated at the Annual General Meeting, Gozo NGO Centre, Xewkija, eighteen (18th) of December two thousand and twenty (2020)

Amended and updated at the Annual General Meeting, Gozo NGO Centre, Xewkija, twenty one (21st) of June two thousand and twenty two (2022)

Interpretation:

‘Founders’ means the Local Councils and entities/ organisations drawn from the private sector which have executed this public deed constituting the foundation, as well as other entities/organizations which subscribe to this Statute subsequently to this deed on making a new endowment and whose name is included in the Register of founding members;

Subsequent Founder/Founding Member means any entity/organization/Local Council which becomes a subsequent Founder upon the grant of a New Endowment to the Foundation;

All the founders, initial or subsequent to this deed, are collectively referred to as the ‘Founders’;

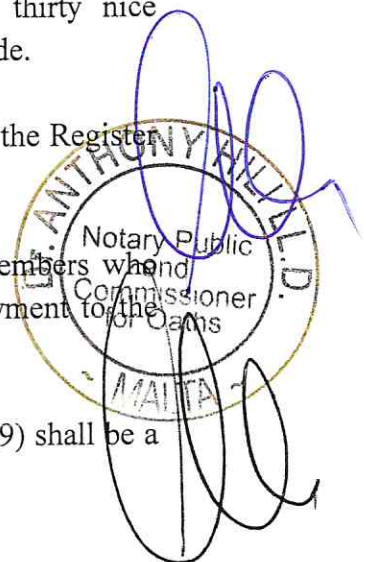
‘Member/s’ – any reference to member’s in the deed/statute shall be a reference to the founding member/s, initial or subsequent, save for any reference to members of the decision committee;

‘Register of Founders’ means the register to be established in terms of Article number twenty nine subarticle five (A. 29(5)) and thirty nine subarticle one (A. 39(1)) of the Second Schedule of the Civil Code.

‘Register of Member’ in the deed/statute shall be a reference to the Register of Founders above.

‘Current Founding Members’ means those of the Founding Members who have contributed assets and/or have made an additional endowment to the Foundation.¹

The reference to ‘General Meetings’ in the title of Article nine (9) shall be a reference to the General Meeting of founders/founder members;



¹ This article has been added as per Annual General Meeting, 21st June 2022

‘Initial Endowment’ means the endowment granted to the Foundation by the Founders on the deed;

‘Additional/New endowment’ means any endowment made by a Founder to the Foundation so that this achieves its purpose;

‘New Endowment’ means any grant of money made to the Foundation subsequently to the execution of the deed or other sets of rules which may result in the grantor becoming a subsequent Founder;

Any refers to ‘Expulsion of a member’ in this statute shall be a reference to the suspension of the founder rights of the founding member, initial or subsequent, until such time as the Decision Committee decides otherwise.

1. Name

The name of the Foundation shall be **Gozo Action Group Foundation** with the letters GAGF as its acronym.

2A. Registered Address

The registered address of GAGF shall be at number twenty three (23), G.P.F Agius De Soldanis Street, Victoria Gozo or at any other address as determined by the Decision Committee.²

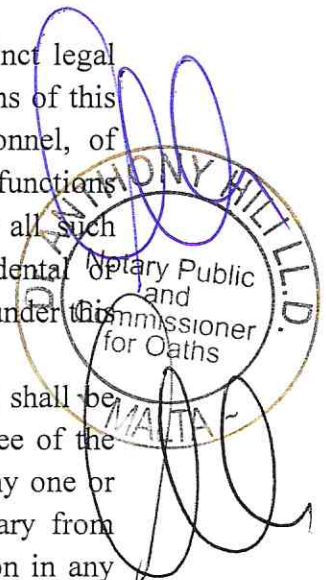
2B. Category of Foundation

The category of the Foundation shall be that of a social purpose for public benefit Foundation.³

3. Legal Personality

3.1 The foundation shall be a body corporate having a distinct legal personality, and shall be capable- subject to the provisions of this Statute- of entering into contracts, of employing personnel, of holding and disposing of finances for the purposes of its functions and operations, of suing and being sued, and of doing all such things and entering into such transactions as are incidental and conducive to the exercise or performance of its functions under this Statute.

