



EUROPEAN
COMMISSION

Brussels, 30.9.2016
COM(2016) 632 final

**REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND
THE COUNCIL**

**9th FINANCIAL REPORT FROM THE COMMISSION TO THE EUROPEAN
PARLIAMENT AND THE COUNCIL
on the EUROPEAN AGRICULTURAL FUND FOR RURAL DEVELOPMENT
(EAFRD)
2015 FINANCIAL YEAR**

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1. BUDGET PROCEDURE

1.1. Financial framework

Rural Development expenditure in 2015 is funded within two multiannual financial frameworks (MFFs): 2007-2013 and 2014-2020. The financial framework 2014-2020 is provided by Council Regulation (EU) No 1311/2013. The allocation for Rural Development and the allocation for market related expenditure and direct aids after the annual technical adjustment of the MFF are presented in table 1.

Table 1 – Financial framework 2014-2020

HEADING 2. Sustainable growth: natural resources	In million EUR; current prices						
	2014	2015	2016	2017	2018	2019	2020
TOTAL	49 857	64 692	64 262	60 191	60 267	60 344	60 421
of which :							
- Rural Development ^{a), b), c), d), e)}	5 299	18 184	18 684	14 371	14 381	14 330	14 333
- Market related expenditure and direct aids, ^{a), b), c), d)}	43 778	44 190	43 950	44 146	44 162	44 241	44 263

a) After net transfer of EUR 351.9 million between EAGF and EAFRD for the financial year 2014 (see note f for details)

b) After net transfer of EUR 51.6 million between EAGF and EAFRD for the financial year 2015 (see note f for details)

c) After net transfer of EUR 28 million between EAGF and EAFRD for the financial years 2014-2020 (see note f for details)

d) After net transfer of EUR 3 577.2 million between EAGF and EAFRD for financial years 2015-2020 (see note f for details)

e) After the reprogramming of the EAFRD allocation of year 2014 following the application of Article 19 of MFF Regulation (EU) No 1311/2013 a total amount of EUR 8 705 million deducted from 2014 commitments was equally distributed to 2015 and 2016 commitments

f) The transfers into Rural Development (EAFRD) mentioned in notes a) to d) above involve: EUR 4 million transferred annually for the whole period 2014-2020 from the cotton sector (EL) on the basis of Article 66(1) of Regulation (EU) No 1307/2013, EUR 296.3 million set for the voluntary adjustment transferred for the financial year 2014 (UK) on the basis of Article 10b and 10c(2) of Regulation (EC) No 73/2009, EUR 51.6 million for unspent amounts transferred each year for financial years 2014 and 2015 (SE and DE) on the basis of Articles 136 and 136b of Regulation (EC) No 73/2009 and EUR 3577.2 million for the reduction of payments and the flexibility between pillars on the basis of Articles 7(2) and 14(1) of Regulation (EU) No 1307/2013

1.2. Draft Budget (DB) 2015

The 2015 Draft Budget (DB) was adopted by the Commission and proposed to the Budgetary Authority on 24 June 2014.

The Draft Budget for the European Agricultural Fund for Rural Development (EAFRD) under heading 2 of the Financial Framework 2007-2013 totalled EUR 6 144 million in payment appropriations. No commitment appropriations were requested for year 2015 as the old programming period ended in 2013. For the new programming period 2014-2020, the DB 2015 included EUR 13 819 million in commitment appropriations and EUR 5 499 million in payment appropriations.

Table 2

Draft Budget 2015		
Budget Item	Commitment appropriations (in EUR)	Payment appropriations (in EUR)
2007-2013		
05.040501 (Rural dev. Programmes)	-	6 143 583 000
05.040502 (Operational technical assistance)	-	-
2014-2020		
05.046001 (Rural dev. Programmes)	13 796 873 677	5 478 000 000
05.046002 (Operational technical assistance)	22 292 400	20 621 000

The Council adopted its position on the 2015 Draft Budget on 2 September 2014 and the European Parliament adopted its position on 22 October 2014. The Conciliation Committee had to be convened, however it was not possible to reconcile the position of the European Parliament and Council within the time period allowed. In the absence of the agreement in the Conciliation Committee, the Commission submitted a new Draft Budget 2015 on 27 November 2014. The new Draft Budget included a decrease of EUR 262 million of the payment appropriations for the EAFRD, compared to the initial Draft Budget. This decrease concerned both programming periods (EUR 138 million for the old period and EUR 124 million for the new one). The 2015 budget was finally adopted on 17 December 2014 further decreasing EAFRD payment appropriations by EUR 218 million, of which EUR 115 million for the old programming period and EUR 103 million for the new period.

