



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.

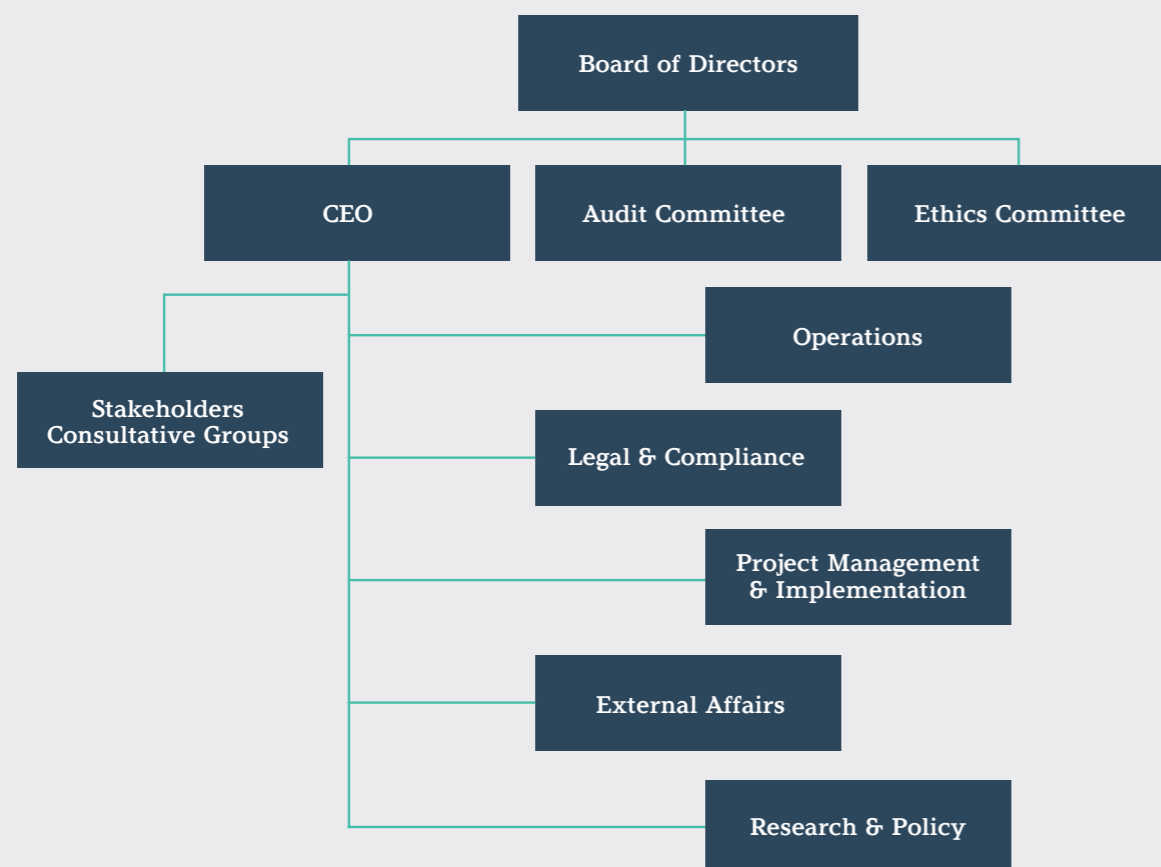
Representation: The GRDA will strive to ensure that all stakeholders, groups and individuals will be closer to where policy making takes place. Their contribution will be encouraged and channelled through formal and permanent structures that facilitate social dialogue.

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



GRDA STAFF

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

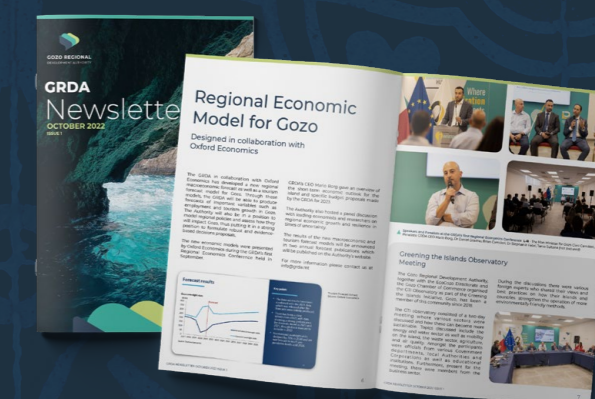
The public consultation process was closed on Friday 27th May 2022. Over 70 written contributions were received and analysed by the GRDA. This feedback was taken into consideration when carrying out the Regional Impact Assessment as well as the Outcome Statement. The documents were made public on the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