3.2 The legal and juridical representation of the Foundation shall be vested in the Chairperson and Secretary of the Committee of the Foundation; provided that the Committee may appoint any one or more Committee members or staff to appear as necessary from time to time in the name and on behalf of the Foundation in any



² This article has been amended as per Annual General Meeting, 21st June 2022

³ This article has been added as per Annual General Meeting, 21st June 2022

judicial proceedings and in any deed, contract, instrument or other document whatsoever.

- 3.3 The Foundation is a non-profit entity. It does not distribute its assets of whatever nature to promoters, the founders, both initial and subsequent, administrators, donors and stakeholders for their private benefit, but instead uses them to help pursue its goals. The Foundation cannot carry out activities and undertakings on a commercial basis except as allowed under Article thirty two (32) letter 'A' of the Second Schedule of the Civil Code, said activities being ancillary to the principal social purpose of the Foundation.

4. Objectives

The objectives of the Foundation shall be to:

- 4.1 Promote and improve the territory of the group through a holistic approach with the aim to upgrade the quality of life of the rural community;
- 4.2 Work towards achieving collaboration between the public and private sectors with the intention of becoming a Local Action Group (LAG);
- 4.3 Define and implement an area-based local development strategy for the territory concerned;
- 4.4 Practice a bottom-up approach in decision-making for both the elaboration and implementation of the local development strategy;
- 4.5 Participate in inter-territorial and trans-national actions, together with other partners or Leader-type organizations having the same objectives, with the aim to programme, develop, implement, put into practice, run and realize joint-action projects;
- 4.6 Participate actively in the National Rural Network, European Network for Rural Development as well as any other LEADER Committees, as necessary.

5. Powers and Functions of the Foundation

The Foundation is a separate legal person and is vested with all the powers that a legal person has in virtue of its legal personality, to be able to achieve its purposes, including, without limiting the above principle, to:

- 5.1 Engage in any activity, project or undertaking that may be deemed desirable or necessary and that is consistent with the objectives of the Foundation.



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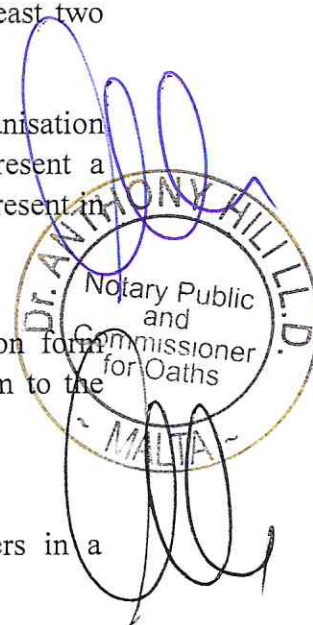
A smaller, more legible handwritten signature in black ink, located at the bottom right of the page.

- 5.2 Carry out financial administration of the Foundation in accordance with the budgets available,
- 5.3 Tap and disburse European Union and National funds/projects, and
- 5.4 Set up other operational groups to achieve all or any of the purposes for which it has been established.
- 5.5 Establish other organizations including companies in furtherance of its purposes and objects.

Provided that no trading activity shall be carried out by the Foundation which is not in conformity with article three sub-article three (3.3) of this statute.

6. Constitution and Composition of the Foundation

- 6.1 The founding members of the Foundation, both initial and subsequent, shall be made up of public and private partners from locally-based socioeconomic sectors in Gozo.
- 6.2 Besides the founding members, other organizations are eligible to join the Foundation as long as the Decision Committee accepts their application. Should such application be refused by the Decision Committee, the applicant has the right to appeal to a general meeting of the members. In this case the applicant can become a member through a resolution approved by at least two thirds of the members present and voting in that meeting.
- 6.3 To be eligible to be a member of the Foundation, the organisation must not be bankrupt or rehabilitated, and must also represent a particular regional sector and have its head office and be present in Gozo.
- 6.4 Prospective members have to fill and sign an application form which includes a declaration that they accept and conform to the rules of the Foundation once their application is accepted.
- 6.5 The Foundation shall keep a record of all the Members in a Register of Members.