1.3. The adoption of the 2015 Budget

The 2015 Budget adopted on 17 December 2014 for the EAFRD in chapter 05 04 amounted to EUR 5 890 million in payment appropriations for the programming period 2007-2013 and EUR 13 819 million in commitment appropriations and EUR 5 272 million in payment appropriations for the period 2014-2020.

Table 3

Adopted Budget 2015		
Budget Item	Commitment appropriations (in EUR)	Payment appropriations (in EUR)
2007-2013		
05.040501 (Rural dev. Programmes)	-	5 890 339 551
05.040502 (Operational technical assistance)	-	-
2014-2020		
05.046001 (Rural dev. Programmes)	13 796 873 677	5 252 192 422
05.046002 (Operational technical assistance)	22 292 400	19 770 986

1.4. The adoption of the Amending Budgets

Amending Budget No 1 was adopted on 28 April 2015. It increased the commitment appropriations for the rural development programmes 2014-2020 by EUR 4.4 billion reflecting the reprogramming of the EAFRD allocation of year 2014 following the application of Article 19 of Regulation (EU) No 1311/2013. The Amending Budget No 7, adopted on 14 October 2015, reduced the commitment appropriations for the technical assistance line for EAFRD 2014-2020 by EUR 6.5 million.

Table 4

Budget 2015 after the Amendments No1 and No7		
Budget Item	Commitment appropriations (in EUR)	Payment appropriations (in EUR)
2007-2013		
05.040501 (Rural dev. Programmes)	-	5 890 339 551
05.040502 (Operational technical assistance)	-	-
2014-2020		
05.046001 (Rural dev. Programmes)	18 149 536 729	5 252 192 422
05.046002 (Operational technical assistance)	15 792 400	19 770 986

2. MANAGEMENT OF APPROPRIATIONS

2.1. Management of commitment appropriations

2.1.1. EAFRD rural development programmes

Budget 2015 did not include any commitment appropriations for EAFRD 2007-2013 programmes.

As regards EAFRD 2014-2020, the 2015 voted budget amounted to EUR 13 797 million. The Amending Budget No 1 added 4 353 million. Moreover, due to the late adoption of the programmes, the amount of EUR 1 970 million had to be carried over from 2014 to 2015. In total, the available commitment appropriations in 2015 amounted to EUR 20 120 million.

Table 5

Management of commitment appropriations in 2015 – EAFRD	Budget Item 05.040501 (amounts in euro)	Budget Item 05.046001 (amounts in euro)
Appropriations at the beginning of 2015	-	13 796 873 677
Carryover from 2014	-	1 970 095 304
Amending budget No 1	-	4 352 663 052
Appropriations available in 2015	-	20 119 632 033
Appropriations used in 2015	-	20 119 632 033

2.1.2. Technical assistance

Article 51(1) of Regulation (EU) No 1305/2013 provides that the EAFRD may use up to 0.25% of its annual allocation to finance technical assistance actions at the initiative of the Commission. In the 2015 budget, the initial amount available for this purpose was EUR 22.3 million. Amending Budget No 7 reduced this amount by EUR 6.5 million, leaving EUR 15.8 million in the budget.

2.2. Management of payment appropriations

2.2.1. EAFRD rural development programmes

For programmes 2007-2013, payment appropriations of the voted budget 2015 amounted to EUR 5 890 million. In addition, the available assigned revenue, either carried over from 2014 or collected during the year, amounted to EUR 310.0 million. At the beginning of the year payment appropriations were reduced by EUR 4 million to cover urgent needs linked to coordination and strategy of Agriculture and Rural Development. During the year, the monitoring of the implementation of the budget and the analysis of the forecasts submitted by Member States revealed an additional need. This additional need was partially covered with a transfer from the 2014-2020 technical assistance line (EUR 2.1 million), the use of assigned revenue (EUR 287.3 million) and the End-of-Year transfer (EUR 288.5 million). The total

amount of payment appropriations available in 2015 was EUR 6 487 million. Of this amount, EUR 22.7 million of assigned revenue were automatically carried over to 2016.

For programmes 2014-2020, the payment appropriations of the voted budget amounted to EUR 5 252 million.

