

Brincat Anna at Parlament-MT

From: Borg John at MGP-OPS
Sent: Thursday, 13 February 2025 21:36
To: Brincat Anna at Parlament-MT
Cc: Darren Carabott; Muscat Alexander at Parlament-MT
Subject: PAC witness - 18.02.25
Attachments: Dipartimenti Divizjonijiet Agenziji MGP.docx

Qiegħed nehmeż l-informazzjoni mitluba mill-Kumitat rigward:

- Lista' tad-Dipartimenti, Divizjonijiet, Agenziji, u Korpi maħtura uffiċjalment li jaqgħu taħt il-Ministeru għal Għawdex;
- Lista' tal-awtoritajiet statutorji li għandhom obbligu jipprezentaw il-kontijiet tagħhom fil-Parlament;

L-informazzjoni l-oħra qed tintbagħat f'emails oħra.

Inselli għalikom,

John Borg

Permanent Secretary
Head Office
Office of the Permanent Secretary

t +356 22100203 e john.borg@gov.mt
www.gozo.gov.mt | www.publicservice.gov.mt | fb.com/servizzpubbliku

Kindly consider your environmental responsibility before printing this e-mail



MINISTRY FOR GOZO AND PLANNING
OFFICE OF THE PERMANENT SECRETARY, ST. FRANCIS
SQUARE,
IR-RABAT, GOZO, MALTA

From: Brincat Anna at Parlament-MT <anna.brincat@parlament.mt>
Sent: Wednesday, February 12, 2025 11:31 AM
To: Borg John at MGP-OPS <john.borg@gov.mt>; Cutajar Christopher at MFT <christopher.a.cutajar@gov.mt>
Cc: Darren Carabott <carabottdarren@gmail.com>; Muscat Alexander at Parlament-MT <alexander.muscat@parlament.mt>
Subject: Re: PAC witness - 18.02.25

Sur Borg u Sur Cutajar

B'zieda mal-emails ta' hawn taħt, fejn fihom qegħdin tiġu mitluba għibbu l-informazzjoni msemmija magħkom nhar it-Tlieta 18 ta' Frar biex tkun tista' tiġi pprezentata waqt ix-xhieda tagħkom quddiem il-Kumitat Permanenti dwar il-Kontijiet Pubbliċi, nixtieq ninfurmakom li waqt il-laqgħa tal-istess Kumitat li saret ilbieraħ, għie maqbul li l-informazzjoni mitluba minnkom għandha tintbagħat lill-Kumitat sa nhar il-Gimgha 14 ta' Frar, sabiex il-Membri tal-Kumitat ikollhom ċans jarawha qabel.

Filwaqt li nirringrazzjakom, nibgħat inselli għalikom.

Anna Brincat

Clerk to the Public Accounts Committee
Standing Committee for the Environment, Climate Change and Development Planning



From: Brincat Anna at Parlament-MT

Sent: Thursday, February 6, 2025 1:14 PM

To: Borg John at MGP-OPS <john.borg@gov.mt>; Cutajar Christopher at MFT <christopher.a.cutajar@gov.mt>

Cc: 'Darren Carabott' <carabottdarren@gmail.com>; Muscat Alexander at Parlament-MT <alexander.muscat@parlament.mt>

Subject: Re: PAC witness - 18.02.25

Sur Borg u Sur Cutajar

B'zieda mal-email ta' hawn taht, ippermettuli nigbdilkom l-attenzjoni li peress li l-prezentazzjoni mill-Uffiċċju Nazzjonali tal-Verifika ghadha ma gietx fi tmiemha intom qeghdin tigi msejha sabiex tixhdu, u ggibu l-informazzjoni mitluba minnkom, fil-laqgħa tal-Kumitat li hija skedata għal nhar **it-Tlieta 18 ta' Frar 2025 fis-2.00p.m.**

Inselli għalikom

Anna Brincat

Clerk to the Public Accounts Committee
Standing Committee for the Environment, Climate Change and Development Planning
National Audit Office Accounts Committee

t: +356 25596308 e: anna.brincat@parlament.mt | www.parlament.mt

Kindly consider your environmental responsibility before printing this e-mail



From: Brincat Anna at Parlament-MT

Sent: Thursday, February 6, 2025 10:37 AM

To: Borg John at MGP-OPS <john.borg@gov.mt>; Cutajar Christopher at MFT <christopher.a.cutajar@gov.mt>

Cc: Darren Carabott <carabottdarren@gmail.com>; Muscat Alexander at Parlament-MT <alexander.muscat@parlament.mt>

Subject: Re: PAC witness - 11.02.25

Is-Sur John Borg

Segretarju Permanenti fil-Ministeru għal Ghawdex u l-Ippjanar

Is-Sur Christopher Cutajar

Segretarju Permanenti fil-Ministeru għall-Affariet Barranin u t-Turiżmu

B'zieda mal-email mibgħuta lilkom fit-22 ta' Jannar 2025, fejn fiha gjetu mitluba sabiex għal-laqgħa tal-Kumitat Permanenti dwar il-Kontijiet Pubbliċi – li matula se tixhdu u li hija skedata għal nhar it-Tlieta, 11 ta' Frar – iggibu magħkom u tipprezentaw lill-Kumitat:

- Lista ta' konsulenti jew eks-konsulenti għas-snin 2020 sa 2024;

- Lista' ta' Chief Policy Advisors jew eks-Chief Policy Advisors għas-snin 2020 sa 2024;
- Lista ta' Kapijiet u eks-Kapijiet tas-Segretarjat għas-snin 2020 sa 2024;
- Lista' tad-Dipartimenti, Diviżjonijiet, Aġenziji, u Korpi maħtura uffiċjalment li jaqgħu taħt il-Ministeru għat-Turiżmu;
- Lista' tal-awtoritajiet statutorji li għandhom obbligu jippreżentaw il-kontijiet tagħhom fil-Parlament; u
- Il-kontijiet tal-awtoritajiet statutorji li ġew ippreżentati fis-snin 2020 sa 2024,

irrid ninfumakom li fil-laqgħa tal-istess Kumitat li nżammet nhar it-Tlieta, 4 ta' Frar, ġie deċiż li intom tiġi mitluba għgħibu magħkom biss l-informazzjoni li hemm imsemmija f'numri 4, 5, u 6 tal-lista ta' hawn fuq.

Nirringrazzjakom u nselli għalihom.

Anna Brincat

Clerk to the Public Accounts Committee
Standing Committee for the Environment, Climate Change and Development Planning
National Audit Office Accounts Committee

t: +356 25596308 e: anna.brincat@parlament.mt | www.parlament.mt

Kindly consider your environmental responsibility before printing this e-mail



HOUSE OF REPRESENTATIVES
PARLIAMENT OF MALTA
FREEDOM SQUARE, VALLETTA, MALTA

Lista tad- Dipartimenti, Diviżjonijiet, Aġenziji u Korpi maħtura uffiċjalment li jaqgħu taħt il- Ministeru għal Għawdex u l- Ippjanar

- Programme and Implementation Directorate
- Legal Directorate
- Wild Bird Regulation Unit
- Information Management Unit
- Operations Division
 - Corporate Services Directorate
 - Services Gozo Directorate
- Strategy and Support Division
 - Eco Gozo Directorate
 - Maintenance and Public Cleansing Directorate
 - Tourism and Economic Development Directorate
 - Cultural Heritage Directorate
 - Rural Gozo Directorate

Gozo Regional Development Authority obbligu jipprezentaw il-kontijiet tagħhom fil-Parlament

Planning Authority obbligu jipprezentaw il-kontijiet tagħhom fil-Parlament

Lista tad- Dipartimenti, Diviżjonijiet, Aġenziji u Korpi maħtura uffiċjalment li jaqgħu taħt il-Ministeru - Bordijiet

- Gozo Agricultural, Industrial and Cultural Society
- Dwejra Opportunity Fund
- Kunsill tal-Kultura
- National and Regional Celebrations Committee
- Gozo Sports Board
- Gozo Street Naming Committee
- Kumitat tal-Ornis

- Executive Council Planning Authority
- Planning Board
- Agricultural Advisory Committee
- Design Advisory Committee
- Users Committee
- Planning Commissions -Commission A
- Planning Commissions -Commission B
- Planning Commissions -Regularisation
- Environment and Planning Review Tribunal

Lista tad- Dipartimenti, Diviżjonijiet, Aġenziji u Korpi maħtura uffiċjalment li jaqgħu taħt il-
Ministeru – Limited Companies

Gozo Channel (Operations) Ltd

Gozo Heliport Ltd

Gozo Projects Ltd

ESTIMATES 2020

Planning Authority

Ministry for the Environment, Climate Change and Planning

**PLANNING AUTHORITY
INCOME AND EXPENDITURE ACCOUNT**

	Actual 2019 €	Projected 2020 €
TOTAL OWN GENERATED REVENUE		
Income generated from own operations	30,051,296	32,653,393
Other operating income	0	0
Bank interest receivable	439,907	452,250
Total own generated revenue (i)	30,491,203	33,105,643
GRANTS AND OTHER CONTRIBUTIONS - RECURRENT		
Parliamentary Appropriation - Government Subvention receivable for Recurrent Expenditure (i)	0	0
Other contributions from other public administration	0	0
Donations receivable from sponsorships	0	0
EU Grants receivable to cover Recurrent Expenditure featuring under 'Total Expenses' below	983,559	411,687
Other Grants receivable	1,145,221	816,134
Total Grants and Other contributions (ii)	2,128,779	1,227,822
a. TOTAL INCOME [i + ii]	32,619,983	34,333,465
TOTAL EXPENSES		
Direct operating expenses - recurrent		
Salaries and wages	10,180,176	12,802,643
Bonus and income supplement	1,095,983	1,534,287
Social Security Contributions	856,963	1,009,024
Allowances	1,700,079	1,095,405
Overtime	1,097,001	1,122,828
Utilities	280,583	298,016
Material and Supplies	40,890	540,723
Repair and Upkeep	600,787	1,806,897
Rent	314,649	303,000
International memberships	10,932	14,574
Office Services	90,091	70,129
Transport	289,762	319,527
Travel	54,201	48,329
Information services	944,182	1,442,067
Contractual services	1,408,937	1,403,175
Professional services	641,021	2,043,355
Training	23,351	101,054
Hospitality	35,280	33,282
Incidental expenses	0	0
Bank interest payable	0	0
Bad debts written off	0	0
Increase in provision for bad debts	96,339	300,000
Decrease in provision for bad debts	0	0
Other Provisions	0	51,500
Depreciation charge	1,885,778	2,696,779
Other recurrent expenditure funded through EU Grants	1,126,395	369,360
Other Expenditure	5,724,863	532,462
	28,498,244	29,938,417
SURPLUS FOR THE YEAR	4,121,739	4,395,049

**PLANNING AUTHORITY
STATEMENT OF FINANCIAL POSITION**

	Actual 2019 €	Projected 2020 €
Assets		
Non-Current Assets		
Property, Plant and Equipment	7,688,462	11,496,375
Intangible Assets	0	0
Investments In Associates	0	0
Other Non-Current Assets	0	0
	7,688,462	11,496,375
Current Assets		
Inventories	0	0
Trade And Other Receivables	11,945,189	16,714,406
Cash And Cash Equivalents	16,982,566	13,756,164
Other Current Assets	0	0
	28,927,755	30,470,571
Total Assets	36,616,217	41,966,945
Equity		
Ordinary Shares	1,164,687	1,164,687
Other Reserves	4,417,819	2,485,730
Retained Earnings	17,568,197	21,963,246
Total Equity	23,150,703	25,613,662
Liabilities		
Non-Current Liabilities		
Borrowings	0	0
Provision For Other Liabilities	0	0
	0	0
Current Liabilities		
Trade And Other Payables	12,304,409	14,695,073
Current Income Tax Liabilities	0	0
Provision For Other Liabilities	1,161,104	1,658,211
	13,465,514	16,353,283
Total Liabilities	13,465,514	16,353,283
Total Equity And Liabilities	36,616,217	41,966,946

ESTIMATES 2021

Planning Authority

Ministry for the Environment, Climate Change and Planning

**PLANNING AUTHORITY
INCOME AND EXPENDITURE ACCOUNT**

	Actual 2020 €	Projected 2021 €
TOTAL OWN GENERATED REVENUE		
Income generated from own operations	22,213,437	24,778,896
Other operating income	0	0
Bank interest receivable	402,833	439,907
Total own generated revenue (i)	22,616,270	25,218,803
GRANTS AND OTHER CONTRIBUTIONS - RECURRENT		
Parliamentary Appropriation - Government Subvention receivable for Recurrent Expenditure (i)	0	0
Other contributions from other public administration	0	0
Donations receivable from sponsorships	0	0
EU Grants receivable to cover Recurrent Expenditure featuring under 'Total Expenses' below	26,030	1,762,414
Other Grants receivable	1,095,123	1,086,551
Total Grants and Other contributions (ii)	1,121,153	2,848,965
a. TOTAL INCOME [i + ii]	23,737,423	28,067,768
TOTAL EXPENSES		
Direct operating expenses - recurrent		
Salaries and wages	15,412,452	12,189,920
Bonus and income supplement	0	1,215,111
Social Security Contributions	0	1,008,093
Allowances	0	1,216,901
Overtime	0	1,060,808
Utilities	285,724	297,671
Material and Supplies	32,668	43,380
Repair and Upkeep	702,164	2,091,499
Rent	131,209	294,588
International memberships	9,258	13,314
Office Services	59,357	95,578
Transport	134,666	344,645
Travel	2,691	57,502
Information services	925,326	811,749
Contractual services	709,935	1,011,647
Professional services	535,911	1,502,477
Training	14,093	119,600
Hospitality	10,582	37,429
Incidental expenses	0	0
Bank interest payable	0	0
Bad debts written off	0	0
Increase in provision for bad debts	685,427	172,475
Decrease in provision for bad debts	0	0
Other Provisions	0	0
Depreciation charge	2,311,969	2,149,523
Other recurrent expenditure funded through EU Grants	51,639	2,157,124
Other Expenditure	655,248	26,377
	22,670,319	27,917,411
SURPLUS FOR THE YEAR	1,067,104	150,357

**PLANNING AUTHORITY
STATEMENT OF FINANCIAL POSITION**

	Actual 2020 €	Projected 2021 €
Assets		
Non-Current Assets		
Property, Plant and Equipment	6,947,497	8,825,542
Intangible Assets	0	0
Investments In Associates	0	0
Other Non-Current Assets	1,109,877	0
	8,057,374	8,825,542
Current Assets		
Inventories	0	0
Trade And Other Receivables	12,499,360	12,962,777
Cash And Cash Equivalents	15,240,922	14,515,256
Other Current Assets	0	0
	27,740,282	27,478,033
Total Assets	35,797,656	36,303,575
Equity		
Ordinary Shares	1,164,687	1,164,687
Other Reserves	3,322,696	2,236,145
Retained Earnings	18,786,872	18,937,229
Total Equity	23,274,255	22,338,061
Liabilities		
Non-Current Liabilities		
Borrowings	639,294	0
Provision For Other Liabilities	0	0
	639,294	0
Current Liabilities		
Trade And Other Payables	10,784,283	12,304,409
Current Income Tax Liabilities	0	0
Provision For Other Liabilities	1,099,824	1,661,104
	11,884,107	13,965,514
Total Liabilities	12,523,401	13,965,514
Total Equity And Liabilities	35,797,656	36,303,575

ESTIMATES 2022

Planning Authority

Ministry for Public Works and Planning

**PLANNING AUTHORITY
INCOME AND EXPENDITURE ACCOUNT**

	Actual 2021 €	Projected 2022 €
TOTAL OWN GENERATED REVENUE		
Income generated from own operations	22,416,137	21,943,449
Other operating income	0	0
Bank interest receivable	596,524	402,833
Total own generated revenue (i)	23,012,661	22,346,282
GRANTS AND OTHER CONTRIBUTIONS - RECURRENT		
Parliamentary Appropriation - Government Subvention receivable for Recurrent Expenditure (i)	0	0
Other contributions from other public administration	0	0
Donations receivable from sponsorships	0	0
EU Grants receivable to cover Recurrent Expenditure featuring under 'Total Expenses' below	380,331	8,316,250
Other Grants receivable	1,086,551	1,069,405
Total Grants and Other contributions (ii)	1,466,882	9,385,655
a. TOTAL INCOME [i + ii]	24,479,543	31,731,937
TOTAL EXPENSES		
Direct operating expenses - recurrent		
Salaries and wages	11,409,318	12,108,480
Bonus and income supplement	1,189,044	1,197,687
Social Security Contributions	951,881	969,006
Allowances	1,826,260	1,244,363
Overtime	951,226	865,678
Utilities	293,795	291,467
Material and Supplies	30,489	33,324
Repair and Upkeep	767,271	1,120,278
Rent	108,877	150,004
International memberships	10,794	9,444
Office Services	75,726	60,550
Transport	209,344	78,628
Travel	3,906	52,746
Information services	391,151	483,783
Contractual services	702,603	779,034
Professional services	436,338	481,713
Training	16,009	84,376
Hospitality	10,848	10,794
Incidental expenses	0	0
Bank interest payable	0	0
Bad debts written off	0	0
Increase in provision for bad debts	1,124,978	746,512
Decrease in provision for bad debts	0	0
Other Provisions	0	0
Depreciation charge	2,217,614	2,772,688
Other recurrent expenditure funded through EU Grants	142,344	10,284,608
Other Expenditure	110,472	202,518
	22,980,288	34,027,681
SURPLUS FOR THE YEAR	1,499,255	-2,295,744

**PLANNING AUTHORITY
STATEMENT OF FINANCIAL POSITION**

	Actual 2021 €	Projected 2022 €
Assets		
Non-Current Assets		
Property, Plant and Equipment	5,161,487	7,546,799
Intangible Assets	0	0
Investments In Associates	0	0
Other Non-Current Assets	453,610	1,318,398
	5,615,097	8,865,197
Current Assets		
Inventories	0	0
Trade And Other Receivables	10,861,422	13,471,000
Cash And Cash Equivalents	20,491,154	8,768,036
Other Current Assets	0	0
	31,352,576	22,239,036
Total Assets	36,967,673	31,104,233
Equity		
Ordinary Shares	1,164,687	1,164,687
Other Reserves	2,236,145	1,166,742
Retained Earnings	18,227,010	15,931,266
Total Equity	21,627,842	18,262,695
Liabilities		
Non-Current Liabilities		
Borrowings	455,896	957,431
Provision For Other Liabilities	0	0
	455,896	957,431
Current Liabilities		
Trade And Other Payables	13,007,589	10,784,283
Current Income Tax Liabilities	0	0
Provision For Other Liabilities	1,876,346	1,099,824
	14,883,935	11,884,107
Total Liabilities	15,339,831	12,841,538
Total Equity And Liabilities	36,967,673	31,104,233

ESTIMATES 2023

Planning Authority

Ministry for Public Works and Planning

**PLANNING AUTHORITY
INCOME AND EXPENDITURE ACCOUNT**

	Actual 2022 €	Projected 2023 €
TOTAL OWN GENERATED REVENUE		
Income generated from own operations	23,644,427	22,979,552
Other operating income	0	0
Bank interest receivable	383,072	316,113
Total own generated revenue (i)	24,027,499	23,295,665
GRANTS AND OTHER CONTRIBUTIONS - RECURRENT		
Parliamentary Appropriation - Government Subvention receivable for Recurrent Expenditure (i)	0	0
Other contributions from other public administration	0	0
Donations receivable from sponsorships	0	0
EU Grants receivable to cover Recurrent Expenditure featuring under 'Total Expenses' below	263,191	7,981,292
Other Grants receivable	1,234,056	1,069,405
Total Grants and Other contributions (ii)	1,497,247	9,050,697
a. TOTAL INCOME [i + ii]	25,524,746	32,346,362
TOTAL EXPENSES		
Direct operating expenses - recurrent		
Salaries and wages	11,854,896	13,796,703
Bonus and income supplement	1,183,460	1,387,794
Social Security Contributions	975,770	1,105,766
Allowances	1,798,319	1,349,850
Overtime	1,130,752	923,651
Utilities	255,326	315,932
Material and Supplies	42,518	31,102
Repair and Upkeep	911,114	782,693
Rent	134,794	236,640
International memberships	10,609	11,011
Office Services	89,438	77,248
Transport	211,920	18,931
Travel	14,385	31,592
Information services	363,495	338,413
Contractual services	883,157	718,526
Professional services	805,035	637,478
Training	38,077	76,931
Hospitality	34,010	11,066
Incidental expenses	0	0
Bank interest payable	0	0
Bad debts written off	0	0
Increase in provision for bad debts	1,177,454	793,861
Decrease in provision for bad debts	0	0
Other Provisions	0	0
Depreciation charge	2,355,111	2,737,911
Other recurrent expenditure funded through EU Grants	435,034	9,847,500
Other Expenditure	52,526	173,876
	24,757,201	35,404,475
SURPLUS FOR THE YEAR	767,545	-3,058,113

PLANNING AUTHORITY
STATEMENT OF FINANCIAL POSITION

	Actual 2022 €	Projected 2023 €
Assets		
Non-Current Assets		
Property, Plant and Equipment	4,605,381	6,182,420
Intangible Assets	0	0
Investments In Associates	0	0
Other Non-Current Assets	205,817	1,348,597
	4,811,198	7,531,017
Current Assets		
Inventories	0	0
Trade And Other Receivables	10,728,471	12,038,559
Cash And Cash Equivalents	14,199,908	-1,300,035
Other Current Assets	0	0
	24,928,379	10,738,524
Total Assets	29,739,577	18,269,541
Equity		
Ordinary Shares	1,164,687	1,164,687
Other Reserves	1,825,343	97,335
Retained Earnings (note 1)	10,797,511	739,398
Total Equity	13,787,541	2,001,420
Liabilities		
Non-Current Liabilities		
Borrowings	206,224	1,384,184
Provision For Other Liabilities	0	0
	206,224	1,384,184
Current Liabilities		
Trade And Other Payables	13,869,466	13,007,591
Current Income Tax Liabilities	0	0
Provision For Other Liabilities	1,876,346	1,876,346
	15,745,812	14,883,937
Total Liabilities	15,952,036	16,268,121
Total Equity And Liabilities	29,739,577	18,269,541
Note 1 Retained Earnings		
As at 1st January	17,029,966	10,797,511
Surplus / (Deficit) for the year	767,545	-3,058,113
	17,797,511	7,739,398
Contribution to Government	-7,000,000	-7,000,000
As at 31st December	10,797,511	739,398

ESTIMATES 2024

Planning Authority

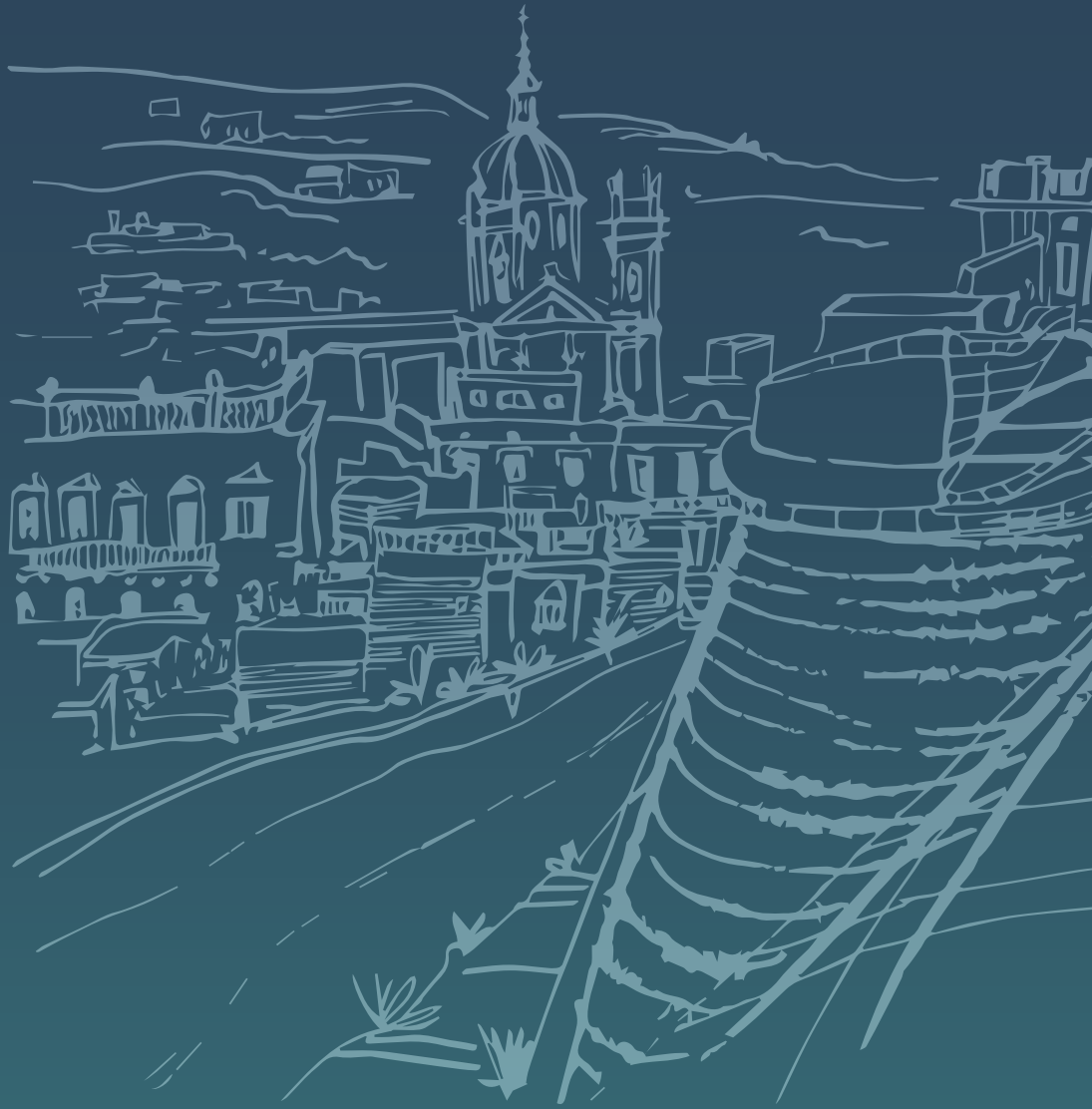
Ministry for Gozo and Planning

**PLANNING AUTHORITY
INCOME AND EXPENDITURE ACCOUNT**

	Actual 2023 €	Projected 2024 €
TOTAL OWN GENERATED REVENUE		
Income generated from own operations	21,238,750	24,033,842
Other operating income	0	0
Bank interest receivable	4,477,720	6,425,000
Total own generated revenue (i)	25,716,470	30,458,842
GRANTS AND OTHER CONTRIBUTIONS - RECURRENT		
Parliamentary Appropriation - Government Subvention receivable for Recurrent Expenditure (i)	0	0
Other contributions from other public administration	0	0
Donations receivable from sponsorships	0	0
EU Grants receivable to cover Recurrent Expenditure featuring under 'Total Expenses' below	393,090	9,220,035
Other Grants receivable	1,388,956	173,499
Total Grants and Other contributions (ii)	1,782,046	9,393,534
a. TOTAL INCOME [i + ii]	27,498,516	39,852,376
TOTAL EXPENSES		
Direct operating expenses - recurrent		
Salaries and wages	12,123,654	14,749,116
Bonus and income supplement	1,248,045	1,473,266
Social Security Contributions	991,529	1,160,664
Allowances	1,862,475	1,517,935
Overtime	1,225,327	1,113,368
Utilities	277,577	277,186
Material and Supplies	28,134	43,373
Repair and Upkeep	978,303	929,427
Rent	132,166	441,437
International memberships	10,835	10,822
Office Services	88,026	91,235
Transport	215,902	31,596
Travel	11,426	13,877
Information services	402,888	370,802
Contractual services	1,028,869	917,598
Professional services	660,207	548,746
Training	56,364	84,292
Hospitality	37,549	34,694
Incidental expenses	0	0
Bank interest payable	0	0
Bad debts written off	0	0
Increase in provision for bad debts	1,136,880	1,555,864
Decrease in provision for bad debts	0	0
Other Provisions	0	0
Depreciation charge	2,489,773	2,723,011
Other recurrent expenditure funded through EU Grants	157,419	9,222,125
Other Expenditure	95,317	123,109
	25,258,665	37,433,543
SURPLUS FOR THE YEAR	2,239,851	2,418,833

**PLANNING AUTHORITY
STATEMENT OF FINANCIAL POSITION**

	Actual 2023 €	Projected 2024 €
Assets		
Non-Current Assets		
Property, Plant and Equipment	3,480,335	4,865,199
Intangible Assets	0	0
Investments In Associates	0	0
Other Non-Current Assets	614,817	1,443,116
	4,095,152	6,308,315
Current Assets		
Inventories	0	0
Trade And Other Receivables	13,828,697	10,982,731
Cash And Cash Equivalents	15,145,186	16,467,294
Other Current Assets	0	0
	28,973,883	27,450,025
Total Assets	33,069,035	33,758,340
Equity		
Ordinary Shares	1,164,687	1,164,687
Other Reserves	1,210,886	417,788
Retained Earnings (note 1)	12,530,522	14,949,355
Total Equity	14,906,095	16,531,830
Liabilities		
Non-Current Liabilities		
Borrowings	640,886	1,478,763
Provision For Other Liabilities	0	0
	640,886	1,478,763
Current Liabilities		
Trade And Other Payables	15,189,933	13,871,401
Current Income Tax Liabilities	0	0
Provision For Other Liabilities	2,332,121	1,876,346
	17,522,054	15,747,747
Total Liabilities	18,162,940	17,226,510
Total Equity And Liabilities	33,069,035	33,758,340
Note 1 Retained Earnings		
As at 1st January	10,290,671	12,530,522
Surplus / (Deficit) for the year	2,239,851	2,418,833
	12,530,522	14,949,355
Contribution to Government	0	0
As at 31st December	12,530,522	14,949,355



GOZO REGIONAL
DEVELOPMENT AUTHORITY

Annual Report

20 21



Contents

Chairman's Foreword	2
CEO's Statement	3
Board of Directors & Audit Committee	5
Mission, Vision, Values & Strategic Objectives	6
Organisational Structure	7
Operations	8
Premises and Office	8
Policies and Procedures	8
Document Management System	8
Finance and Payments	9
Human Resources	9
Statutory Reporting	9
Procurement: Calls for Quotations and Tenders	9
Legal & Compliance	10
Policies and Procedures	10
Multilateral Cooperation to benefit Infrastructure, Education, and Well-being	10
EU Funding Opportunities	11
Communications & Social Dialogue	12
Digital Communciation	12
Delegation and Public Events	12
Public Consultation on the Gozo Regional Development Strategy for 2021-2030	13
International Relations	13
Project Management & Implementation	14
Framework for Performance Agreements	15
Corporate Plan	15
Risk Management	15
Regional Impact Assessment System Guidelines	15
Research & Policy Development	16
Notes and Research	16
Contributing to Policy Development	16
Exploring Funding Opportunities	17
Other Research Initiatives	17
Feedback on Public Consultations	18
Annex 1: Financial Statements	19
For period ending 31 st December 2020	
Annex 2: Financial Statements	43
For period ending 31 st December 2021	

Chairman's Foreword



Michael Grech

CHAIRMAN
Gozo Regional Development Authority

It is my pleasure to be writing this message as the first chairman of the newly set up Gozo Regional Development Authority (GRDA), an Authority that was incorporated by Act of Parliament and officially launched in September 2020.

For many years, the Ministry for Gozo has been the voice of the Gozitans on matters that range from infrastructural projects to policies, from services to investments, from the social dimension to the general business interest. Along the years, the Ministry for Gozo has served the general Gozitan interest well. The next step was the setting up of an entity with a focus on policy and monitoring. This objective was achieved by the setting up of the GRDA, which will assist and compliment the Ministry for Gozo in the various aspects of its endeavours.

During its relatively short period of existence, the Authority published amongst others a Vision Document for Gozo, a Corporate Plan 2021-2023 and a Guide on a Regional Impact Assessment Process. It has also published a draft Regional Development Strategy for Gozo covering a ten-year period, which was followed by an intensive round of public consultation.

Although the Authority is still a young organisation, officially in existence for just over one year with the first Board Meeting being held in September of 2020, a lot has already been achieved with the support of the Board of Directors and the dedicated hard work by the GRDA staff. It is to be noted that in line with the law establishing the Authority, the composition of the Board represents a wide spectrum of the Gozitan society. I am thus rather confident that in the coming years, the GRDA will continue to build further its structures and operations in line with the powers provided by the GRDA Act.

I would like to conclude my message by thanking the Minister for Gozo, for his continuous support, my fellow Board Members for their invaluable input at Board level, Mr. Mario Borg, the CEO, the staff of the Authority and to the various NGO's and individuals who have contributed to the success reached thus far by the Gozo Regional Development Authority. I am sure that in the coming years the Authority will establish itself as one of the important institutions not only for the island of Gozo but also for the whole of Malta as a country.

CEO's Statement



Mario Borg

CEO
Gozo Regional Development Authority

The first year of the Gozo Regional Development Authority was challenging and eventful in equal terms. Most of the efforts during the first months centered on the need to build up the basic operational infrastructure needed for the functioning of the Authority. Having a place from where to operate, identifying the skills required, setting the short-term priorities and objectives topped the GRDA agenda during the first few months in operation.

Communicating our role was equally important. For this reason, the GRDA immediately started working on its Vision Document with the intention to project to interested parties, the Authority's priorities and objectives and provide an operational snapshot on how it intends to achieve them. The Vision Document was published at the end of January 2021.

Three other important achievements during 2021 were the publication of draft Regional Strategy for Gozo in July, followed by an extensive consultation process. The second milestone was the publication of the framework for the Regional Impact Assessment, that will serve as a blueprint by which important projects and initiatives that impact Gozo will be examined and assessed by the GRDA. The third was the launch of the GRDA Corporate Plan for 2021-2023, which details the plans of the Authority for the next years.

At all levels, the Authority has championed good governance and transparency. As an example, the Corporate Plan does not limit itself in providing only high-level objectives but delves in depth on what the GRDA plans to achieve. It includes specific objectives, activities, and Key Performance Indicators (KPIs).

The Authority strongly believes in the engagement of stakeholders. For us, NGOs and civil society are key partners. During our first year, we arduously built and maintained an open dialogue with this crucial sector. We believe that our open and transparent approach adds value and gives confidence to stakeholders, enabling them to genuinely feel part of our efforts.

This annual report aims to provide information about how the GRDA managed its efforts from its setting up, as from September 2020. It also provides important information about its financial position via audited accounts which cover both the last four months of 2020 and full financial year ending 2021.

Board of Directors



MR MICHAEL GRECH

CHAIRPERSON



**MS CHARLENE
XERRI GATT**

VICE CHAIRPERSON



MR MARIO BORG

CEO



DR MARLENE CINI

SECRETARY



DR SAMUEL AZZOPARDI

MEMBER



MR DANIEL BORG

MEMBER



MR JOE MUSCAT

MEMBER



MR JOSEPH BORG

MEMBER



MR ANTHONY BEZZINA

MEMBER

The members of the Board of Directors of the Gozo Regional Development Authority who served during the term under review, were:

- Mr. Michael Grech - Chairperson
- Ms. Charlene Xerri Gatt - Vice Chairperson
- Mr. Mario Borg - CEO
- Dr Marlene Cini - Secretary
- Dr Samuel Azzopardi - Member
- Mr. Daniel Borg - Member
- Mr. Joe Muscat - Member
- Mr. Joseph Borg - Member
- Mr. Anthony Bezzina - Member

In accordance with the provisions of the Gozo Regional Development Authority Act, Chapter 600 of the Laws of Malta, the Authority Board members are appointed annually at the beginning of the financial year and shall hold office for a period not exceeding three years. The Board is responsible for carrying out the functions as set out in the law. There were no changes in the Board composition during 2021.