6.6 The current Founding Members are shown in an Annex attached hereto marked document "S".

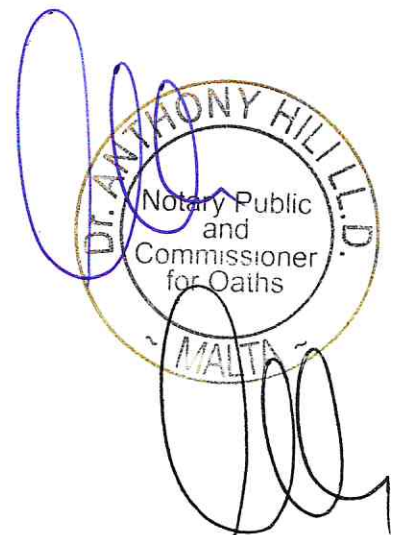
6.7 The Structure of the Foundation is as follows:

- (a) Annual General Meeting of the Founders, both initial and subsequent
- (b) Chairperson and Manager
- (c) Decision Committee
- (d) Operational Groups
- (e) Initial and subsequent Members

6.8 The Current Members forming this foundation are:

From the Public Sector

Kunsill Lokali Fontana
Kunsill Lokali Ghajnsielem
Kunsill Lokali Gharb
Kunsill Lokali Ghasri
Kunsill Lokali Kercem
Kunsill Lokali Munxar
Kunsill Lokali Nadur
Kunsill Lokali Qala
Kunsill Lokali Rabat (Gozo)
Kunsill Lokali Sannat
Kunsill Lokali San Lawrenz
Kunsill Lokali Xaghra
Kunsill Lokali Xewkija
Kunsill Lokali Zebbug



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From the Private Sector

Gozo Business Chamber

Gozo NGOs Association

Gozo Tourism Association

Gozo Confederation of Agriculture and Fisheries (GCAF)⁴

6.10 A member can be expelled from the Foundation:

- (a) if after one verbal and one written warning, that member breaks the code of discipline established by the Decision Committee or it submits work that falls below the minimum standards established by the Decision Committee and expected of the members of the Foundation or if it acts against the interests of the Foundation.
- (b) immediately, without any warning, if caught stealing, passing confidential information to third parties or performs any other transgression against the Foundation.

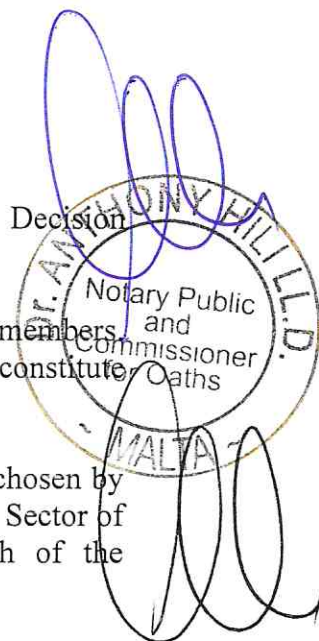
6.11 A list of the Current Founding Members shall be kept by the Foundation, which shall be updated every calendar year, consisting of those of the Members which shall have contributed assets and/or have made additional endowments to the Foundation. Such list shall be subject to the approval of the Decision Committee.⁵

7. Decision Committee

7.1 The affairs of the Foundation shall be managed by a Decision Committee ('Committee').

7.2 This Committee shall be formed of up to seven (7) members. Representatives from the civil and commercial society shall constitute at least fifty one percent (51%) of the Committee.