Table 6

Management of payment appropriations in 2015 (in euro)	
EAFRD (2007-2013) Budget Item - 05.040501	
Appropriations at the beginning of 2015	5 890 339 551
Transfer for urgent needs	-4 000 000
Assigned revenue carried over from 2014	68 843 782
Assigned revenue collected in 2015	241 194 023
Transfers from TA line of EAFRD 2014-2020	2 134 784
End-of-the year transfer	288 483 924
Appropriations available in 2015	6 486 996 064
Appropriations used in 2015	6 464 298 560
EAFRD (2014-2020) Budget Item - 05.046001	
Appropriations available in 2015	5 252 192 422
Appropriations used in 2015	5 252 192 422

2.2.2. *Technical assistance*

Total payment appropriations in 2015 budget amounted to EUR 19.8 million. In addition, EUR 0.2 million were carried over from year 2014 to cover 2007-2013 outstanding needs under item 05.040502. The total payments reached EUR 8.9 million while EUR 8.8 million were redeployed via internal transfers to reinforce 2000-2006 and 2007-2013 programmes.

3. **IMPLEMENTATION OF THE 2015 EAFRD BUDGET**

3.1. **Implementation of commitment appropriations**

3.1.1. *EAFRD rural development programmes*

In 2015, commitment appropriations were available only for EAFRD programmes 2014-2020 and in total amounted to EUR 20 120 million. The whole amount was committed. Table 7 shows, per Member State, the allocation established by Regulation (EU) No 1305/2013 of 17/12/2013 as amended by Commission

Delegated Regulation (EU) 2015/791 of 27/04/2015 (i.e. including the reprogramming), the amounts carried over from 2014 to 2015 and the amounts committed in 2015.

Table 7

Regulation (EU) No 1305/2013 (as amended) vs. amounts committed end of 2015			
Budget item: 05.046001			<i>(in euro)</i>
MS	Regulation (EU) No 1305/2013 2015 Allocation	Amounts carried over for commitment in 2015	Amounts committed in 2015
	(a)	(b)	(c=a+b)
AT	559 329 914		559 329 914
BE	97 243 257	40 855 562	138 098 819
BG	502 807 341		502 807 341
CY	28 341 472		28 341 472
CZ	470 143 771		470 143 771
DE	1 498 240 410	429 631 210	1 927 871 620
DK	90 168 920		90 168 920
EE	103 651 030	103 626 144	207 277 174
ES	1 780 169 908		1 780 169 908
FI	336 933 734	2 918 336	339 852 070
FR	2 336 138 618	4 353 019	2 340 491 637
GR	907 059 608		907 059 608
HR	448 426 250		448 426 250
HU	742 851 235		742 851 235
IE	469 633 941		469 633 941
IT	2 223 480 180		2 223 480 180
LT	230 412 316	230 392 975	460 805 291
LU	21 385 468		21 385 468
LV	150 968 424	138 327 376	289 295 800
MT	20 905 107		20 905 107
NL	87 003 509	87 118 078	174 121 587
PL	1 175 590 560		1 175 590 560
PT	577 895 019	67 508 413	645 403 432
RO	1 723 260 662		1 723 260 662
SE	386 944 025		386 944 025
SI	119 006 876	118 678 072	237 684 948
SK	213 101 979	271 154 575	484 256 554
UK	848 443 195	475 531 544	1 323 974 739
Total	18 149 536 729	1 970 095 304	20 119 632 033

3.1.2. Technical assistance

Table 8 shows the consumption of the commitment appropriations available for technical assistance in 2015. The most important part relates to European Network for Rural Development.

Table 8

Technical assistance – Implementation of commitment appropriations	
Budget Item: 05.046002 <i>(in euro)</i>	
Description	Amount committed
European Network for Rural Development	5 199 163
European Innovation Partnership	2 567 966
Information technology	2 381 032
European Evaluation Network	1 845 650
Events	366 780
Audit and Controls	159 900
Total	12 520 491

3.2. Implementation of payment appropriations

3.2.1. EAFRD rural development programmes

For the programming period 2007-2013 all payment appropriations available in the budget (EUR 5 890 million) were implemented with the exception of EUR 4 million transferred early in the year. Additional payments of EUR 577.9 million were made with appropriations from technical assistance, assigned revenue and the End-of-Year transfer. At the end of 2015, the total amount paid for EAFRD programmes 2007-2013 was EUR 6 464 million. Nevertheless, at the end of 2015, there was a payments' backlog of EUR 223 million that had to be paid early in 2016 with 2016 payment appropriations. A significant part of this backlog was foreseen in the 2016 budget.