The Board met 13 times during the year. A number of Board Meetings were held through video-conferencing

as a preventive measure due to the present circumstances concerning the transmission of COVID-19. The Board held various meetings with external parties to the Authority including meetings with Ministers, Members of the Maltese Parliament and Maltese representatives of the European Parliament.

During 2021, amongst others, the Board has evaluated the following key matters:

- Regional Development Strategy for Gozo 2020-2030
- Regional Impact Assessment Framework
- Consultation Document
- Corporate Plan 2021-2023
- Continuous Education and Training Manual
- Disciplinary Policy and Procedure
- Vacation and Sick Leave Procedure and Policy
- Scholarship Scheme (B. Com degree delivered at UoM Gozo Campus)
- Authority's various Calls for Quotations
- Regional Impact Assessment on Gozo Airfield Project

Audit Committee

The Audit Committee assists the Board of Directors in its oversight responsibilities with respect to internal governance and controls, and internal audit functions of the Authority. The person responsible of Internal Audit liaises directly with the Chairperson of the Audit Committee on the agenda of the Audit Committee, and any requests for information and audits.

- Mr. Joseph Borg - Chairperson
- Dr Marlene Cini - Secretary
- Mr. Joe Muscat - Member
- Ms. Elaine Camilleri - Member

Our Mission

The GRDA's mission is to formulate, streamline and help in the implementation of regional policies to ensure sustainable development. The GRDA is to strengthen Gozo's voice amongst policy makers and other Governmental Bodies, so as to ensure that policies, actions and projects are adequate for the specific nature of the Gozitan ecosystem. The GRDA will make sure that its mission is attained by carrying out its consultative and legislative functions, backed by the strength of the GRDA Act.

Our Vision

Drawing up, implementing and enforcing the Regional Development Strategy for Gozo, so as to have a long-term, effective and efficient way forward to develop Gozo in a holistic and sustainable manner.

Our Values

- 1 Sustainable Development**
 The GRDA will promote sustainability in development policies at is believes in the critical balance between the social, environmental and economic priorities.
- 2 Representation**
 The GRDA will strive to ensure that all stakeholders, groups and individuals will be closer to where policy making takes place. Their contribution will be encouraged and channelled through formal and permanent structures that facilitate social dialogue.
- 3 Long-term focus**
 The GRDA's contribution to regional policy development is to target the long-term challenges faced by Gozo, ensuring that the region is looked at holistically.

Strategic Objectives

- 1** Ensure sustainable economic growth, employment, and living standards across the economic, social, natural and human dimensions.
- 2** Play a key role in the planning stages with regards the upgrading of infrastructure and improvement of accessibility to Gozo, whilst giving due priority to the region's ecosystem and the region's characteristics.
- 3** Ensure that national policy and strategies are designed and implemented in full consideration of the regional dimension and Gozo's long-term viability.
- 4** Strengthen Gozo's institutional framework to improve the planning, decision making, implementation and evaluation processes.

ORGANISATIONAL STRUCTURE



GRDA STAFF

Operations

The Operations Unit within the GRDA oversees all aspects related to human resources management, finance and procurement. It is also responsible for supporting the Authority's logistics during events organised by the GRDA such as public meetings.

■ Premises and Office

In December 2020, the GRDA reached an agreement with IndisMalta for the temporary lease of circa 177m² of office space at the Gozo Innovation Hub in Xewkija, Gozo. The Operations Unit assisted in the logistics and procurement for the setup of new offices equipped with modern office furniture and IT systems.

■ Policies and Procedures

Given that 2021 was the first year of operations for the GRDA, the Unit was tasked with establishing the policies and procedures for a number of areas spanning across the operational structure of the Authority. During this year the Unit embarked on an exercise to map and document all operating processes and procedures concerning procurement, payment authorisation, statutory reporting, and the onboarding of new employees.

■ Document Management System

During 2021 the GRDA procured an online secure digital document-filing platform, effective, across the organisation. This software package effectively provides the Authority with a secure virtual document registry and a green solution that eliminates paper-based filing across the organisation. Alongside that, a new accounting and

bookkeeping software program was rolled out allowing the Authority to keep all accounting records in-house, yet available to select authorised users in real-time.

■ Finance and Payments

The GRDA also established important cooperation channels with the Ministry for Gozo to temporarily process payments and other essential finance functions. However, in March 2021 accounting and bookkeeping software program was procured, and the Authority started to handle all finance requirements including payments and payroll internally.

■ Human Resources

The Operations Unit was key in putting together the financial and human resources projections and played an active role in building such capacity. It led the recruitment process role in line with the established procedures and the Public Service Human Resources Regulations.

In accordance with the approved Human Resources Plan, the Authority issued three public calls for the engagement of two managers and one clerk. During 2021, four employees were also recruited from the public sector through the detailing procedure. By the end of 2021, the GRDA had a total of eight employees.

The GRDA is committed in the development of its employees and despite its early stages of existence, through its Operations Unit, the Authority has already trained some of its employees with new skills including digital desktop publishing, bookkeeping, project management and procurement tender evaluation. Going forward, it is the intention of the Unit to have in place development programs for all its employees and ensure they are fully equipped with the required skills-set and knowledge.

■ Statutory Reporting

The Operations Unit is responsible for the regular filing of Government wide statutory reports such as the Ministry of Finance Financial Data Reporting System forms and Employment Return forms. The Unit is also responsible for submitting to the appointed financial auditors updated financial data for quarterly management accounts. Through the CEO, the Operations Unit provided the GRDA Board of Directors with detailed quarterly updates on the financial position and quarterly expenditure of the Authority. It also presented to the Board other details concerning major procurement and HR recruitment.

■ Procurement: Calls for Quotations and Tenders

In the year 2021, this Unit issued the following calls for:

- Quotations for the Supply of a Paper Shredders for the GRDA
- Quotation for the Provision of Desktop Publishing Services for the GRDA
- Quotations for the Provision of Billboard Artwork for the GRDA
- Quotations for the Supply of a Mini-Refrigerator for the GRDA
- Quotations for Qualitative Research on Gozo Incentives to Businesses
- Quotations for Audio Visual Services to the GRDA
- Quotations for Event Catering Services to the GRDA
- Quotations for the Supply of a Conference Camera for the GRDA
- Quotations for the Supply of Office Chairs for the GRDA
- Quotations for the Supply of Office Furniture for the GRDA
- Tenders for the Provision of Payroll and Accounting Services to the GRDA
- Tenders for the Leasing of Property to house the GRDA



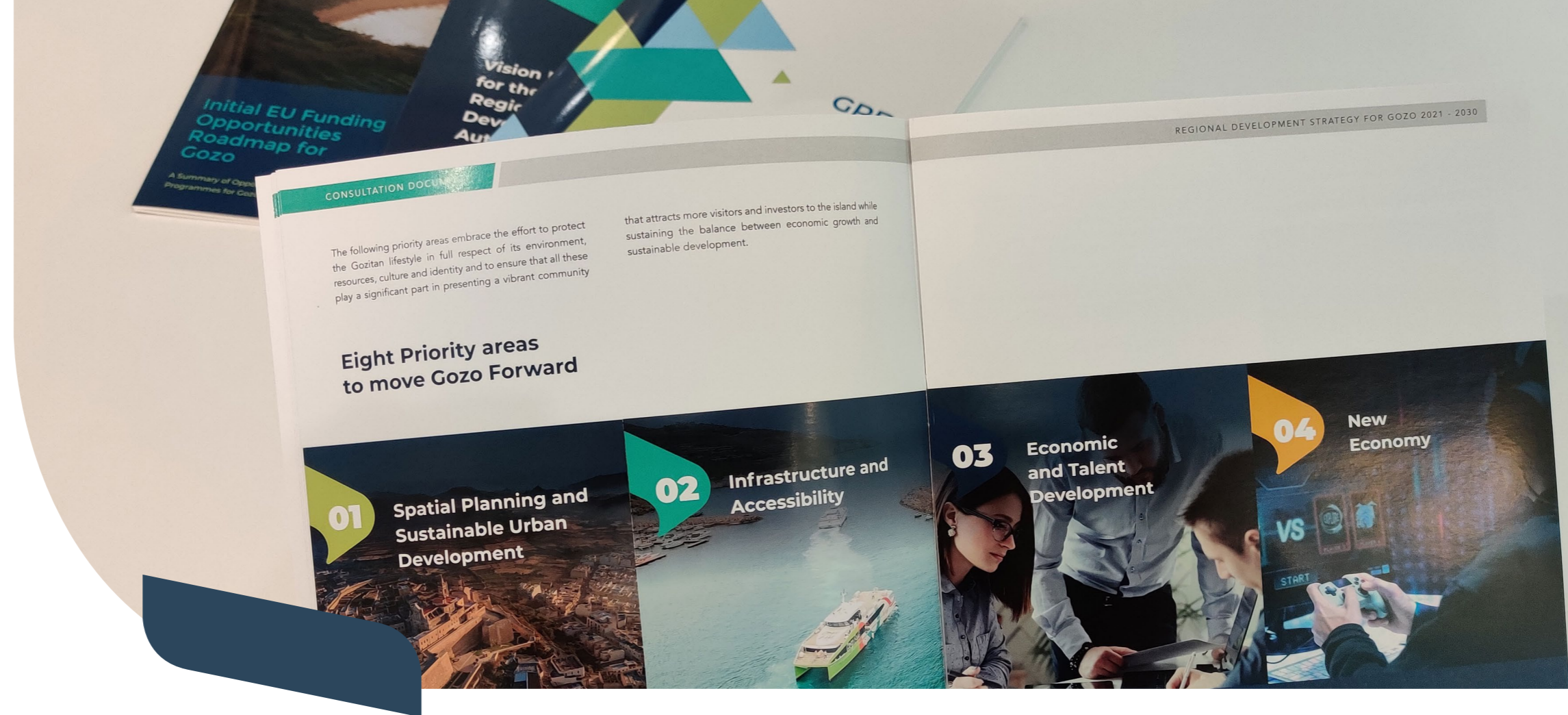
Legal & Compliance

The Legal and Compliance Unit manages and supervises functions to ensure compliance in terms of the Legal Act and established internal policies and procedures.

■ Policies and Procedures

During 2021, alongside, other units of the GRDA, Legal and Compliance Unit formulated a number of internal policies and procedures to ensure an adequate corporate framework is in place that should enable the smooth running of the Authority as it expands its organisational structure as well as its footprint. The Board of Directors approved four sets of policies and procedures as follows:

- **Disciplinary Policy and Procedure** - This policy establishes the varying degree of breaches and outlines the general principles upon which such breaches should be investigated.
- **Vacation and Sick Leave Policy and Procedure** - Modelled on the Public Service Management Code this policy is a comprehensive document specifying entitlements and obligations of employees.
- **Statutory requirements** - Guidelines were created to ensure the observance of the numerous statutory requirements arising from the GRDA Act.
- **GRDA Ethics Framework** - The Ethics Framework is a policy document that shall guarantee accountability and transparency within the GRDA. Compliance with this ethical framework shall safeguard the Authority's credibility, reputation, integrity, as well as public confidence. This ethics framework brings together ethical standards and implementing procedures to be followed by all the GRDA staff including decision-making and other internal bodies of the Authority.



■ Multilateral Cooperation to benefit Infrastructure, Education, and Well-being

During the past year the GRDA entered into a series of cooperation agreements with a number of Maltese and international counterparts. The Authority signed or held discussions with the intent of signing MoUs with the Environment and Resource Authority, the University of Malta and the Malta Trust Foundation.

Environment and Resources Authority - A multi-level cooperation agreement providing the GRDA with access to technical studies and models. As part of the cooperation, ERA is committed to provide the GRDA guidance on environmental issues as necessary.

University of Malta - In line with its strategy, the GRDA is actively encouraging investment in human resources by increasing studying opportunities of tertiary education in Gozo. The GRDA embarked on a scholarship programme in collaboration with the Gozo Campus by starting with the Bachelor of Commerce study course. This scholarship programme will be expanded in the

coming years by adding new study programmes that have an intrinsic value for Gozo.

In 2021 the GRDA also engaged in bilateral discussions with the Institute for Islands and Small States (ISSI) on prospective scholarships at MQF Levels 5 to 7. Discussions have also taken place with the Knowledge Transfer Office, the arm with UoM entrusted with the management of University of Malta generated intellectual property, on future collaborative research projects. These discussions are expected to be conclusive in the coming weeks with an MoU and specific agreements defining this collaborative initiative.

Malta Trust Foundation - Social development in Gozo is another priority area for the GRDA. It is to provide the necessary support to ensure that the well-being of the present and future generations is safeguarded. In this regard, the GRDA is collaborating with the Malta Trust Foundation by providing the necessary funding to carry out a social study report for the hamlets of Xlendi and Marsalforn in Gozo. The study is intended to indicate which are the most important services to those who have moved to Gozo in the last five years and other socially vulnerable groups. It shall also indicate what measures need to be taken to improve the services these people depend upon.

■ EU Funding Opportunities

The GRDA through the Legal and Compliance Unit reached to the Clean Energy for EU islands secretariat, a one-stop-shop for Europe's island communities transitioning to clean energies, to explore ways and means to tap in on EU Funds. Through the collaboration with the EU Islands Secretariat, the Authority is aiming to have support on various issues including access to support documentation for developing clean energy transition agendas and for the financing of decarbonisation plans, capacity-building workshops and webinars and helpdesk support.

The Authority has also applied for an EU funded project within the Horizon Europe Framework Programme, that focuses on research and innovation by teaming parties across Europe. The aim of this proposed Teaming project is to establish the Mediterranean Exa-Scale Computing Algorithmic Laboratory Centre of Excellence (MESCAL) as the first Centre of Excellence to be hosted on the island of Gozo. The Centre of Excellence aims to deploy High Performance Computing (HPC) with the primary aim to deploy it on image processing and machine learning. Through this project the GRDA seeks to engage with other European regions and countries to enable innovative growth and promote research and development in Gozo.

Communications & Social Dialogue

The Communications and Social Dialogue Unit has a pivotal role to play in the Gozo Regional Development Authority set-up. Acting as the central point of contact, the Unit drives the Authority's internal and external communications, and is responsible for managing public and media relations.

■ Digital Communication

During 2021 the Unit developed the GRDA website and maintains full responsibility of its updating. The website enables user navigation with multiple sections providing visibility of the role, functions of and progress made by the Authority. New features and functionality will be implemented during the course of 2022.

The Authority also launched its Facebook, Instagram and LinkedIn accounts to solidify its online presence and target new audiences. The Unit also focused in offering more graphic design support, creating multimedia content, including videos and posters with strong brand recognition. This will continue over the coming months, complementing the Authority's increasing presence on the main social media platforms.

During 2021, the Communications and Social Dialogue Unit produced a number of publications ranging from official documents, consultation and feedback statements to notes and research reports. These publications covered various social, cultural, environmental and economic aspects. All publications are available in digital format and accessible online via the website whilst reducing the Authority's environmental footprint.

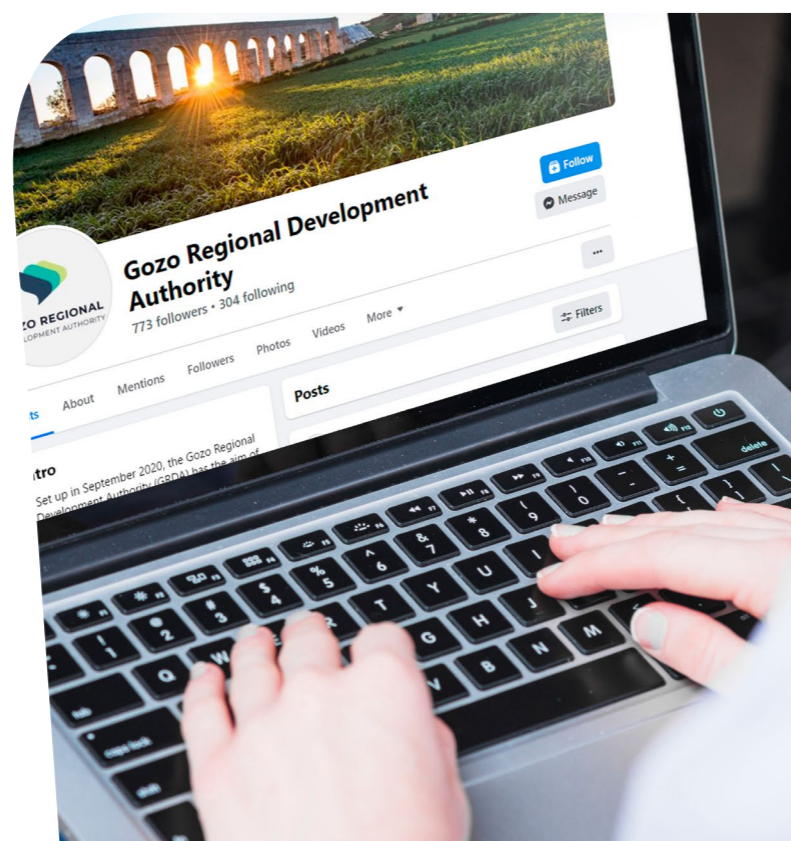
■ Delegation and Public Events

The Unit is entrusted to oversee the organisation of events held periodically including media briefings, workshops and public meetings. Even though the past year was a challenging one due to the COVID-19 pandemic, the Authority managed to welcome H. E. The President Dr George Vella and his delegation for an official meeting with the GRDA Board of Directors.

Besides, in collaboration with the Building and Construction Authority, the GRDA organised a public meeting to explain the upcoming reform in the building and construction industry with the introduction of the New Building Code which code will lead towards the transformation of the industry in the coming years which will ensure a stronger and more sustainable industry.

The GRDA also welcomed a trade delegation from the UK that visited Gozo. The delegation was made up of UK based companies from the creative, games and film industry. During such visit, matters related to the schemes and measures available to setup shop in Gozo were discussed. The GRDA is committed in exploring different paths in order to attract high-end sustainable jobs in Gozo. On the other hand, the head of delegation, Mr. Dan Licari, expressed his satisfaction at the GRDA's vision in giving priority to such fast-growing sectors.

Other meetings were held throughout the year with various NGO's and individuals that have interest in Gozo's socio economic development. During 2021, the GRDA held meetings with 17 NGOs, 17 Government Entities or representatives, two Maltese representatives of the European Parliament and one international organisation (SMILO).



■ Public Consultation on the Gozo Regional Development Strategy for 2021-2030

An important milestone for the GRDA was the launch of a public consultation process on the Gozo Regional Development Strategy for 2021-2030. The launch of the strategy was held on 11th July 2021 and the public was invited to contribute to the proposed strategy. The strategy will also serve as a roadmap for any further initiatives that will be undertaken with respect to Gozo for the next 10 years.

Throughout the consultation period, the GRDA solicited input from a broad set of stakeholders, to shape the Gozo Regional Development Strategy 2021-2030. The strategy and consultation process focused on eight key priority areas that are crucial for the future success of Gozo. The eight priority areas covered sustainable tourism, social and rural development, infrastructure and accessibility and new economy amongst others. The Authority will be publishing the final strategy by the first half of 2022.

The external engagement was extensive and included inputs from National Entities, NGOs and other relevant stakeholders with different backgrounds and expertise. The consultation process took place between the 11th July and 31st August 2021 and was led by the GRDA. Over the course of these weeks, the Authority organised three public meetings, which were held at the Gozo Innovation Hub. Those who were unable to attend these meetings had the opportunity to engage in the consultation process through written contributions.

Public Consultation meeting organised by the GRDA

DATE	PUBLIC CONSULTATION MEETING
10 th August 2021	Youth Public Consultation meeting in collaboration with Aġenzija Żgħażaġh and GUG.
17 th August 2021	Public Consultation meeting - held in Maltese.
19 th August 2021	Public Consultation meeting - held in English.

A central point of the consultation process was the formation of eight technical working groups. Each working group focused on one of the eight priority areas identified in the Consultation Document. These technical working-groups met between mid-July to the first week of August and around 80 individuals with different backgrounds and expertise participated in these fora. National Entities and NGOs were also involved in these technical working groups. Participants in these working groups engaged in written consultations as well as in contributions during the weekly workshops.

The GRDA also sought feedback from various stakeholders. In fact, the GRDA held over 30 bilateral meetings with Government bodies, NGOs and other relevant stakeholders.

Through this consultation process, the Authority received over 350 ideas, proposals, and suggestions, in relation to the eight priority areas highlighted in the Consultation Document. The feedback includes suggestions on how to enhance and adjust the measures as presented in the Consultation Document. The feedback also includes new suggestions and measures, which were not captured in the Consultation Document.

■ International Relations

Over the past year, the GRDA expanded its network and established a relationship with other European counterparts that share the same vision. The GRDA has joined the 'SMILO' Sustainable Islands Network. SMILO is an NGO, governed by French law, with the mission to support small islands that wish to adopt a more sustainable way of managing their territory. SMILO's actions cover various transversal themes such as water, waste management, energy, biodiversity, landscaping, and island heritage. Over 30 island territories are members of the SMILO Network, embracing a spirit of cooperation and solidarity between islands. The network is composed of islands located in Europe, the Mediterranean, Africa, the Indian Ocean, and South-East Asia.

The GRDA also joined 'Greening the Islands', an entity that promotes synergies in the nexus between the three pillars of a green economy: energy, water and mobility.

Through this network, the GRDA can avail itself of the opportunity to participate in international events and seek funding opportunities to finance bespoke projects in Gozo.

Project Management & Implementation



The main role of the Project Management and Implementation Unit within the GRDA is to own and steward the implementation of projects and programmes within the Regional Development Strategy for Gozo. The Regional Development Strategy targets the current as well as long-term issues of Gozo, ensuring that the island is looked at holistically and enabling the GRDA to propose projects with longer time-frames.

When it comes to managing and overseeing the implementation of projects and programmes, the Project Management and Implementation Unit's role varies considerably in terms of level of involvement in policy coordination, project oversight and direct project management.

The Unit embarked on an initiative to train and certify its members, as well as other GRDA members (who might be involved in project management activities) in a project management methodology that fits within the GRDA's scope of operation.

The GRDA will be entering into formal arrangements with Entities and oversee such projects through Performance Agreements which will govern all aspects concerning a delegated project including the project deliverables, the quality levels, the time-frames of the project and the roles and responsibilities.

■ Framework for Performance Agreements

In relation to the above, one of the first initiatives undertaken by the Project Management and Implementation Unit was to draw a Framework for Performance Agreements. The Performance Agreement Framework was based on Schedule 1 of the GRDA Act, which outlines the purposes of the Performance Agreements and essential sections and details to be included.

The Unit was entrusted to research and identify project management methodologies, processes and tools to meet the GRDA's requirements. It is expected that the Authority will be adopting such tools to manage and monitor projects. The Unit designed the Performance Agreement Framework based on the approach selected and the software acquired and would govern the responsibilities and relationship parameters between the GRDA and the implementing Government Entity, as well as detailing the planning, reporting and control framework established between the GRDA and the implementing entity.

■ Corporate Plan

A key initiative undertaken by the GRDA was the preparation of a Corporate Plan that delineates how it plans to implement its strategy as described in the Regional Development Strategy. The Corporate Plan sets out the strategic objectives that project the Authority's vision through a set of strategic deliverables. In relation to each of these strategic deliverables that the Authority is committing to achieve, the Corporate Plan, lists the accompanying activities that are expected to be carried out, for which a measure or measures of performance were identified. Through these Key Performance Indicators (KPIs), the Corporate Plan would allow the GRDA to monitor progress in a very focused and pragmatic manner.

■ Risk Management

The Project Management and Implementation Unit is responsible for risk management and has a responsibility to support the overall development of a risk-based approach towards the identification and mitigation of risks that could affect the Authority's day-to-day operations, as well as strategic risks. To this effect the Unit is in the process to create a risk register and a risk appetite statement that will be the result of extensive discussions with the Board, the management, employees and stakeholders.

■ Regional Impact Assessment System Guidelines

One of the main functions of the GRDA is to ensure that a Regional Impact Assessment Study (RIAS) is carried out whenever a Ministry, Authority, Agency or any other form of Government Entity intends presenting a proposal that would affect Gozo. The RIA study is a requirement that arises from the GRDA Act. The GRDA prepared a non-technical guide based on Schedule II of the GRDA Act to explain the objectives of the RIAS, how it works, when it should be prepared, what factors should be considered and who participates in the RIAS. This document was published as a consultation document in April 2021 and a feedback statement was released in July 2021. Apart from the non-technical guide, the GRDA also developed technical guideline documents to act as a direction for the proponent of a project that could potentially impact Gozo, during the early stages of the RIAS.



Research & Policy Development

The GRDA is committed to contribute to the development of the region through policy proposals that are extensively researched. To this effect the GRDA can rely on its own Research and Policy Development Unit, which has the brief to carry out and publish research on regional policies, evaluate and comment on policies put forward by Government Ministries and Entities and to follow international developments related to regional policy development.

■ Notes and Research

During 2021, the GRDA produced several publications ranging from official documents, consultation and feedback statements to notes and research reports. These publications cover various social, cultural, environmental and economic aspects. All publications are made available in digital format and accessible online via the website which makes it easier searching for content, whilst reducing the Authority's environmental footprint. In total, over the last year, the Authority published three official documents, five feedback statements, two consultation documents and six notes.

■ Contributing to Policy Development

The GRDA provided feedback on 22 consultation documents published by various Government Ministries. A list of the feedback provided is being included in this Annual Report. The Authority participated in national and international conferences and stakeholders' meetings. The GRDA participated and shared its opinion and vision for Gozo during the following public events/conferences in 2021:

- GTIe_Convention2021 by Greening the Islands
- The 4th Mediterranean Water Forum by the Energy and Water Agency
- Greening Our Grey: Redefining Urban Spaces by the Planning Authority
- Launch of Consultation document on Malta Economic Vision (A Future-proof Malta) by the Ministry for the Economy and Industry
- National Climate Change Conference by the Ministry for the Environment, Climate Change and Planning

■ Exploring Funding Opportunities

The Unit is also actively seeking funding opportunities that can provide an adequate financial platform from which both the GRDA and Gozo can take forward the ambitious targets set out in the Gozo Regional Development Strategy. Since its inception, the Research and Policy Development Unit has been developing its understanding of funding structures offered by the different EU Programmes and developing its network of experts in the EU funding space.

The GRDA commissioned a study about the available EU funded programmes and prepared an EU funding and opportunities roadmap that is directly targeted to the needs of Gozo and aligns with the eight priority areas as defined in the GRDA's Regional Development Strategy consultation document.

The roadmap focuses on the upcoming calls and new programmes being launched, while taking in consideration the complexity of tapping the fund on one side and the available funding on the other. The GRDA will make this roadmap document available so it can be used by other Gozo based entities in pursuing their own initiatives that have the potential to benefit from EU funding.

■ Other Research Initiatives

The Authority has also initiated preliminary research with the assistance of an outside consultation on the various incentives in place that offer support to business operation from Gozo. The aim of the exercise is to compile a document that offers visibility of all the schemes in place.



Feedback on Public Consultations

CONSULTATION	MINISTRY/ ENTITY/ ORGANISATION ISSUING CONSULTATION
Social taxonomy	Ministry for Finance and Employment
Sustainable finance platform for an extended EU taxonomy	Ministry for Finance and Employment
National reports on MIPAA/RIS (Madrid International Plan of Action on Ageing and its Regional Implementation Strategy)	Ministry for Senior Citizens and Active Ageing and Ministry for Inclusion and Social Wellbeing
Strategic foresight and resilience dashboards	Ministry for Foreign and European Affairs
FDI (Foreign Direct Investment) diffusion channels and SME productivity and innovation	Organisation for Economic Co-operation and Development (OECD)
Air clean enough to be protective of human health, wellbeing and nature	Environment and Resources Authority (ERA)
Initiatives on adults' participation in training	Ministry for Education
EU urban mobility initiative consultation	CRPM Intermediterranean Commission
A quality environment for liveable towns and villages conducive to healthy living	Environment and Resources Authority (ERA)
Responsible and efficient resource use that reflects the real value of raw and waste materials in support of zero waste to landfill	Environment and Resources Authority (ERA)
Conserved and restored biodiversity to sustain ecosystem and their value for the benefit of our nature, people and climate	Environment and Resources Authority (ERA)
Malta economic vision 2021 - 2031	Malta Investment Management Co. Ltd (MIMCOL)
Clean air for wellbeing, healthy humans and thriving nature villages, conducive to healthy living	Environment and Resources Authority (ERA)
National open access policy Malta draft	Ministry for Equality, Research and Innovation (The Malta Council for Science and Technology)
Terms of reference on the closure, aftercare and rehabilitation of landfills and excavation voids 2021	Environment and Resources Authority (ERA)
Malta's foreign policy strategy	Ministry for Foreign and European Affairs
Land resources that sustain natural functions and continued use while increasing resilience to climate change	Environment and Resources Authority (ERA)
Change, enabled and empowered, for the required green transition	Environment and Resources Authority (ERA)
CAP strategic plan 2023 - 2027	Parliamentary Secretariat for European Funds
EU islands and cohesion policy	Committee on Regional Development at the European Parliament
Ecologically diverse, healthy and productive marine waters, capable of supporting sustainable growth	Environment and Resources Authority (ERA)
Sustainable water resources that ensure long term use and support water-dependent ecosystems	Environment and Resources Authority (ERA)

Financial Statements

FOR PERIOD ENDING 31st DECEMBER 2020

Authority Board's Report	2 - 4
Report of the Independent Auditor	5 - 8
Financial Statements:	
Statement of Financial Position	9
Income Statement	10
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements:	12 - 24

Authority Board report

For the period ending 31 December 2020

The members of the Authority Board present their report, together with the audited financial statements for the period ending 31 December 2020.

Principal activity

The Gozo Regional Development Authority (GRDA) was officially launched on 14 September 2020. It has as its legal basis Chapter 600 of the Maltese Laws.

The Authority has a regulatory and consultative role and addresses an important gap in the socio-economic development of Gozo by developing and streamlining regional policies and by overseeing their implementation through the adoption of modern project management tools.

Review of business development and financial position

The financial position of the authority as at 31 December 2020 is disclosed on page 9, while the results for the period under review are disclosed on page 10.

The Authority registered a deficit (after depreciation) of €12,311 for the period ending 31 December 2020.

Events during the reporting period

Since early 2020, the world is suffering from a widespread Covid-19 pandemic, resulting in disruptions to businesses worldwide. The uncertainty surrounding the duration of this situation is making the way towards recovery unclear.

The crisis has not resulted in the temporary cessation in the Authority's activities. The overall impact of COVID-19 on the Authority is therefore expected to be relatively contained in the context of the Authority's financial resources and accordingly the Authority Board consider it to be appropriate to prepare these financial statements on a going concern basis.

Future developments

No changes are envisaged in authority's operations during the forthcoming year.

Authority

The persons responsible for these financial statements are:

Michael Grech – Chairperson
Charlene Xerri Gatt – Vice Chairperson
Mario Borg – Chief Executive Officer
Marlene Cini – Secretary
Samuel Azzopardi – Member
Daniel Borg – Member

Authority Board report - continued

Authority - continued

Joe Muscat – Member
Joseph Borg – Member
Anthony Bezzina – Member

Statement of the Authority Board's responsibilities

The Authority is governed by a Board consisting of a Chairperson, a Vice Chairperson, a CEO, a secretary, and five members. Their responsibility is to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the European Union which give a true and fair view of the state of affairs of the Authority at the end of each financial period and of the gain or loss for the period then ending. In preparing the financial statements, the Authority:

- Selects suitable accounting policies and applies them consistently;
- Makes judgements and estimates that are reasonable and prudent; and
- Prepares the financial statements on a going concern basis, unless it is appropriate to presume that the Authority will not continue in business

The Authority is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Authority and to enable it to ensure that the financial statements have been properly prepared in accordance with the provisions of the Act.

The Authority is also responsible for safeguarding the assets of the Authority and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Authority is responsible to ensure that it establishes and maintains internal control to provide reasonable assurance with regard to reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

In determining which controls to implement to prevent and detect fraud, management consider the risks that the financial statements may be materially misstated as a result of fraud.

Auditor

The auditor, Charles Scerri, has intimated his willingness to continue in office. A resolution proposing his re-appointment will be put before the members during the Gozo Regional Development Authority Board Meeting of the month of February, 2022.

Approved by the Authority's representatives on 11 February 2022 and signed on its behalf by:



Michael Grech
Chairperson



Mario Borg
Chief Executive Officer

Registered office:
Gozo Regional Development Authority,
Innovation Hub GGX204
Xewkija Industrial Estate,
Xewkija XWK 3000
Gozo

CHARLES SCERRI

INDEPENDENT AUDITOR'S REPORT

To the Members of Gozo Regional Development Authority

Report on the audit of the financial statements

Opinion

In my opinion:

- Gozo Regional Development Authority's financial statements (the "financial statements") give a true and fair view of the Authority's financial position as at 31 December 2020, and of the Authority's financial performance for the period then ending in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the EU; and
- The financial statements have been prepared in accordance with the requirements of the Gozo Regional Development Authority Act (Cap. 600).

What I have audited

Gozo Regional Development Authority's financial statements, set out on pages 9 to 25, comprise of:

- the Statement of financial position as at 31 December 2020;
- the Income statement for the Authority;
- the Statement of changes in equity;
- the Statement of cash flows; and
- the Notes to the financial statements, which include a summary of significant accounting policies.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities* for the *Audit of the Financial Statements* section of my report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Independence

I am independent of the Authority in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) that are relevant to my audit of the financial statements in Malta. I have fulfilled my other ethical responsibilities in accordance with these Codes.

INDEPENDENT AUDITOR'S REPORT

To the Members of Gozo Regional Development Authority

Other information

The Board Members are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information, including the Board Members' report.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

With respect to the Board Members' report, I considered whether the Board Members' report includes the disclosures required by the Gozo Regional Development Authority Act (cap. 600).

Based on the work I have performed, in my opinion:

- the information given in the Board Members' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Board Members' report has been prepared in accordance with the Gozo Regional Development Authority Act (Cap. 600).

In addition, in light of the knowledge and understanding of the Authority and its environment obtained in the course of the audit, I am required to report if I have identified material misstatements in the Board Members' report and other information. I have nothing to report in this regard.

Responsibilities of the Board Members for the financial statements

The Board Members are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the of the Gozo Regional Development Authority Act (Cap.600) for such internal control as the Board Members determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether to due to fraud or error.

In preparing the financial statements the Board Members are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

To the Members of Gozo Regional Development Authority

Auditor's responsibility for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board Members.
- Conclude on the appropriateness of the Board Members' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Authority's ability to continue as a going concern. In particular, it is difficult to evaluate all of the potential implications that COVID-19 will have on the authority's trade, customers and suppliers, and the disruption to its business and the overall economy.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Authority to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the audit. I remain solely responsible for my audit opinion.

I communicate with the Board Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

CHARLES SCERRI

INDEPENDENT AUDITOR'S REPORT

To the Members of Gozo Regional Development Authority

Report on other Legal and Regulatory Requirements

I also have responsibilities under the Gozo Regional Development Act (Cap.600) to report to you if, in my opinion:

- Adequate accounting records have not been kept, or that returns adequate for my audit have not been received from branches not visited by me.
- The financial statements are not in agreement with the accounting records and returns.
- I have not received all the information and explanations I require for the audit.

I have nothing to report to you in respect of these responsibilities.



Charles Scerri
Certified Public Accountant

The Penthouse, Carolina Court, Giuseppe Cali Street, Ta' Xbiex XBX 1425

11 February 2022

Gozo Regional Development Authority
Annual Report and Financial Statements - 31 December 2020

Statement of financial position

	Notes	As at 31 December
		2020
		€
ASSETS		
Non-current assets		
Property, plant and equipment	3	14,566
Current assets		
Trade and other receivables	4	967
Total assets		15,533
EQUITY AND LIABILITIES		
Equity		
Accumulated deficit		(12,311)
Total equity		(12,311)
Current liabilities		
Trade and other payables	5	27,844
Total liabilities		27,844
Total equity and liabilities		15,533

The notes on pages 13 to 25 are an integral part of these financial statements.

