

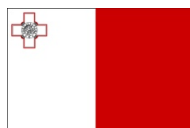


Financial Execution

Rural Development Programme

2nd Monitoring Committee

25th November 2016



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 in 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:

“Following its decision to approve the rural development programme, the Commission shall pay an initial pre-financing amount to the Member State for the whole programming period.”

The pre-financing is paid in instalments for 2014, 2015 and 2016, at the rate of 1% of the amount of support from the EAFRD for the entire programming period to the programme for each of the mentioned years.

Since Malta’s rural development programme was adopted in 2015, the earlier instalment of 2014 was paid in the year of adoption. Hence, in December 2015 Malta received €1,946,537.96 as pre-financing for 2014 and 2015.

In January 2016, the Commission issued the third instalment amounting to €973,268.98.

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

Furthermore, paragraph 2 of Article 25 of Regulation (EU) No. 1306/2013 states:

“The total amount paid as pre-financing shall be reimbursed to the Commission if no expenditure is effected and no declaration of expenditure for the rural development programme is sent within 24 months of the date on which the Commission pays the first instalment of the pre-financing amount.”

This will not be the case for Malta, since declarations of expenditure have already been submitted during 2016.

Malta has 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 15 October 2016:

Measure	Amount Declared €
M10 - Agri-environment-climate	165,049
M13 - Payments to areas facing natural or other specific constraints	424,408
Total	589,457

Earlier in 2016 Malta reported a forecast of expenditure for Quarter 4 Of 2016.

Measure	Amount Forecasted €
M10 - Agri-environment-climate	605,000
M13 - Payments to areas facing natural or other specific constraints	1,554,000
M19 - Support for LEADER local development	270,000
M20 - Technical assistance	120,000
Total	2,549,000

In Article 38 of Regulation (EU) No. 1306/2013 it is stated that:

“The Commission shall automatically decommit any portion of a budget commitment for a rural development programme that has not been used for the purpose of pre-financing or for making interim payments or for which no declaration of expenditure fulfilling the requirements laid down in Article 36(3) has been presented to it in relation to expenditure effected by 31 December of the third year following that of the budget commitment.”

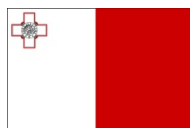
Malta’s first commitment year is 2015. Therefore, the total amount of €20,905,107 must be paid by 31 December 2018 and eventually declared to the Commission.

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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