For the programming period 2014-2020 all payment appropriations (EUR 5 252 million) were used, of which EUR 1 945 million for the pre-financing. At the end of 2015 there was a payments' backlog of EUR 462 million. This backlog was paid in in early 2016 from the 2016 payment appropriations. The 2016 budget anticipated a significant part of the backlog.

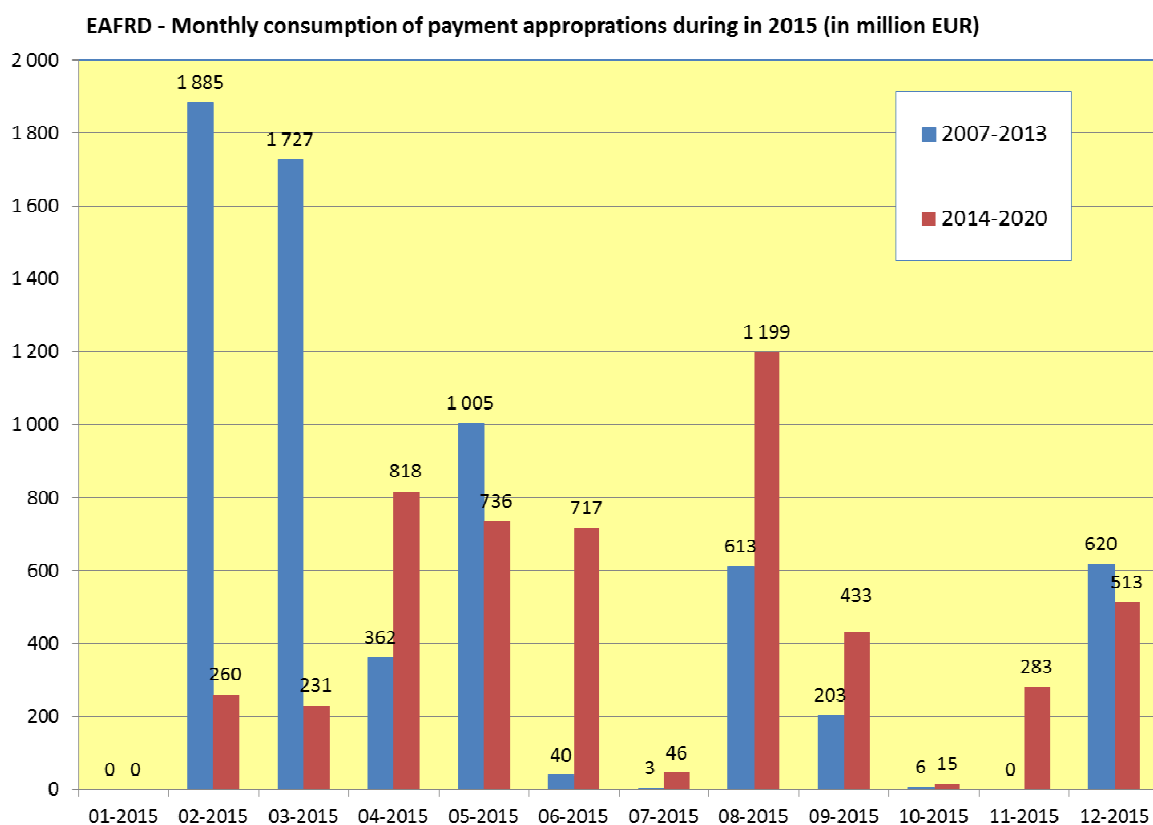
Table 9 below shows the breakdown of payments made in 2015 by declaration period:

Table 9

<i>Payments 2015 for EAFRD rural development programmes (in million euro)</i>	<i>2007-2013</i>	<i>2014-2020</i>
	Item 05.040501	Item 05.046001
Reimbursement of payment claims prior to Q4 2014	2.08	-
Reimbursement of payment claims Q4 2014	3 985.15	818.18
Reimbursement of payment claims Q1 2015	1 045.92	810.43
Reimbursement of payment claims Q2 2015	809.27	1 280.04
Reimbursement of payment claims Q3 2015	621.87	398.30
Pre-financing 2014-2020	0.00	1 945.25
Total 2015	6 464.30	5 252.19

The monthly consumption of payment appropriations during the year (January to December 2015) is shown in the graph below.

Graph 1



The breakdown per Member State and per declaration period of the amounts paid by the Commission in budget year 2015 is shown in tables 10a and 10b.