The financial statements on pages 9 to 25 were authorised for issue by the board members on 11 February 2022 and were signed by:


Michael Grech
Chairperson


Mario Borg
Chief Executive Officer

Income statement

	Notes	Period from 14 September 2020 to 31 December 2020 €
Revenue	7	56,325
Administration expenses	8	(68,636)
Deficit for the period		(12,311)

The notes on pages 13 to 22 form an integral part of these financial statements.

Statement of changes in equity

	Accumulated reserve €
As at 14 September 2020	-
Deficit for the period	(12,311)
As at 31 December 2020	(12,311)

Statement of cash flows

	As at 31 December 2020 €
Cash flows from operating activities	
Deficit for the period	(12,311)
Add back:	
Depreciation	2,610
Movements in working capital:	
Trade and other receivables	(967)
Trade and other payables	27,844
Net cash generated from operating activities	17,176
Cash flows from investing activities	
Acquisition of property, plant and equipment	(17,176)
Net cash used in investing activities	(17,176)
Movement in cash and cash equivalents	-
Cash and cash equivalents at the end of the period	-

Notes to the financial statements

1 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

1.1 Basis of preparation

Statement of compliance

These financial statements have been prepared and presented in accordance with the provisions of the International Financial Reporting Standards as adopted by the EU (IFRSs) with the requirements of the Gozo Regional Development Authority Act (Cap. 600).

The financial statements have been prepared on a going concern basis. The Chief Executive Officer has assessed that the authority is expected to have the necessary funds to finance its operations and commitments towards employees, creditors and banks. Accordingly, the Chief Executive Officer continues to adopt the going concern basis in preparing the authority's financial statements and considers that there are no material uncertainties which may cast doubt about the ability of the authority to continue operating as a going concern.

Covid-19

Since early 2020, the world is experiencing an unprecedented crisis caused by the COVID-19 pandemic. The Authority considers the effects of the COVID-19 outbreak as the only relevant event arising during the reporting date. Whilst this is a non-adjusting balance sheet event, the uncertainty surrounding the duration of this situation is making the way towards recovery unclear.

The crisis has not resulted in the temporary cessation in the Authority's activities. The overall impact of COVID-19 on the Authority is therefore expected to be relatively contained in the context of the Authority's financial resources and accordingly the Authority Board consider it to be appropriate to prepare these financial statements on a going concern basis.

These financial statements have been prepared under the historical cost convention.

1.2 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in euro, which is the authority's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

1 Summary of significant accounting policies - continued

1.3 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.4 Financial assets and liabilities

1.4.1 Recognition, initial measurement and derecognition of financial assets

Receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Authority becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

All purchases and sales of investments are recognised on the trade date, which is the date that the Authority commits to purchase or sell the assets. Investments are derecognised when the rights to receive cash flows from the investments have expired or where they have been transferred and the Authority has also transferred substantially all risks and rewards of ownership.

1.4.2 Classification of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Authority changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Authority classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

Investments in debt instruments are classified at fair value through other comprehensive income (FVOCI) only if the contractual cash flows are solely principal and interest and the objective of the Authority's business model is achieved both by collecting contractual cash flows and selling financial assets.

1 Summary of significant accounting policies - continued

1.4 Financial assets and liabilities - continued

1.4.2 Classification of financial assets - continued

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Authority may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Authority makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Authority's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Authority's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

1 Summary of significant accounting policies - continued

1.4 Financial assets and liabilities - continued

1.4.2 Classification of financial assets - continued

In assessing whether the contractual cash flows are solely payments of principal and interest, the Authority considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Authority considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Authority's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

1.4.3 Subsequent measurement of financial assets

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. Amortised cost is the initial measurement amount adjusted for the amortisation of any difference between the initial and maturity amounts using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

1.4.4 Impairment of financial assets

The Authority recognises loss allowances for ECLs on financial assets measured at amortised cost and debt investments measured at FVOCI to which the Authority is exposed. It measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

1 Summary of significant accounting policies - continued

1.4 Financial assets and liabilities - continued

1.4.4 Impairment of financial assets - continued

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Authority considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Authority's historical experience and informed credit assessment and including forward-looking information.

The Authority assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, and it considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Authority in full, without recourse by the Authority to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Authority considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally-understood definition of 'investment grade'. The Authority considers this to be Baa3 or higher per Moody's or BBB- or higher per Standard & Poor's or Fitch.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Authority is exposed to credit risk.

Measurement of ECL

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Authority expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Authority assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Authority on terms that the Authority would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

1 Summary of significant accounting policies - continued

1.4 Financial assets and liabilities - continued

1.4.4 Impairment of financial assets - continued

Presentation of allowance for EGL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Authority has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For each of its financial assets that subject the Authority to credit risk, it makes an individual assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Authority expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Authority's procedures for recovery of amounts due.

1.4.5 Financial liabilities

Issued financial instruments or their components, which are not designated at FVTPL are classified as other financial liabilities, where the substance of the contractual arrangement results in the Authority having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in statement of comprehensive income.

1.5 Property, plant, and equipment

All property, plant and equipment is initially recorded at cost. All property, plant and equipment is subsequently stated at historical cost less depreciation and impairment losses, historical cost includes expenditure that directly attributable to the acquisition of the terms.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the authority and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

1 Summary of significant accounting policies - continued

1.5 Property, plant, and equipment - continued

Depreciation on other assets is calculated using the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives as follows:

	%
Furniture & fittings	10
Computer equipment	25

Plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

1.6 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour and a proportion of fixed and variable production overheads that are incurred in converting materials into finished goods, based on the normal level of activity. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the costs to be incurred in marketing, selling and distribution.

1.7 Trade and other receivables

Trade receivables comprise amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer) they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. When a receivable is uncollectible, is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

1.9 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

1 Summary of significant accounting policies - continued

1.10 Financial liabilities

The authority recognises a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument. The authority's financial liabilities are recognised initially at fair value, including transaction costs. These liabilities are subsequently measured at amortised cost. The authority derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, cancelled or expires.

1.11 Trade and other payables

Trade payables comprise obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.12 Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

1.13 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable by the Authority for services provided. Revenue is recognised to the extent that it is probable that future economic benefits will flow to the Authority and these can be measured reliably.

The following specific recognition criteria must also be met before revenue is recognised:

- The Authority has transferred to the buyer the significant risks and rewards of ownership of the services provided. This is generally when the customer has approved the services that have been provided;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Authority; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Income from government subvention is recognised on an accrual basis.

- Government grants and EU grants are not recognised until there is a reasonable assurance that the Authority will comply with the conditions attaching to them and that the grants will be received.
- Government grants and EU grants are recognised in the Income Statement on a systematic basis over the years in which the Authority recognises as expenses the related costs for which the grants are intended to compensate.

1 Summary of significant accounting policies - continued

1.13 Revenue recognition - continued

- Government grants and EU grants related to assets are presented in the Statement of Financial Position by setting up the grant as deferred income and is recognised in the Income Statement on a systematic basis over the useful life of the asset.
- Government grants and EU grants that are receivable as compensation for expenses or losses already incurred or for the purposes of giving immediate financial support to the Authority with no future related costs are recognised in the Income Statement in the year in which they become receivable.

2 Financial risk management

2.1 Financial risk factors

The Authority is exposed to a variety of financial risks: market risk (cash flow and fair value interest rate risk), credit risk and liquidity risk. The Authority's risk management is coordinated by the Chief Executive Officer and focuses on actively securing the Authority's short to medium term cash flows by minimising the exposure to financial risk.

(a) Cash flow and fair value interest rate risk

The Authority has no significant interest-bearing assets and liabilities, and its income and operating cash flows are substantially independent of changes in market interest rates.

(b) Credit risk

The Authority's exposure to credit risk is limited to the carrying amount of financial assets recognized at the end of the reporting date, as summarised below. The Authority's exposures to credit risk as at the end of the reporting periods are analysed as follows:

	2020
	€
Classes of financial assets – carrying amounts	
Trade and other receivables (Note 4)	967

The Authority applies the low credit risk simplification for all instruments that are externally rated at a rating of BBB- (or equivalent) or better; and the EGL provision for these instruments is accordingly measured at an amount equivalent to the 12-month ECLs. The Authority thus applies the simplification for its bank deposits.

(c) Liquidity risk

The Authority is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise trade and other payables (Note 8). Prudent liquidity risk management includes maintaining sufficient cash reserves to ensure the availability of an adequate amount of funding to meet the Authority's obligations.

The Authority monitors liquidity risk by reviewing expected cash flows and ensures that no additional financing facilities are expected to be required over the coming year. The Authority's liquidity risk is not deemed material in view of the matching of cash inflows and outflows arising from expected maturities of financial instruments and commitments.

2 Financial risk management - continued

2.2 Capital risk management

The Authority's equity, which constitutes its capital base, is disclosed in the statement of financial position. The Authority's objectives when managing capital are to safeguard the respective entity's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In accordance with section 14(3) of the provisions of the Malta Resources Authority Act, the Authority shall be paid by the Government of Malta out of the Consolidated Fund such sums as Parliament may from time to time authorise to be appropriated to meet any of its expenditure that cannot be met out of its revenue and the costs of specified works to be continued or otherwise carried out by the Authority, being works of infrastructure or a similar capital nature.

2.3 Fair values of financial instruments

At 31 December 2021 and 2020 the carrying amounts of cash at bank, receivables, payables and accrued expenses reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

2.4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the director, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

3 Property, plant and equipment

	Furniture & fittings €	Computer equipment €	Total €
Cost			
Additions	11,228	5,948	17,176
As at 31 December 2020	11,228	5,948	17,176
Depreciation			
Charge for the period	1,123	1,487	2,610
As at 31 December 2020	1,123	1,487	2,610
Net book value as at 31 December 2020	10,105	4,461	14,566

4 Trade and other receivables

	2020 €
Prepayments	967

5 Trade and other payables

	2020 €
Trade payables	13,704
Accruals	14,140
	27,844

6 Taxation

With reference to the Gozo Regional Development Authority Act, Part 4 article 18 sub-article 3, Government subventions are deemed to be exempt from any liability for the payment of income tax and duty on documents. Hence no taxation was recognised in these financial statements given the Authority's main source of income is the Government's subventions.

7 Revenue

	Period from 14 September to 31 December 2020 €
Government appropriation	56,325

8 Expenses for the period

	Period from 14 September to 31 December 2020 €
Audit fee	1,770
Depreciation	2,610
Wages and salaries	28,219

Staff costs incurred during the period are analysed as follows:

	Period from 14 September to 31 December 2020 €
Board members' remuneration	9,223
Wages and salaries	18,996
	28,219

The average number of persons employed during the period, including board members was made up as follows:

	2020 No
Board members	8
Operations	2
	10

9 Statutory information

The Gozo Regional Development Authority was established under the Gozo Regional Development Act (Cap. 600). The registered office is Gozo Regional Development Authority, Innovation Hub GGX204, Xewkija Industrial Estate, Xewkija XWK 3000, Gozo.

Detailed income statement

	Period from 14 September to 31 December 2020
	€
Revenue	56,325
Administrative expenses	
Advertising (website)	3,378
Audit fees	1,770
Computer-related expenses	947
Consultancy fees	1,416
Depreciation	2,610
Encroachment fees	1,746
Insurance	190
Professional fees	20,080
Rental expense	3,368
Salaries and wages	28,219
Staff welfare	523
Stationery	2,197
Telephone expenses	826
Water and electricity	1,366
	(68,636)
Deficit for the period	(12,311)

Financial Statements

FOR PERIOD ENDING 31st DECEMBER 2021

Authority Board's Report	2 - 4
Report of the Independent Auditor	5 - 8
Financial Statements:	
Statement of Financial Position	9
Income Statement	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Financial Statements:	13 - 26

Authority Board report

For the year ended 31 December 2021

The members of the Authority Board present their report, together with the audited financial statements for the year ended 31 December 2021.

Principal activity

The Gozo Regional Development Authority (GRDA) was officially launched on 14 September 2020. It has as its legal basis Chapter 600 of the Maltese Laws.

The Authority has a regulatory and consultative role and addresses an important gap in the socio-economic development of Gozo by developing and streamlining regional policies and by overseeing their implementation through the adoption of modern project management tools.

Review of business development and financial position

The financial position of the authority as at 31 December 2021 is disclosed on page 9, while the results for the year under review are disclosed on page 10.

The Authority registered a surplus (after depreciation) of €16,914 for the year ended 31 December 2021.

Events during the reporting year

Since early 2020, the world is suffering from a widespread Covid-19 pandemic, resulting in disruptions to businesses worldwide. The uncertainty surrounding the duration of this situation is making the way towards recovery unclear.

The crisis has not resulted in the temporary cessation in the Authority's activities. The overall impact of COVID-19 on the Authority is therefore expected to be relatively contained in the context of the Authority's financial resources and accordingly the Authority Board consider it to be appropriate to prepare these financial statements on a going concern basis.

Future developments

No changes are envisaged in the authority's operations during the forthcoming year.

Authority

The persons responsible for these financial statements are:

Michael Grech – Chairperson
Charlene Xerri Gatt – Vice Chairperson
Mario Borg – Chief Executive Officer
Marlene Cini – Secretary
Samuel Azzopardi – Member
Daniel Borg – Member

Authority Board report - continued

Authority - continued

Joe Muscat – Member
Joseph Borg – Member
Anthony Bezzina – Member

Statement of the Authority Board's responsibilities

The Authority is governed by a Board consisting of a Chairperson, a Vice Chairperson, a CEO, a secretary, and five members. Their responsibility is to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the European Union which give a true and fair view of the state of affairs of the Authority at the end of each financial year and of the gain or loss for the year then ended. In preparing the financial statements, the Authority:

- Selects suitable accounting policies and applies them consistently;
- Makes judgements and estimates that are reasonable and prudent; and
- Prepares the financial statements on a going concern basis, unless it is appropriate to presume that the Authority will not continue in business

The Authority is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Authority and to enable it to ensure that the financial statements have been properly prepared in accordance with the provisions of the Act.

The Authority is also responsible for safeguarding the assets of the Authority and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Authority is responsible to ensure that it establishes and maintains internal control to provide reasonable assurance with regard to reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

In determining which controls to implement to prevent and detect fraud, management consider the risks that the financial statements may be materially misstated as a result of fraud.

Auditor

The auditor, Charles Scerri, has intimated his willingness to continue in office. A resolution proposing his re-appointment will be put before the members during the Gozo Regional Development Authority Board Meeting of the month of March, 2022.

Approved by the Authority's representatives on 10 March 2022 and signed on its behalf by:



Michael Grech
Chairperson



Mario Borg
Chief Executive Officer

Registered office:
Gozo Regional Development Authority,
Innovation Hub GGX204
Xewkija Industrial Estate,
Xewkija XWK 3000
Gozo

CHARLES SCERRI

INDEPENDENT AUDITOR'S REPORT

To the Members of Gozo Regional Development Authority

Report on the audit of the financial statements

Opinion

In my opinion:

- Gozo Regional Development Authority's financial statements (the "financial statements") give a true and fair view of the Authority's financial position as at 31 December 2021, and of the Authority's financial performance for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") as adopted by the EU; and
- The financial statements have been prepared in accordance with the requirements of the Gozo Regional Development Authority Act (Cap. 600).

What I have audited

Gozo Regional Development Authority's financial statements, set out on pages 9 to 26, comprise of:

- the Statement of financial position as at 31 December 2021;
- the Income statement for the Authority;
- the Statement of changes in equity;
- the Statement of cash flows; and
- the Notes to the financial statements, which include a summary of significant accounting policies.

Basis for Opinion

I conducted my audit in accordance with International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the *Auditor's Responsibilities* for the *Audit of the Financial Statements* section of my report.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Independence

I am independent of the Authority in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) that are relevant to my audit of the financial statements in Malta. I have fulfilled my other ethical responsibilities in accordance with these Codes.

INDEPENDENT AUDITOR'S REPORT

To the Members of Gozo Regional Development Authority

Other information

The Board Members are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and my auditor's report thereon.

My opinion on the financial statements does not cover the other information, including the Board Members' report.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

With respect to the Board Members' report, I considered whether the Board Members' report includes the disclosures required by the Gozo Regional Development Authority Act (cap. 600).

Based on the work I have performed, in my opinion:

- the information given in the Board Members' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Board Members' report has been prepared in accordance with the Gozo Regional Development Authority Act (Cap. 600).

In addition, in light of the knowledge and understanding of the Authority and its environment obtained in the course of the audit, I am required to report if I have identified material misstatements in the Board Members' report and other information. I have nothing to report in this regard.

Responsibilities of the Board Members for the financial statements

The Board Members are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the of the Gozo Regional Development Authority Act (Cap.600) for such internal control as the Board Members determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether to due to fraud or error.

In preparing the financial statements the Board Members are responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the members either intend to liquidate the Authority or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT

To the Members of Gozo Regional Development Authority

Auditor's responsibility for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board Members.
- Conclude on the appropriateness of the Board Members' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Authority's ability to continue as a going concern. In particular, it is difficult to evaluate all of the potential implications that COVID-19 will have on the authority's trade, customers and suppliers, and the disruption to its business and the overall economy.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Authority to express an opinion on the financial statements. I am responsible for the direction, supervision and performance of the audit. I remain solely responsible for my audit opinion.

I communicate with the Board Members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

INDEPENDENT AUDITOR'S REPORT

To the Members of Gozo Regional Development Authority

Report on other Legal and Regulatory Requirements

I also have responsibilities under the Gozo Regional Development Act (Cap.600) to report to you if, in my opinion:

- Adequate accounting records have not been kept, or that returns adequate for my audit have not been received from branches not visited by me.
- The financial statements are not in agreement with the accounting records and returns.
- I have not received all the information and explanations I require for the audit.

I have nothing to report to you in respect of these responsibilities.



Charles Scerri
Certified Public Accountant

The Penthouse, Carolina Court, Giuseppe Cali Street, Ta' Xbiex XBX 1425

10 March 2022

Statement of financial position

	Notes	As at 31 December	
		2021 €	2020 €
ASSETS			
Non-current assets			
Property, plant and equipment	3	18,640	14,566
Total non-current assets		18,640	14,566
Current assets			
Trade and other receivables	4	4,846	967
Cash and cash equivalents	5	1,317	-
Total current assets		6,163	967
Total assets		24,803	15,533
EQUITY AND LIABILITIES			
Equity			
Accumulated surplus/(deficit)		4,603	(12,311)
Total equity		4,603	(12,311)
Current liabilities			
Trade and other payables	6	20,200	27,844
Total liabilities		20,200	27,844
Total equity and liabilities		24,803	15,533

The notes on pages 13 to 26 are an integral part of these financial statements.

The financial statements on pages 9 to 26 were authorised for issue by the board members on 10 March 2022 and were signed by:


Michael Grech
Chairperson


Mario Borg
Chief Executive Officer

Income statement

	Notes	Year ended 31 December 2021 €	Period from 14 September to 31 December 2020 €
Revenue	8	479,754	56,325
Administration expenses	9	(462,840)	(68,636)
Surplus/(deficit) for the year/period		16,914	(12,311)

The notes on pages 13 to 26 form an integral part of these financial statements.

Statement of changes in equity

	Accumulated reserve €
As at 1 January 2021	(12,311)
Surplus for the year	16,914
As at 31 December 2021	4,603
As at 14 September 2020	-
Deficit for the period	(12,311)
As at 31 December 2020	(12,311)

Statement of cash flows

	Note	As at 31 December	
		2021 €	2020 €
Cash flows from operating activities			
Surplus/(deficit) for the year/period		16,914	(12,311)
Add back:			
Depreciation		4,838	2,610
Movements in working capital:			
Trade and other receivables		(3,879)	(967)
Trade and other payables		(7,644)	27,844
Net cash generated from operating activities		10,229	17,176
Cash flows from investing activities			
Acquisition of property, plant and equipment		(8,912)	(17,176)
Net cash used in investing activities		(8,912)	(17,176)
Movement in cash and cash equivalents		1,317	-
Cash and cash equivalents at the beginning of the year/period		-	-
Cash and cash equivalents at the end of the year/period	5	1,317	-

Notes to the financial statements

1 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

1.1 Basis of preparation

These financial statements have been prepared and presented in accordance with the provisions of the International Financial Reporting Standards as adopted by the EU (IFRSs) with the requirements of the Gozo Regional Development Authority Act (Cap. 600).

The financial statements have been prepared on a going concern basis. The Chief Executive Officer has assessed that the authority is expected to have the necessary funds to finance its operations and commitments towards employees, creditors and banks. Accordingly, the Chief Executive Officer continues to adopt the going concern basis in preparing the authority's financial statements and considers that there are no material uncertainties which may cast doubt about the ability of the authority to continue operating as a going concern.

Covid-19

Since early 2020, the world is experiencing an unprecedented crisis caused by the COVID-19 pandemic. The Authority considers the effects of the COVID-19 outbreak as the only relevant event arising during the reporting date. Whilst this is a non-adjusting balance sheet event, the uncertainty surrounding the duration of this situation is making the way towards recovery unclear.

The crisis has not resulted in the temporary cessation in the Authority's activities. The overall impact of COVID-19 on the Authority is therefore expected to be relatively contained in the context of the Authority's financial resources and accordingly the Authority Board consider it to be appropriate to prepare these financial statements on a going concern basis.

These financial statements have been prepared under the historical cost convention.

1.2 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in euro, which is the authority's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

1 Summary of significant accounting policies - continued

1.3 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.4 Financial assets and liabilities

1.4.1 Recognition, initial measurement and derecognition of financial assets

Receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Authority becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

All purchases and sales of investments are recognised on the trade date, which is the date that the Authority commits to purchase or sell the assets. Investments are derecognised when the rights to receive cash flows from the investments have expired or where they have been transferred and the Authority has also transferred substantially all risks and rewards of ownership.

1.4.2 Classification of financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI - equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Authority changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Authority classifies its financial assets as at amortised cost only if both of the following criteria are met:

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest.

1 Summary of significant accounting policies - continued

1.4 Financial assets and liabilities - continued

1.4.2 Classification of financial assets - continued

Investments in debt instruments are classified at fair value through other comprehensive income (FVOCI) only if the contractual cash flows are solely principal and interest and the objective of the Authority's business model is achieved both by collecting contractual cash flows and selling financial assets.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Authority may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Business model assessment

The Authority makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Authority's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Authority's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

1 Summary of significant accounting policies - continued

1.4 Financial assets and liabilities - continued

1.4.2 Classification of financial assets - continued

In assessing whether the contractual cash flows are solely payments of principal and interest, the Authority considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Authority considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Authority's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

1.4.3 Subsequent measurement of financial assets

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. Amortised cost is the initial measurement amount adjusted for the amortisation of any difference between the initial and maturity amounts using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

1.4.4 Impairment of financial assets

The Authority recognises loss allowances for ECLs on financial assets measured at amortised cost and debt investments measured at FVOCI to which the Authority is exposed. It measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured at 12-month ECLs:

- debt securities that are determined to have low credit risk at the reporting date; and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

1 Summary of significant accounting policies - continued

1.4 Financial assets and liabilities - continued

1.4.4 Impairment of financial assets - continued

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Authority considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Authority's historical experience and informed credit assessment and including forward-looking information.

The Authority assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due, and it considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Authority in full, without recourse by the Authority to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Authority considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally-understood definition of 'investment grade'. The Authority considers this to be Baa3 or higher per Moody's or BBB- or higher per Standard & Poor's or Fitch.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Authority is exposed to credit risk.

Measurement of ECL

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Authority expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Authority assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Authority on terms that the Authority would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

1 Summary of significant accounting policies - continued

1.4 Financial assets and liabilities - continued

1.4.4 Impairment of financial assets - continued

Presentation of allowance for EGL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognised in OCI.

Write-off

The gross carrying amount of a financial asset is written off when the Authority has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For each of its financial assets that subject the Authority to credit risk, it makes an individual assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Authority expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Authority's procedures for recovery of amounts due.

1.4.5 Financial liabilities

Issued financial instruments or their components, which are not designated at FVTPL are classified as other financial liabilities, where the substance of the contractual arrangement results in the Authority having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in statement of comprehensive income.

1.5 Property, plant, and equipment

All property, plant and equipment is initially recorded at cost. All property, plant and equipment is subsequently stated at historical cost less depreciation and impairment losses, historical cost includes expenditure that directly attributable to the acquisition of the terms.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the authority and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

1 Summary of significant accounting policies - continued

1.5 Property, plant, and equipment - continued

Depreciation on other assets is calculated using the straight-line method to allocate the cost of the assets to their residual values over their estimated useful lives as follows:

	%
Furniture & fittings	10
Computer equipment	25
Computer software	25

Plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

1.6 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method and comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour and a proportion of fixed and variable production overheads that are incurred in converting materials into finished goods, based on the normal level of activity. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion and the costs to be incurred in marketing, selling and distribution.

1.7 Trade and other receivables

Trade receivables comprise amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer) they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. When a receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent recoveries of amounts previously written off are credited against profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

1.9 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

1 Summary of significant accounting policies - continued

1.10 Financial liabilities

The authority recognises a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument. The authority's financial liabilities are recognised initially at fair value, including transaction costs. These liabilities are subsequently measured at amortised cost. The authority derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, cancelled or expires.

1.11 Trade and other payables

Trade payables comprise obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.12 Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

1.13 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable by the Authority for services provided. Revenue is recognised to the extent that it is probable that future economic benefits will flow to the Authority and these can be measured reliably.

The following specific recognition criteria must also be met before revenue is recognised:

- The Authority has transferred to the buyer the significant risks and rewards of ownership of the services provided. This is generally when the customer has approved the services that have been provided;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Authority; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Income from government subvention is recognised on an accrual basis.

- Government grants and EU grants are not recognised until there is a reasonable assurance that the Authority will comply with the conditions attaching to them and that the grants will be received.
- Government grants and EU grants are recognised in the Income Statement on a systematic basis over the years in which the Authority recognises as expenses the related costs for which the grants are intended to compensate.

1 Summary of significant accounting policies - continued

1.13 Revenue recognition

- Government grants and EU grants related to assets are presented in the Statement of Financial Position by setting up the grant as deferred income and is recognised in the Income Statement on a systematic basis over the useful life of the asset.
- Government grants and EU grants that are receivable as compensation for expenses or losses already incurred or for the purposes of giving immediate financial support to the Authority with no future related costs are recognised in the Income Statement in the year in which they become receivable.

2 Financial risk management

2.1 Financial risk factors

The Authority is exposed to a variety of financial risks: market risk (cash flow and fair value interest rate risk), credit risk and liquidity risk. The Authority's risk management is coordinated by the Chief Executive Officer and focuses on actively securing the Authority's short to medium term cash flows by minimising the exposure to financial risk.

(a) Cash flow and fair value interest rate risk

The Authority has no significant interest-bearing assets and liabilities, and its income and operating cash flows are substantially independent of changes in market interest rates.

(b) Credit risk

The Authority's exposure to credit risk is limited to the carrying amount of financial assets recognized at the end of the reporting date, as summarised below. The Authority's exposures to credit risk as at the end of the reporting periods are analysed as follows:

	2021	2020
	€	€
Classes of financial assets – carrying amounts		
Trade and other receivables (Note 4)	4,846	967
Cash and cash equivalents (Note 5)	1,317	-
	6,163	967

The Authority applies the low credit risk simplification for all instruments that are externally rated at a rating of BBB- (or equivalent) or better; and the EGL provision for these instruments is accordingly measured at an amount equivalent to the 12-month ECLs. The Authority thus applies the simplification for its bank deposits.

(c) Liquidity risk

The Authority is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise trade and other payables (Note 8). Prudent liquidity risk management includes maintaining sufficient cash reserves to ensure the availability of an adequate amount of funding to meet the Authority's obligations.

2 Financial risk management - continued

2.1 Financial risk factors - continued

The Authority monitors liquidity risk by reviewing expected cash flows and ensures that no additional financing facilities are expected to be required over the coming year. The Authority's liquidity risk is not deemed material in view of the matching of cash inflows and outflows arising from expected maturities of financial instruments and commitments.

2.2 Capital risk management

The Authority's equity, which constitutes its capital base, is disclosed in the statement of financial position. The Authority's objectives when managing capital are to safeguard the respective entity's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In accordance with section 14(3) of the provisions of the Malta Resources Authority Act, the Authority shall be paid by the Government of Malta out of the Consolidated Fund such sums as Parliament may from time to time authorise to be appropriated to meet any of its expenditure that cannot be met out of its revenue and the costs of specified works to be continued or otherwise carried out by the Authority, being works of infrastructure or a similar capital nature.

2.3 Fair values of financial instruments

At 31 December 2021 and 2020 the carrying amounts of cash at bank, receivables, payables and accrued expenses reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

2.4 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the Chief Executive Officer, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS.

3 Property, plant and equipment

	Furniture & fittings €	Computer equipment €	Computer software €	Total €
Cost				
As at 1 January 2021	11,228	5,948	-	17,176
Additions	-	5,818	3,094	8,912
As at 31 December 2021	11,228	11,766	3,094	26,088
Depreciation				
As at 1 January 2021	1,123	1,487	-	2,610
Charge for the year	1,123	2,941	774	4,838
As at 31 December 2021	2,246	4,428	774	7,448
Net book value as at 31 December 2021	8,982	7,338	2,320	18,640
Net book value as at 31 December 2020	10,105	4,461	-	14,566

4 Trade and other receivables

	2021 €	2020 €
Prepayments	4,846	967

5 Cash and cash equivalents

	2021 €	2020 €
Cash at bank	1,317	-

6 Trade and other payables

	2021 €	2020 €
Trade payables	16,660	13,704
Accruals	3,540	14,140
	20,200	27,844

7 Taxation

With reference to the Gozo Regional Development Authority Act, Part 4 article 18 sub-article 3, Government subventions are deemed to be exempt from any liability for the payment of income tax and duty on documents. Hence no taxation was recognised in these financial statements given the Authority's main source of income is the Government's subventions.

8 Revenue

	Year ended 31 December 2021 €	Period from 14 September to 31 December 2020 €
Government appropriation	<u>479,754</u>	56,325

9 Expenses for the year

	Year ended 31 December 2021 €	Period from 14 September to 31 December 2020 €
Audit fee	1,770	1,770
Depreciation	4,838	2,610
Wages and salaries	<u>221,873</u>	28,219

Staff costs incurred during the year are analysed as follows:

	Year ended 31 December 2021 €	Period from 14 September to 31 December 2020 €
Board members' remuneration	39,158	9,223
Wages - Regular	<u>182,715</u>	18,996
	<u>221,873</u>	28,219

The average number of persons employed during the year, including board members was made up as follows:

	2021 No	2020 No
Board members	8	8
Operations	<u>5</u>	<u>2</u>
	<u>13</u>	10

10 Statutory information

The Gozo Regional Development Authority was established under the Gozo Regional Development Act (Cap. 600). The registered office is Gozo Regional Development Authority, Innovation Hub GGX204, Xewkija Industrial Estate, Xewkija XWK 3000, Gozo.

Detailed income statement

	Year ended 31 December	Period from 14 September to 31 December
	2021 €	2020 €
Revenue	479,754	56,325
Administrative expenses		
Accountancy services	8,708	-
Advertising	54,577	3,378
Audit fees	1,770	1,770
Bank charges	394	-
Cleaning materials and supplies	991	-
Computer-relates expenses	9,007	947
Consultancy fees	21,818	1,416
Depreciation	4,838	2,610
Directors remuneration	39,158	9,223
Encroachment fees	14,620	-
Entertainment	2,982	-
Equipment rental	2,220	-
Fuel costs	86	-
Inhouse training	5,386	-
Insurance	5,962	190
Licences and fees	3,865	-
Professional fees	61,849	20,080
Rental expense	28,196	3,368
Salaries and wages	182,715	18,996
Sponsorships	3,500	-
Staff welfare	975	523
Stationery	6,452	2,197
Subscriptions	1,337	-
Telephone expenses	401	826
Water and electricity	1,033	1,366
	(462,840)	(68,636)
Surplus/(deficit) for the year/period	16,914	(12,311)



GOZO REGIONAL
DEVELOPMENT AUTHORITY

Gozo Regional Development Authority,
Innovation Hub, Xewkija, Gozo, Malta

Tel: +356 2215 6333

Email: info@grda.mt

www.grda.mt



GOZO REGIONAL
DEVELOPMENT AUTHORITY

20
22

GOZO REGIONAL
DEVELOPMENT AUTHORITY

ANNUAL
REPORT

GRDA.MT

Contents

Chairman's Foreword.....	2	Project Management & Implementation	14
CEO's Statement.....	3	Implementation of Measures in the	14
Board of Directors.....	4	GRDA Corporate Plan	
Audit Committee.....	4	Performance Agreements	14
Our Mission.....	5	Regional Impact Assessment	14
Our Vision.....	5	Gozo Airfield: Regional Impact.....	15
Our Values.....	5	Assessment Study	
Strategic Objectives	5	Carrying Capacity Study.....	15
Organisational Structure.....	6	Victoria Masterplan.....	15
Operations.....	7	GRDA in Numbers	16
New Offices	7	Research & Policy Development.....	18
Finance and Human Resources	7	Regional Research	18
Employee Training and Team Building	8	Surveys on Gozo.....	18
Specialised Software	8	Perspettivi: A Gozo Review.....	18
Calls for Quotations and Tenders.....	8	Economic Forecast Models.....	19
Legal & Compliance	10	Publication of Gozo Business Incentives 2022.....	19
Risk Management.....	10	Contributing to National and Regional.....	20
Internal Policies and Procedures	10	Policy Development	
Memorandums of Understanding and	10	Exploring Funding Opportunities	20
Agreements		EU & International Affairs	21
Communication & Social Dialogue	12	International Memberships.....	21
Stakeholders Consultative Working Groups	12	International Projects.....	21
Digital Outreach and Social Media Platforms	12	Applications for National and EU Projects	23
Social Participations and Events.....	12	Annex A: Corporate Plan 2021-2023.....	25
Public Consultation	13	Annex B: Financial Statements - For period	33
Podcast	13	ending 31 December 2022	
GRDA Newsletter	13		

PUBLISHED BY

Gozo Regional Development Authority
75, Republic Street, Victoria, Gozo, Malta
Tel: +356 22156333
www.grda.mt

Publication Date: February 2023

This publication may not be used in any format or medium.
This material is property of the Gozo Regional Development Authority.
Any queries regarding this publication should be sent at: info@grda.mt
Designed by Keen Ltd. © Copyright 2023.

Chairman's Foreword



Michael Grech

CHAIRMAN
Gozo Regional Development Authority

It is my pleasure to be again writing this message as the chairman of the Gozo Regional Development Authority.

Although still in its initial phases, with just over two years of operations, the GRDA is striving to move forward to be of a positive effect not only for the island of Gozo but also the Nation. Over the last year we have continued to strengthen our human resources by attracting talent. This was not an easy task. However, through the leadership and dedication of senior management at the Authority, we have managed to overcome this challenge too.

Over the last few weeks of 2022, the Authority has also moved to its new offices in Victoria. These new offices will help make the working environment of the GRDA more adequate as well as offering additional facilities. I will not be going too much in detail over the operations of the GRDA since this will be amply dealt with in the annual report. However, I would like to briefly mention a few of the initiatives which the Authority took during 2022. Amongst these was the Regional Impact Assessment for an airfield and the preparation and presentation of a regional economic and forecasting done in collaboration with Oxford Economics, a leader company in global economic forecasting and econometric analysis. This tool will be of great help not only to the Authority but also to other entities.

During the last twelve months we also had some changes at board level, where Mr. Joseph Muscat, CEO of the Gozo Tourism Association and Mr. Joseph Borg, President of the Gozo Business Chamber, left the board whilst Mr. Abraham Said joined. I would like to thank both for the very valid contribution they gave while serving on the board of directors. The Authority will continue to work closely with the respective entities that Mr. Muscat and Mr. Borg represent, in the interest of Gozo and the country. In the meantime, I would also like to welcome to the board Mr. Abraham Said, a local entrepreneur with years of experience in the agri-tourism sector.