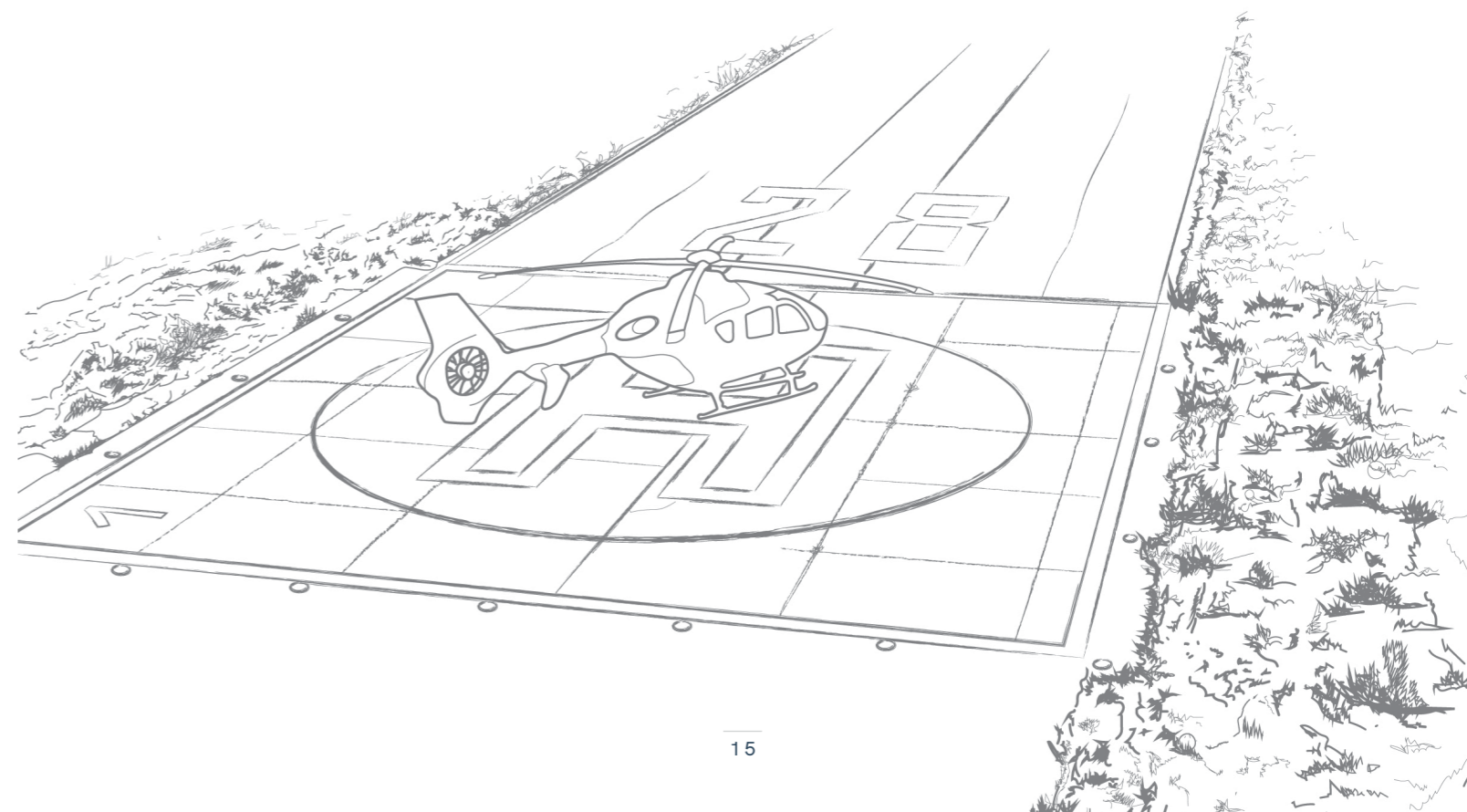
feedback was published. The final step consisted in the Outcome Statement laying out the GRDA's position on the project.