Table 10a

Payments effectively made between 01/01/2015 and 31/12/2015						
EAFRD 2007-2013 - Budget item 05.040501						<i>(in euro)</i>
MS	Prior to Q4 2014	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Total
BE		1 694 050	1 056 900	2 609 070		5 360 020
BG	294 046	236 318 435	25 736 473	42 602 808	99 558 664	404 510 426
CY		9 530 654	5 208 307	2 067 221	1 474 246	18 280 429
DE		235 588 057	25 872 235	20 096 549	6 330 891	287 887 731
DK		26 046 915	18 590 881	11 905 900	4 183 878	60 727 573
ES	18 561	582 164 052	94 073 366	139 691 713	137 387 200	953 334 892
FR		136 557 869	59 554 263	29 641 236	14 112 065	239 865 433
GR	405 763	269 682 804	48 819 773	27 215 212	32 985 751	379 109 303
HU		234 090 677	148 002 282			382 092 959
IT	1 364 264	765 795 904	104 439 114	200 203 209	71 544 857	1 143 347 348
LT		18 276 608	17 935 424		1 903 952	38 115 984
MT		4 505 949	786 777	2 541 006	756 998	8 590 730
NL		10 583 063				10 583 063
PL		597 590 917	385 580 897	187 427 206		1 170 599 020
PT		18 342 924	5 553 460	4 365 266	2 777 867	31 039 518
RO		798 629 707	79 633 176	132 032 601	247 328 834	1 257 624 319
SK		21 761 919	8 198 579			29 960 498
UK		17 991 974	16 881 228	6 872 407	1 523 703	43 269 312
Total	2 082 633	3 985 152 478	1 045 923 138	809 271 405	621 868 906	6 464 298 560

Table 10b

Payments effectively made between 01/01/2015 and 31/12/2015						
EAFRD 2014-2020 - Budget item 05.046001						<i>(in euro)</i>
MS	Q4 2014	Q1 2015	Q2 2015	Q3 2015	Pre-financing	Total
AT	284 992 317	96 213 465	156 122		39 375 520	420 737 424
BE		12 409 662	45 217 237	3 328 948	12 955 955	73 911 803
BG					47 334 339	47 334 339
CY					3 967 331	3 967 331
CZ			184 302 819	3 319 045	46 113 480	233 735 344
DE	13 236 207	144 343 005	100 854 171	12 087 339	171 219 696	441 740 417
DK			1 025 347	678 813	6 294 007	7 998 168
EE		27 613 880	596 956	2 832 080	16 466 831	47 509 747
ES			3 134 546	9 616 116	207 434 721	220 185 382
FI	310 320 627	2 514 375	36 814 213	32 869 513	24 011 173	406 529 902
FR			129 178 250	216 183 789	227 696 885	573 058 924
GR					141 548 754	141 548 754
HR			54 069 633	265 601	40 524 450	94 859 683
HU					68 613 290	68 613 290
IE			292 954 816	34 180 723	54 764 804	381 900 343
IT				7 578 868	208 887 615	216 466 483
LT		28 493 708	9 135 426	785 089	32 261 765	70 675 988
LU			12 200 302	9 338	2 011 492	14 221 132
LV		49 756 283	1 853 434	1 729 447	21 512 076	74 851 240
MT					1 946 538	1 946 538
NL		25 547 376	1 428 281	645 996	12 146 107	39 767 761
PL	100 405 931	73 954 934			85 982 808	260 343 673
PT	109 223 113	13 813 538	60 197 270	43 362 393	47 698 857	274 295 171
RO					243 839 892	243 839 892
SE			140 428 835	294 808	34 911 305	175 634 948
SI			29 137 393	796 103	16 756 996	46 690 492
SK		56 705 005	4 501 672	460 674	30 905 457	92 572 808
UK		279 060 319	172 856 524	27 271 274	98 067 330	577 255 447
Total	818 178 194	810 425 550	1 280 043 247	398 295 956	1 945 249 474	5 252 192 422

Tables 11a and 11b compare, for each Member State, the EAFRD payments made in 2015 with the payments in 2014. The total payments for EAFRD 2007-2013 decreased by 41% (EUR 6.5 billion vs. 10.9 billion). At the same time the payments for EAFRD 2014-2020 increased significantly compared to year 2014 (EUR 5.3 billion vs. EUR 0.2 billion), which reflects the fact that in 2014 only 9 rural development programmes had been adopted.