I would like to conclude my message by thanking Hon. Clint Camilleri, the Minister for Gozo, for his continuous support to the Authority, Mr. John Borg, the Permanent Secretary at the Gozo Ministry, my fellow board members for their continuous input and support not only at board level but also with their participation in the various committees that have been created to support the structure of the Authority. Finally, I would like to thank the staff of the authority and various other persons who all contributed to the success of the Gozo Regional Development Authority. I am sure that through the continuous efforts and dedication by the board, the CEO and the employees of the GRDA, the Authority will continue to perform in the very best interests of the island of Gozo.

CEO's Statement



Mario Borg

CEO
Gozo Regional Development Authority

The past year was the second full year of the Gozo Regional Development Authority (GRDA), having been established in September of 2020. It was a year of consolidation for the GRDA, during which the Authority pressed ahead to implement its strategy on various levels. At an operational level, the GRDA continued to invest in its internal resources, putting in place the necessary structures that ensure efficiency, accountability, and transparency. The efforts in this aspect ranged from the full implementation of an online secure digital document-filing platform to the implementation of various internal policies and procedures.

Communication and social dialogue remained a priority for the GRDA. During last year, the GRDA worked to improve its communication with stakeholders, particularly the general public, NGOs, and the business community. Important achievements in this regard were the signing of a number of cooperation agreements with various entities including NGOs. Other notable achievements were the production of a series of podcasts and the setting up of a number of consultative stakeholders groups covering various thematic areas that are meeting regularly to discuss issues pertaining to Gozo.

The GRDA continued to drive various projects and measures. Most of the work in this area revolved around the activities included in the Corporate Plan for 2021-2023, details of which are presented as an Annex to this Annual Report. Besides this, 2022 saw the GRDA undertake its first Regional Impact Assessment. This involved the preparation and the eventual publication of various technical studies on the regional airfield followed by a public consultation exercise.

Regional policies cannot be adequately formulated without proper research. The Authority devoted significant resources to this aspect, spearheading research on various economic, social and environmental issues. Research was published throughout the year, mostly in the form of analytical notes, discussion papers, and other documents. During 2022, the GRDA also managed to finalise the internal work on the Gozo Regional Development Strategy and aims to have this important deliverable published during 2023. An important milestone reached during 2022 was the agreement with Oxford Economics that made it possible for the GRDA to produce and publish forecasts for the regional economy of Gozo. Going forward this will form an important platform for regional policy development.

While the GRDA is regional by design, it still has an international dimension. Consistent with this aspiration, the GRDA actively engaged with international bodies during last year. The engagement revolved mainly around organisations representing small islands and territories including regional development authorities. For this purpose, the Authority signed a number of agreements with such organisations as well as successfully applying for a number of EU funded projects.

This annual report seeks to present a comprehensive summary of the activities the GRDA carried out last year. These achievements could not be possible without the dedication and professionalism of the Authority's employees. I take this opportunity to show my appreciation towards their efforts throughout the year. Lastly, I am also grateful for the cooperation we receive from all our stakeholders, both locally and abroad.

Board of Directors

During the 2022 period, the Board has discussed a number of items which include matters related to strategic planning and oversight. The Board of Directors also approved the appointment of both internal and external auditors as well as the outcome statement on the Regional Impact Assessment on the Gozo Airfield.

Another important item that was addressed by the Board of Directors during 2022 was the approval of the draft Regional Development Strategy for Gozo that has been finalised by the GRDA and is waiting for formal approval by the Cabinet.

In accordance with the provisions of the Gozo Regional Development Authority Act, Chapter 600 of the Laws of Malta, the Authority Board members are appointed for a minimum period of one year and a maximum of three years, which can be renewed. As per Article 3 of the GRDA Act, 3 members of the Board shall be appointed on the recommendation of the Diocese of Gozo, the local councils in Gozo, and the Gozo Regional Committee. The Board met 11 times during the year (as listed in the table).

The members of the Board of Directors of the Gozo Regional Development Authority who served during the term under review, were:

Mr. Michael Grech - Chairperson
(1st January 2022 - 31st December 2022)

Ms. Charlene Xerri Gatt - Vice Chairperson
(1st January 2022 - 31st December 2022)

Mr. Daniel Borg - Member
(1st January 2022 - 1st June 2022,
27th October 2022 - 31st December 2022)

Mr. Abraham Said - Member
(17th June 2022 - 31st December 2022)

Dr. Samuel Azzopardi - Member
(1st January 2022 - 31st December 2022)

Mr. Anthony Bezzina - Member
(1st January 2022 - 31st December 2022)

Mr. Joe Muscat - Member
(1st January 2022 - 1st June 2022)

Mr. Joseph Borg - Member
(1st January 2022 - 27th October 2022)

Mr. Mario Borg - Ex Officio Member (Chief Executive Officer GRDA)

Board Secretary: Ms. Marica Sultana was appointed on the 17th of June 2022. Dr. Marlene Cini served as Board Secretary from the 1st of January 2022 to 1st June 2022.

MEETING NO.	DATE
1/2022	7 th January
2/2022	11 th February
3/2022	10 th March
4/2022	7 th April
5/2022	6 th May
6/2022	10 th June
7/2022	8 th July
8/2022	2 nd September
9/2022	7 th October
10/2022	4 th November
11/2022	16 th December

Audit Committee

The Audit Committee assists the Board of Directors in its oversight responsibilities with respect to internal governance and controls, and internal audit functions of the Authority. The employee responsible for Internal Audit liaises directly with the Chairperson of the Audit Committee on the agenda of the Audit Committee, and on any requests for information that the Committee may have from time to time whilst carrying out its oversight.

Amongst other things during 2022, the Audit Committee approved the financial Statements of the Authority and the Internal Audit Charter.

The Audit Committee is composed of the following members:

- Mr. Joe Borg (Chairman)
- Mr. Joe Muscat (Member)
- Ms. Elaine Camilleri (Member)

Our Mission

The Authority aims to work amongst policy makers so as to ensure that policies, actions, and projects are adequate for the specific nature of the Gozitan regional characteristics.

Our Vision

To formulate, streamline and help in the implementation of regional policies to ensure sustainable socioeconomic development for the island of Gozo.

Our Values

Sustainable Development: The GRDA will promote sustainability in development policies as it believes in the critical balance between the social, environmental and economic priorities.

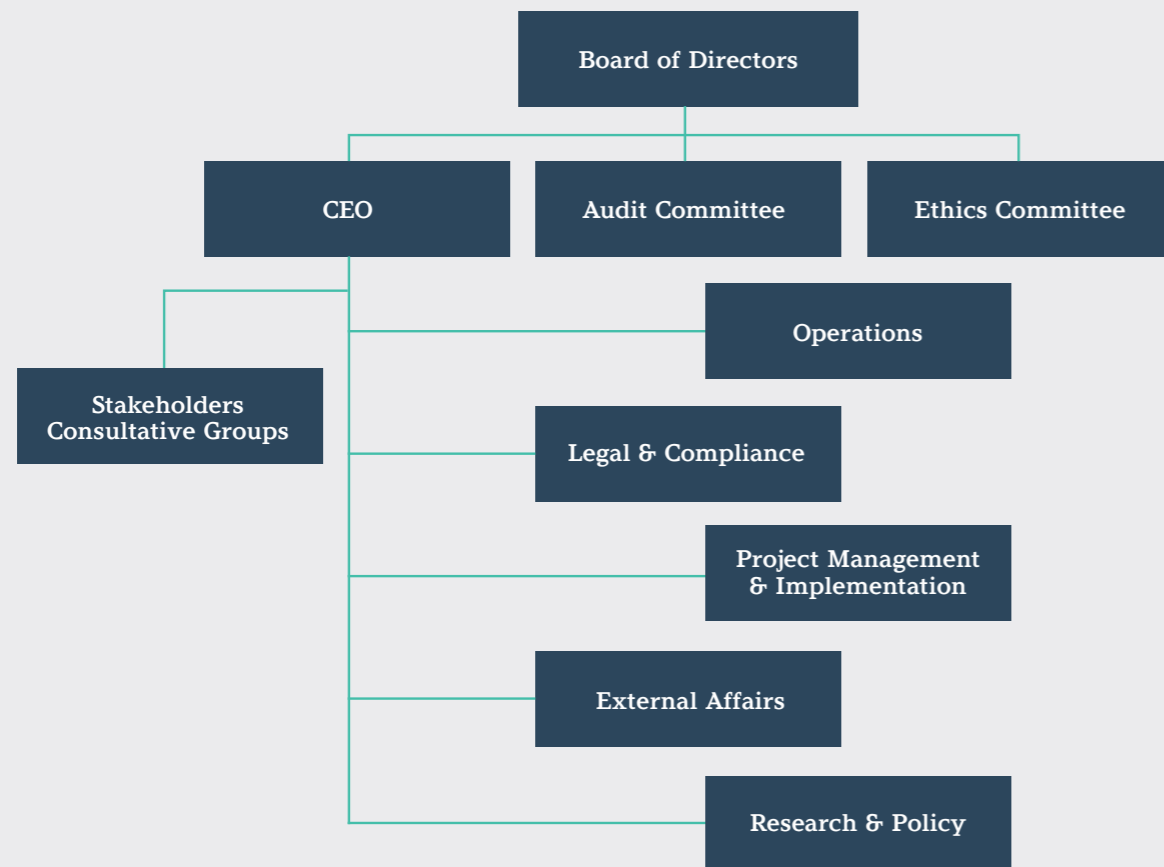
Representation: The GRDA will strive to ensure that all stakeholders, groups and individuals will be closer to where policy making takes place. Their contribution will be encouraged and channelled through formal and permanent structures that facilitate social dialogue.

Long-term focus: The GRDA's contribution to regional policy development is to target the long-term challenges faced by Gozo, ensuring that the region is looked at holistically.

Strategic Objectives

1. Ensure sustainable economic growth, employment, and living standards across the economic, social, natural and human dimensions.
2. Play a key role in the planning stages with regards the upgrading of infrastructure and improvement of accessibility to Gozo, whilst giving due priority to the region's ecosystem and the region's characteristics.
3. Ensure that national policy and strategies are designed and implemented in full consideration of the regional dimension and Gozo's long-term viability.
4. Strengthen Gozo's institutional framework to improve the planning, decision making, implementation and evaluation processes.

Organisational Structure



Operations

The GRDA continued to strengthen all aspects related to Human Resources Management, Finance, and Procurement during 2022 with the aim of enhancing operational procedures across all areas, improving efficiency and reducing operational risks.

New Offices

During the first two years of its inception, the GRDA operated from the Innovation Hub, in Xewkija, Gozo. Given the expansion of its operations and increase in its workforce as part of its capacity building exercise, the GRDA initiated proceedings to have new premises from which to operate more efficiently.

During 2022, the GRDA finalised the procurement process for the lease of a new building and a new lease contract was concluded and signed on the 22nd of April 2022. The GRDA moved to its new offices in November 2022. The new offices are located in central Victoria, Gozo, in a building of an area of over 350 square metres. The Authority's new offices include a reception area, two boardrooms, as well as ample space to hold events for up to 40 people. The new offices cater for eventual increase in the workforce for the coming years.

Finance & Human Resources

Following the publication of a tender on the 7th of October 2021 for the provision of payroll and accounting services, the GRDA on the 7th of January 2022 engaged Corporate Assurance Ltd. This new development also brought about the introduction of the Shireburn Indigo Payroll software system that automates employee

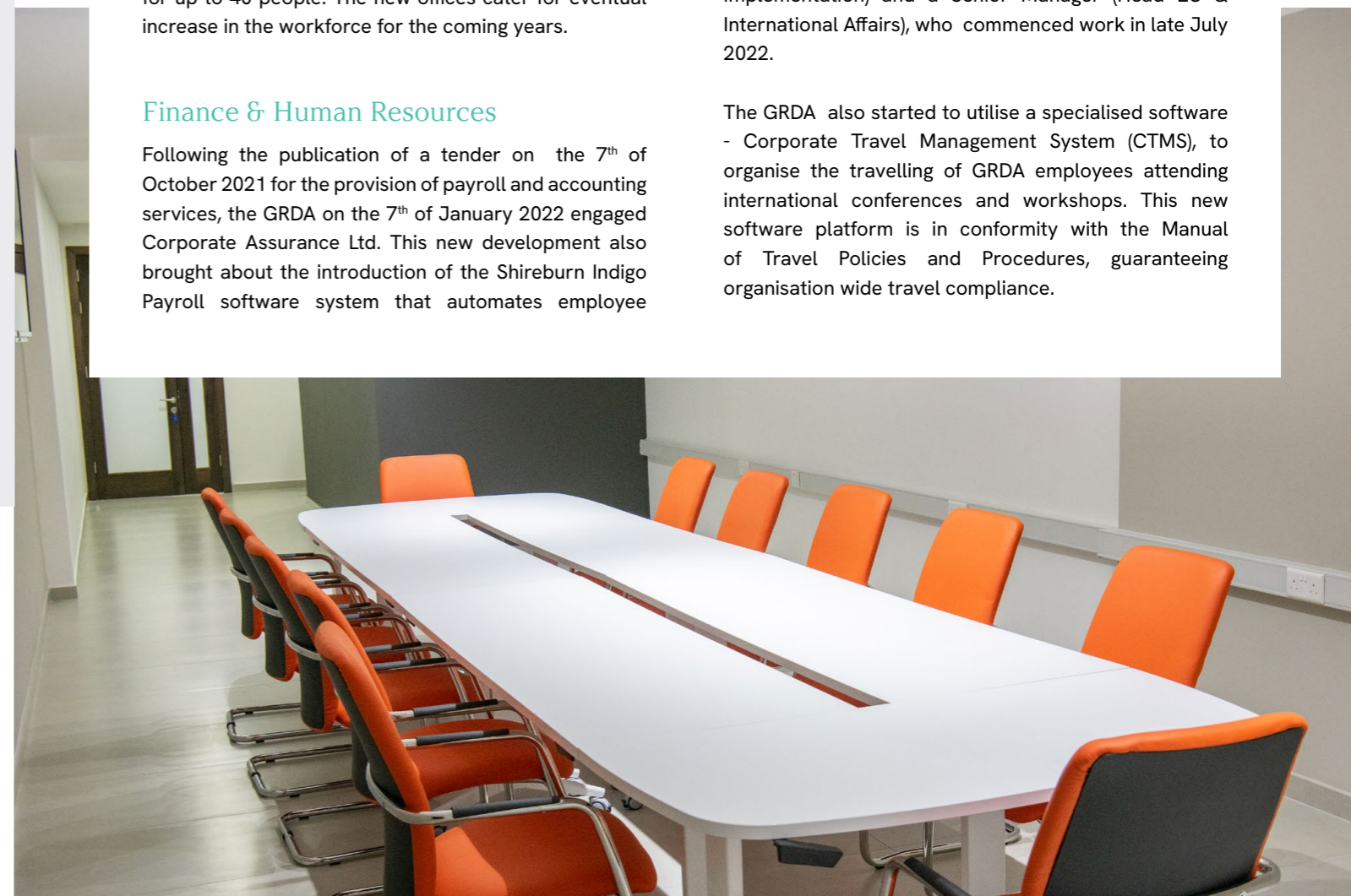
vacation leave and sick leave processing and enhances operational capabilities related to processing salaries.

As a result, the GRDA continued to effectively improve its core Finance function when it comes to credit payment cycle and the timely submission of finance related statutory reporting.

Financial budgeting is also core to the unit's responsibilities. All financial budgetary projections for 2022-2024 were finalised in the first half of 2022.

In the first six months of 2022, the Operations Unit contributed to the development of the HR strategy and the issuance of two additional external calls, which led to the hiring of a Manager (Project Management & Implementation) and a Senior Manager (Head EU & International Affairs), who commenced work in late July 2022.

The GRDA also started to utilise a specialised software - Corporate Travel Management System (CTMS), to organise the travelling of GRDA employees attending international conferences and workshops. This new software platform is in conformity with the Manual of Travel Policies and Procedures, guaranteeing organisation wide travel compliance.



Employee Training and Team Building

The training of its workforce is a priority for the GRDA. During 2022, the GRDA continued to provide training and support to all its staff in line with the organisation's training policy.

Most of the GRDA staff are now trained in Public Procurement Regulation, Electronic Public Procurement System Uses and Electronic Tender Evaluation Process. These accreditations are offered by the Institute for Public Service. Through these specialised courses, the Authority has gained the ability to process all tendering calls in-house whilst improving the general understanding of public procurement across the organisation.

Furthermore, three staff members underwent training in PRINCE II Certification and another in Digital Desktop Publishing; both courses, fully sponsored by the GRDA. The PRINCE II certification is expected to strengthen project planning and management abilities, while further investment in desktop publishing skills has led to immediate cost savings in advert and general document design that is no longer outsourced.

GRDA organised a team-building activity at the start of September. The purpose of the event was to strengthen communication, cooperation, and motivation. Two speakers addressed the event and shared their experiences. This activity took place at Manresa Retreat House in Victoria.

Specialised Software

During 2021, the GRDA procured an online secure digital document-filing platform that effectively provides the Authority with a secure virtual document registry and a green solution that eliminates paper-based filing across the organisation. During 2022, the Authority continued expanding the use of such software by providing training to its employees on the use of such software. The Authority is also in the final stages of issuing a tender to enhance the backup facilities of this digital platform. Furthermore, all employees were provided with Virtual Private Network (VPN) that makes remote working more secure.

Calls for Quotations and Tenders

During 2022, the Authority issued various tenders. The table provides a list of Call for Tenders and Call for Quotations issued.

Table 1: GRDA Call for Tenders and Quotations (issued and/or evaluated during 2022).

CFT REFERENCE NO.	AWARDED SUPPLIER NAME	DESCRIPTION
GRDA_CFT_003_2021	GCS Assurance Malta Limited	Tender for the Provision of Auditing Services to the Gozo Regional Development Authority (GRDA)
GRDA_CFT_001_2022	RMS Malta	Tender for the Provision of Internal Auditing Services to the Gozo Regional Development Authority (GRDA)

CFQ REFERENCE NO.	AWARDED SUPPLIER NAME	DESCRIPTION
GRDA_CFQ_002_2022	Outlook Coop	Call for Quotations for Consult. Services to the GRDA on the development of a Technical Framework on the undertaking of a carrying capacity research study concerning Gozo
GRDA_CFQ_003_2022	MB Distribution Ltd.	Call for Quotations for the supply of one (1) paper shredder for the GRDA
GRDA_CFQ_004_2022	De Valier Co. Ltd.	Call for Quotations - Procurement of Board room and Conference room chairs
GRDA_CFQ_005_2022	J.V Meli Imports	Call for Quotations for the Supply and Delivery of UHD LED TVs to the Gozo Regional Development Authority
GRDA_CFQ_006_2022	Top Technix	Call for Quotations for the Supply of a Video Conferencing System for the new GRDA Boardroom

Legal & Compliance

During 2022 work continued on the formulation of internal policies and procedures. During the year, the GRDA reached out to other Government bodies while it kept establishing contact with other organisations, both local and foreign, with whom it is engaging on various initiatives.

Risk Management

The GRDA gives due importance to risk management. The newly established risk management framework helps in the identification and mitigation of risks that could affect the Authority's operations, reputation and have adverse impact on stakeholders.

The risk appetite statement, that spells out the maximum level of risk that the GRDA is ready to be exposed to across such areas as legal, finance, operational and information technology, was approved by the GRDA Board of Directors during the year. The Board also took note of the current risks faced by the Authority and approved a risk mitigation plan.

Internal Policies and Procedures

GENDER EQUALITY POLICY AND PLAN

This policy provides guidelines for the Authority to promote gender equality in the workplace and across all of its operations. Its aim is to guide the GRDA in providing an inclusive environment which promotes equality and diversity, while maintaining a healthy working environment in which the rights and dignity of its employees are respected. The Gender Equality Plan comprises the collection and assessment of data, planning, implementation, monitoring progress and evaluation of new measures or necessary revisions that need to be carried out with respect to gender mainstreaming. The Gender Equality Policy is available online on the GRDA website.

ENGAGEMENT AND TERMINATION OF EMPLOYMENT POLICY

Through this policy, the Authority is binding itself to handle any cases of engagement and termination of employment as dictated by law with discretion and professionalism. The GRDA is committed towards offering equal opportunities to all individuals of good moral conduct irrespective of their age, race, gender or physical abilities.

SOCIAL MEDIA POLICY

This policy is a guide to the appropriate use of social media by individuals and entities that are directly related to the Authority. The policy is meant to ensure that the use of such means of communication does not degrade, degenerate or in any way jeopardise the status of the Authority. Communication through social media makes the GRDA more accessible to the community. The policy also provides guidelines on how the Authority should communicate with the public, through social media.

EDUCATION AND TRAINING POLICY

This policy was adopted in 2021. However, during 2022 the policy has been updated to reflect new opportunities for its employees in furthering their education and training. The GRDA is committed to enhance the capabilities of its people through further specialised education and training.

CONFIDENTIALITY POLICY

It is the GRDA's intent that any affiliate in whatsoever manner shall respect and preserve the privacy, confidentiality, and security of confidential information related to the Authority as dictated by the GDPR and other national laws and regulations. This policy complements the Ethics Framework, which was adopted in 2021 and is available on the GRDA website.

Memorandums of Understanding and Agreements

GOZO NGO'S ASSOCIATION

The GRDA signed an MoU with this Association that represents several NGOs in Gozo. The scope of this MoU is for the GRDA and the Association as well as its members, to engage in discussions on potential collaborative opportunities that are related to the Regional Development Strategy currently being finalised. Through this MoU the GRDA's intent is to support the

Association in their work with the local communities and implement their respective initiatives successfully.

GOZITANO AGRI COOP

The GRDA entered into a framework agreement with Gozitano Agri Coop to build and foster a collaborative relationship. The parties shall endeavour to undertake collaborative initiatives in research on agricultural matters whereby Gozitano will provide assistance in the formulation of policies in line with the Regional Development Strategy. One of the current initiatives being undertaken is the drafting of a discussion paper on the regional agricultural sector that should be published during the first half of 2023.

GREENING THE ISLANDS (GTI)

GTI carries out activities of research, scientific studies and analysis, strategy, planning, communication and dissemination of innovative solutions and best practices in the field of the green economy. The GRDA has been engaged with GTI for the past year with the latest initiative being the organisation of the GTI observatory in late May. The GRDA and GTI have strengthened this cooperation through the signing of a framework agreement that will allow a more coordinated approach in the implementation of regional policies for Gozo.

FONDAZZJONI BELT VICTORIA

The GRDA signed a deed of partnership with FBV on cooperation initiatives related to all-season tourism in Gozo which is expected to be financed through the EU LEADER Programme. It entails a multi-purpose museum for all seasons (MPMS) that will provide a smart exhibit arena for a series of events promoting artistic talent

in order to attract both international and domestic tourists, particularly during the shoulder months of the year.

UNIVERSITY OF MALTA (UOM)

In line with its strategy, the GRDA is actively encouraging investment in human resources. The Authority has worked with the Knowledge Transfer Office within the UoM on collaborative research projects governed by a framework agreement that defines this collaborative initiative. The GRDA is widening its scholarship programme with the Gozo Campus while extending it to the Faculty for the Built Environment. It also remains engaged in bilateral discussions with the Islands and Small States Institute (ISSI) on prospective scholarships at diploma and master's level.

MALTA COLLEGE OF ARTS, SCIENCE AND TECHNOLOGY (MCAST)

The GRDA signed an agreement with MCAST to support scholarships for study and research areas related to Gozo. Under this agreement MCAST shall be involved in the drafting of policies and policy papers in line with the Regional Development Strategy.

STAGE MALTA

The GRDA has signed a Company Collaboration Policy with Stage Malta which forms part of the Malta Chamber of Commerce to host foreign students for internship. This collaboration has proved fruitful with the first internship taking place in June 2022, whereby one student (from the UK) worked as an intern with the Authority during the summer months.



Communication & Social Dialogue

During 2022, the GRDA continued to build up its structures to handle more efficiently all internal and external communications. A priority was to optimize an active communication with all stakeholders, particularly the public, NGOs, the business community, and entities that have an interest in Gozo.

Stakeholders Consultative Working Groups

One of the GRDA's objectives is to be actively engaged in policy dialogue and negotiations at a national level, including with other Ministries and national entities, and with other relevant stakeholders. GRDA held its first Stakeholders' Consultative Groups meeting during October. The Stakeholders Groups are composed of NGOs and individuals who accepted to be part of these groups following the public call by the GRDA. During the first Stakeholders' Consultative Groups meeting, a number of items were put for discussion, including the draft Regional Development Strategy and the presentation of the macroeconomic and social projections for 2023 as prepared by the GRDA.

Digital Outreach and Social Media Platforms

The GRDA, through the Communications and Social Dialogue Unit further enhanced its communication and outreach efforts in 2022.

The GRDA continued to work on the website to provide a smooth user experience, by improving information discoverability. The Authority kept an active presence across all social media channels by providing continuous updates on all three platforms, mainly Facebook, Instagram and LinkedIn. These social media tools are used to disseminate information issued by the Authority as well as to provide an update on conferences, seminars and events of interest, organised or supported by the GRDA, as well as promotion of vacancies at the Authority.

Through the past months, the Authority experienced a steady increase in followers on its platforms with Facebook being the primary means of engagement. In fact, Facebook continues to be the go-to social media page for the public to engage with the Authority. Since the launch of the Facebook page, the Authority has

amassed nearly 1000 followers with the 35 to 54 years age-bracket as its biggest audience. A YouTube channel was also launched where videos commissioned by the Authority are uploaded.

A new feature on the Authority's website was included when the GRDA launched its first ever Public Consultation process. The Public Consultation tab, on the GRDA home page, ensures that all studies and multimedia presentations in relation to a particular project or initiative are included. This assists the navigator in formulating an informed and independent conclusion on what is being proposed.

The Authority also upgraded its website so that it is in line with the requirements emanating from Directive (EU) 2016/2102 of the European Parliament and of the Council of 26 October 2016. This directive known as Web Accessibility Directive focuses on the accessibility of websites and mobile applications of public sector bodies.

Social Participations and Events

PARTICIPATION IN LOCAL EVENTS

The GRDA was invited to participate in this year's Sixth Form Day, an annual event held each November and organised by the college Sir M.A. Refalo Centre for Further Studies. Through this event, the Authority explained the role of the Authority and what plans it has for the future, both in regard to Gozo's socioeconomic development and the job opportunities that might arise. For the second year running, the GRDA sponsored the Youth 4 Entrepreneurship contest organised by the Gozo Business Chamber. This year's focus was on 'Sustainability', more specifically on business ideas which are focused on reducing the impact on climate change.

WEBINAR ON HEALTHY SPACES IN GOZO

In November, the Authority held its first webinar in collaboration with the Centre for Resilience & Socio-Emotional Health at the University of Malta which focused on the findings related to 'Healthy Spaces for Children in Towns and Villages in Gozo'. The research conducted by Prof. Carmel Cefai looked at how Gozitan towns and villages may become more child friendly. During the webinar, several interventions were made amongst others by Ms. Suzanne Gili from the Office of the Commissioner for Children, and three presentations by Mr. Joseph Cutajar, Director of EcoGozo, Mr. Kevin Cauchi, Mayor of Ghajnsielem Local Council and Ms. Pauline Camilleri, President of the Mental Health Association Gozo.

EU FUNDING OPPORTUNITIES ROADMAP - CONFERENCE AND WORKSHOP

The GRDA organised a conference with the theme 'EU Funding Opportunities Roadmap for Gozo'. The conference was closed with the address of Dr. Stefan Zrinzo Azzopardi, former Parliamentary Secretary for European Funds. Following this conference, two workshops focusing on centralised EU Funding were held in May 2022. The workshop focusing on EU funding programmes directed towards the area of arts and crafts, was held on the 17th May 2022, whilst the workshop focusing on EU funding programmes for the agricultural sector, was held on the 18th May 2022.

REGIONAL ECONOMICS CONFERENCE

In collaboration with Oxford Economics, the Authority organised the first Regional Economics Conference. During this conference the GRDA launched a series of macroeconomic and tourism forecast models for Gozo which were developed by Oxford Economics, recognised experts in economic forecasting and econometric analysis. An overview of the models and their respective key results were presented during this conference. This was followed by a panel discussion which focused on regional economic growth and resilience in times of uncertainty.

Public Consultation

The GRDA held a public consultation process in relation to the Gozo Regional Airfield project as proposed by the Ministry for Gozo. The public consultation process was launched on 6th May, during a press call addressed by both the Minister for Gozo Hon. Clint Camilleri and GRDA CEO, Mr. Mario Borg. As part of the process, the

GRDA published a number of studies and the Regional Impact Statement. These served as the basis for the public consultation.

Over the course of the public consultation period, the Authority organised two public meetings which were held at the Conference Hall at the Gozo Innovation Hub in Xewkija.

- Thursday 19th May 2022 - Held in English
- Friday 20th May 2022 - Held in Maltese

The public consultation process was closed on Friday 27th May 2022. Over 70 written contributions were received and analysed by the GRDA. This feedback was taken into consideration when carrying out the Regional Impact Assessment as well as the Outcome Statement. The documents were made public on the GRDA website.

Podcast

The Authority launched its first ever Podcast during the second quarter of 2022. The first series had 14 episodes and were released on a weekly basis between April and July on the GRDA's Facebook page. The podcast featured guests that have actively contributed in various ways towards initiatives in the interest of Gozo and its community.

GRDA Newsletter

The Authority issued its first quarterly newsletter in October followed by the second edition in December. Through the newsletter the GRDA will keep its subscribers abreast with the regular activities organised by the Authority and on the implementation of the regional strategy. The newsletters issued are available on the GRDA website, as well as, online through the Authority's social media platforms.



Project Management & Implementation

The GRDA continued to drive various projects and measures. These involve management and implementation of activities, operations and projects included in the Corporate Plan for 2021-2023, as well as providing a risk management function.

Apart from projects and measures included in the Corporate Plan and the Regional Development Strategy, the GRDA undertook several initiatives to manage and oversee internal activities, tasks, and other projects through the use of modern project management software and tools.

Implementation of Measures in the GRDA Corporate Plan

The Corporate Plan sets out the strategic objectives of the Authority through a set of strategic deliverables. For each of these strategic deliverables that the Authority has committed to achieve, the Corporate Plan includes the accompanying activities to be carried out, for which a measure or measures of performance were identified.

All measures included in the Corporate Plan were further developed by defining the background, scope, objectives, and benefits. Each measure was broken into smaller components, through which the activities aimed to deliver the measure's outputs were organised into manageable sections (deliverables). Full details of the measures listed in the Corporate Report together with an indication of the progress achieved by the end of 2022 are presented as Annex A: Corporate Plan 2021-2023.

Performance Agreements

An important function of the GRDA is to draw up performance agreements with government departments or entities that are assigned responsibility for the implementation of measures and actions identified in the Regional Development Strategy for Gozo. Given that the Authority will build up resources gradually, several measures and projects identified in the Regional Development Strategy would be delegated to Government Entities through Performance Agreements.

Using the framework established for Performance Agreements, which was based on Schedule 1 of the GRDA Act, the GRDA drafted a template for Performance Agreements. This Performance Agreement template will serve to govern the responsibilities and relationship

parameters between the GRDA and the implementing government entity, and details the planning, reporting and control framework established.

The GRDA sought feedback and input from the implementing government departments and entities on the Performance Agreement template. Based on the feedback received and further engagement with the identified leading Entities, Performance Agreements would be finalised, and signed by the two parties in agreement i.e. the Authority and the implementing entity or government department.

Regional Impact Assessment

One of the main functions of the GRDA is to ensure that a Regional Impact Assessment Study (RIAS) is carried out whenever a Ministry, Authority, Agency, or any other form of government entity intends presenting a proposal that would affect Gozo. The RIAS is a requirement that arises from the GRDA Act.

Following the publication of the Non-Technical Guide and the Feedback Statement, the GRDA prepared a Technical Guide document. The technical guide explains how the RIA process should be carried out and the various steps entailed in the RIAS process. The RIAS Guide is intended to help the proponent plan and develop interventions that are environmentally, economically, and socially sustainable.

During 2022, the GRDA initiated work on the development of an online preliminary screening tool. The online tool, which will be accessible during the first half of 2023, through the GRDA's website, helps the proponent of a project or policy determine whether it needs to inform the GRDA of the proposed intervention by answering a set of questions.

Gozo Airfield: Regional Impact Assessment Study

During 2022, the GRDA carried out its first RIAS in relation to the Gozo Rural Airfield project proposed by the Ministry for Gozo. The RIAS process was initiated by the Ministry for Gozo by informing the GRDA of the proposed intervention and providing an initial description of the project. The Authority reviewed the proposal and determined that it falls within the scope of the GRDA Act. Through an in-depth screening process, it was concluded that the intervention merits the application of the RIAS.

The RIAS included analysing current research and commissioning new ones to analyse the proposed intervention's effect on Gozo. These consisted in a Project Description Statement, an Avifauna research, and a Cost Advantages Analysis. These were all made public on the GRDA website.

The Authority released a Regional Impact Statement Report, along with an FAQs document. The Impact Statement and other supporting studies were followed by a public consultation with various members of the community and other stakeholders. An Impact Assessment Report, which integrated the consultation

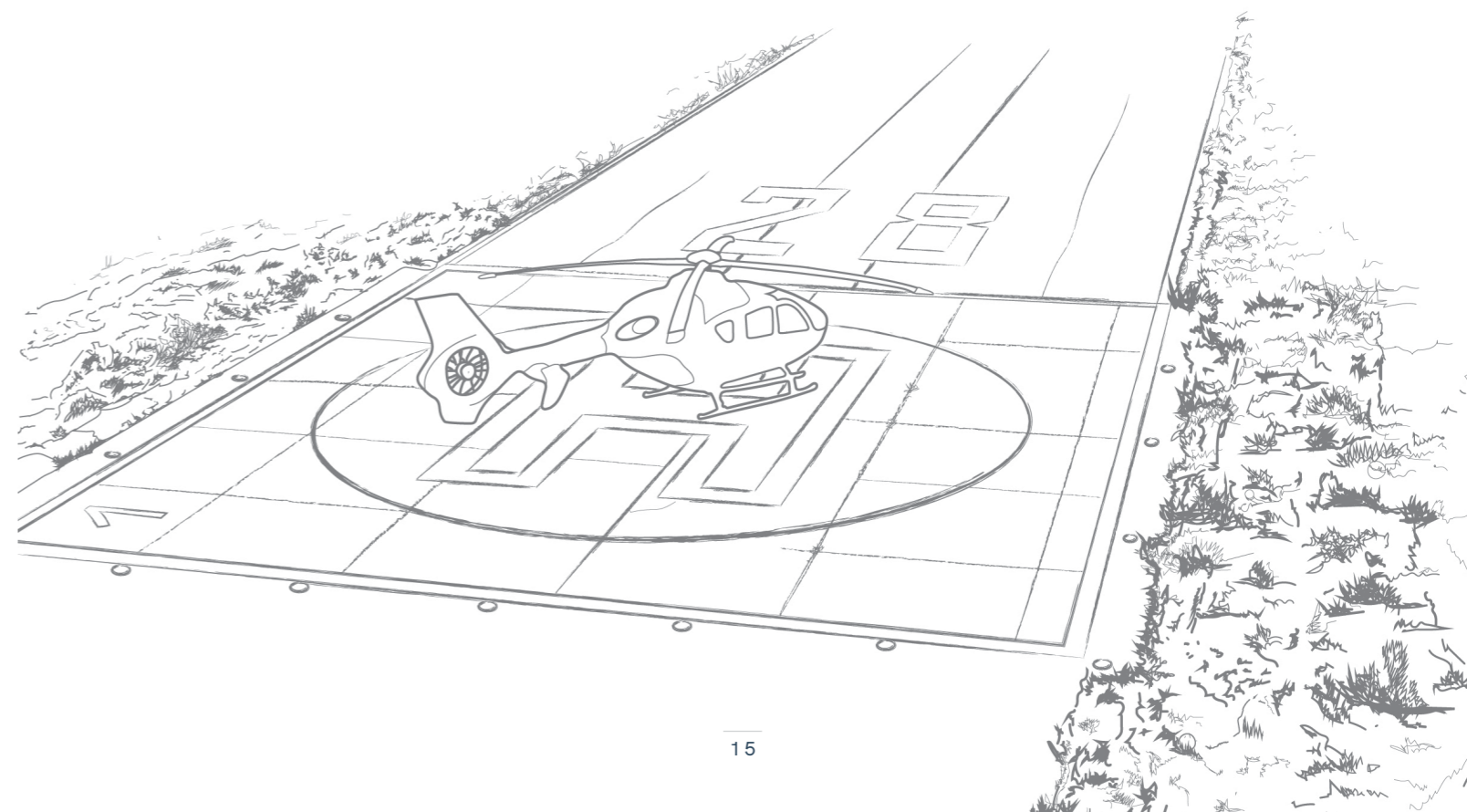
feedback was published. The final step consisted in the Outcome Statement laying out the GRDA's position on the project.