The Committee shall be composed of up to three representatives chosen by Local Councils; and four nominated persons chosen by the Private Sector of the Foundation. These members must be nominated by each of the following sectors:



⁴ This article has been amended as per Annual General Meeting, 27th December 2019

⁵ This article has been amended as per Annual General Meeting, 21st December 2022

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- a) A person nominated by the general business sector, chosen by the Gozo Business Chamber;
 - b) A person nominated from the tourism sector, chosen by the Gozo Tourism Association;
 - c) A person nominated by the farming/agricultural community, chosen by the Gozo Confederation for Agriculture and Fisheries (GCAF);⁶
 - d) A person nominated by the voluntary sector, chosen by the Gozo Non-Governmental Organizations (NGOs) Association.
- 7.3 The members of the Committee shall be appointed during the Annual General Meeting of the Founder members, initial and subsequent.
- 7.4 Selected members from this Committee shall take up the role of Chairperson, Vice Chairperson, Treasurer and Secretary.
- 7.5 Selected members from this Committee shall be for a period of four years.
- 7.6 At the end of the four-year period, members of the Committee remain eligible for re-appointment for a subsequent term.⁷
- 7.7 The Committee may seek advice from Thematic Working Groups to assist it in its decisions.
- 7.8 The Committee shall be accountable to the aforesaid public and private sectors in particular and to the population of the territory in general.
- 7.9 The names of the current administrators are:

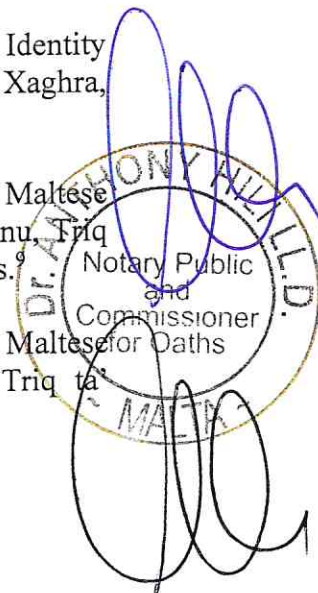
Representing the Public Sector:

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Mr Mario Azzopardi, of Maltese nationality, holder of Maltese Identity card number 23368G, residing at Madonna Ta’ Pinu, Triq Guze Flores, Kercem, Gozo, representing the Local Councils.⁹

Mr Paul Azzopardi, of Maltese nationality, holder of Maltese Identity card number 24967G, residing at Assumption, Triq ta’ Rinota, Munxar, Gozo, representing the Local Councils.¹⁰

Representing the Private Sector:



⁶ This article has been amended as per Annual General Meeting, 21st June 2022
⁷ This article has been amended as per Annual General Meeting, 21st June 2022
⁸ This article has been amended as per Annual General Meeting, 21st June 2022
⁹ This article has been amended as per Annual General Meeting, 21st June 2022
¹⁰ This article has been amended as per Annual General Meeting, 21st June 2022

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Mr Michael Galea, of Maltese nationality, holder of Maltese Identity card number 342667M, residing at 76, Girlanda. Triq tal- Far, Victoria, Gozo, nominated by Gozo Business Chamber.¹¹

Mr Paul Scicluna, of Maltese nationality, holder of Maltese Identity card number 55655G, residing at Maria, Triq L-Arcisqof Pietru Pace, Victoria, Gozo nominated by Gozo Tourism Association.

Mr Saviour Grech, of Maltese nationality, holder of Maltese Identity card number 30253G, residing at 18, Triq il-Providenza, Victoria, Gozo, nominated by Gozo Non-Governmental Organizations (NGO) Association.¹²

Mr Joseph Debrincat, of Maltese nationality, holder of Maltese Identity card number 9769G, residing at Santa Maria, Triq Dun Alwig Mizzi, Ghard, Gozo, nominated by Gozo Confederation for Agriculture and Fisheries (GCAF).¹³

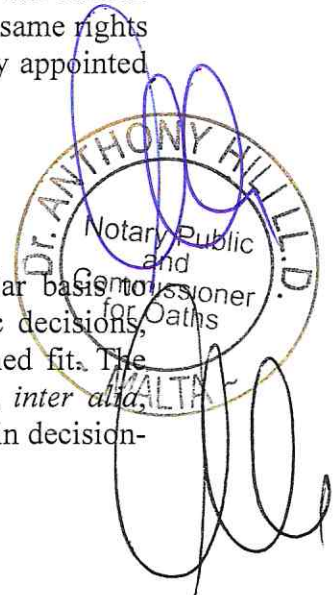
7.10 The Committee will have the right to ask the nominating entity to replace a Committee member in cases where the member:

- Personally resigns; or
- Is not present for three (3) consecutive meetings, without any apology; or
- Passes away; or
- Is expelled by the committee; or
- The nominating entity formally requests a change in its representing member

In these cases the nominating member must be approved by the current Decision Committee as a interim member who shall have the same rights and obligations as the outgoing member, until being formally appointed during the next Annual General Meeting.¹⁴

8. Proceedings and Responsibilities of the Committee

8.1 The members of the Committee shall meet on a regular basis to direct the running of the Foundation and take strategic decisions, adjourn and otherwise regulate their meetings, as deemed fit. The Committee shall regulate its own procedures and may, *inter alia*, also refer to Thematic Working groups in order to assist in decision-making.



DR. ANTHONY HILL, D.
Notary Public
and
Commissioner
for Oaths
MALTA

¹¹ This article has been amended as per Annual General Meeting, 21st June 2022

¹² This article has been amended as per Annual General Meeting, 21st June 2022

¹³ This article has been amended as per Annual General Meeting, 21st June 2022

¹⁴ This article has been added as per Annual General Meeting, 27th December 2019



8.2 A quorum with the minimum of four (4) Committee members must be present for proceedings of the Committee to be initiated and continued Decisions shall be taken by means of voting by the Committee members present only. In case of an equality of votes on any motion, the Chairperson shall have a casting vote.

8.3 The Committee shall regulate its own procedures and take decisions on matters related to:

- i. Running and ongoing operations of the foundation;
- ii. Recruitment and engagement of staff;
- iii. Financial allocations for activities engaged in by the group
- iv. Launching of projects/measures;
- v. Monitoring of projects during and after realization;
- vi. Recommendations for payments to the responsible Authorities.

8.4 The committee's secretary shall promptly minute in detail all records pertaining to all financial and other stakes or interests whereby members of the Committee, representative or persons nominated by the various sectors, stand to benefit from decisions taken by the Committee. Moreover, a Committee Member shall not vote in respect of a decision if s/he can be a direct personal financial beneficiary of a related project.

8.5 Committee members shall, in the execution of their duties and the exercise of their powers, act with prudence, diligence and attention and observe the utmost good faith and practice of governing and applicable laws, directives and regulations. During the tenure of this administration and execution and implementation of procedures, measures and projects, all Committee Members must act in a fair and transparent way, and offer equal opportunities to all those who will benefit potentially. In exercising their evaluation, all Committee members must always be guided by the primary purpose for which the Foundation was established as the principal objective which should be attained with the founding members being both from the public and the private sectors.

8.6 The Committee shall ensure that the projects and measures it endorses are administered efficiently, effectively and with efficacy and that furthermore all the rules and criteria of the responsible authorities are observed.

9. General Meetings

9.1 There can be two types of general meetings: annual general meetings and those called from time to time, known as extraordinary general meetings;



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- 9.2 The supreme authority of the Foundation is vested in its members' general meeting. Annual general meetings must be called once a year within six (6) months of the end of the financial year;
- 9.3 Notice of the Annual General Meeting has to be given in writing, at least fifteen full days before the date of the meeting, to every member or delegate who has the right to attend the meeting;
- 9.4 An urgent extraordinary general meeting, except for an annual general meeting or a general meeting with an agenda to amend the statute, can be called by giving not less than three working days notice;
- 9.5 Every notice of a general meeting must give the agenda to be discussed and the resolutions to be proposed, and no other subject can be discussed without the consensus of the majority of the members present and voting in that general meeting.
- 9.6 No business can be carried out should a general meeting fail to attract a quorum with the members present. The necessary quorum to start business should be made up of one fourth of the members or delegates, or fifteen (15) members or delegates, whichever is the lower, eligible to vote.

If the meeting had been called at the request of the members or delegates, it is dissolved if there are not enough members or delegates to form a quorum thirty minutes after the established time of the meeting. In all other cases, the meeting is adjourned to the same day, time and venue, the following week. The Secretary should send a notice by post to this effect, within forty-eight hours of the adjournment, to the addresses of registered members and others who have a right to attend. If there will be no quorum for the adjourned meeting, thirty minutes after the established time, the members or delegates present form a quorum.