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.



GRDA in Numbers



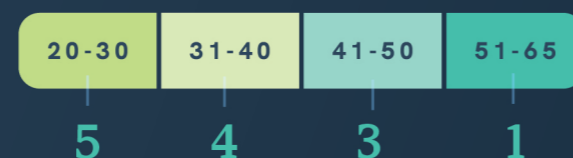
OPERATIONS



Qualifications
of Employees



Age distribution
amongst GRDA
Employees



Employees at the
GRDA by gender



Training hours
amongst GRDA
Employees

2021
vs
2022

TRAINING
HOURS

184
339



NUMBER OF
EMPLOYEES
UNDERTAKING
TRAINING

3
9



PROCUREMENT



CALL FOR TENDERS
PUBLISHED

2



CALL FOR QUOTATIONS
PUBLISHED

6



COMMUNICATIONS

PUBLICATIONS ISSUED BY THE GRDA IN 2022



OFFICIAL
DOCUMENTS

3



GRDA JOURNAL
PERSPETTIVI

1



FEEDBACK
STATEMENTS

4



RESEARCH
NOTES

5



SURVEYS

2



ANALYSIS

1

2021 vs 2022



SOCIAL MEDIA POSTS

68

82



SPEAKERS INVITED TO
PARTICIPATE IN EVENTS

0

35



PODCASTS

0

14

EVENTS

2021 ► ORGANIZED BY GRDA

Reform in Building & Construction
Launch of Vision Document
UK Film & Creative Arts Delegation

PARTICIPATED IN BY GRDA

Malta's Economic Vision
National Conference on Climate
Change

2022 ► ORGANIZED BY GRDA

EU Funding Opportunities
Greening the Islands Observatory
Meeting
Regional Economics Conference

PARTICIPATED IN BY GRDA

Panel Discussion Europe Day
Timeline Gozo
SMILO Annual Conference
Clean Energy for EU Islands Forum
E-Bussed Conference
Solution for waste-free islands in
the Mediterranean
Energy Academy Malta
Conference
European Tourism Islands'
Convention



LEGAL

5

INTERNAL POLICIES &
PROCEDURES CREATED
BY THE GRDA

7

NUMBER OF MOU
SIGNED BY THE GRDA

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

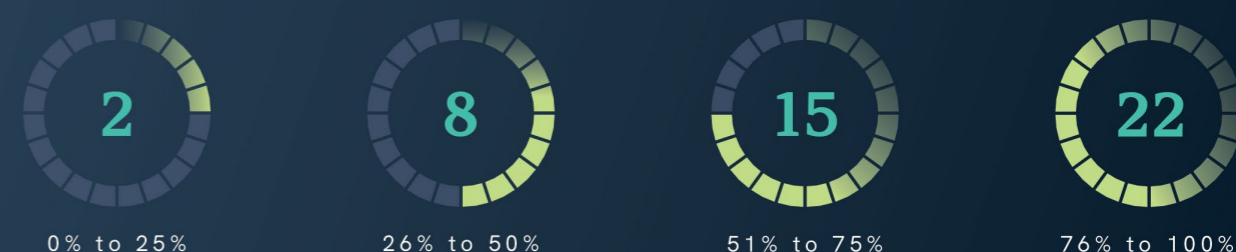
Annex A: Corporate Plan 2021-2023

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 scooping 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 according to Context 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

Independent Auditors’ Report

Statement of Financial Position

Statement of Comprehensive Income

Statement of Changes in Equity

Statement of Cash Flows.....

Notes to the Financial Statements

Schedule for Administrative Eexpenses.....

1

3

7

8

9

10

11

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.



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

		As at 31 December	
	Notes	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

		Year ended 31 December	
	Notes	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	36,004	10,229

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	696,071	462,840

Notes



GOZO REGIONAL
DEVELOPMENT AUTHORITY

75, Republic Street,
Victoria, VCT 1018,
Gozo

Tel: +356 2215 6338 | 2215 6342

Email: info@grda.mt

www.grda.mt