Carrying Capacity Study

The GRDA prepared the initial conceptualisation of the carrying capacity study for Gozo. This measure entailed conducting a study on the carrying capacity of Gozo, and guide policy in the realm of sustainable development. The Authority issued a Call for Quotation for Consultancy Services on the development of a Technical Framework. The scope of the Technical Framework is to determine the parameters and dimensions that need to be taken into consideration in the Carrying Capacity study.

Victoria Masterplan

The GRDA was also entrusted with preparing a Masterplan for Victoria to provide a vision for the creation of open spaces, green scaping and a multi-level car park. The GRDA is planning to publish this masterplan through a number of documents that include feasibility studies and visual material during 2023.



Research & Policy Development

The GRDA continued to devote resources to research on various economic, social, and environmental topics closely connected with Gozo. This research aims to spread, build knowledge-based evidence, and promote objective debate and provide a platform to researchers who have an interest in Gozo-related topics. Such research and evaluation is expected to provide a solid basis for regional policy development.

Regional Research

The GRDA published several notes and research reports throughout the year. These varied from economic analysis assessments, sectoral analysis, economic projections, surveys, and other reports on various topics pertaining to Gozo.

The first note published by the Authority this year focused on Gozo's recent economic and social developments which summarised the impact of the pandemic on Gozo's economic and social dimension, the fiscal measures introduced during this period and future possible economic shocks.

The GRDA also carried out an in-depth analysis of the agricultural sector in Gozo. This was done through the publication of a policy note which highlighted the sector's multifunctional role, its challenges and possible future policy intervention. The Authority also summarised the key statistical findings of the 2020 Census of Agriculture which was published earlier in the year by the National Statistics Office. In order to highlight the shift in agriculture in Gozo during the previous ten years, the results of this census were also compared to those of the 2010 Census of Agriculture. Another Note issued by the GRDA focused on the Sustainable Development Goals and the regional development of Gozo.

During the last quarter of 2022, the Authority published the short-term macroeconomic and tourism outlook for Gozo based on the Oxford Economics macroeconomic and tourism models. The note outlined the expected macroeconomic and tourism developments for Gozo for the 2022 to 2025 period as well as the expected risks to these projections. The note also provided a sectoral analysis of the property market in Gozo and summarised the Authority's proposals for the 2023 Budget. Subsequent to the budget, the GRDA published a short note to summarise the measures and initiatives pertaining to Gozo as outlined in the 2023 Budget Speech. The note examined the impact of selected policy initiatives on Gozo's economic activity.

Surveys on Gozo

The GRDA conducted a survey about Gozo amongst Gozitan residents. The aim of the survey was to learn more about the overall level of happiness of Gozitan residents, the expected income developments and the residents' views on the construction and real estate development in Gozo. These results were presented in the form of three separate notes. The first of which concentrated on the social and economic conditions, the second on the pertaining issue of development in Gozo, and the third on the real estate market.

The GRDA also presented the salient results for Gozo from the second edition of the State of the Nation Survey. The analysis compared the results for Gozo vis-a-vis those of other regions in mainland Malta.

Perspettivi: A Gozo Review

The Authority published its first issue of the annual journal entitled *Perspettivi: A Gozo Review*. Through *Perspettivi*, the GRDA seeks to promote the work of authors, researchers and contributors who have interest in various themes pertaining to Gozo. During the first issue of *Perspettivi: A Gozo Review* four papers were presented. One paper appraised the impact of Regional Development Agencies (RDAs) on regional socioeconomic development in Europe to derive implications and conclusions for the case of Gozo. A second paper looked at the economic dimension of the real estate market in Gozo. A third paper examined the potential and the possibilities of the digital and green economy for the island of Gozo. While the fourth and last paper focused on the outbreak of the coronavirus (COVID-19) pandemic and its impacts on the tourism and hospitality industry in Gozo.

Economic Forecast Models

Over the course of the year, the Authority has dedicated efforts to develop new analytical and forecasting tools. In collaboration with Oxford Economics, recognised experts in economic forecasting and econometric analysis, a new regional macroeconomic model was developed. Through this model the GRDA will be able to monitor regional economic trends and to forecast key economic indicators such as GVA, GDP and employment. Additionally, a new tourism model was also developed. The latter will help the Authority to track the latest tourism activity and forecast passenger flows.

The GRDA has also entered into an agreement with Oxford Economics to provide consultancy services for the development of a desktop impact model tool along with baseline economic and tourism forecasts. This tool allows the GRDA to quantify the direct, indirect, and induced impacts of various growth scenarios.

Thus the GRDA will also be in a position to model the overall economic effect of new or suggested regional policies. This puts the Authority in a strong position to formulate robust and evidence-based policy decisions and proposals.

Publication of Gozo Business Incentives 2022

The Authority published the Gozo Business Incentives 2022 information booklet. This publication groups all incentives available to the Gozo business community. In total, 47 business incentives, which are available either through the Ministry for Gozo or any other Government entity, are listed. These incentives are categorised under seven different sections for ease of reference and guidance.



Contributing to National and Regional Policy Development

The GRDA provided feedback on consultation documents published by various Government Ministries and entities. The list of feedback statements published by the Authority during the year are summarised below and were published on the Authority's website:

- Feedback on A Social Vision For Malta 2035 - Issued by the Ministry for Social Policy and Children's Rights.
- Feedback on the National Strategy for the Environment 2050 - Issued by the Environment & Resource Authority.
- Feedback on the Reform in the Acquisition and Ownership of Farmland White Paper - Issued by the Ministry for Agriculture, Fisheries and Animal Rights.
- Feedback on Standardisation of Apertures for Residential Buildings in Malta - Issued by the Building & Construction Authority.

The GRDA also provided other feedback which was not published on the Authority's website. This included the following:

- Feedback on the Guidelines for Good Forestation Practices for the Maltese Islands - Issued by the Environment & Resources Authority.
- Feedback on the brain drain survey - Issued by the EU Commission.

Exploring Funding Opportunities

The GRDA actively looks for funding options that will enable the same Authority and Gozo to achieve the ambitious targets set out in the Gozo Regional Development Strategy.

The GRDA, in association with Acrosslimits Ltd, published the document - EU Funding Opportunities Roadmap for Gozo. The aim of this document was to catalogue EU funding programmes outside the Multiannual Financial Framework (MFF) from which various parties, including NGOs and the business community may benefit.

In 2022, the GRDA participated in a total of 12 European funded programmes (as shown in Table 2) including that of Erasmus+ and Horizon.



EU & International Affairs

In order to develop and manage the strategic external affairs of the Authority and to enhance and sustain the identity and reputation of the GRDA's at an international level, a function dedicated to this aim was set up during 2022.

Through this function, the GRDA aims to engage in policy dialogue, negotiations and follow up with international bodies (bilaterally and multilaterally) in order to promote the GRDA's interest at an international level and to aid the transfer of knowledge from, and to other regional development agencies. This entails the coordination of relations with international organisations and with other foreign agencies, as well as the exchange of information requests resulting thereof.

International Membership

During 2022, the GRDA continued to extend its international dimension by expanding its network. The Authority reached out to a number of international organisations including Agence de Développement Économique de la Corse and the European Association of Development Agencies (EURADA). EURADA represents development agencies before the European Union institutions and serves as an international facilitator to connect development agencies with each other and with other European institutions. During 2022, the GRDA became a formal member of EURADA and through its membership, the GRDA will be collaborating with a number of professionals working on economic development across Europe.

International Projects

E-BUSSED CONFERENCE, HAMBURG

In May, the GRDA together with the EcoGozo Directorate within the Ministry for Gozo took part in a conference held in Hamburg, Germany. The E-Bussed is an EU funded project under Interreg and aims to help in the transition from fossil-based public transportation to electric buses. This is part of the transition of European regions towards low carbon mobility and more efficient public transport as well as GRDA's efforts to see improvements in low carbon mobility.

CLEAN ENERGY FOR EU ISLANDS

The GRDA was successful in its application to receive technical assistance from the Clean Energy for EU Islands Secretariat. The GRDA obtained technical support to build a regional energy and CO₂ emission

baseline that would shed more light on how energy is generated and utilised in Gozo. The baseline helps comprehend Gozo's energy demand and supply and identifies the industries that contribute the most to CO₂ emissions. The energy baseline study shows Gozo's energy mix, sources, techniques, as well as potential and constraints. Such information will provide important insight on which areas are to be prioritised in the efforts towards the decarbonisation of Gozo.

Furthermore, related with this project, the GRDA participated in the Clean Energy for EU Islands Forum in Rhodes, Greece which took place on the 17th and 18th of May, where clean energy related topics were discussed.

SMILO GENERAL ASSEMBLY

During September, the GRDA participated in the SMILO Annual Conference held on the island of Culatra, in the region of Algarve, Portugal. This conference delved upon the subjects of renewable and sustainable energy, waste management within islands, mechanisms intended to enhance local economic development, and sharing of best practices within islands.

EUROPEAN TOURISM ISLANDS' CONVENTION

During the last week of November the GRDA, along with the Ministry for Gozo, participated in the European Tourism Islands' Convention held in the Spanish island of Gran Canaria. This Convention tackled the impact of the pandemic, Ukrainian war, energy crisis, and the effects relative to climate change on the European islands which depend heavily upon tourism.

CIRCULAR ECONOMY ON SMALL EU ISLANDS

This project is an Erasmus+ project involving sharing of best practices in terms of circular economy amongst the consortium partners: Frioul (Marseille), Sifnos (Greece), Hvar (Croatia) and Gozo (Malta). The consortium will be visiting each island, sharing best practices, evaluating weaknesses and strengths, not least in the circular economy dimension, with special focus on particular topics such as waste, water, tourism and agriculture. The GRDA visited Frioul in November 2022, for a 3 day workshop focusing on waste pollution and how the circularity concept is to be encouraged. In 2023, other visits will be held across the islands forming part of this consortium, including a visit to Gozo.

GOZO AS PART OF THE CLIMATE-NEUTRAL AND SMART CITIES MISSION

During January 2022, the GRDA submitted an application for Gozo to participate in the Climate-Neutral and Smart Cities Mission (Horizon call) and Gozo was one of the 100 selected cities. Technical assistance through the Net Zero Cities is being offered in order to establish the Climate City Contract. The latter is a detailed plan, involving the commitments, action plans and investment plans which will be followed in order for Gozo to become climate neutral by 2030. Once this climate city contract is established it will be sent to the EU Commission, and it will be determined if Gozo will be granted the Mission's label for 'Climate-Neutral and Smart Cities'. Having this label, Gozo will

be able to apply for certain funding opportunities, which will enable the execution of the Climate City Contract. The awarded label is subject to the execution of the Climate City Contract. Also, as part of the Climate-Neutral and Smart Cities Mission the GRDA went to Brussels in June of 2022 for the kick-off event of this mission. Furthermore, online workshops were also held in 2022, delving into the different aspects of the Climate City Contract.

GREENING THE ISLANDS OBSERVATORY

The Gozo Regional Development Authority, together with the EcoGozo Directorate and the Gozo Business Chamber organised the GTI Observatory as part of the Greening the Islands initiative.

The GTI observatory consisted of a two-day meeting where various sectors were discussed and how these can become more sustainable. Topics discussed include the energy and water sector. As well as mobility on the island, the waste sector, agriculture, and air quality. Amongst the participants there were officials from various Government departments, local Authorities and Corporations as well as educational institutions. Furthermore, present for the meeting, there were members from the business sector. Moreover, during the discussions various foreign experts participated, who shared their views and best practices, on how their islands and countries strengthen the operation of more environmentally friendly methods.



Applications for National and EU Projects

The GRDA applies for various EU funded projects, where financial or technical assistance is provided if the project is awarded. Such types of assistance are in place in order to help implement the project.

Table 2: List of projects the GRDA submitted and/or worked upon during 2022.

CALL	PROJECT TITLE	DESCRIPTION OF THE PROJECT	ROLE OF THE GRDA	SELECTED (YES/NO/AWAITING) RESULTS
Horizon - Excellence Hubs	Green Seas	Creation of a prototype ferry working with solar energy. The role of the GRDA was to carry out a value chain impact assessment.	Partner	Not Selected
Life programme	Hydrogen 4 Life	This project involved the use of seacraft powered by hydrogen energy and promotion of this new application of technology.	Partner	Not Selected
Erasmus+	InnovIslands	The aim of this project was to tackle two very diverse and important issues relevant to island and coastal communities - namely, marine litter and young people.	Partner	Not Selected
Erasmus+	Skills and Career Development in the Blue Economy	The overall objective aims to create a transferable template based on best practice that could be replicated in terms of the Blue Economy sector.	Associated partner	Not Selected
Erasmus+	Flipped Food	This project aims to boost Europe's innovation capacity by boosting innovation in the agri-food industry through cooperation and flow of knowledge among higher education, vocational education and training, and the broader socioeconomic environment.	Partner	Awaiting Results
Horizon - Designing inclusive, safe, affordable and sustainable urban mobility	AMIGOS	Through this project various measures related to sustainable urban mobility as well as safety, inclusivity and affordability measures will be implemented in various cities.	Follower city	Successful (Project to start in 2023)
Interreg	Project D Nomad	The project aims to develop, test, and validate tools that will enhance the attraction of digital nomads and make the participating regions "a place of digital nomadism".	Associated Partner	Awaiting Result

Pilot Cities (NetZero Cities Call)	Net Zero Tourism Accelerator	This project will demonstrate accelerated carbon neutrality transformation in the tourism sector. The GRDA will participate in a workshop to learn how to build and implement the Accelerator's framework in Gozo.	Partner	Awaiting Results
IPAS+ (Malta Council for Science and Technology)	Coordinator consultancy support	Funding in order to purchase consultancy services to update the Teaming for Excellence call proposal titled: Mediterranean Exa-Scale Computing Algorithmic Laboratory Centre of Excellence.	Lead (no partners involved)	Successful
IPAS+ (Malta Council for Science and Technology)	Coordinator consultancy support	Funding in order to purchase consultancy services to write down the Twinning call proposal titled: Revitalising the rural community through a youth farmers toolbox.	Lead (no partners involved)	Successful
Horizon - Teaming	MESCAL (Mediterranean Exa-Scale Computing Algorithmic Laboratory Centre of Excellence)	The MESCAL project aimed to attract to Gozo a facility that specialises in improving astrophysical imaging through the deployment of advanced AI. Such a project will contribute to a new niche.	Lead partner	Not selected for funding

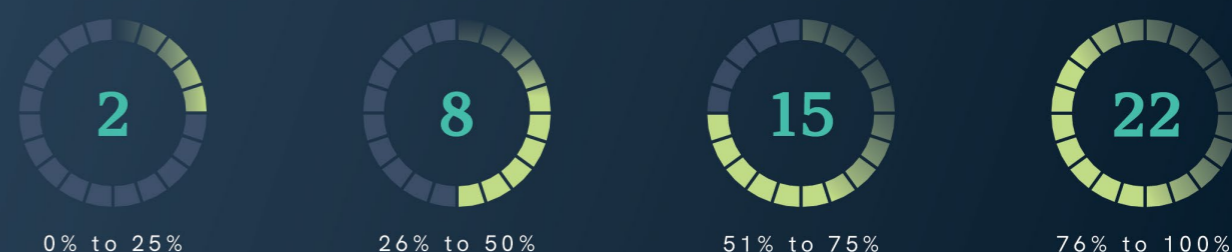
Annex A: Corporate Plan 2021-2023

TOTAL NUMBER OF MEASURES: 47

OVERALL PROGRESS



OVERALL MEASURES' COMPLETION



REFERENCE IN CORPORATE PLAN	TARGET DATE INDICATED IN CORPORATE PLAN	PROPOSAL NAME AS PER CORPORATE PLAN	DESCRIPTION OF MAIN DELIVERABLES	INDICATIVE COMPLETION RATE (%)
1.1.1.2	2022	The Business Start-Ups Gozo Awards.	Funding options were explored with National entities, including Malta Enterprise. GRDA contributed to the Youth Entrepreneurship Award organised by the Gozo Business Chamber.	75%
1.1.3.1	2022	Launch a scholarship scheme for courses delivered at the University of Malta Gozo Campus and MCAST by 2022.	Cooperation Agreement/Memorandum of Understanding (MoU) were signed with University of Malta and MCAST. A number of scholarship schemes were launched.	100%
1.2.1.1	Open Ended	In collaboration with other national entities, set up soft and hard infrastructure which help accelerate the successful development of entrepreneurial activities through an array of business support resources and services.	A set of measures were included in the draft Regional Development Strategy. Discussions are being conducted in working groups to propose new measures.	25%

REFERENCE IN CORPORATE PLAN	TARGET DATE INDICATED IN CORPORATE PLAN	PROPOSAL NAME AS PER CORPORATE PLAN	DESCRIPTION OF MAIN DELIVERABLES	INDICATIVE COMPLETION RATE (%)
1.2.2.1	2023	Study on basic digital skills to be concluded by 2022 and action plan presented and initiated in 2023.	Data scoping and parameters of study were established. Awaiting publication of NSO (Malta Skills Survey) to map next steps.	19%
1.2.2.2	2022	Establish cooperation agreements with both the Ministry of Education, UoM, MCAST, Jobsplus and other entities in the field of education and employment by 2022.	The Cooperation Agreements/ Memorandum of Understanding (MoU) were signed with University of Malta (UoM) and MCAST. Discussion paper on Employment and Skills in Gozo has been finalised and will be published in the first half of 2023.	75%
1.3.1.1	Open ended	Tourist expenditure per night spent in Gozo, looking for an increase in per night expenditure and nights spent.	The first scientific survey was conducted in October 2022 to establish the tourist expenditure in Gozo. Results will be published in 2023. Measures to increase per night expenditure were included in the draft Regional Development Strategy.	75%
1.3.1.2	Open ended	In collaboration with other entities in the sector and the Ministry for Gozo, assess the development of new niches for tourism.	A situational analysis was carried out on the tourism sector in Gozo. A number of measures were included in the draft Regional Development Strategy.	50%
1.3.1.3	2023	By 2023, in collaboration with GTA & Ministry for Gozo commission and publish a quarterly/half yearly study on Tourism statistics.	The first scientific survey was conducted in October 2022 to establish the tourist expenditure in Gozo. Results will be published in 2023. Concurrently an exercise is being carried out to identify main gaps in terms of tourism indicators in Gozo.	63%
1.4.1.1	2021	Continuous Contact with NGOs.	A number of agreements were signed with several NGOs. Consultative Stakeholders' Working Groups were established focusing on specific thematic areas.	100%
1.4.1.2	2021	Invitation to NGOs for discussions on regional policy design.	A number of agreements signed with several NGOs. Consultative Stakeholders' Working Groups were established focusing on specific thematic areas. Input will be used for the eventual update of the Regional Development Strategy.	100%

1.4.2.1	2023	The setting up of an inclusion hub in Gozo by 2023.	A situational analysis on socioeconomic exclusion and integration has been carried out. Results will be published in 2023.	35%
1.4.2.2	2022	Carry out a survey study in 2022 to evaluate amongst other things the level of integration perceived by both the Gozitan people, and the migrants and the social issue being faced by specific segments of society.	A situational analysis on socioeconomic exclusion and integration has been carried out. Results will be published in 2023.	35%
2.1.1.1	2022	Victoria car park project planning and communication.	GRDA is working on a high-level Masterplan for Victoria. This includes mobility and parking issues. The Masterplan will be presented to the Ministry for Gozo in the first half of 2023.	63%
2.1.3.1	2022	Airfield Regional Impact Assessment.	The Airfield Regional Impact Assessment was undertaken in 2022. This included technical studies alongside a public consultation. An outcome Statement summarising the position of the GRDA was published.	100%
2.2.1.1	2023	Youth Farmers Innovative toolbox of policy measures.	A situational analysis, including the assessment of policy measures, is being prepared by the GRDA on the agricultural sector in Gozo. This will be followed by a regional policy discussion paper regarding agriculture during the first half of 2023.	50%
2.2.1.2	2022	Study of policy options for Young Farmers.	A situational analysis, including the assessment of policy measures, is being prepared on the agricultural sector in Gozo. This will be followed by a regional policy discussion paper regarding agriculture during the first half of 2023.	81%
2.2.1.3	2022	Enhancing economic viability for farmers.	A situational analysis, including the assessment of policy measures, is being prepared on the agricultural sector in Gozo. This will be followed by a regional policy discussion paper regarding agriculture during the first half of 2023.	60%

REFERENCE IN CORPORATE PLAN	TARGET DATE INDICATED IN CORPORATE PLAN	PROPOSAL NAME AS PER CORPORATE PLAN	DESCRIPTION OF MAIN DELIVERABLES	INDICATIVE COMPLETION RATE (%)
2.2.2.1	2022	Farmer Advisory Programme.	A situational analysis, including the assessment of policy measures, is being prepared on the agricultural sector in Gozo. This will be followed by a regional policy discussion paper regarding agriculture during the first half of 2023.	50%
2.2.3.1	2022	Light policy for the entire island of Gozo.	Existing policies are being evaluated in order to determine a set of guidelines related to the light policy at a regional level affecting Gozo. Discussions held with ERA.	50%
2.2.3.2	2022	By 2022, in collaboration with other competent authorities including ERA, identify a site that can be declared as a Heritage National Park.	Potential sites were short-listed. Discussions held with ERA, and other interested parties including environmental NGOs. Exercise currently underway on the ownership of land in potential sites.	63%
2.3.1.1	2023	Set up a steering committee with Planning Authority to discuss making Gozo a Design Area by 2022.	The concept of Gozo Design According to Context was included in the draft Regional Development Strategy. The steering committee will be set up once the Regional Development Strategy is published.	25%
2.3.4.1	2022	By 2022, formulate a business model with the Ministry for Gozo in order to better utilise sport facilities in Gozo and manage sport-based assets.	A study is being prepared to analyse the financial flexibility and options available to optimise use of sport assets in Gozo. The study will be presented to the Ministry for Gozo in 2023.	50%
3.1.1.1	2022	Conclusion of consultation and publishing of the strategy by first half of 2022.	Consultation document was published on the Regional Development Strategy for Gozo. A number of consultative groups were set up alongside a public consultation. Draft Regional Development Strategy was finalised and is currently awaiting Cabinet Approval.	69%
3.1.2.1	2023	Methodology to adopt an index that factors wellbeing aspects.	Discussions held with ERA to adopt the Wellbeing Model. External consultants were engaged to assist the GRDA.	56%

3.2.1.1	2021	By 2021, design a Regional Impact Assessment framework and consult with entities that are most likely to be subject to this requirement in their planning.	A Non-technical Framework was established and published. Templates and other technical materials were prepared. An online tool was created for preliminary screening and will be publicly available in the first half of 2023.	100%
3.2.1.2	Open ended	Ensure that a Regional Impact Assessment is carried out when Government ministries intend to present to Cabinet a national strategy, policy or action plan, major new projects or services, regulatory or legislative provisions which affect Gozo.	A non-technical framework was established and published. Templates and other technical materials were prepared. An online tool was created for preliminary screening and will be publicly available in the first half of 2023. On-going screening is conducted by GRDA on public consultation documents published by national Ministries.	94%
3.3.1.1	Open ended	Publish research papers/analysis.	Research gaps were identified and an action plan with priorities for research established. A number of research papers/notes/analysis are periodically published.	100%
3.3.1.2	Open ended	Study on the flexibility of developing a regional macroeconomic model.	A macroeconomic model for Gozo was commissioned and delivered. The model can produce both forecasts at a regional level as well as quantification of measures/policies.	100%
3.3.1.3	2022	Qualitative research on existing Government incentives available to both existing businesses and also to those who wish to relocate or set up in Gozo.	A document was published, listing all the incentives available to business in Gozo.	100%
3.3.1.4	2022	Study on the carrying capacity of Gozo.	Currently a framework is being prepared on the carrying capacity of Gozo.	19%
3.3.2.1	Open ended	Annual report highlighting development in the international territorial sphere.	The activities on the international outreach of the GRDA is included in this annual report.	100%
4.1.1.1	Open ended	Present an annual report to the Minister highlighting the progress made vis-a-vis the established performance criteria and measures included in this corporate plan.	A reporting methodology was established. Update and progress are presented for Ministerial approval.	100%

REFERENCE IN CORPORATE PLAN	TARGET DATE INDICATED IN CORPORATE PLAN	PROPOSAL NAME AS PER CORPORATE PLAN	DESCRIPTION OF MAIN DELIVERABLES	INDICATIVE COMPLETION RATE (%)
4.1.1.2	Open ended	Annual report that gives an evaluation of the performance agreements signed with entities entrusted with delivering aspects of the strategy and input to specific projects that the GRDA would be coordinating from time to time.	A reporting methodology was established. This will be finalised and published once the Regional Development Strategy for Gozo is formally approved and published.	38%
4.1.2.1	Open ended	Active participation in both governmental and non-governmental fora that are responsible for matters pertaining to Gozo and its economic, social and ecological spheres.	Priorities were identified. Active participation, including the presentation of the position papers is regularly undertaken.	81%
4.1.2.2	Open ended	Annual report on activities carried out by the GRDA directed towards the implementation of the regional strategy.	A reporting methodology is currently being formulated. This will be made public once the Regional Development Strategy for Gozo is formally approved and published.	25%
4.2.1.1	Open ended	Annual report on ministerial meetings held by the GRDA as part of its functions to ascertain the effective and expedient implementation of the Gozo Regional Development Strategy.	A reporting methodology was established. This will be made public once the Regional Development Strategy for Gozo is formally approved and published.	44%
4.2.2.1	Open ended	Communication through various channels that ensures an open and two-way communication including input in the form of concerns, feedback, proposals from key stakeholders and the community at large.	Terms of Reference for the consultative stakeholders working groups were established. An open call was published inviting interested parties to participate. Consultative Stakeholders working group are meeting on a quarterly basis.	100%

4.2.3.1	Open ended	Position papers based on both quantitative and qualitative research and analysis to support the Ministry for Gozo.	Research gaps were identified and an action plan with priorities for research established. A number of research papers/notes/analysis are periodically published. The regional macroeconomic model developed for GRDA is being applied to assess the impact of various measures.	100%
4.3.1.1	2022	Establish working groups for key areas concerning the social, economic and ecological dimensions.	Specific themes were selected upon which working groups were set up. Consultative Stakeholders Working Group established and meeting quarterly.	100%
4.3.2.1	2022	Set up of task forces focused on specific policy areas.	Specific themes were identified. National Entities and stakeholders identified and will start meeting once the Regional Development Strategy for Gozo is formally approved and published.	68%
4.3.3.1	2022	By 2022, establish cooperation agreements with Malta and Gozo-based government entities, private groups and chambers, as well as private entities that could assist the GRDA in its remit.	Priority areas identified for cooperation. A number of cooperation agreements were signed.	50%
4.3.3.2	2021	Establish at least two cooperation agreements with international regional authorities with whom the GRDA shares similar challenges and opportunities due its insularity, size and ecological factors.	International regional authorities having similar challenges were identified and cooperation agreements/memberships were established accordingly.	100%
4.4.1.1	2022	Establish a template for Performance Agreements after seeking feedback.	Templates and supporting lines were prepared. Feedback is currently being sought from several entities including the Ministry of Gozo who will be the main body of implementation.	38%

REFERENCE IN CORPORATE PLAN	TARGET DATE INDICATED IN CORPORATE PLAN	PROPOSAL NAME AS PER CORPORATE PLAN	DESCRIPTION OF MAIN DELIVERABLES	INDICATIVE COMPLETION RATE (%)
4.4.1.2	Open ended	The GRDA is to use effectively and judgmentally all corrective measures within its powers to ensure the terms of the performance agreements are withheld in the best interest of the beneficiaries of the project or projects.	Legal options, through an agreement with an external legal firm, were explored for potential corrective measures and priority areas were also identified.	81%
4.4.2.1	Open ended	Compilation of a quarterly monitoring dashboard that tracks compliance with the Act. Annual compliance report presented to the Minister highlighting compliance issues and the degree of compliance with the Act.	The GRDA Act was reviewed to establish statutory requirements. A draft compliance report, including a dashboard, is being prepared. This will start being presented to the Minister for Gozo on an annual basis in 2023.	75%
4.4.2.2	Open ended	The Project Management and Oversight Unit to provide periodic reports at project and at activity level including any breach of contracts.	A reporting methodology was established. Monitoring being done periodically as part of the risk assessment exercise.	69%
4.4.3.1	Open ended	The compilation of a quarterly compliance and enforcement report. Annual report on compliance and enforcement activities presented to the Minister.	A reporting methodology was established. A draft compliance report, including a dashboard, is being prepared. This will start being presented to the Minister for Gozo on an annual basis from 2023.	69%

Financial Statements

For period ending 31 December 2022

Authority Board's Report	1
Independent Auditors' Report	3
Statement of Financial Position	7
Statement of Comprehensive Income	8
Statement of Changes in Equity	9
Statement of Cash Flows.....	10
Notes to the Financial Statements	11
Schedule for Administrative Eexpenses.....	22

Authority Board's report

The members of the Authority Board present their report and the audited financial statements for the year ended 31 December 2022.

Principal activities

The functions of the Gozo Regional Development Authority ("Authority") are specified in Part 2 article 8 sub-article 1 of the Gozo Regional Development Authority Act (Cap. 600).

The Authority has a regulatory and consultative role and addresses an important gap in the socio-economic development of Gozo by developing and streamlining regional policies and by overseeing their implementation through the adoption of modern project management tools.

Review of business development and financial position

The financial position of the authority as at 31 December 2022 is disclosed on page 7, while the results for the year under review are disclosed on page 8.

The Authority registered a surplus of €31,309 (2021: €16,914) for the year ended 31 December 2022.

Board members

The board members of the Authority who held office during the year were:

Michael Grech – Chairperson
Charlene Xerri Gatt – Vice Chairperson
Mario Borg – Chief Executive Officer
Marica Sultana – Secretary (appointed on 17 June 2022)
Marlene Cini – Secretary (resigned on 16 June 2022)
Anthony Bezzina – Member
Samuel Azzopardi – Member
Abraham Said – Member (appointed 17 on June 2022)
Daniel Borg – Member (resigned on 16 June 2022 and re-appointed on 27 October 2022)
Joseph Muscat – Member (resigned on 16 June 2022)
Joseph Borg – Member (resigned on 26 October 2022)

Statement of the Authority Board's responsibilities for the financial statements

The Authority is governed by a Board consisting of a Chairperson, Vice Chairperson, CEO, secretary, and four members. They are required to prepare financial statements which give a true and fair view of the state of affairs of the Authority as at the end of each reporting period and of the surplus or deficit for that period.

In preparing the financial statements, the Authority Board is responsible for:

Authority Board's report - continued

Statement of Authority Board's responsibilities for the financial statements - continued

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Authority will continue in business as a going concern.

The Authority Board is also responsible for designing, implementing and maintaining internal control as the Authority Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Gozo Regional Development Authority Act (Cap. 600). It is also responsible for safeguarding the assets of the Authority and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

GCS Assurance Malta Limited have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the Authority's board meeting of the month of February 2023.

On behalf of the Authority Board:


Michael Grech
Chairperson


Mario Borg
CEO

Registered office of the Authority:
75
Republic Street
Victoria VCT 1018
Gozo, Malta

20 February 2023

Independent auditors' report

To the Board Members of Gozo Regional Development Authority

Report on the audit of the financial statements

Our Opinion

In our opinion:

- Gozo Regional Development Authority's financial statements give a true and fair view of the Authority's financial position as at 31 December 2022, and of the Authority's financial performance in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU; and
- the financial statements have been prepared in accordance with the requirements of Gozo Regional Development Authority Act (Cap. 600).

What we have audited

Gozo Regional Development Authority's financial statements, set out on pages 7 to 21, comprise:

- the statement of financial position as at 31 December 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent auditors' report - continued

To the Board Members of Gozo Regional Development Authority

Comparative information

The financial statements for the year ended 31 December 2021 were audited by a different auditor, who expressed an unmodified opinion on 10 March 2022.

Independence

We are independent of the Authority in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

The Authority Board is responsible for the other information. The other information comprises the Authority Board's report on pages 1 and 2 (but does not include the financial statements and our auditors' report thereon).

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of the Authority Board for the financial statements

The Authority Board is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS, and for such internal control as the Authority Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authority Board is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authority Board either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent auditors' report - continued
To the Board Members of Gozo Regional Development Authority

Auditors' responsibilities for the audit of the financial statements - continued

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board members.
- Conclude on the appropriateness of the Authority Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Authority Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditors' report - continued
To the Board Members of Gozo Regional Development Authority

Report on any other legal and regulatory requirements

Other matters on which we are required to report by exception

We also have responsibilities under the Gozo Regional Development Authority Act, (Cap. 600) to report to you if, in our opinion:

- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by ourselves.
- The financial statements are not in agreement with the accounting records and returns.
- We have not received all the information and explanations we require for our audit.
- Certain disclosures of the Authority Board's remuneration specified by law are not made in the financial statements, giving the required particulars in our report.

We have nothing to report to you in respect of these responsibilities.

A handwritten signature in blue ink, appearing to read 'Christian Gravina'.

Christian Gravina
Director
For and on behalf of
GCS Assurance Malta Limited
Certified Public Accountants

Agora Business Centre, Level 2
Valley Road
Msida MSD 9020
Malta

20 February 2023

Statement of financial position

	Notes	As at 31 December	
		2022 €	2021 €
ASSETS			
Non-current assets			
Property, plant and equipment	5	38,814	18,640
Total non-current assets		38,814	18,640
Current assets			
Receivables	6	2,218	4,846
Cash and cash equivalents	7	11,090	1,317
Total current assets		13,308	6,163
Total assets		52,122	24,803
EQUITY AND LIABILITIES			
Capital and reserves			
Accumulated reserve		35,912	4,603
Total equity		35,912	4,603
Current liabilities			
Payables	8	16,210	20,200
Total current liabilities		16,210	20,200
Total liabilities		16,210	20,200
Total equity and liabilities		52,122	24,803

The notes on pages 11 to 21 are an integral part of these financial statements.

The financial statements on pages 7 to 21 were authorised for issue by the board members on 20 February 2023 and were signed on its behalf by:


Michael Grech
Chairperson


Mario Borg
CEO

Statement of comprehensive income

	Notes	Year ended 31 December	
		2022 €	2021 €
Revenue	9	727,380	479,754
Administrative expenses	10	(696,071)	(462,840)
Surplus for the year – total comprehensive income		31,309	16,914

The notes on pages 11 to 21 are an integral part of these financial statements.

Statement of changes in equity

	Accumulated reserve €	Total €
Balance at 1 January 2021	(12,311)	(12,311)
Surplus for the year – total comprehensive income	16,914	16,914
Balance at 31 December 2021	4,603	4,603
Balance at 1 January 2022	4,603	4,603
Surplus for the year – total comprehensive income	31,309	31,309
Balance at 31 December 2022	35,912	35,912

The notes on pages 11 to 21 are an integral part of these financial statements.

