



## Financial Execution

Rural Development Programme 2014-2020

Third Meeting of the  
Monitoring Committee

29<sup>th</sup> September 2017



The Rural Development Programme for Malta 2014-2020  
Part financed by the European Union  
European Agricultural Fund for Rural Development (EAFRD)  
Co-financing rate: 75% EU funds; 25% National Funds



*The Agricultural Fund for Rural Development:  
Europe Investing in Rural Areas*



Malta's Rural Development Programme for the period 2014 to 2020 was approved by the European Commission on 26 November 2015.

The total approved allocation of EU funds for the programme amounts to € 97,326,898.

This amount represents 75% of the expenditure. Malta must contribute the other 25% that will amount to €32,442,299.

In total the value of Malta' Rural Development Programme is €129,769,197.



Measure	EAFRD Contribution €
M01 - Knowledge transfer and information actions	4,125,000
M02 - Advisory services, farm management and farm relief services	1,875,000
M03 - Quality schemes for agricultural products and foodstuffs	3,375,000
M04 - Investments in physical assets	38,017,440
M06 - Farm and business development	9,000,000
M08 - Investments in forest area development and improvement of the viability of forests	2,625,000
M10 - Agri-environment-climate	5,250,000
M11 - Organic farming	150,000
M13 - Payments to areas facing natural or other specific constraints	9,000,000
M16 - Co-operation	13,266,382
M17 - Risk management	1,875,000
M19 - Support for LEADER local development	4,875,000
M20 - Technical assistance	3,893,076



As specified in Article 25 (1) of Regulation (EU) No. 1306/2013, the Commission issued pre-financing payments due to Malta in two instalments for 2014 and 2015, and for 2016.

The pre-financing was paid at the rate of 1% of the total allocation approved for Malta under its Rural Development Programme for 2014-2020 programming period.

By January 2016, Malta had received a total of €2,919,806.94.

Malta will eventually have to declare expenditure equivalent to the amount of pre-financing it has received before the rural development programme is closed.



Malta issued its first payments in relation to its rural development programme during May 2016.

The following are the amounts of EAFRD expenditure declared to the Commission up to 30 June 2017:

Measure	Amount Declared €
M10 - Agri-environment-climate	<b>671,417</b>
M13 - Payments to areas facing natural or other specific constraints	<b>1,965,762</b>
<b>Total</b>	<b>2,637,179</b>

Malta has therefore consumed 5.71% of the funds allocated under its programme. This also includes the amount of pre-financing that Malta has received.



Earlier in 2017 Malta reported a revised forecast of expenditure for Quarters 3 and 4 of 2017.

Quarter 3 forecast and expenditure incurred up to September 2017:

Measure	Amount Forecasted €	Actual Expenditure €
M10 - Agri-environment-climate	2,250	1,898
M13 - Payments to areas facing natural or other specific constraints	0	3,257
M19 - Support for LEADER local development	75,000	115,516
M20 - Technical assistance	52,500	0
<b>Total</b>	<b>129,750</b>	<b>120,671</b>



The following is the forecast for Quarter 4 of 2017:

Measure	Amount Forecasted €
M06 - Farm and business development	213,750
M10 - Agri-environment-climate	300,000
M13 - Payments to areas facing natural or other specific constraints	1,162,500
M19 - Support for LEADER local development	180,000
M20 - Technical assistance	547,500
<b>Total</b>	<b>2,403,750</b>



Article 38 of Regulation (EU) No. 1306/2013 empowers the Commission to automatically decommit funds that have not been used by 31<sup>st</sup> December of the third year following the year of the budget commitment (the N+3 rule).

Malta's first commitment year is 2015. Therefore, the total amount of €20,905,107 must be paid by 31 December 2018 and eventually declared to the Commission. Pre-financing received by Malta (referred to in a previous slide) will be considered as part of the expenditure.

According to financial plans submitted to our Ministry for Finance, the expenditure up to the end of 2018 in relation to the Rural Development Programme should exceed the total allocation for the first commitment year.



Another target for Malta is that specified in Article 21 of Regulation (EU) No. 1303/2013: the Performance Review. Malta must ensure that it achieves *“the milestones of the programmes at the level of priorities, on the basis of the information and the assessments presented in the annual implementation report submitted by the Member States in the year 2019.”*

To reach the above target Malta must not only execute the amounts established in its Financing Plan in the rural development programme, but it must also make sure that the payments are in line with the indicators set in the same programme.



**Thank you for your attention**



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