- 9.7 The functions of the Foundation's Annual General Meeting are:
- (a) to consider and confirm the minutes of the previous annual and general meeting and of every other preceding members' meeting that had not been approved in any other members' meeting;
 - (b) to consider the Decision Committee's reports, the auditor's report, and every other report;
 - (c) to consider and approve the financial statements;
 - (d) to consider and approve the way that any possible net surplus can be distributed or invested;
 - (e) to consider, approve and adopt every amendment of the statute;
 - (f) to consider and approve any resolutions presented;



- (g) to elect the members of the Decision Committee;
- (h) to decide on appeals made by organizations who had not been accepted as new members by the Decision Committee;
- (i) to hear and decide every complaint that is forwarded by members who felt aggrieved by any Decision Committee decision. Notice that such complaints will be aired at the meeting should be handed to the Secretary at least two days prior to the meeting;
- (j) to carry out other work regarding the Foundation about which notice was accordingly given by members.

9.8 Extraordinary General Meetings of the Foundation can be convened at any time by the Decision Committee however the same Decision Committee is bound to set up a meeting upon receiving a signed request from one fourth of the members or 15 members – whichever is the lower – indicating the meeting’s proposed agenda;

If the Decision Committee fails to call a meeting within one month from receiving the request, the members, as promoters of the request, have the power to call the meeting themselves by means of a notice to all members informing them of the proposed agenda and of the Decision Committee’s failure to convene the meeting;

9.9 A resolution or decision brought to the general meeting is decided by a simple majority of the members present and eligible to vote.

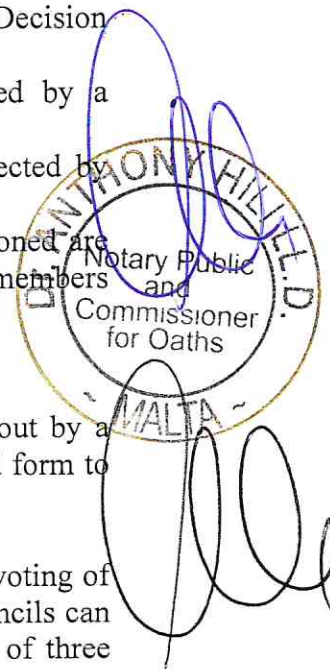
Notwithstanding, in order that the resolutions mentioned below are approved, a two-thirds majority of those present and eligible to vote is needed:

- (a) the removal from post of a member of the Decision Committee;
- (b) an appeal made by a member who feels aggrieved by a decision of the Decision Committee, to expel it;
- (c) decisions regarding applications for membership rejected by the Decision Committee;

Besides this, in order that the resolutions hereunder mentioned are approved, there must be a majority of three fourths of the members present and eligible to vote:

- (d) dissolving or liquidation of the Foundation;
- (e) statute amendments. Amendments are to be carried out by a public deed saving those which require the prescribed form to be notified to the authorities.

9.10 Provided that in order to respect the fifty plus one percent voting of the private sector, the number of votes which the local councils can exercise during an Annual General Meeting shall be that of three (3). If at any time the members of the private sector increase, then the number of votes which the local councils can exercise during an



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Annual General Meeting shall be increased accordingly until it reaches the number of fourteen (14).

10. Dissolution and Termination of the Foundation

The Executive Committee shall have the discretion, subject to the consent of the Founders, to determine if and when the circumstances indicate that the purposes of the Foundation have been achieved, exhausted, cannot be achieved or become impossible, to terminate the Foundation.

If the Foundation ceases to exist, any assets after the payment of all obligations, shall be distributed to another non-profit making social purpose foundation with similar purposes as the Executive Committee, with the consent of the Founders, may determine.

TRUE COPY OF
THE ORIGINAL
QUOD ATTESTOR



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**GOVERNMENT
OF MALTA**



FONDI.eu



**The European Agricultural Fund
For Rural Development:**
Europe Investing in Rural Areas