Statement of cash flows

	Notes	Year ended 31 December	
		2022 €	2021 €
Cash flows from operating activities			
Cash generated from operations	13	36,004	10,229
Net cash generated from operating activities		36,004	10,229
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(26,231)	(8,912)
Net cash used in investing activities		(26,231)	(8,912)
Net movement in cash and cash equivalents		9,773	1,317
Cash and cash equivalents at beginning of year		1,317	-
Cash and cash equivalents at end of year	7	11,090	1,317

The notes on pages 11 to 21 are an integral part of these financial statements.

Notes to the financial statements

1. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the requirements of the Gozo Regional Development Authority Act (Cap. 600). The Authority's financial statements have been prepared under the historical cost convention.

During the year ended 31 December 2022, the Authority generated a surplus of €31,309 (2021: €16,914).

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires the Authority Board to exercise their judgement in the process of applying the Authority's accounting policies (see Note 3 - Critical accounting estimates and judgements).

1.2 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Authority operates ('the functional currency'). The financial statements are presented in euro, which is the Authority's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in surplus or deficit.

1.3 Property, plant and equipment

All property, plant and equipment is initially recorded at historical cost. Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure on repairs and maintenance of property, plant and equipment is recognised as an expense when incurred.

Property, plant and equipment are derecognised on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount, and are included in profit and loss in the period of derecognition.

1. Summary of significant accounting policies - continued

1.3 Property, plant and equipment - continued

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

	%
Computer equipment	25
Computer software	25
Furniture and fittings	10

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1.4).

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognised in profit or loss. When revalued assets are sold, the amounts included in the revaluation reserve relating to the assets are transferred to retained earnings.

1.4 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

1.5 Financial assets

1.5.1 Classification

The Authority classifies its financial assets as loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Authority provides money, goods or services directly to a debtor with no intention of trading the asset. They are included in current assets, except for maturities greater than twelve months after the end of the reporting period. These are classified as non-current assets. The Authority's loans and receivables comprise receivables and cash and cash equivalents in the statement of financial position (notes 1.6 and 1.7).

1. Summary of significant accounting policies - continued

1.5.2 Recognition and measurement

The Authority recognises a financial asset in its statement of financial position when it becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on settlement date, which is the date on which an asset is delivered to or by the Authority. Any change in fair value for the asset to be received is recognised between the trade date and settlement date in respect of assets which are carried at fair value in accordance with the measurement rules applicable to the respective financial assets.

Financial assets are initially recognised at fair value plus transaction costs. Loans and receivables are subsequently carried at amortised cost using the effective interest method. Amortised cost is the initial measurement amount adjusted for the amortisation of any difference between the initial and maturity amounts using the effective interest method.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Authority has transferred substantially all risks and rewards of ownership or has not retained control of the asset.

1.5.3 Impairment

The Authority assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The Authority first assesses whether objective evidence of impairment exists. The criteria that the Authority uses to determine that there is objective evidence of an impairment loss include:

- significant financial difficulty of the issuer or obligor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becomes probable that the borrower will enter bankruptcy or other financial reorganisation.

1.6 Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment (note 1.5.3). The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited against profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. In the statement of cash flows, cash and cash equivalents includes deposits held at call with banks.

1. Summary of significant accounting policies - continued

1.8 Financial liabilities

The Authority recognises a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument. The Authority's financial liabilities are classified as financial liabilities which are not at fair value through profit or loss (classified as 'Other liabilities') under IFRS 9. Financial liabilities not at fair value through profit or loss are recognised initially at fair value, being the fair value of consideration received, net of transaction costs that are directly attributable to the acquisition or the issue of the financial liability. These liabilities are subsequently measured at amortised cost. The Authority derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, is cancelled or expires.

1.9 Payables

Payables comprise obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

1.11 Revenue recognition

Revenue comprises the fair value of the consideration received. The Authority recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Authority's activities as described below.

- Authority has transferred to the buyer the significant risks and rewards of ownership of the services provided. This is generally when the customer has approved the services that have been provided;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Authority; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Income from government subvention is recognised on an accrual basis.

- Government grants and EU grants are not recognised until there is a reasonable assurance that the Authority will comply with the conditions attaching to them and that the grants will be received.
- Government grants and EU grants are recognised in the Income Statement on a systematic basis over the years in which the Authority recognises as expenses the related costs for which the grants are intended to compensate.

1. Summary of significant accounting policies - continued

1.11 Revenue recognition - continued

- Government grants and EU grants related to assets are presented in the statement of financial position by setting up the grant as deferred income and is recognised in the statement of comprehensive income on a systematic basis over the useful life of the asset.
- Government grants and EU grants that are receivable as compensation for expenses or losses already incurred or for the purposes of giving immediate financial support to the Authority with no future related costs are recognised in the Income Statement in the year in which they become receivable.

2. Financial risk management

2.1 Financial risk factors

The Authority's activities potentially expose it to a variety of financial risks: market risk (including cash flow interest rate risk), credit risk and liquidity risk. The Authority's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Authority's financial performance. The Authority did not make use of derivative financial instruments to hedge certain risk exposures during the current and preceding financial years.

(a) Market risk

Cash flow and fair value interest rate risk

The Authority has no significant interest-bearing assets and liabilities, and its income and operating cash flows are substantially independent of changes in market interest rates.

(b) Credit risk

Credit risk arises from cash and cash equivalents and credit exposures to customers, including outstanding receivables and committed transactions. The Authority's exposures to credit risk as at the end of the reporting periods are analysed as follows:

	2022	2021
	€	€
Loans and receivables category:		
Receivables (note 6)	2,218	4,846
Cash and cash equivalents	11,090	1,317
	13,308	6,163

The maximum exposure to credit risk at the end of the reporting period in respect of the financial assets mentioned above is equivalent to their carrying amount as disclosed in the respective notes to the financial statements. The Authority does not hold any collateral as security in this respect.

The Authority banks only with local financial institutions with high quality standing or rating.

2. Financial risk management - continued

2.1 Financial risk factors - continued

(b) Credit risk - continued

The Authority assesses the credit quality of its customers taking into account financial position, past experience and other factors. It has policies in place to ensure that sales of products and services are effected to customers with an appropriate credit history. The Authority monitors the performance of its receivables on a regular basis to identify incurred collection losses, which are inherent in the Authority's receivables, taking into account historical experience in collection of accounts receivable.

The Authority manages credit limits and exposures actively in a practicable manner such that there are no material past due amounts receivable from customers as at the end of the reporting period. The Authority's receivables, which are not impaired financial assets, are principally in respect of transactions with customers for whom there is no recent history of default. Management does not expect any losses from non-performance by these customers.

(c) Liquidity risk

The Authority is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise payables (note 8). Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Authority's obligations.

The Authority monitors liquidity risk by reviewing expected cash flows, and ensures that no additional financing facilities are expected to be required over the coming year. The Authority's liquidity risk is not deemed material in view of the matching of cash inflows and outflows arising from expected maturities of financial instruments, coupled with the Authority's committed bank borrowing facilities and other intra-group financing that it can access to meet liquidity needs.

2.2 Capital risk management

The Authority's objectives when managing capital are to safeguard its ability to continue as a going concern. The primary objective of the Authority's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its operations.

The capital structure of the Authority consists of cash and cash equivalents as disclosed in note 7 and items presented within the accumulated reserve in the statement of financial position. The Authority's Board manages the Authority's capital structure and makes adjustments to it, in light of changes in economic conditions.

In accordance with section 14(3) of the provisions of the Malta Resources Authority Act, the Authority shall be paid by the Government of Malta out of the Consolidated Fund such sums as Parliament may from time to time authorise to be appropriated to meet any of its expenditure that cannot be met out of its revenue and the costs of specified works to be continued or otherwise carried out by the Authority, being works of infrastructure or a similar capital nature.

2.3 Fair values of financial instruments

At 31 December 2022 and 2021, the carrying amounts of cash at bank, receivables, payables and accrued expenses reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the Authority Board, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

4. Changes in accounting policies

4.1 New and amended IFRS Standards that are effective for the current year

In the current year, the Authority has applied new and amended IFRS Standards issued by the International Accounting Standards Board (IASB) and adopted by the EU that are mandatorily effective in EU for an accounting period that begins on or after 1 January 2022.

- Amendments to IFRS 3 Business Combinations; IAS 16 Property, Plant and Equipment; IAS 37 Provisions, Contingent Liabilities and Contingent Assets; and Annual Improvements 2018-2020 (effective for financial years beginning on or after 1 January 2022)

The adoption of new and amended standards did not have a material impact on the Authority's financial statements.

4.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Authority

At the date of the authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective and have not been adopted early by the Authority.

- IFRS 17 Insurance Contracts (issued on 18 May 2017); including Amendments to IFRS 17 (effective for financial years beginning on or after 1 January 2023)
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Account (effective for financial years beginning on or after 1 January 2023)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (effective for financial years beginning on or after 1 January 2023)
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for financial years beginning on or after 1 January 2023)
- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (effective for financial years beginning on or after 1 January 2023)

Management anticipates that all the relevant pronouncements will be adopted in the Authority's accounting policies for the first period beginning after the effective date of the pronouncement.

Certain new standards and interpretations have been issued but are not expected to have a material impact on the Authority's financial statements.

4. Changes in accounting policies - continued

4.3 Standards, amendments and interpretations to published standards that are not yet endorsed by the EU

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current Date (issued on 23 January 2020); Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020); and Non-current Liabilities with Covenants (issued on 31 October 2022)
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022)

5. Property, plant and equipment

	Computer equipment €	Computer software €	Furniture and fittings €	Total €
At 1 January 2021				
Cost	5,948	-	11,228	17,176
Accumulated depreciation	(1,487)	-	(1,123)	(2,610)
Net book amount	4,461	-	10,105	14,566
Year ended 31 December 2021				
Opening net book amount	4,461	-	10,105	14,566
Additions	5,818	3,094	-	8,912
Depreciation charge	(2,941)	(774)	(1,123)	(4,838)
Closing net book amount	7,338	2,320	8,982	18,640
At 31 December 2021				
Cost	11,766	3,094	11,228	26,088
Accumulated depreciation	(4,428)	(774)	(2,246)	(7,448)
Net book amount	7,338	2,320	8,982	18,640
Year ended 31 December 2022				
Opening net book amount	7,338	2,320	8,982	18,640
Additions	11,366	-	14,866	26,232
Depreciation charge	(3,904)	(773)	(1,381)	(6,058)
Closing net book amount	14,800	1,547	22,467	38,814
At 31 December 2022				
Cost	23,132	3,094	26,094	52,320
Accumulated depreciation	(8,332)	(1,547)	(3,627)	(13,506)
Net book amount	14,800	1,547	22,467	38,814

6. Receivables

	2022 €	2021 €
Prepayments	2,218	4,846

7. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2022 €	2021 €
Cash at bank	11,090	1,317

8. Payables

	2022 €	2021 €
Trade payables	9,440	-
Accruals	6,404	20,200
Other payables	366	-
	16,210	20,200

9. Revenue

All the Authority's revenue was derived from funds received from the Government of Malta and from the EU.

	2022 €	2021 €
By category:		
Government appropriation	720,000	479,754
EU funds	7,380	-
	727,380	479,754

10. Expenses by nature

	2022 €	2021 €
Professional fees	296,253	214,008
Employee benefit expense (note 11)	359,651	221,873
Bank charges	639	394
Other expenses	39,528	26,565
Total administrative expenses	696,071	462,840

10. Expenses by nature - continued

Auditor's fees

Fees charged by the auditors for services rendered during the financial years ended 31 December 2022 and 2021 relate to the following:

	2022 €	2021 €
Annual statutory audit	3,776	1,770

11. Employee benefit expense

	2022 €	2021 €
Board members' remuneration	38,996	39,158
Wages and salaries - regular	298,496	182,715
Social security costs	22,159	-
	359,651	221,873

Wages and salaries include remuneration of the Authority's CEO for the year ended 31 December 2022.

The average number of persons employed by the Authority during the year, including board members was made up as follows:

	2022	2021
Board members	8	8
Operations	9	5
	17	13

12. Tax expense

With reference to the Gozo Regional Development Authority Act (Cap. 600), Part 4 article 18 sub-article 3, Government subventions are deemed to be exempt from any liability for the payment of income tax and duty on documents. Hence, no taxation was recognised in these financial statements given the Authority's main source of income is the Government's subventions.

13. Cash generated from operations

Reconciliation of surplus for the year to cash generated from operations:

	2022	2021
	€	€
Surplus for the year	31,309	16,914
Adjustments for:		
Depreciation of property, plant and equipment (note 5)	6,058	4,838
Changes in working capital:		
Receivables	2,628	(3,879)
Payables	(3,991)	(7,644)
Cash generated from operations	<u>36,004</u>	<u>10,229</u>

14. Related party transactions

During the years ended 31 December 2022 and 2021, there were no transactions with key management personnel except for emolument payments as disclosed in note 11.

15. Statutory information

The Gozo Regional Development Authority was established under the Gozo Regional Development Act (Cap. 600). The registered office is 75, Republic Street, Victoria VCT 1018, Gozo, Malta.

Schedule for administrative expenses

	Year ended 31 December	
	2022	2021
	€	€
Accountancy services	9,153	8,708
Advertising and promotion	53,117	54,577
Audit fees	3,776	1,770
Bank charges	639	394
Cleaning services	3,144	991
Computer-related expenses	11,411	9,007
Consultancy fees	2,832	21,818
Depreciation	6,058	4,838
Board members' remuneration	38,996	39,158
Encroachment fees	25,846	28,196
Entertainment	851	2,982
Equipment rental	4,293	2,220
Fines and penalties	200	-
Inhouse training	8,818	5,386
Insurance	6,618	5,962
Licences and fees	7,579	3,865
Office expenses	5,020	6,452
Professional fees	156,230	61,849
Repairs and maintenance	731	-
Rental expense	13,402	14,620
Social security costs	22,159	-
Scholarships	1,620	-
Sponsorships	4,500	3,500
Staff welfare	1,504	975
Subscriptions	1,000	1,337
Telephone expenses	62	401
Travel expenses	6,366	86
Wages and salaries - regular	298,496	182,715
Water and electricity	1,650	1,033
Total administrative expenses	<u>696,071</u>	<u>462,840</u>



GOZO REGIONAL
DEVELOPMENT AUTHORITY

75, Republic Street,
Victoria, VCT 1018,
Gozo

Tel: +356 2215 6338 | 2215 6342

Email: info@grda.mt

www.grda.mt



GOZO REGIONAL
DEVELOPMENT AUTHORITY

2
0
2
3

GOZO REGIONAL
DEVELOPMENT AUTHORITY

Annual Report

PUBLISHED BY

Gozo Regional Development Authority
75, Republic Street, Victoria, Gozo, Malta
Tel: +356 2215 6342
www.grda.mt

Publication Date: February 2024

This publication may not be used in any format or medium.
This material is property of the Gozo Regional Development Authority.
Any queries regarding this publication should be sent at: info@grda.mt
Designed by Keen Ltd. © Copyright 2024.

CONTENTS

CHAIRMAN'S FOREWORD	02	PROJECT MANAGEMENT & IMPLEMENTATION	16
CEO'S STATEMENT	03	Corporate Plan 2023-2025	16
BOARD OF DIRECTORS	04	Implementation of Measures in the GRDA Corporate Plan	16
AUDIT COMMITTEE	05	Regional Impact Assessment	17
OUR MISSION	06	Risk Management	17
OUR VISION	06	Gozo Rural Airfield	17
OUR VALUES	06	GRDA Vision for Victoria Urban Upgrading	18
STRATEGIC OBJECTIVES	07	Regional Development Strategy Working Committee	18
ORGANISATIONAL STRUCTURE	08		
		RESEARCH & POLICY DEVELOPMENT	19
OPERATIONS	09	Discussion Papers	19
Finance and Human Resources Management	09	Policy Positions	19
Investing in People	09	Macro-Economic Regional Research	20
Opening of new premises	09	Tourists' Perceptions of Gozo Survey	20
Call for Tenders 2023	10	The Sustainable Urban Mobility Plan (SUMP)	21
Call for Quotations 2023	10	Regional Development Strategy for Gozo	21
		Carrying Capacity Study	21
		Technical Assistance to the Ministry for Gozo	21
		Contributing to National and Regional Policy Development	21
LEGAL & COMPLIANCE	11	PUBLIC EVENTS PARTICIPATION	23
Memorandums of Understanding and Agreements	11	GRDA IN NUMBERS	24
Nature Trust Malta	11		
Gozitano Agri Coop	11	EU & INTERNATIONAL AFFAIRS	26
Malta Chamber of Geologists	11	EURADA Winter School: Smart Specialisation for Competitive, Sustainable, and Resilient Local Development	26
Economic Development Agency of Corsica	11	European Week of Regions and Cities	26
		Visit to Bornholm, an island region in Denmark	26
COMMUNICATION & SOCIAL DIALOGUE	12	Tomorrow.Mobility Conference in Barcelona	26
Stakeholders Consultative Working Groups	12	Exploring Funding Opportunities	27
Digital Outreach and Social Media Platforms	12	Other collaborations	29
Webinars	12		
Social Participations and Events	12	ANNEXA: CORPORATE PLAN 2023-2025	30
Needs' Analysis – Marsalforn and Xlendi	13	FINANCIAL STATEMENTS	39
GRDA Podcast	14		
Public Meetings	15		
1948 Tragedy in the Gozo Channel	15		
Perspettivi: A Gozo Review	15		
GRDA Newsletter	15		



Chairman's FOREWORD

Michael Grech

CHAIRMAN

Gozo Regional Development Authority

As the chairman of the Gozo Regional Development Authority, it is with great pleasure that I present this Annual Report, highlighting the Authority's achievements for last year and outlining some future prospects.

The Authority delivered on many fronts during 2023. It organised a good number of events, including public consultations as well as the launching and publication of several documents. Amongst the publications, the Regional Development Strategy for Gozo merits a special mention. This is a very important document that will guide government actions and decisions with regards to Gozo for the next ten years. Other important documents include the GRDA Policy Position on 'Employment and Skills in Gozo' and the GRDA Corporate Plan 2023-2025. The Authority also published its feedback, response, and recommendations on various regional and national topics amongst which were Malta's Sustainable Development Strategy 2050 and the GRDA Feedback on the Partial Review of the Gozo and Comino Local Plan 2006 for Qala (Hondoq ir-Rummien). The GRDA also published various other research notes and surveys on various topics and subjects, including A Regional Analysis on Female Employment, A State of the Nation Survey 2023, the GRDA Vision for Victoria Urban Upgrade and two surveys on Tourism.

In the meantime, the Authority continued with its collaboration with Oxford Economics, a leading company in global economic forecasting and econometric

analysis. With the assistance of this firm, the GRDA is preparing and publishing macro-economic forecasts for the Island of Gozo and quantifying the impact of various projects.

Another important step has been the decision taken by the GRDA in actively participating in various EU funded projects. This has mostly been done in collaboration with local and foreign partners.

The Board of Directors continued to meet regularly, discussing various initiatives, and overseeing strategic decisions. Here I would like to thank all the Board members for their valid contributions. A special mention also goes to the CEO, Mr Mario Borg and all the employees for their dedication and commitment to their job.

In concluding my message, I must heartily thank Onor. Clint Camilleri, the Minister for Gozo, for his unwavering support, Mr John Borg, the Permanent Secretary at the Gozo Ministry, who was always there to promptly support us in all our needs and to various other Ministries and government departments who were and still are supporting our work and initiatives.

I am confident that the Authority will continue to strive to perform in the very best interests of the island of Gozo, an 'Island of Villages', and that of the nation of Malta in general.

CEO's

STATEMENT

Mario Borg

CEO

Gozo Regional Development Authority

Year ending 2023 represented the third year of the GRDA since its inception. The first year of its operation, the aim was to put in place a robust structure so that the Authority could start functioning, while the second year the GRDA focused on consolidating its structures. Last year, the GRDA managed to put on more visible deliverables.

An important landmark during 2023 was undoubtedly the publication of the Regional Development Strategy for Gozo. This followed extensive consultation with the public and various government entities. The strategy for Gozo will serve as a roadmap for the next ten years. The GRDA, while not in a position to directly implement the whole strategy, is still responsible for monitoring and ensuring its implementation. To do so, the delegation method is being adopted. Indeed, following discussions with the Permanent Secretary within the Ministry for Gozo, measures in the Regional Development Strategy are being delegated to departments within the same Ministry and where applicable also to national entities. To manage this process, the GRDA has established a number of Working Committees that address key areas within the Regional Development Strategy. Through collaborative efforts, research, and informed discussions, these Working Committees aim to contribute to the achievement of Gozo's development goals while fostering partnerships with government entities and ensuring the timely execution of the strategy. Action plans for implementing the Regional Development Strategy would be developed through these Working Committees.

Apart from the Regional Development Strategy, last year also saw the GRDA publishing a series of documents on various topics related to Gozo. Such documents are extremely important for the regional development of the Island as they fill an important gap in terms of research without which proper evidence based policy would not be possible. Just one example of policy change driven by the GRDA was the announcement made during the national budget whereby the reduced stamp duty on property bought in Gozo was not extended.



This is a stand that the GRDA took and made public in October 2022 and subsequently taken on board by several NGOs and constitutional bodies in Gozo.

The GRDA also published its updated Corporate Plan 2023-2025 which sets the strategic objectives of the Authority together with a very clear and targeted set of deliverables. In this way, the various activities planned in advance by the GRDA can be monitored in a focused and transparent manner. With great satisfaction, during the year 2023, the GRDA managed to complete 89% of its planned deliverables for 2023. More details can be found in Annex A of this Annual Report .

As has been the practice since its inception, the GRDA has emphasised the importance of being transparent in its conduct including its plans and objectives. This commitment was strengthened further during 2023. The GRDA continued to engage continuously with stakeholders, including the general public and NGOs through specific events as well as through the consultative stakeholders' groups. Over the year, the GRDA also continued to provide a platform to NGOs and individuals to share their views on various issues through the production of a series of podcasts.

To end this short introduction, it is fair to publicly thank all the staff at the GRDA. All this was made possible only because of their dedication, professionalism, and commitment. The people at the GRDA are its most valuable asset.

Board of DIRECTORS

During the 2023 period, the Board chaired by Mr. Michael Grech, met regularly and discussed a number of items which included matters related to strategic planning and oversight. The Board of Directors also approved a number of important documents including the updated Corporate Plan 2023-2025 and policy positions on 'Employment and Skills in Gozo' and 'Agriculture in Gozo'. Another important item that was addressed by the Board of Directors was the approval of the Regional Development Strategy for Gozo.

The members of the Board of Directors of the Gozo Regional Development Authority who served during the year under review, were:

Mr. Michael Grech
CHAIRPERSON

Ms. Charlene Xerri Gatt
VICE CHAIRPERSON

Mr. Daniel Borg
MEMBER

Mr. Abraham Said
MEMBER

Dr. Samuel Azzopardi
MEMBER

Mr. Anthony Bezzina
MEMBER

Mr. Mario Borg
EX-OFFICIO

Ms. Marica Sultana
BOARD SECRETARY

Meeting No.	Date
1/2023	20 th January
2/2023	3 rd March
3/2023	21 st April
4/2023	26 th May
5/2023	23 rd June
6/2023	21 st July
7/2023	29 th September
8/2023	3 rd November
9/2023	1 st December



Audit

COMMITTEE

The Audit Committee assists the Board of Directors in its oversight responsibilities with respect to internal governance and controls, and internal audit functions of the Authority.

During 2023, the Audit Committee approved, amongst other things, the financial Statements of the Authority and the Internal Audit Charter.

Following a successful competitive call for tenders in 2022, the GRDA appointed RSM Malta (with effect from 1st February 2023) as internal auditors to assess compliance management and the effectiveness of the Authority's internal control mechanisms including its accounting processes and corporate governance. The Audit Committee also approved the audit plan for years 2023-2025 which will cover procurement procedures (2023), disbursement and fund management procedures (2024) and the corporate governance and compliance as well as an evaluation of the GRDA's project planning and budgeting processes, including project ethics, monitoring and evaluation (2025).

The Audit Committee was composed of:

Mr. Joe Borg
CHAIRMAN

Mr. Joe Muscat
MEMBER

Ms. Elaine Camilleri
MEMBER

Ms. Marica Sultana
SECRETARY

Meeting No.	Date
1/2023	27 th January
2/2023	20 th February
3/2023	12 th April





Our MISSION

The Authority aims to work amongst policy makers so as to ensure that policies, actions and projects are adequate for the specific nature of the Gozitan regional characteristics.

Our VISION

To formulate, streamline and help in the implementation of regional policies to ensure sustainable socioeconomic development for the island of Gozo.

Our VALUES

Sustainable Development:

The GRDA will promote sustainability in development policies as it believes in the critical balance between the social, environmental and economic priorities.

Representation:

The GRDA will strive to ensure that all stakeholders, groups and individuals will be closer to where policy making takes place. Their contribution will be encouraged and channelled through formal and permanent structures that facilitate social dialogue.

Long-term focus:

The GRDA's contribution to regional policy development is to target the long-term challenges faced by Gozo, ensuring that the region is looked at holistically.



Strategic

OBJECTIVES

01. Ensure sustainable economic growth, employment, and living standards across the economic, social, natural and human dimensions.
02. Play a key role in the planning stages with regards to the upgrading of infrastructure and improvement of Gozo's accessibility, whilst giving due priority to the region's ecosystem and the region's characteristics.
03. Ensure that national policy and strategies are designed and implemented in full consideration of the regional dimension and Gozo's long-term viability.
04. Strengthen Gozo's institutional framework to improve the planning, decision making, implementation and evaluation processes.

Organisational STRUCTURE



OPERATIONS

In line with the GRDA Act, the Authority handles all its finances and corporate affairs internally. Thus, the Operations function is responsible for overseeing all aspects related to human resources management, finance, and procurement. It is also responsible for supporting the Authority's logistics during events organised by the GRDA.

Finance and Human Resources Management

During 2023, the Operations functions processed 565 payments. These included both invoices and staff salaries. All other statutory reporting concerning finance, HR and procurement were also submitted to relevant authorities including the Ministry for Gozo and the Ministry responsible for public finances in a timely manner. In line with its commitment to operate digitally, the GRDA continued to depend on a digital document system for recording filing. This ensures complete traceability and a permanent audit trail of documents.

Number of payments processed in 2023	565
Number of files opened in 2023	101

Investing in People

For the year under review the workforce complements of the GRDA remained unchanged. The Authority continued to invest in its people by providing opportunities for training and upskilling. For 2023, the GRDA sponsored one of its employees to read for the 'Master of Arts in Public Policy Leadership' at the University of Malta.

The GRDA organised a team building activity in April 2023 in line with its HR strategy to improve communication, cooperation, and motivation among the GRDA workforce. This year, an expert in organisation leadership skills delivered a series of interactive lectures that included games and other related outdoor activities. This event was held during office hours at the GRDA office in Victoria, Gozo.

The staff within GRDA also attended several short courses including:

- Social Media Marketing Masterclass
- First Aid and Fire Warden Course
- Professional Diploma in UX Design

Opening of new premises

The GRDA's new offices in Republic Street, Victoria were officially opened in February. During the inauguration, Prime Minister Robert Abela remarked on the important role, the Authority is playing for the socio-economic development of Gozo.

Over the year, the GRDA continued to upgrade its facilities including work on the conference room with the installation of specific material to improve the acoustic quality during live and online conference sessions.





Call for Tenders 2023

The GRDA follows public financial regulations. The GRDA continuously updated its procurement list above orders of €5000 on its website, on a monthly basis.

CfT Reference No.	Award Supplier Name	Description
GRDA_CFT_001_2023 (SPD3/2023/002)	Price Waterhouse Coopers	Tender for the Provision of Maintenance, Support and Backup Services on 2 Virtual Machines for the Gozo Regional Development Authority (GRDA).

Call for Quotations 2023

CfQ Reference No.	Award Supplier Name	Description
GRDA/CfQ/001/2023	Not Awarded	Call for Quotations for the Supply, Delivery and Installation of a 3 Phase Voltage Stabiliser System for the GRDA.

Legal & COMPLIANCE

During the year, the GRDA continued to formulate new internal policies and procedures to strengthen its already robust and efficient corporate framework. This enables the smooth running of the Authority and ensures accountability and transparency.

GENDER EQUALITY PLAN

The GRDA prepared and finalised its Gender Equality Plan which creates better working environments and helps maximise the potential and talent of all its employees. The Gender Equality Plan is an all-year round strategy that comprises the collection and assessment of data, planning, implementation, monitoring progress and evaluation of new measures or necessary revisions that need to be carried out with respect to gender mainstreaming.

INTERNAL AUDIT CHARTER

The GRDA formulated its Internal Audit Charter which established the principles and framework that should guide the GRDA in its oversight responsibilities for the internal governance, control practices, financial statements, and risk management. This was approved by the Board of Directors. Through this Charter, the internal audit function is being recognised as an independent, objective and consulting activity designed to add value to and improve the operations of the Authority.

DATA PROTECTION POLICY

In line with the General Data Protection Regulation (EU) 2016/679 (GDPR), the GRDA is fully compliant with the data protection principles as set out in the legislation. For this purpose, the Authority prepared a Data Protection Policy which comprises a set of documents (to come in force at a later stage) that shall regulate the collection, processing, and storage of personal data by the GRDA. Personal data will be collected through the consent form and then stored as specified in the Retention Policy.

Memorandums of Understanding and Agreements

Close collaboration with stakeholders is crucial for the Authority. For this reason, the GRDA continued to formalise such relationships through a number of agreements.

NATURE TRUST MALTA

The GRDA signed an MoU with Nature Trust Malta. Nature Trust is an established environmental NGO and is very active in environmental education. The scope of the agreement is to engage in further discussions on potential collaborative opportunities that are related to the safeguarding of the natural environment and its sustainability. Through this MoU, the GRDA also intends to support Nature Trust Malta to enhance their services where appropriate for the local communities.

GOZITANO AGRICULTURE COOP

The GRDA has pursued its collaborative initiatives with Gozitano Agri Coop, signing a second Specific Agreement. Through this Specific Agreement, Gozitano Agri Coop assisted the GRDA with the preparation of its discussion paper 'Agriculture in Gozo' and in meetings on subjects related to agriculture.

MALTA CHAMBER OF GEOLOGISTS

The GRDA has entered into a Framework Collaborative Agreement with the Malta Chamber of Geologists. The GRDA aims to build and foster a collaborative relationship, in order to draw on each other's missions and strengths for the implementation of its Regional Development Strategy.

ECONOMIC DEVELOPMENT AGENCY OF CORSICA

The GRDA has widened its reach by entering into a Memorandum of Understanding with the Economic Development Agency of Corsica. Through this MoU, it has been agreed that both parties shall cooperate in promoting sustainable economic development through policy making by earmarking growth in specific sectors particularly in key areas of the green economy. The parties also agreed to cooperate in reducing the carbon footprint of their economies by developing coordinated strategies and action plans to reduce greenhouse gas emissions; encouraging the use of renewable energy sources; and promoting efficient use of natural resources.

Communication & SOCIAL DIALOGUE

Fostering an open relationship with stakeholders is a key objective for the Authority. During 2023, the GRDA continued to work on this aspect as well as taking a transparent approach by promoting the activities undertaken by the GRDA both on our social platforms and the Authority's website.

Stakeholders Consultative Working Groups

The GRDA continued to organise regular 'Stakeholders' Consultative Working Groups. The Stakeholders Groups are composed of NGOs and individuals who accepted to be part of these groups following a public call by the GRDA. During 2023, these Working Groups met every quarter, discussing several issues. During the first stakeholders' meeting held in 2023, some of the items included the discussion paper on Employment and Skills in Gozo while for the second stakeholders' meeting the two main items were the GRDA tourism survey and the discussion paper concerning the agricultural sector in Gozo. The third stakeholders' meeting centred on the GRDA's formal feedback on the "Għal Għawdex" coalition's eight proposals. The last stakeholders' meeting for the year focused on the draft GRDA feedback statement on its Vision for Victoria Urban Upgrading, a Note on Female Employment and the GRDA Feedback on the partial review of the Gozo and Comino Local Plan 2006 for Qala (Fondoq ir-Rummien).

Digital Outreach and Social Media Platforms

Over the past year, more effort was directed towards the GRDA's digital platforms, with a significant increase in digital presence for the Authority being recorded, where the followers on Facebook surpassed the 1,200 mark. Over last year, the GRDA's Facebook page had a reach of 83,771 unique visitors who engaged with our content, which included posts, stories, and ads. Throughout 2023, over 120 posts were uploaded on Facebook to keep the audience abreast of the developments. Encouraging increases were also recorded on Instagram and LinkedIn where the audience on LinkedIn increased threefold over the year. The GRDA also set up a Google Business Page.

Webinars

The GRDA held two webinars in 2023. The first webinar was held in January and presented the GRDA discussion paper on 'Employment and Skills in Gozo'. The webinar

provided an in-depth regional assessment of the demand for and supply of employment as well as outlining the challenges, the strengths, and the opportunities that Gozo faced in this regard. The feedback from the webinar was used to help formulate the formal GRDA position on employment and skills in Gozo.

The webinar also included contributions from Mr. Melchior Vella, visiting lecturer at the University of Malta, and Prof. Manwel Debono, who discussed labour market development. Mr Daniel Borg, CEO of the Gozo Business Chamber, discussed Gozitan employers' current perspective, while Mr Raphael Scerri, Head of Employer Services Division at JobsPlus, discussed the skills mismatch and JobsPlus role in providing training. MCAST Gozo Director Ing. Godwin Grech spoke about MCAST's impact on future skills. The webinar was concluded by GRDA CEO Mr Mario Borg.

The second webinar was held in June. The GRDA presented a discussion paper on Agriculture in Gozo. This paper assessed Gozo's agriculture, presenting a historical analysis, and offering perspectives in relation to the EU's Common Agricultural Policy (CAP). Participants included Dr. Joseph Grech, who spoke on Gozo's agricultural industry from the producers' perspectives while Mr. Laurence Attard, Principal Agricultural Officer at the Government Experimental Farm in Xewkija, discussed innovative sector practices being carried out at the Government Farm's operations. Moreover, Mr. Brian Vella, CEO of the Malta Food Agency, discussed the local food system and the agency's function, while Dr. Darren Grosso, Project Support Unit head at SEM, discussed EU funding opportunities and SEM's participation.

Social Participations and Events

TOURISM IN GOZO CONFERENCE

In April, the Authority organised a tourism conference entitled - Tourism in Gozo: A Visitor's Perspective. During the event, Mr. Lawrence Zammit from MISCO presented the results of a survey among tourists and visitors, while economist Mr. Reuben Ellul Dimech gave an insight into the TripAdvisor data he analysed. A panel discussion followed with the participation of Mr. Ronald Sultana, Director for Tourism and Economic Development at

the Ministry for Gozo, Mr. Leslie Vella, Deputy CEO at the Malta Tourism Authority, Mr. Joe Muscat, CEO of the Gozo Tourism Association, and Prof. Marie Avellino, Director at the Institute for Tourism, Travel, and Culture at the University of Malta.

MCAST EVENT – ENCOUNTER MCAST MEETS INDUSTRY

The GRDA participated during a conference entitled ‘ENCOUNTER MCAST meets Industry’. During this conference, the GRDA gave a presentation on a study which looked at employment and skills in Gozo.

MARE SUMMIT

The GRDA also participated in this year’s edition of MARE Summit – the property summit, which was held at the beginning of June. The two-day event brought together some of the biggest names in the industry

who provided insights into the future of the property industry, discussed new technologies, challenges and opportunities, sustainability, investments and much more. Mr Mario Borg, CEO of the GRDA participated in a panel discussion which focused on ‘Balancing Economic Growth and Sustainable Development in Gozo’s Real Estate and Construction Sectors’.

