



Financial Execution

Rural Development Programme 2014-2020

Fourth Meeting of the
Monitoring Committee

16th May 2018



Rural Development Programme for Malta 2014-2020

Project part financed by the European Union
Co-financing Rate:
75% European Union; 25% Government of Malta



*The European 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 amounts to 75% of the value of the whole programme. Malta must contribute the other 25% that will amount to €32,442,299.

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



The Rural Development Programme includes 13 measures, that are then subdivided into 39 sub-measures, under which Malta may benefit from EU financing.

The measure with the highest budget of €38 million is Measure 4 – Investment in physical assets.

The measure with the least budget is Measure 11 – Organic farming – with only €150,000.



As specified in Article 35 (1) of Regulation (EU) No. 1306/2013, the Commission issued pre-financing payments to Malta in three instalments to be paid for 2014, 2015 and for 2016.

The pre-financing was paid, for each of the three years, 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 incurred by Malta up to the end of April 2018:

Measure	Amount Declared €
M10 - Agri-environment-climate	1,188,581
M13 - Payments to areas facing natural or other specific constraints	3,461,249
M19 - Support for LEADER local development	217,891
M20 - Technical assistance	460,490
Total	5,328,211

Malta has consumed 5.47% of the funds allocated under its programme. When adding the pre-financing that Malta has received up to 2016, the consumption rate rises to 8.47%.



Malta submitted a forecast of expenditure amounting to €16,972,500 for 2018.

The following is the expenditure that is being declared for Quarter 1 of 2018 –equivalent to almost 25% of the forecast.

Measure	Amount Forecasted €	Actual Expenditure €
M04 - Investments in physical assets	2,250,000	0
M10 - Agri-environment-climate	465,000	515,169
M13 - Payments to areas facing natural or other specific constraints	225,000	238,789
M19 - Support for LEADER local development	33,750	19,296
M20 - Technical assistance	127,500	0
Total	3,101,250	773,254



Quarter 2 forecast and expenditure incurred up to end of April 2018:

Measure	Amount Forecasted €	Actual Expenditure €
M04 - Investments in physical assets	3,750,000	0
M06 - Farm and business development	420,000	0
M10 - Agri-environment-climate	0	2
M13 - Payments to areas facing natural or other specific constraints	0	324
M19 - Support for LEADER local development	33,750	51,439
M20 - Technical assistance	127,500	77,903
Total	4,331,250	129,668

At the end of Quarter 2, Malta will surely have to review its forecast for the last six months of the year.



Article 38 of Regulation (EU) No. 1306/2013 empowers the Commission to automatically decommit funds that have not been used by 31st 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.



Below is the current situation in respect of the allocation for commitment year 2015:

		€	EAFRD Contribution €
Commitment year (N)	2015		
EAFRD Allocation			20,905,107.00
<u>Less:</u>			
Pre-financing		2,919,806.94	
Expenditure (Declared)	2015	0.00	
	2016	2,243,518.97	
	2017	2,181,769.88	
	Q1 – 2018	773,254.37	
Current Expenditure	Q2 - 2018	129,667.60	8,248,017.76
Balance due to be paid by end of N+3 (31 December 2018)			12,657,089.24



Looking forward to 2019, Malta must also effect expenditure amounting to almost €21 million in EU funds – this being the 2016 commitment.



Thank you for your attention



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