Needs’ Analysis – Marsalforn and Xlendi

The Gozo Regional Development Authority, in conjunction with The Malta Trust Foundation, hosted a meeting between various stakeholders, during the month of April, through which a needs’ analysis study of the localities of Marsalforn and Xlendi, concerning topics such as migration, mental and social well-being, and inclusion, were discussed.



GRDA Podcast

After the successful publication of the first series of the 'GRDA Podcast', the Authority produced and published the second series of such podcasts. The new 14 episodes, which are grouped under Season 2, started to be aired every fortnight as from February with the last episode was scheduled for mid-July.

During November 2023, the GRDA launched the 3rd season of the 'GRDA Podcast'. This season will cover 15 episodes, which will go through all the way till May 2024, and it will continue to inform the public about Gozitan personalities and their endeavours.

Interviewees of the GRDA podcasts (Season 2)

Mr. Joe Cordina (aired during 2023) - Gozo Channel

Mr. Brian Azzopardi (aired during 2023) - Diving industry in Gozo

Mr. John Xuereb (aired during 2023) - Cultural Heritage Directorate

Mr. Noel Formosa (aired during 2023) - The future of Dwejra

Mr. Manuel Tabone (aired during 2023) - NSO in Gozo

Mr. Joe Muscat (aired during 2023) - Tourism in Gozo

Dr. Josianne Cutajar (aired during 2023) - Gozo and the EU

Mr. Robert Tabone (aired during 2023) - Gozo as an island region

Profs. Josianne Cutajar (aired during 2023) - The role of women in society

Mons Dr. Joe Vella Gauci (aired during 2023) - The role of UNESCO and FSWS

Dr. Joseph Caruana (aired during 2023) - Light pollution

Ing. Godwin Grech (aired during 2023) - MCAST Gozo Campus

Interviewees of the GRDA podcasts (Season 3)

Mr. Mario Borg (aired during 2023) - Gozo Regional Development Strategy

Mr. Charles Buttigieg (aired during 2023) - Gozo's baritono and the music

Mons. George Bugeja (aired during 2023) - The role of the Church in Libya

Mr. Luke Said (aired during 2023) - Protection of Gozo's natural environment

Mro. Colin Attard (aired during 2023) - Culture in Gozo

Public Meetings

A pivotal role of the GRDA is to keep the public abreast of any projects or initiatives that might impact their well-being. Over the past year, the Authority organised two public meetings. One was organised in collaboration with Infrastructure Malta, the Government agency entrusted with the upgrade of Malta's arterial and secondary roads. The meeting focused on the Għadira Road project and how the new revised plans will impact the Gozitan community.

The other public meeting concerned the GRDA's proposal for the Victoria Urban Upgrade proposal. During the meeting, the GRDA presented its ideas and approach to the regeneration of Victoria's core area including the creation of more open spaces, parking facilities and to target traffic congestion.

1948 Tragedy in the Gozo Channel

The Gozo Regional Development Authority commissioned Msgr. Dr Joseph Bezzina to research material that was eventually published in a book titled, '1948 Tragedy in the Gozo Channel – The Untold Account'. The book was launched on the 75th anniversary of this tragedy. The research for the book was part of the GRDA efforts to revalue Gozo's identity and its collective memory.

Perspettivi: A Gozo Review

In 2023, the Authority published the second and third editions of its Journal "Perspettivi," a journal dedicated to publish research material pertaining to Gozo.

The second issue of the Journal, published in March, featured four papers. The first paper explored public spaces in Gozo for children and young individuals. The second paper analysed data available on TripAdvisor, concerning reviews and feedback provided by visitors on Gozo. The third paper explored the historical background and early developments of the Malta-Gozo air service providing a comprehensive overview of the initial efforts, challenges, and achievements in establishing an air connection between Malta and Gozo. The fourth paper focused on the topic of migration and its impact on social well-being in two particular localities in Gozo.

The third issue of the Journal was published in November. The first paper looked at Gozo's stance vis-à-vis the established climate targets listing several policy proposals that could help Gozo achieve the desired climate goals. The second paper published delved into the role of external influencers on Gozitan employees' work values and career paths. The third paper analysed the impact of active labour market policies and how these can enhance employment opportunities for Gozitans. The fourth paper looked at small islands, with an emphasis on the island of Gozo, from a literary point of view.

GRDA Newsletter

The Authority continued to issue its quarterly newsletter. Through the newsletter, the GRDA keeps its subscribers abreast with the regular activities organised by the Authority and on the implementation of the regional strategy. The newsletters issued are available on the GRDA website, as well as, online through the Authority's social media platforms.



Project Management & IMPLEMENTATION

During the year under review, the GRDA continued to build on its project management and implementation role. The role of the GRDA varies considerably in terms of level of involvement in projects and initiatives, ranging from oversight and coordination to direct project management and implementation.

Projects and measures managed and implemented by the GRDA include activities, operations, and projects within the Corporate Plan for 2021-2023. Apart from the measures included within the Corporate Plan, the GRDA undertook several initiatives to manage and report on other projects and measures, including budget measures assigned to the GRDA. The GRDA also took initiatives to manage internal tasks and activities through the use of modern project management software and tools.

Corporate Plan 2023-2025

A key initiative undertaken by the GRDA last year, was the preparation of a Corporate Plan for 2023-2025. This initiative entailed a review of the previous Corporate Plan (2021-2023), followed by extensive research, consultation with stakeholders, and analysis of key data to identify emerging challenges and opportunities.

Through the Corporate Plan for 2023-2025, the GRDA is committing to implement new measures to drive further progress in the region. The plan encompasses a range of initiatives aimed at promoting sustainable development, enhancing infrastructure, boosting tourism, conserving the environment, and strengthening social engagement. By continuing on the foundation of the previous corporate plan, the GRDA ensured a seamless transition and alignment with the evolving needs of Gozo's residents and businesses.

Implementation of Measures in the GRDA Corporate Plan

The corporate plan outlines the Authority's strategic objectives through a list of strategic deliverables. For each of these strategic deliverables that the Authority has committed to achieving, the Corporate Plan outlines the accompanying activities that will be carried out, for which one or more performance measures have been identified. Full details of the measures listed in the Corporate Plan together with an indication of the progress achieved by the end of 2023 are presented as Annex A.



Regional Impact Assessment

As part of its function in ensuring that a Regional Impact Assessment Study (RIAS) is carried out whenever a Government entity intends presenting a proposal that would affect Gozo, the GRDA has developed an online tool known as the Regional Impact Assessment (RIA) Online System. The RIA Online System serves as a preliminary screening tool for assessing the potential impacts of proposed projects or developments on the Gozo region.

The online tool is designed to facilitate a comprehensive analysis of various factors, such as infrastructure, transportation, environment, heritage, and socio-economic aspects. It provides a systematic framework for evaluating the potential positive and negative consequences of a proposed development, enabling the proponent of a project or policy to determine whether it needs to inform the GRDA of the proposed intervention.

During 2023, the GRDA launched the RIA Online Tool and disseminated this system to Ministers, Authorities, and government entities. The RIA Online Tool, together with an accompanying user manual can be accessed from the GRDA's website.

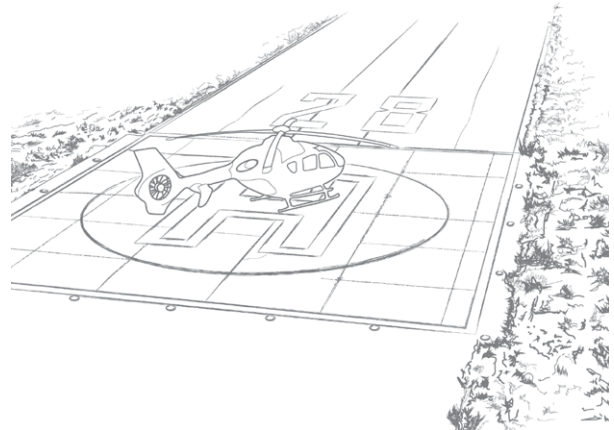
Risk Management

The GRDA employs a risk-based approach towards the identification and mitigation of risks that could affect the Authority's operations, reputation and have adverse impact on stakeholders. Through its risk management framework, the GRDA established procedures to avoid potential threats or mitigate their impact should they occur. The GRDA monitors and manages potential threats and risks using the risk register and the mitigation plan, approved by the Board of Directors. As part of this function, clear communication is maintained among the GRDA team including the Board, the management, employees, and stakeholders.

During 2023, the GRDA also established a Compliance and Internal Control monitor to ensure that the GRDA maintains conformity with the GRDA provisions mandated by the GRDA Act, and to ensure that the Authority complies with the established policies and procedures. The internal control monitor also identifies a list of time critical activities, without which the operations of the Authority would be adversely impacted, such that these are given due importance.

Gozo Rural Airfield

The GRDA plays an important role in supporting the Ministry for Gozo through its consultative function and by actively engaging in discussions that influence the socio-economic development of Gozo. In this regard, following the conclusion of the Regional Impact Assessment Study (RIAS) on the proposed development of the Gozo Rural Airfield, the GRDA thoroughly assessed different options that could be adopted to manage the Gozo Rural Airfield, and prepared a report through which it presented its analysis and recommendations to the Ministry for Gozo. The report on the management of the Gozo Rural Airfield was intended to provide valuable insights to facilitate the Ministry's decision-making process, enabling decisions to be based on detailed analysis and recommendations.

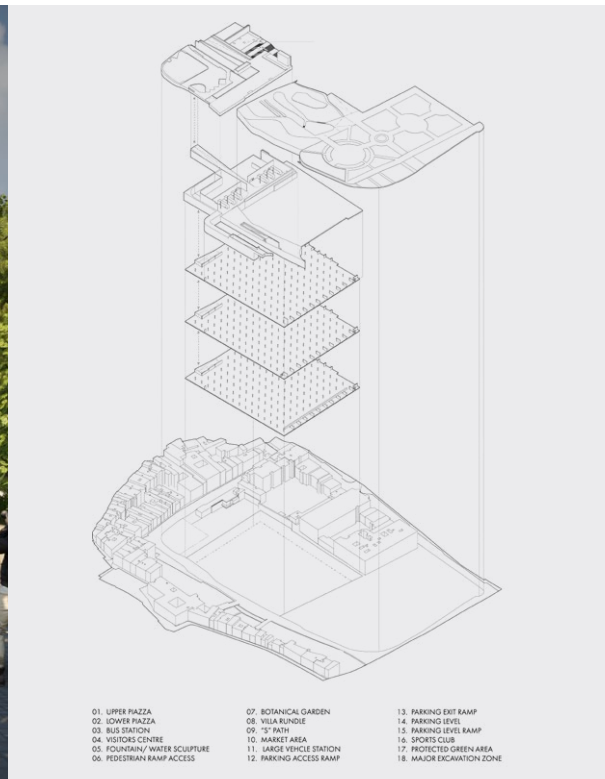


To conduct this analysis and prepare the report, the GRDA sought the expertise of various stakeholders involved in the field of aviation, including the Civil Aviation Directorate within Transport Malta, Malta Air Traffic Services, Aviation Security, and the Civil Protection Department. Furthermore, the GRDA also looked at management set-ups adopted in similar Short Take Off and Landing (STOL) airfields in other European countries.

GRDA Vision for Victoria Urban Upgrading

In view of Victoria’s present challenges, namely lack of open spaces, lack of parking spaces, and traffic congestion, the GRDA was entrusted with providing a long-term vision for Victoria. During 2023, the GRDA published its vision for Victoria urban upgrading, through a number of documents that included economic studies and visual material, and launched a public consultation focused on the proposed vision. The public consultation enabled the public and important stakeholders to engage with the GRDA and actively contribute to the urban planning process, aimed at drawing a sustainable solution that creates a vibrant and inclusive environment in Victoria.

GRDA’s vision centred around a proposal to transform the existing parking area in Victoria (adjacent to the Villa Rundle Gardens and the Bus Terminus), including the adjacent football ground and surrounding area, into a green park. This entails relocating the parking spaces underground. The proposal put forward by the GRDA seeks to contribute towards the regeneration of the area and challenge the prevailing car-centric hierarchy by prioritising pedestrians and cyclists, thereby making several streets more people centric. The concept proposal for Victoria urban upgrading forms part of GRDA’s wider plan to design a long-term and holistic sustainable master plan for the island of Gozo.



Regional Development Strategy Working Committee

The Regional Development Strategy for Gozo was published in September 2023 and is an important document designed to set the course for the socio-economic and environmental development of Gozo. Article 8 (e) of the Gozo Regional Development Authority (GRDA) Act mandates the establishment and operation of the Working Committee to address key areas within the Regional Development Strategy and to develop action plans for its implementation.

Through collaborative efforts, research, and informed discussions, these Working Committees aim to contribute to the achievement of Gozo’s development goals while fostering partnerships with Government Entities and ensuring the timely execution of the strategy.

Research & Policy

DEVELOPMENT

Over the course of the year, the GRDA committed resources and efforts to develop new analytical tools. These tools permitted the research and policy development function to make better decisions, monitor regional economic trends, produce forecast economic developments, and assess better the impact of policies.

Discussion Papers

Throughout the year, the GRDA released its first series of discussion papers, aiming to facilitate a broader discussion on relevant topics and contribute to the formulation of research-based policy recommendations. The first discussion paper, presented by the GRDA, focused specifically on 'Employment and Skills in Gozo'. This comprehensive analysis delved into the dynamics of skill demand and supply in the region, shedding light on existing skill mismatches. The second discussion paper provided a comprehensive vision for the Gozo agricultural sector, offering an extensive examination of existing schemes, policies, and measures available within this domain. This paper presented a holistic perspective aimed at guiding the future development and growth of the agricultural sector in Gozo.

The publication and dissemination of these discussion papers not only facilitated informed discussions and debates but also paved the way for evidence-based policymaking and strategic decision-making.

Policy Positions

Building upon the insights and recommendations put forth in the GRDA discussion papers, the Authority engaged in consultations with stakeholders to ensure a well-rounded and inclusive approach. Through this collaborative approach, the GRDA released its official policy stance on employment and skills and on the agricultural sector.

Macro-Economic Regional Research

The Authority also published the short-term macroeconomic and tourism outlook for Gozo based on the Oxford Economics macroeconomic and tourism models. The note outlined the expected macroeconomic and tourism developments for Gozo for the 2023-2025 period as well as the expected risks to these projections. The note also provided an analysis on the Island's demographic developments and outlook. The note concluded with a set of policy proposals for the 2024 Budget. The Authority's proposals draw on the extensive research, as well as consultations with the stakeholders. Some of the proposals included in this year's submission also featured in last year's publication. The GRDA reaffirmed these measures as it firmly believes in the significance of implementing these proposals as they closely align with the Authority's vision for the Island. These proposals were complimentary with and in addition to the measures of the Gozo Regional Development Strategy.

Tourists' Perceptions of Gozo Survey

In 2023, the GRDA published the first survey on tourism in Gozo. This survey follows a previous study conducted among Gozitan residents, which examined their perspectives on various aspects. Recognising the potential disparities between residents' viewpoints and those of tourists, the GRDA conducted a separate survey specifically targeting tourists who visited the Island. The objective of this survey was to gain insights into the perceptions of tourists regarding Gozo, including their likes and dislikes about the destination.

The findings of this tourist-focused survey were presented during a GRDA Tourism Conference held in April and subsequently made available to the public through two separate publications on the Authority's official website. These publications aim to provide a comprehensive understanding of tourists' experiences and perspectives in order to inform future tourism strategies and enhance the overall visitor experience in Gozo.

The Sustainable Urban Mobility Plan (SUMP)

Following the publication of the Sustainable Urban Mobility Plan (SUMP) for the Northern and Southern Harbour Region, discussions were held with GRDA, leading to the finalisation of measures for the SUMP of the Gozo Region. Currently, with the assistance of a foreign delegation appointed by the European Commission to support Malta in this exercise, the measures for the SUMP are being presented, with the GRDA providing its input for the Gozo SUMP.

Regional Development Strategy for Gozo

Following a thorough consultation process and discussions with Ministries, government departments, Authorities, and agencies, the Authority published the Gozo Regional Development Strategy. This strategy is designed to promote economic growth, enhance quality of life, preserve cultural heritage, and protect the natural environment in Gozo. The strategy promotes sustainable economic activities, the preservation of cultural identity, and the improvement of social infrastructure to enhance the overall well-being of the local population. The Strategy will serve as a roadmap for the development of Gozo, guiding decision-making processes, resource allocation, and project prioritisation.

Carrying Capacity Study

Throughout the year, the Authority persisted in its initiative to undertake a comprehensive study on Gozo's carrying capacity. Assessing carrying capacity is essential for achieving sustainable management while addressing the needs of a growing population. The initial phase of the carrying capacity study, involving the development of a technical framework, was completed and the GRDA plans to publish it during 2024.

Technical Assistance to the Ministry for Gozo

The Authority produced a number of internal reports as part of its consultative function in support of the Ministry for Gozo. These reports were aimed at assisting the Ministry in various aspects, including project design and policy formulation. By leveraging its expertise and knowledge, the GRDA provided valuable insights and analysis to inform the Ministry's decision-making processes and ensure effective project implementation and policy development based on sound research and expert advice.

Contributing to National and Regional Policy Development

During 2023, different topics were made available for public consultation. The GRDA also provided feedback on various consultation documents, highlighting potential impacts, and reinforcing the Gozitan perspective in public policy matters. During 2023, certain feedback statements were issued by the GRDA and made public on the GRDA's website and social media platforms. The below list refers:

- Feedback on Malta's Sustainable Development Strategy for 2050 – Issued by the Ministry for the Environment, Energy and Enterprise.
- Feedback on the National Biodiversity Strategy and Action Plan to 2030 - Issued by the Environment & Resources Authority.
- Feedback on Għal Għawdex coalition 8 proposals – Issued by Għal Għawdex NGO.
- Feedback on the Partial Review of the Gozo and Comino Local Plan 2006 for Qala (Fondoq ir-Rummien) Phase 1 – Issued by the Planning Authority.
- Feedback on the Gateway to Better Quality Employment in the Hospitality and Tourism Industry – Issued by the Institute of Tourism Studies.

The GRDA provided other feedbacks which were not published on the Authority's website. These include:

- Feedback on Malta's National Strategic Action Plan for Further and Higher Education 2022 - 2030 – Issued by the Malta Further and Higher Education Authority.
- Feedback on Malta's National Research and Innovation Strategic Plan 2023 - 2027 Document for Public Consultation - Issued by the Malta Council for Science and Technology (Ministry for Education, Sport, Youth, Research and Innovation).
- Feedback on the Sustainable Urban Mobility Plan - Issued by Transport Malta.
- Feedback on The Minimum Energy Performance Requirements in Buildings (Document F) – Issued by the Building and Construction Authority.
- Feedback on the National Strategy for the Environment post public consultation – Issued by the Environment & Resources Authority.

- Feedback on the National Policy for the Deployment of Offshore Renewable Energy – Issued by the Energy and Water Agency.
 - Feedback on the Air Quality Plan for Malta 2023 - Issued by the Environment & Resources Authority.
 - Feedback on the Partial Review of the Cemeteries Policy and Design Guidance 2015 - Policy and Design Guidance for the Development of Standalone Crematoria – Issued by the Planning Authority.
 - Feedback on the Construction and Demolition Waste Framework Regulations – Issued by the Environment & Resources Authority.
 - Feedback on the Discussion Paper on Proposed Amendments Related to the Suspension of the Executability of Development Permissions - To Amend the Environment and Planning Review Tribunal Act and Development Planning Act - Issued by the Ministry for Public Works and Planning.
 - Feedback on the National Cycling Strategy – Issued by the Ministry for Transport, Infrastructure and Capital Projects.
 - Feedback on the White Paper Reforming the Condominium Act – Issued by the Ministry for Public Works and Planning and by the Ministry for Justice.
 - Feedback on the EU’s adherence to the OECD Council Recommendation on “Regional Development Policy” – Issued by the Council of the European Union.
 - Feedback on the approval of the content of a draft for a Commission Regulation on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid granted to undertakings providing services of general economic interest – Issued by the European Commission.
 - Feedback on the importance of the SEA Regulations, Circular MESDC No 1/2018 entitled Responsibility under the Strategic Environmental Assessment Regulations (S.L. 549.61) – Issued by SEA focal point.
 - Feedback on the concept note - How to commit Europe to its youth? Education, rights and welfare of young people – Issued by an Informal Meeting of Ministers for Education and Youth.
 - Feedback on the National Education Strategy 2024-2030 – Issued by the Ministry for Education, Sport, Youth, Research and Innovation.
 - Feedback on the Sustainable Development Strategy 2050 post public consultation amendments – Issued by the Ministry for Environment, Energy and Enterprise.
 - Feedback on the background Note for the development of “Policy options and recommendations for a strategy to 2030 and for a five-year action plan on Sustainable Blue Economy in Malta aligned to the 2050 Sustainable Development Strategy – Issued by the OECD.
- Moreover, the Ministry for Gozo requested the GRDA to provide feedback on different matters. The Authority contributed as follows:
- Reporting on the Sustainable Development Goals - Issued by the Ministry for Environment, Energy and Enterprise.



Public Events

PARTICIPATION

Throughout the course of the year 2023, the GRDA was present at a number of public events, and presentations were given at these occasions:

- **GTI Observatory Summit:** The GRDA presented an overview of the Gozo & the Prima Med-Wet project which subsequently won the Greening The Islands Award.
- **MCAST meets Industry - Going Forward - Employment and Skills in Gozo:** The results of the GRDA's discussion paper on employment and skills in Gozo was presented by the GRDA.
- **Institute for Tourism Travel and Culture – Gozo Tour:** Presented an overview of the GRDA and the salient results from the GRDA tourism survey was presented.
- **Reġjun Għawdex – Gozo Tour:** An overview of the GRDA was presented.
- **UN WGDWVG Visit:** A detailed overview on females in Gozo, covering employment, participation, life satisfaction, and education was presented. The analysis made reference to some of the GRDA's publications including the discussion paper on employment and skills paper, the GRDA survey amongst Gozitans and the extract from the state of the nation survey.
- **World Bank Delegation Visit:** An overview of the socio-economic realities of Gozo with a particular focus on mobility was presented.
- **Fast-Tracking Innovation Mobility:** This workshop titled "Setting the Scene for the Procurement of Mobility and Technology Innovation" was an initiative by EIT Urban Mobility Malta and Project Eagle Foundation. The GRDA presented a case study of an innovative mobility solution for Gozo to initiate a discussion during the workshop.

During 2023, officers from the GRDA attended various conferences, at a national level. In 2023, the GRDA's staff participated in the following conferences:

- Sustainable Transport: Adaptation and Resilience to the Maltese Islands as part of the Sustainable Multi-Intermodal Transport Hubs (SMITHS) Project.
- Fast tracking Mobility Innovation course organised by the EIT Urban Mobility RIS Hub Malta.
- Horizon Europe Missions Day organised by the Malta Council for Science and Technology.
- Horizon Europe Cluster Session with National Contact Points organised by the Malta Council for Science and Technology.
- Expert Mission on Enhancing Capacity-building related to Strategic Environmental Assessment process in Malta organised by the Strategic Environment Assessment Focal Point.
- Sustainable Tourism in Malta workshop organised by the University of Malta Island Tourism Platform.
- Session on the Potential of Renewable Energy Cooperatives by the Malta Co-operative Federation and Friends of the Earth.
- Meeting with the High Commissioner of India.
- JobsPlus Annual Stakeholders meeting.
- DETOCS Regional Stakeholders meeting.
- Smart City World Expo.
- Infrastructure Malta Information Session on Marfa Road at the GRDA premises.
- The GRDA sponsored the *Youth 4 Entrepreneurship* contest organised by the Gozo Business Chamber.

IN NUMBERS

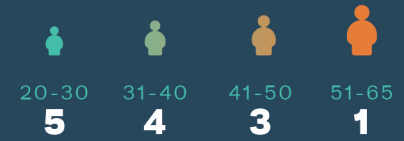


Operations

Qualifications of Employees:



Age Distribution amongst GRDA Employees:



Employees at GRDA by gender:



Training hours amongst GRDA employees:



TRAINING HOURS

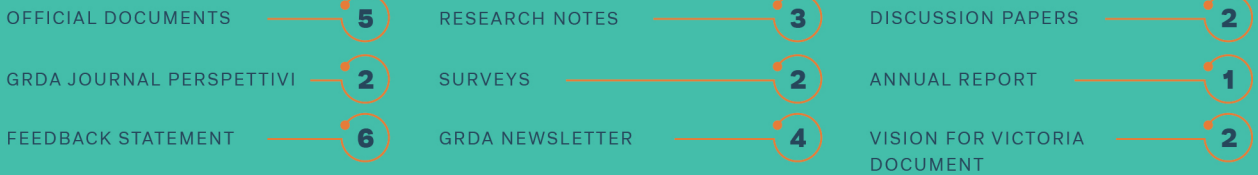
EMPLOYEES UNDERTAKING TRAINING



Communication



Documents published: **2022** 21 **2023** 27



SOCIAL MEDIA POSTS



PAGE VISITS



PAGE REACHES



PODCASTS



WEBINARS





Procurement

Call for Tenders Published:

1



Events

2022

2023

Organised by GRDA

3

8

Participated by GRDA

10

17



Legal



Internal policies and procedures created by the GRDA

3



Number of MoUs signed by GRDA

3



Specific Agreements signed

1



Deed of Partnership signed

1

EU & International AFFAIRS

During 2023, the GRDA continued to engage in policy dialogue and discussions with international bodies (bilaterally and multilaterally) in order to promote the GRDA's interest at an international level and to aid the transfer of knowledge from, and to other regional development agencies.

EURADA Winter School: Smart Specialisation for Competitive, Sustainable, and Resilient Local Development

Two staff members attended a residential winter school in Trento, Italy, which was organised by the EURADA Association, of whom GRDA is a member. The winter school provided capacity building for two managers working at the GRDA and provided training in relation to Smart Specialisation for competitive, sustainable, and resilient local development.

European Week of Regions and Cities

The GRDA was present at the European Week of Regions and Cities, held between the 9th and 12th of October 2023 in Brussels, Belgium. During these few days, the GRDA participated in a roundtable conference along with the regions of Sardinia, Gotland and the Åland islands, within which the GRDA presented its strategy and discussed further cooperation through the islands' network. GRDA also participated in a seminar held at the European Committee of the Regions discussing the following topic: "After the European Parliament's resolution on island regions: what's next?". The session aimed at gathering key elements and solutions to foster a European Strategy for islands, in line with the European Parliament resolution of 7 June 2022 on "EU islands and cohesion policy: current situation and future challenges". The GRDA also had a formal meeting with HE Ambassador Marlene Bonnici, the Permanent Representative of Malta to the European Union, at Dar Malta. During this short visit, the GRDA also managed to have meetings with the European Business Network, and with the European Association of Development Agencies (EURADA).

Visit to Bornholm, an island region in Denmark

Representatives from the GRDA, GBC, and Europe Direct participated in a two-day visit to the island region of Bornholm. Several meetings with local entities

were organised providing valuable insights into the administrative setup of the region. Meetings were held with representatives of Destination Bornholm, the local tourism entity on the island and Baltic Energy Island and Bornholm Energy & Supply which explained to the delegation the transition undertaken by the Municipality to convert from fossil fuels to renewable energy. Other meetings were held with Bornholm Mayor, Mr Jacob Tröst, the Bornholm Agriculture & Food Agency and Ms Samantha Högstedt Terry, responsible for the Rønne Swimming Hall.

Tomorrow.Mobility Conference in Barcelona

Tomorrow.Mobility is the flagship event of EIT Urban Mobility, gathering 25,000+ attendees, 1000+ exhibitors, including industry executives, Government leaders, and global experts in the urban mobility field. This event serves as a platform to exchange ideas, showcase innovations, and explore partnerships that can drive sustainable urban mobility solutions. The GRDA participated in this conference held in Barcelona, Spain during November 2023, due to its role in its quest to attain a climate-neutral island by 2030. Tomorrow.Mobility did not only serve to elevate the visibility of Gozo, but also to connect with like-minded organisations, gain insights into urban mobility best practices, and explore opportunities for collaboration, including establishing Gozo as a test bed for innovation.



Exploring Funding Opportunities

The GRDA actively looks for funding options and technical assistance that will enable the GRDA and Gozo to achieve the ambitious targets set out in the Gozo Regional Development Strategy. In 2023, the GRDA participated in a total of six European programmes including those of Horizon.

The Authority's participation in such programmes is summarised in Table 1. Not all of the initiatives that were submitted for funding/ technical assistance were granted. However, for the GRDA participating in such projects was a learning and collaborative experience.

Table 1: GRDA participation in EU funded projects

Call	Project Title	Description of the Project	Role of the GRDA	Selected (Yes/ No/ Awaiting Result)
Horizon	Shared Green Deal Social Experiment	Social experiments on climate change.	Lead and sole partner	Not selected
Horizon	Climate Adaptation through Self-Determination (CAST)	The CAST initiative promoted climate change awareness, resilience, and proactive adaptation.	Partner	Not selected
Twinning Partnership	Mitigation Enabling Energy Transition in the Mediterranean Region (meetMED)	This initiative promotes building energy efficiency by exchanging best practices amongst cities.	Partner	Selected. Project has not yet commenced
Asylum, Migration and Integration Fund	PATHS: Paths for Inclusion	This effort targeted migrant education, employment, and health. This project's topic for Gozo was migrant labour and market entrance.	Partner	Not selected
Clean Energy for EU Islands	30 Islands to become 100% Renewable by 2030	Through this project, Gozo would have acquired the technical assistance to become a 100% renewable island by 2030.	Lead partner	Not selected
Net Zero Cities Pilot Call	Climate 4 EU Funding	This initiative raises climate awareness in Klagenfurt, Vilnius, and Gozo. Climate mitigation pilot projects will be undertaken in the three cities.	Partner	Awaiting result

Apart from these projects, the GRDA provided four letters of support for projects submitted for EU funding. Table 2 refers.

Table 2: GRDA letters of support for EU funded projects

Call	Project Title	Description of the Project	Role of the GRDA	Selected (Yes/ No/ Awaiting Result)
EIT Urban Mobility	School 2 Walk	A tool which will match students with parents, in order to walk to and from school. This will enhance active mobility within localities.	The GRDA signed a letter of support, where it agrees with the principle and if an opportunity arises Gozo may be a participant in the project.	Project selected
EIT Urban Mobility 2nd RIS call	IPROMO: Innovative Procurement Roadmap Methodology in Overcoming Obstacles	A course will be held in order to enhance the innovation procurement concept.	In a letter of support, the GRDA affirmed Gozo's participation as a procurement innovation case study. GRDA will also promote this initiative on social media.	Awaiting result
European Innovation Council	Procurement Realised and Leveraged among EIC Awardees and Buyers	Companies need to use innovation to solve various issues related to sustainable development.	The GRDA signed a letter of support confirming Gozo's involvement and giving a challenge to entrepreneurs which need to be addressed using new technology.	Awaiting result
Excellence Hubs	Blue Culture Technology Excellence Hubs in EU Widening Member States	This project will identify scientific and innovative solutions and products in areas of sustainable Blue Economy and Culture.	Dissemination of related initiatives and necessary support through adequate policy actions and discussions.	Project selected

FURTHER DETAILS ABOUT ONGOING EU FUNDED PROJECTS

The GRDA continues to participate in a number of EU funded projects and initiatives that were selected during the previous periods and are still ongoing to date.

CLIMATE NEUTRAL AND SMART CITIES MISSION

The aim of the Climate Neutral and Smart Cities Mission is to have 100 cities by 2030 which are climate-neutral and smart. To achieve this ambitious target a Climate City Contract is to be submitted, and if successful a mission's label will be granted to Gozo. Cities granted

this label will have increased chances of getting EU funding and technical assistance for their climate related initiatives. Since this Mission involves various sectors to achieve the target, different Ministries and entities need to be roped in. In fact, throughout 2023 the GRDA focused on informing key stakeholders about this Mission. In April 2023, the city advisor Mr. Bob D' Haesseler, visited Gozo to better understand the Island's context, by meeting key and local stakeholders. The next phase within this mission is to submit the Climate City Contract involving three main components: the action plan, investment plan and commitments. Hence, in 2024 the GRDA will be using the available tools and resources to complete this crucial and key phase.

CIRCULAR ECONOMY ON SMALL EU ISLANDS

This Erasmus + project involves sharing of experiences related to circular economy between the project partners hailing from Mediterranean islands. Following the visit to Frioul in November 2022, where two GRDA personnel were present, in March 2023, the project partners visited Gozo. The three-day visit to Gozo consisted of sessions focusing on different topics, relevant for Gozo and for the participating islands. Topics discussed included: tourism, agriculture, water and energy. Furthermore, site visits were organised for the participating islands, to better understand the Gozitan context. Two site visits which raised a lot of enthusiasm were, the site visit to the Reverse Osmosis plant in Hondoq and the sewage treatment plant in tal-Kus. Furthermore, in September 2023, two GRDA personnel visited Pakleni islands in Croatia, where the theme of maritime activity was key in the discussions held. The discussions were supported by site visits on Pakleni islands. During this visit, the GRDA had the opportunity to present the island of Gozo.

ACTIVE MOBILITY INNOVATIONS FOR GREEN AND SAFE CITY SOLUTIONS (AMIGOS)

This Horizon project entails participating cities to implement various measures related to sustainable urban mobility and safety. Gozo is a twin city within this

project, where it will implement suitable measures which have already been implemented on a larger scale in the living labs (i.e., Main implementation cities). Moreover, the GRDA is the leader of the work package concerning implementation of measures in twin cities. Another role of the GRDA within this project is to share the outcomes using the various social media platforms. In May 2023, a GRDA representative travelled to Hamburg for the kick-off event of this project. This was followed by other online meetings in November 2023 which further explained the work packages.

Other collaborations

SMILO – SMALL ISLANDS ORGANISATION

The GRDA is currently working on getting the SMILO sustainable island label. This label will recognise Gozo's efforts towards becoming a more sustainable island and further improve Gozo's visibility amongst islands fora.



Annex A:

CORPORATE PLAN 2023-2025



ASSIGNED
MEASURES FOR 2023:

32

COMPLETION OF MEASURES
ASSIGNED TO 2023:



0% - 25%



26% - 50%



51% - 75%



76% - 100%

Our strategic objectives in numbers:

S1 Promote sustainable economic growth, employment, and living standards across the economic, social, natural, and human dimensions

4 MEASURES FOR 2023



S2 Play a key role in the planning stages with regards the upgrading of infrastructure and improvement of accessibility to Gozo, whilst giving due priority to the region's characteristics

6 MEASURES FOR 2023



S3 Work so that the national policy and strategies are designed and implemented in full consideration to Gozo's regional dimension and long-term viability

11 MEASURES FOR 2023



S4 Strengthen Gozo's institutional framework to improve the planning, decision making, implementation and evaluation processes

7 OBJECTIVES FOR 2023



S5 Enhance 'Governance' in internal affairs to promote effective communication and overall operational excellence

4 OBJECTIVES FOR 2023



Reference in Corporate Plan	Target Date Indicated in Corporate Plan	Proposal Name as per Corporate Plan	Description of Main Deliverables Achieved in 2023	Indicative Completion Rate (%)
1.1.1	2024	Promote Gozitan youth's entrepreneurship by supporting initiatives organised by their representatives and other stakeholders.	Initiated meetings with GBC, Action Group Foundation and Gozo Artesian Network with a view of reaching formal agreement for the GRDA to support further local initiatives for Youth Entrepreneurship.	44%
1.1.2	2025	Work with competent Entities to explore introducing training programmes to young self-employed that wish to develop their business. This might include setting up of incubation centres.	GRDA is currently conducting a comprehensive needs assessment to identify specific skills and knowledge gaps while exploring EU funding programs that enhance youth training programmes.	25%
1.1.3	2024	Launch a scholarship scheme to encourage researchers including post-graduate students to pursue research in matters related to Gozo.	Cooperation Agreement/ Memorandum of Understanding were signed with University of Malta. GRDA is drafting Terms of Reference for scholarships to be launched in 2024.	38%
1.1.4	2023	Employment and skills are critical for economic and social development. GRDA will study these important factors and will publish a study that analyses employment and skills in Gozo. Prepare a study on Gozo's employment and skills profile and assess policies that can enhance the Gozitan skill set.	A Discussion Paper entitled 'Employment & Skills in Gozo' was published in January 2023. A Webinar discussing the Paper was organised. Subsequently, the GRDA published its Policy Position on the matter.	100%
1.2.1	2025	In collaboration with competent authorities promote Gozo as a place conducive to remote working making use of the digital infrastructure.		0%
1.2.2	2025	To help guide emerging sectors in Gozo and to advocate support where necessary.		0%
1.2.3	2024	Promoting business incentives applicable to Gozo.	Following the publication of a document listing the various incentives applicable to businesses operating in Gozo, the GRDA is in discussion with the Ministry for Gozo for the setting up of an online portal.	75%

Reference in Corporate Plan	Target Date Indicated in Corporate Plan	Proposal Name as per Corporate Plan	Description of Main Deliverables Achieved in 2023	Indicative Completion Rate (%)
1.2.4	2025	In collaboration with Servizzi Ewropej f'Malta (SEM), the GRDA will organise periodic public meetings to help keep the general community informed on EU funding opportunities.	GRDA is discussing with Servizzi Ewropej f'Malta on the possibility of organizing specific workshops in Gozo.	6%
1.3.1	2024	Together with competent authorities consult with local businesses in the tourism sector to further improve their quality and promote their businesses through digital marketing and e-management systems.	GRDA is assessing the feedback on quality from the tourism survey, the next step is to assess the effectiveness of the current schemes with the Ministry for Gozo.	44%
1.3.2	Open ended	Publish regular surveys on tourists' perspective of Gozo and their average expenditure.	An annual survey was carried out on tourist perspectives and expenditure. The survey results were published and presented during the tourism conference.	100%
1.3.3	Open ended	Publish short-term tourism forecast for Gozo, including number of arrivals and their expected expenditure.	In collaboration with Oxford Economics, short-term tourism forecasts are produced bi-annually. These are also published as part of the outlook and as proposals for the national budget on an annual basis.	100%
1.3.4	2025	In collaboration with stakeholders, implement and communicate measures that can develop sustainable tourism in Gozo.	GRDA is collaborating with the Ministry for Gozo on assessing the implementation of the diving masterplan in Gozo while exploring EU funds to apply best practices.	19%
1.3.5	Open ended	Continue making the case in favour of ring-fencing eco-contributors collected in Gozo with the aim of investing such funds on the Island.	GRDA prepared a position paper that outlines the benefits of ring-fencing eco-contributions collected in Gozo. The position paper will be published in 2024.	38%

Reference in Corporate Plan	Target Date Indicated in Corporate Plan	Proposal Name as per Corporate Plan	Description of Main Deliverables Achieved in 2023	Indicative Completion Rate (%)
1.4.1	2025	Over the last decade social and economic development had a considerable impact on the Gozitan social fabric. The GRDA will conduct studies on the socio-economic situation of the non-local communities in Gozo.	GRDA in collaboration with the Malta Trust Foundation commissioned a study on the social realities in Xlendi and Marsalforn. The GRDA will extend such study to the entire Island and is currently scoping data and parameters for such study.	25%
1.4.2	2025	Inclusiveness of all is vital for a strong society. The GRDA will continue working with local NGOs to promote social integration.	The GRDA is assessing and plans to identify areas of improvement in order to expand collaboration.	10%
2.1.1	2023	Present a detailed concept for the Urban Upgrading of Victoria.	The GRDA developed a concept proposal and engaged with stakeholders to seek feedback. The GRDA also conducted a public consultation where feedback was analysed thoroughly.	100%
2.1.2	2023	Monitoring the proposed regional airfield and assess its impact on Gozo.	The GRDA carried out a Regional Impact Assessment which included a public consultation during 2022. GRDA is currently coordinating and monitoring the planning application on behalf of the Ministry for Gozo.	100%
2.1.3	Open ended	Continue exploring options on the possible expansion of Mġarr harbour and an alternate route leading to the harbour.	The GRDA reviewed past studies on the matter. A presentation was delivered to the Gozo Affairs Committee (National Parliament). GRDA is currently assessing the viability of expanding the Mġarr harbour.	6%
2.1.4	2024	Prepare a study to identify a model to manage the Gozo Rural Airfield.	The GRDA analysed possible options for the management of the facilities. An internal report was prepared proposing a model for the management of the Gozo Airfield.	81%

Reference in Corporate Plan	Target Date Indicated in Corporate Plan	Proposal Name as per Corporate Plan	Description of Main Deliverables Achieved in 2023	Indicative Completion Rate (%)
2.1.5	2024	Prepare a similar study for the provision of an airlink service.	The GRDA analysed possible options for an airlink service. A report was also prepared in order to propose a suitable model for the provision of the service.	60%
2.2.1	2025	Assess the possibility of proposing the introduction of a Gozo Foodscapes Market.	The GRDA started compiling data on the basis of the discussion paper entitled 'Agriculture in Gozo: A Regional Perspective'.	6%
2.2.2	2025	With relevant stakeholders, establish and implement a long-term strategy on Gozitan foods and produce, to increase awareness and knowledge on local food and recipes along with agriculture and farming processes.	Following the publication of a discussion paper entitled 'Agriculture in Gozo: A Regional Perspective', the GDRA is preparing an action plan to be developed with stakeholders.	6%
2.2.3	2023	Publish a study that analyses the agricultural sector in Gozo.	A discussion paper entitled 'Agriculture in Gozo: A Regional Perspective' was published followed by a public discussion.	100%
2.2.4	2025	Support ongoing discussions with various stakeholders on climate neutrality and the island of Gozo.	Currently the GRDA is exploring the role of various national Entities that can contribute to climate neutrality in Gozo. Preliminary market consultation is also being conducted by the Authority.	25%
2.3.1	2023	Publish a study on the energy consumption on a regional level.	The parameters of the study were established through the assistance of the Clean Energy for EU Islands Secretariat. A report was later published.	100%
2.3.2	2024	Prepare and publish guidelines on 'Design According to Context'.	A report was drafted which outlines design recommendations.	50%
2.3.3	Open ended	Continue working with local NGOs and national authorities to protect the urban and rural dimension of Gozo.	A collaborative action plan was developed in partnership with local NGOs and national authorities. The GRDA is engaging in policy advocacy by providing recommendations and feedback.	50%

Reference in Corporate Plan	Target Date Indicated in Corporate Plan	Proposal Name as per Corporate Plan	Description of Main Deliverables Achieved in 2023	Indicative Completion Rate (%)
3.1.1	2024	Prepare and publish a methodology to adopt an index which complements the more traditional indicators, such as per capita GDP, and factors the well-being aspect including the social and environmental dimension.	The GRDA identified indicators that factor well-being aspects. Data has been collected and a report will be published in 2024 assessing the well-being impact of the Regional Development Strategy.	75%
3.1.2	2023	Publish the Regional Development Strategy.	The Regional Development Strategy was approved by the cabinet and published.	100%
3.2.1	Open ended	Communicate with various Government Entities to utilise the Regional Impact Assessment tool on projects/policies pertaining to Gozo.	The GRDA published a set of documents related to the Regional Impact Assessment tool and is continuously monitoring the tool for projects/policies to be vetted within the system.	100%
3.2.2	Open ended	Ensure that a Regional Impact Assessment is carried out when Government Ministries intend to present to Cabinet a national strategy, policy or action plan, major new projects or services, regulatory or legislative provisions which affect Gozo.	Templates and other technical manuals were disseminated between the Ministries. The GRDA is in continuous discussions with different Entities and Ministries on the importance of vetting projects and policies through the RIA tool.	100%
3.3.1	2023	Develop and publish a framework for a study on Gozo's carrying capacity.	A framework on the carrying capacity of Gozo has been concluded.	19%
3.3.2	Open ended	Produce and publish quality research papers and analysis that can help policy makers and other Entities take informed decision with regards to Gozo.	Research gaps were identified and an action plan with priorities for research were established. A number of research papers/notes/analysis are periodically published.	100%
3.3.3	Open ended	In collaboration with Oxford Economics, publish short-term economic forecasts for Gozo.	The GRDA in collaboration with Oxford Economics publishes short-term economic forecasts on a regular basis.	100%
3.3.4	Open ended	On a yearly basis, prepare and publish a set of budget proposals for the consideration of the Government and the Ministry responsible for Finance.	The GRDA prepared a detailed annual budget proposal where stakeholders were engaged for feedback. The set of budget proposals were published on the GRDA's website.	100%

Reference in Corporate Plan	Target Date Indicated in Corporate Plan	Proposal Name as per Corporate Plan	Description of Main Deliverables Achieved in 2023	Indicative Completion Rate (%)
3.3.5	Open ended	Produce and publish Economic Indicators in relations to specific sectors for the Gozo.	Economic indicators were established for specific sectors in Gozo. The GRDA established a regular publication schedule for such economic indicators. Through various consultation with stakeholders for verification the economic indicators were published.	100%
3.3.6	Open ended	Provide feedback on the different issued consultations which are relevant to the Island of Gozo and its community.	The GRDA continuously monitors public consultation documents from different Entities and provides feedback as necessary. Most of the feedback is published on the GRDA website.	100%
3.3.7	Open ended	Continue promoting the regional identity of Gozo by producing podcasts and publication of an annual journal on themes pertaining to Gozo.	The GRDA produces a yearly series of podcasts that explore various themes related to Gozo. The GRDA also publishes its journal 'Perspettivi: A Gozo Review'. Moreover, books on matters important to Gozo identity are produced and published.	100%
3.3.8	Open ended	Participate in various EU funded projects mainly in those related with sustainability and agriculture. Such projects entail an opportunity for Gozo to serve as a test bed, where new technologies and techniques are key, while also reaping benefits for Gozo and its community.	EU-funded projects related to agriculture and sustainability were identified and assessed. The GRDA developed project proposals outlining Gozo's role and actively participated in the selected projects.	100%
4.1.1	Open ended	Prepare an Annual Report that gives an evaluation of the performance agreements signed with Entities entrusted with the delivering aspects of the strategy and input to specific projects that the GRDA would be coordinating from time to time.	A reporting methodology was established, and templates are being updated accordingly. Such updates will be presented to the Board for approval.	63%

Reference in Corporate Plan	Target Date Indicated in Corporate Plan	Proposal Name as per Corporate Plan	Description of Main Deliverables Achieved in 2023	Indicative Completion Rate (%)
4.1.2	Open ended	Active participation in governmental and non-governmental fora that are responsible for matters pertaining to Gozo and its economic, social, and ecological spheres.	Priorities were identified. Active participation, including the presentation of the position papers is regularly undertaken.	75%
4.1.3	Open ended	Annual Report on activities carried out by the GRDA directed towards the implementation of the regional strategy.	A reporting methodology was established, and templates are being updated accordingly. Such updates will be presented to the Board for approval and published through the Annual Report .	50%
4.2.1	Open ended	Prepare an Annual Report on ministerial meetings held by the GRDA as part of its functions to ascertain the effective and expedient implementation of the Gozo Regional Development Strategy.	The GRDA established a reporting methodology, and templates are being updated accordingly. Such updates will be presented to the Board for approval and published through the Annual Report .	50%
4.2.2	Open ended	Communication through various channels that ensure an open and two-way communication at all times both as a means for the GRDA to provide updates on progress of implementation of its Strategic Plan and its policy direction; and at the same time to receive the necessary input in the form of concerns, feedback proposals from key stakeholders and the community at large.	Consultative groups were established, and constant communication was kept through social media platforms. Such actions were reported to the GRDA Board for verification.	100%
4.3.1	Open ended	Hold regular Stakeholders Working Groups to discuss specific themes.	Specific themes for the consultative Stakeholders Working Groups were established. An open call was published inviting interested parties to participate. Consultative Stakeholders Working Groups held meetings on a quarterly basis.	100%

Reference in Corporate Plan	Target Date Indicated in Corporate Plan	Proposal Name as per Corporate Plan	Description of Main Deliverables Achieved in 2023	Indicative Completion Rate (%)
4.3.2	Open ended	Sign a number of Agreements and MoUs with NGOs and other organisations, including international ones.	Regional and international authorities having similar objectives to the GRDA were identified and cooperations agreements were also established. The GRDA monitors such agreements and updates are done accordingly.	100%
5.1.1	Open ended	Engage external auditors, to obtain independent assessments of the GRDA's financial statements and compliance and such feedback is published in the Annual Report.	External auditors conducted a thorough examination of the GRDA's operations where necessary financials and documents were provided. The results of the external auditors are to be published in the Annual Report.	100%
5.1.2	Open ended	Carry out Internal Audit functions to maintain a robust governance structure.	A comprehensive internal audit plan was developed and executed. The internal audit findings were documented and published in the Annual Report.	100%
5.1.3	Open ended	Compilation of a monitoring dashboard that tracks compliance with the Act. Annual compliance report presented to the Minister highlighting compliance issues and the degree of compliance with the Act.	The GRDA Act was reviewed to establish statutory requirements. A draft compliance report including a dashboard was prepared. This will be presented to the Minister for Gozo on an annual basis.	100%
5.1.4	Open ended	Identify, analyse, and evaluate potential risks across various areas of operations and implement proactive risk management strategies.	The GRDA is in continuous monitor for evaluating any potential risk within operations and such risks were registered on the risk registry while finding means of mitigating such risks were identified.	100%

Financial STATEMENTS

FOR PERIOD ENDING 31 DECEMBER 2023

01	Authority Board's Report
03	Independent Auditors' Report
07	Statement of Financial Position
08	Statement of Comprehensive Income
09	Statement of Changes in Equity
10	Statement of Cash Flows
11	Notes to the Financial Statements
22	Schedule for Administrative Expenses

Authority Board's report

The members of the Authority Board present their report and the audited financial statements for the year ended 31 December 2023.

Principal activities

The functions of the Gozo Regional Development Authority ("Authority") are specified in Part 2 article 8 sub-article 1 of the Gozo Regional Development Authority Act (Cap. 600).

The Authority has a regulatory and consultative role and addresses an important gap in the socio-economic development of Gozo by developing and streamlining regional policies and by overseeing their implementation through the adoption of modern project management tools.

Review of business development and financial position

The financial position of the Authority as at 31 December 2023 is disclosed on page 7, while the results for the year under review are disclosed on page 8.

Results

The Authority registered a surplus of €30,840 (2022: €31,309) for the year ended 31 December 2023.

Board members

The board members of the Authority who held office during the year were:

Mr. Michael Grech - Chairperson
Ms. Charlene Xerri Gatt - Vice Chairperson
Mr. Mario Borg - Chief Executive Officer
Mr. Anthony Bezzina - Member
Mr. Samuel Azzopardi - Member
Mr. Abraham Said - Member
Mr. Daniel Borg - Member

Audit committee members

The audit committee members of the Authority who held office during the year were:

Mr. Anthony Bezzina - Chairperson (appointed on 12th January 2024)
Ms. Charlene Xerri Gatt - Member (appointed on 12th January 2024)
Ms. Elaine Camilleri - Member
Mr. Joseph Borg - Member (end of appointment on 12th January 2024)
Mr. Joseph Muscat - Member (end of appointment on 12th January 2024)

Authority Board's report - continued

Statement of the Authority Board's responsibilities for the financial statements

The Authority is governed by a Board consisting of a Chairperson, Vice Chairperson, CEO, secretary, and four members. They are required to prepare financial statements which give a true and fair view of the state of affairs of the Authority as at the end of each reporting period and of the surplus or deficit for that period.

In preparing the financial statements, the Authority Board is responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Authority will continue in business as a going concern.

The Authority Board is also responsible for designing, implementing and maintaining internal control as the Authority Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Gozo Regional Development Authority Act (Cap. 600). It is also responsible for safeguarding the assets of the Authority and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements of the Authority for the year ended 31 December 2023 are included in the Annual Report 2023, which is published in hard-copy printed form and may be made available on the Authority's website. The Authority Board is responsible for the maintenance and integrity of the Annual Report on the website in view of its responsibility for the controls over, and the security of, the website. Access to information published on the Authority's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

Auditors

GCS Assurance Malta Limited have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the Authority's board meeting of the month of February 2024.

On behalf of the Authority Board:



Michael Grech
Chairperson



Mario Borg
CEO

Registered office of the Authority:
75, Republic Street
Victoria VCT 1018
Gozo, Malta

8 February 2024

Independent auditors' report

To the Board Members of Gozo Regional Development Authority

Report on the audit of the financial statements

Our Opinion

In our opinion:

- Gozo Regional Development Authority's financial statements give a true and fair view of the Authority's financial position as at 31 December 2023, and of the Authority's financial performance in accordance with the International Financial Reporting Standards (IFRSs) as adopted by the EU; and
- the financial statements have been prepared in accordance with the requirements of Gozo Regional Development Authority Act (Cap. 600).

What we have audited

Gozo Regional Development Authority's financial statements, set out on pages 7 to 21, comprise:

- the statement of financial position as at 31 December 2023;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended;
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independent auditors' report - continued
To the Board Members of Gozo Regional Development Authority

Independence

We are independent of the Authority in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other information

The Authority Board is responsible for the other information. The other information comprises the Authority Board's report on pages 1 and 2 (but does not include the financial statements and our auditors' report thereon).

Our opinion on the financial statements does not cover the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We also consider whether the Authority Board's Report includes the disclosures required by the Gozo Regional Development Authority Act (Cap. 600). Based on the work we have performed, in our opinion:

- The information given in the Authority Board's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Authority Board's Report has been prepared in accordance with the Gozo Regional Development Authority Act (Cap. 600).

If, based on the work we have performed and in light of the knowledge and understanding of the Authority and its environment obtained during the course of the audit, we conclude that there is a material misstatement in the Authority Board's Report, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Authority Board for the financial statements

The Authority Board is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRS, and for such internal control as the Authority Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Authority Board is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Authority Board either intends to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

Independent auditors' report - continued
To the Board Members of Gozo Regional Development Authority

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board members.
- Conclude on the appropriateness of the Authority Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Authority Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditors' report - continued
To the Board Members of Gozo Regional Development Authority

Report on any other legal and regulatory requirements

Other matters on which we are required to report by exception

We also have responsibilities under the Gozo Regional Development Authority Act, (Cap. 600) to report to you if, in our opinion:

- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by ourselves.
- The financial statements are not in agreement with the accounting records and returns.
- We have not received all the information and explanations we require for our audit.
- Certain disclosures of the Authority Board's remuneration specified by law are not made in the financial statements, giving the required particulars in our report.

We have nothing to report to you in respect of these responsibilities.



Christian Gravina
Director
For and on behalf of
GCS Assurance Malta Limited
Registered auditor

Agora Business Centre, Level 2
Valley Road
Msida MSD 9020
Malta

8 February 2024

Statement of financial position

		As at 31 December	
		2023	2022
		€	€
ASSETS	Notes		
Non-current assets			
Property, plant and equipment	5	68,280	38,814
Total non-current assets		68,280	38,814
Current assets			
Receivables	6	8,990	2,218
Cash and cash equivalents	7	37,827	11,090
Total current assets		46,817	13,308
Total assets		115,097	52,122
EQUITY AND LIABILITIES			
Capital and reserves			
Accumulated reserve		66,752	35,912
Total equity		66,752	35,912
Current liabilities			
Payables	8	48,345	16,210
Total current liabilities		48,345	16,210
Total liabilities		48,345	16,210
Total equity and liabilities		115,097	52,122

The notes on pages 11 to 21 are an integral part of these financial statements.

The financial statements on pages 7 to 21 were authorised for issue by the board members on 8 February 2024 and were signed on its behalf by:


Michael Grech
Chairperson


Mario Borg
CEO

Statement of comprehensive income

	Notes	Year ended 31 December	
		2023 €	2022 €
Revenue	9	802,762	727,380
Administrative expenses	10	(771,922)	(696,071)
Surplus for the year – total comprehensive income		30,840	31,309

The notes on pages 11 to 21 are an integral part of these financial statements.

Statement of changes in equity

	Accumulated reserve €	Total €
Balance at 1 January 2022	4,603	4,603
Surplus for the year – total comprehensive income	31,309	31,309
Balance at 31 December 2022	35,912	35,912
Balance at 1 January 2023	35,912	35,912
Surplus for the year – total comprehensive income	30,840	30,840
Balance at 31 December 2023	66,752	66,752

The notes on pages 11 to 21 are an integral part of these financial statements.

Statement of cash flows

	Notes	Year ended 31 December	
		2023 €	2022 €
Cash flows from operating activities			
Cash generated from operations	13	72,413	36,004
Net cash generated from operating activities		72,413	36,004
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(45,676)	(26,231)
Net cash used in investing activities		(45,676)	(26,231)
Net movement in cash and cash equivalents		26,737	9,773
Cash and cash equivalents at beginning of year		11,090	1,317
Cash and cash equivalents at end of year	7	37,827	11,090

The notes on pages 11 to 21 are an integral part of these financial statements.

Notes to the financial statements

1. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

1.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the requirements of the Gozo Regional Development Authority Act (Cap. 600). The Authority's financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires the Authority Board to exercise their judgement in the process of applying the Authority's accounting policies (see Note 3 - Critical accounting estimates and judgements).

1.2 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Authority operates ('the functional currency'). The financial statements are presented in euro, which is the Authority's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in surplus or deficit.

1.3 Property, plant and equipment

The cost of an item of property, plant and equipment is recognised as an asset when it is probable that the future economic benefits that are associated with the asset will flow to the entity and the cost can be measured reliably.

All property, plant and equipment initially recorded at cost and subsequently stated at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure on repairs and maintenance of property, plant and equipment is recognised as an expense when incurred.

1. Summary of significant accounting policies - continued

1.3 Property, plant and equipment - continued

Depreciation is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:

	%
Computer equipment	25
Computer software	25
Furniture and fittings	10

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (note 1.4).

Gains and losses on disposals are determined by comparing the proceeds with carrying amount and are recognised in profit or loss.

1.4 Impairment of non-financial assets

An entity shall assess at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, the entity shall estimate the recoverable amount of the asset. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

The recoverable amount of an asset (or a group of assets) is the higher of its fair value less costs to sell and its value in use. Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal. Value in use is the present value of the future cash flows expected to be derived from an asset.

1.5 Financial assets

1.5.1 Classification

All recognised financial assets that are within the scope of IFRS 9 are required to be measured subsequently at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Authority classifies its financial assets at amortised cost.

- debt instruments held within a business model whose objective is to hold to collect contractual cashflows are measured at amortised cost;
- debt instruments that are held within a business model whose objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured subsequently at fair value through other comprehensive income (FVTOCI);
- all other debt investments and equity investments are measured subsequently at fair value through profit or loss (FVTPL).

1. Summary of significant accounting policies - continued

1.5.2 Recognition and measurement

The Authority recognises a financial asset in its statement of financial position when it becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on settlement date, which is the date on which an asset is delivered to or by the Authority. Any change in fair value for the asset to be received is recognised between the trade date and settlement date in respect of assets which are carried at fair value in accordance with the measurement rules applicable to the respective financial assets.

Financial assets are initially recognised at fair value plus transaction costs. Subsequently they are measured according to their classification as details in note 1.5.1. Amortised cost is the initial measurement amount adjusted for the amortisation of any difference between the initial and maturity amounts using the effective interest method.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Authority has transferred substantially all risks and rewards of ownership or has not retained control of the asset.

1.5.3 Impairment

In relation to the impairment of financial assets, IFRS 9 requires an ECL model. The ECL model requires the Authority to account for ECL and changes in those ECL at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

Specifically, IFRS 9 requires the Authority to recognise a loss allowance for ECL on:

- Debt investments measured subsequently at amortised cost or at FVTOCI;
- Trade receivables; and
- Financial guarantee contracts to which the impairment requirements of IFRS 9 apply.

In particular, IFRS 9 requires the Authority to measure the loss allowance for a financial instrument at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. However, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Authority is required to measure the loss allowance for that financial instrument at an amount equal to 12-months ECL. IFRS 9 also requires a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

1.6 Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment (note 1.5.3). The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in profit or loss. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited against profit or loss.

1. Summary of significant accounting policies - continued

1.7 Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at face value. In the statement of cash flows, cash and cash equivalents includes deposits held at call with banks.

1.8 Financial liabilities

The Authority recognises a financial liability in its statement of financial position when it becomes a party to the contractual provisions of the instrument. The Authority's financial liabilities are classified as financial liabilities which are not at fair value through profit or loss (classified as 'Other liabilities') under IFRS 9. Financial liabilities not at fair value through profit or loss are recognised initially at fair value, being the fair value of consideration received, net of transaction costs that are directly attributable to the acquisition or the issue of the financial liability. These liabilities are subsequently measured at amortised cost. The Authority derecognises a financial liability from its statement of financial position when the obligation specified in the contract or arrangement is discharged, is cancelled or expires.

1.9 Payables

Payables comprise obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.10 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

1.11 Revenue recognition

Revenue comprises the fair value of the consideration received. The Authority recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Authority's activities as described below.

- Authority has transferred to the buyer the significant risks and rewards of ownership of the services provided. This is generally when the customer has approved the services that have been provided;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Authority; and
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

1. Summary of significant accounting policies - continued

1.11 Revenue recognition - continued

Income from government subvention is recognised on an accrual basis.

- Government grants and EU grants are not recognised until there is a reasonable assurance that the Authority will comply with the conditions attaching to them and that the grants will be received.
- Government grants and EU grants are recognised in the statement of comprehensive income on a systematic basis over the years in which the Authority recognises as expenses the related costs for which the grants are intended to compensate.
- Government grants and EU grants related to assets are presented in the statement of financial position by setting up the grant as deferred income and is recognised in the statement of comprehensive income on a systematic basis over the useful life of the asset.
- Government grants and EU grants that are receivable as compensation for expenses or losses already incurred or for the purposes of giving immediate financial support to the Authority with no future related costs are recognised in the statement of comprehensive income in the year in which they become receivable.

1.12 Employee benefit expense

The Authority contributes towards the state pension in accordance with local legislation. The only obligation of the Authority is to make the required contributions. Costs are expensed in the period in which they are incurred.

2. Financial risk management

2.1 Financial risk factors

The Authority's activities potentially expose it to a variety of financial risks: market risk (including cash flow and fair value interest rate risk), credit risk and liquidity risk. The Authority's overall risk management focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Authority's financial performance. The Authority did not make use of derivative financial instruments to hedge certain risk exposures during the current and preceding financial years.

(a) Market risk

Cash flow and fair value interest rate risk

The Authority has no significant interest-bearing assets and liabilities, and its income and operating cash flows are substantially independent of changes in market interest rates.

(b) Credit risk

Credit risk arises from cash and cash equivalents and credit exposures to customers, including outstanding receivables and committed transactions. The Authority's exposures to credit risk as at the end of the reporting periods are analysed as follows:

	2023	2022
	€	€
Cash and cash equivalents	37,827	11,090

2. Financial risk management - continued

2.1 Financial risk factors - continued

(b) Credit risk - continued

The maximum exposure to credit risk at the end of the reporting period in respect of the financial assets mentioned above is equivalent to their carrying amount as disclosed in the respective notes to the financial statements. The Authority does not hold any collateral as security in this respect.

The Authority banks only with local financial institutions with high quality standing or rating.

The Authority assesses the credit quality of its customers taking into account financial position, past experience and other factors. It has policies in place to ensure that sales of products and services are effected to customers with an appropriate credit history. The Authority monitors the performance of its receivables on a regular basis to identify incurred collection losses, which are inherent in the Authority's receivables, taking into account historical experience in collection of accounts receivable.

The Authority manages credit limits and exposures actively in a practicable manner such that there are no material past due amounts receivable from customers as at the end of the reporting period. The Authority's receivables, which are not impaired financial assets, are principally in respect of transactions with customers for whom there is no recent history of default. Management does not expect any losses from non-performance by these customers.

(c) Liquidity risk

The Authority is exposed to liquidity risk in relation to meeting future obligations associated with its financial liabilities, which comprise payables (note 8). Prudent liquidity risk management includes maintaining sufficient cash and committed credit lines to ensure the availability of an adequate amount of funding to meet the Authority's obligations.

The Authority monitors liquidity risk by reviewing expected cash flows, and ensures that no additional financing facilities are expected to be required over the coming year. The Authority's liquidity risk is not deemed material in view of the matching of cash inflows and outflows arising from expected maturities of financial instruments, coupled with the Authority's committed bank borrowing facilities and other intra-group financing that it can access to meet liquidity needs.

2.2 Capital risk management

The Authority's equity, which constitutes its capital base, is disclosed in the statement of financial position. The Authority's objectives when managing capital are to safeguard its ability to continue as a going concern. The primary objective of the Authority's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its operations.

In accordance with section 14(3) of the provisions of the Malta Resources Authority Act, the Authority shall be paid by the Government of Malta out of the Consolidated Fund such sums as Parliament may from time to time authorise to be appropriated to meet any of its expenditure that cannot be met out of its revenue and the costs of specified works to be continued or otherwise carried out by the Authority, being works of infrastructure or a similar capital nature.

2. Financial risk management - continued

2.3 Fair values of financial instruments

At 31 December 2023 and 2022, the carrying amounts of cash at bank, receivables, payables and accrued expenses reflected in the financial statements are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the Authority Board, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

4. Changes in accounting policies

4.1 New and amended IFRS Standards that are effective for the current year

In the current year, the Authority has applied new and amended IFRS Standards issued by the International Accounting Standards Board (IASB) and adopted by the EU that are mandatorily effective in EU for an accounting period that begins on or after 1 January 2023.

- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (effective for financial years beginning on or after 1 January 2023)
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (effective for financial years beginning on or after 1 January 2023)

The adoption of new and amended standards did not have a material impact on the Authority's financial statements.

4.2 Standards, amendments and interpretations to existing standards that are not yet effective and have not been adopted early by the Authority

At the date of the authorisation of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the IASB but are not yet effective and have not been adopted early by the Authority.

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (issued on 23 January 2020); Classification of Liabilities as Current or Non-current - Deferral of Effective Date (issued on 15 July 2020); and Non-current Liabilities with Covenants (effective for financial years beginning on or after 1 January 2024)

Management anticipates that all the relevant pronouncements will be adopted in the Authority's accounting policies for the first period beginning after the effective date of the pronouncement.

Certain new standards and interpretations have been issued but are not expected to have a material impact on the Authority's financial statements.

4. Changes in accounting policies - continued

4.3 Standards, amendments and interpretations to published standards that are not yet endorsed by the EU

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023)
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023)

5. Property, plant and equipment

	Computer equipment €	Computer software €	Furniture and fittings €	Total €
At 1 January 2022				
Cost	11,766	3,094	11,228	26,088
Accumulated depreciation	(4,428)	(774)	(2,246)	(7,448)
Net book amount	7,338	2,320	8,982	18,640
Year ended 31 December 2022				
Opening net book amount	7,338	2,320	8,982	18,640
Additions	11,366	-	14,866	26,232
Depreciation charge	(3,904)	(773)	(1,381)	(6,058)
Closing net book amount	14,800	1,547	22,467	38,814
At 31 December 2022				
Cost	23,132	3,094	26,094	52,320
Accumulated depreciation	(8,332)	(1,547)	(3,627)	(13,506)
Net book amount	14,800	1,547	22,467	38,814
Year ended 31 December 2023				
Opening net book amount	14,800	1,547	22,467	38,814
Additions	10,287	12,360	23,029	45,676
Depreciation charge	(8,277)	(3,618)	(4,315)	(16,210)
Closing net book amount	16,810	10,289	41,181	68,280
At 31 December 2023				
Cost	33,419	15,454	49,123	97,996
Accumulated depreciation	(16,609)	(5,165)	(7,942)	(29,716)
Net book amount	16,810	10,289	41,181	68,280

6. Receivables

	2023 €	2022 €
Prepayments	8,990	2,218

7. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following:

	2023 €	2022 €
Cash at bank	37,827	11,090

8. Payables

	2023 €	2022 €
Trade payables	24,093	9,440
Accruals	12,005	6,404
Other payables	12,247	366
	48,344	16,210

9. Revenue

All the Authority's revenue was derived from funds received from the Government of Malta and from the EU.

	2023 €	2022 €
By category:		
Government appropriation	780,000	720,000
EU funds	22,762	7,380
	802,762	727,380

10. Expenses by nature

	2023 €	2022 €
Professional fees	184,048	285,674
Employee benefit expense (note 11)	474,892	359,651
Bank charges	835	639
Other expenses	112,147	50,107
Total administrative expenses	771,922	696,071

10. Expenses by nature - continued

Auditor's fees

Fees charged by the auditors for services rendered during the financial years ended 31 December 2023 and 2022 relate to the following:

	2023 €	2022 €
Annual statutory audit	3,776	3,776
Tax return	472	472
	4,248	4,248

11. Employee benefit expense

	2023 €	2022 €
Board members' remuneration	38,022	38,996
Audit committee members' remuneration	1,920	-
Wages and salaries - regular	406,211	298,496
Social security costs	28,739	22,159
	474,892	359,651

Wages and salaries include remuneration of the Authority's CEO for the year ended 31 December 2023.

The average number of persons employed by the Authority during the year was made up as follows:

	2023 No.	2022 No.
Board members	7	8
Audit committee members	3	-
Operations	11	9
	21	17

12. Tax expense

With reference to the Gozo Regional Development Authority Act (Cap. 600), Part 4 article 18 sub-article 3, Government subventions are deemed to be exempt from any liability for the payment of income tax and duty on documents. Hence, no taxation was recognised in these financial statements given the Authority's main source of income is the Government's subventions.

13. Cash generated from operations

Reconciliation of surplus for the year to cash generated from operations:

	2023	2022
	€	€
Surplus for the year	30,840	31,309
Adjustments for:		
Depreciation of property, plant and equipment (note 5)	16,210	6,058
Changes in working capital:		
Receivables	(6,772)	2,628
Payables	32,135	(3,991)
Cash generated from operations	72,413	36,004

14. Related party transactions

During the years ended 31 December 2023 and 2022, there were no transactions with key management personnel except for emolument payments as disclosed in note 11.

15. Statutory information

The Gozo Regional Development Authority was established under the Gozo Regional Development Act (Cap. 600). The registered office is 75, Republic Street, Victoria VCT 1018, Gozo, Malta.

16. Comparative information

Comparative figures disclosed in the main components of these financial statements have been reclassified to conform with the current year's presentation format for the purpose of fairer presentation.

Schedule for administrative expenses

	Year ended 31 December	
	2023 €	2022 €
Accountancy services	9,128	9,153
Advertising and promotion	50,355	53,117
Audit fees	3,776	3,776
Bank charges	836	639
Cleaning services	34,365	3,144
Computer-related expenses	11,595	11,411
Consultancy fees	94	2,832
Depreciation	16,210	6,058
Board members' remuneration	38,022	38,996
Encroachment fees	-	25,846
Entertainment	3,072	851
Equipment rental	2,244	4,293
Fines and penalties	-	200
Inhouse training	5,797	8,818
Insurance	8,117	6,618
Licences and fees	16,286	7,579
Office expenses	1,919	5,020
Professional fees	85,321	156,230
Repairs and maintenance	502	731
Rental expense	-	13,402
Social security costs	28,739	22,159
Scholarships	1,620	1,620
Sponsorships	4,500	4,500
Staff welfare	1,217	1,504
Subscriptions	4,850	1,000
Sundry expenses	5,825	-
Telephone expenses	593	62
Travel expenses	22,949	6,366
Wages and salaries – regular	408,131	298,496
Water and electricity	5,859	1,650
Total administrative expenses	771,922	696,071



GOZO REGIONAL
DEVELOPMENT AUTHORITY

75, Republic Street,
Victoria, VCT 1018,
Gozo

Tel: +356 2215 6342

Email: info@grda.mt

www.grda.mt