Table 11a

Payments made to Member States - Comparison 2015 vs 2014 - <u>EAFRD 2007-2013</u>							(in €)	
MS	2014			2015			Difference 2015 vs. 2014	
	Interim payments	Pre-financing	Total	Interim payments	Pre-financing	Total	(in €)	(in %)
AT	244 873 999	0	244 873 999	0	0	0	-244 873 999	-100.00%
BE	16 628 109	0	16 628 109	5 360 020	0	5 360 020	-11 268 088	-67.77%
BG	393 750 627	0	393 750 627	404 510 426	0	404 510 426	10 759 799	2.73%
CY	22 898 351	0	22 898 351	18 280 429	0	18 280 429	-4 617 922	-20.17%
CZ	283 248 060	0	283 248 060	0	0	0	-283 248 060	-100.00%
DE	917 307 316	0	917 307 316	287 887 731	0	287 887 731	-629 419 585	-68.62%
DK	83 307 265	0	83 307 265	60 727 573	0	60 727 573	-22 579 691	-27.10%
EE	62 135 652	0	62 135 652	0	0	0	-62 135 652	-100.00%
ES	964 188 641	0	964 188 641	953 334 892	0	953 334 892	-10 853 749	-1.13%
FI	56 934 909	0	56 934 909	0	0	0	-56 934 909	-100.00%
FR	798 152 731	0	798 152 731	239 865 433	0	239 865 433	-558 287 298	-69.95%
GR	549 164 613	0	549 164 613	379 109 303	0	379 109 303	-170 055 310	-30.97%
HR	0	0	0	0	0	0	0	N/A
HU	550 351 068	0	550 351 068	382 092 959	0	382 092 959	-168 258 109	-30.57%
IE	0	0	0	0	0	0	0	N/A
IT	1 204 033 199	0	1 204 033 199	1 143 347 348	0	1 143 347 348	-60 685 850	-5.04%
LT	232 381 211	0	232 381 211	38 115 984	0	38 115 984	-194 265 227	-83.60%
LU	1 287 916	0	1 287 916	0	0	0	-1 287 916	-100.00%
LV	58 786 443	0	58 786 443	0	0	0	-58 786 443	-100.00%
MT	11 410 988	0	11 410 988	8 590 730	0	8 590 730	-2 820 258	-24.72%
NL	111 016 078	0	111 016 078	10 583 063	0	10 583 063	-100 433 015	-90.47%
PL	1 700 773 103	0	1 700 773 103	1 170 599 020	0	1 170 599 020	-530 174 083	-31.17%
PT	683 122 011	0	683 122 011	31 039 518	0	31 039 518	-652 082 493	-95.46%
RO	822 842 472	0	822 842 472	1 257 624 319	0	1 257 624 319	434 781 847	52.84%
SE	221 274 236	0	221 274 236	0	0	0	-221 274 236	-100.00%
SI	118 091 451	0	118 091 451	0	0	0	-118 091 451	-100.00%
SK	148 345 380	0	148 345 380	29 960 498	0	29 960 498	-118 384 881	-79.80%
UK	691 044 486	0	691 044 486	43 269 312	0	43 269 312	-647 775 173	-93.74%
Total	10 947 350 314	0	10 947 350 314	6 464 298 560	0	6 464 298 560	-4 483 051 754	-40.95%

Table 11b

Payments made to Member States - Comparison 2015 vs 2014 - <u>EAFRD 2014-2020</u>							(in €)	
MS	2014			2015			Difference 2015 vs. 2014	
	Interim payments	Pre-financing	Total	Interim payments	Pre-financing	Total	(in €)	(in %)
AT	0	39 375 520	39 375 520	381 361 904	39 375 520	420 737 424	381 361 904	968.53%
BE	0	0	0	60 955 847	12 955 955	73 911 803	73 911 803	N/A
BG	0	0	0	0	47 334 339	47 334 339	47 334 339	N/A
CY	0	0	0	0	3 967 331	3 967 331	3 967 331	N/A
CZ	0	0	0	187 621 864	46 113 480	233 735 344	233 735 344	N/A
DE	0	15 994 705	15 994 705	270 520 722	171 219 696	441 740 417	425 745 712	2661.79%
DK	0	6 294 007	6 294 007	1 704 161	6 294 007	7 998 168	1 704 161	27.08%
EE	0	0	0	31 042 916	16 466 831	47 509 747	47 509 747	N/A
ES	0	0	0	12 750 662	207 434 721	220 185 382	220 185 382	N/A
FI	0	23 596 993	23 596 993	382 518 728	24 011 173	406 529 902	382 932 908	1622.80%
FR	0	0	0	345 362 039	227 696 885	573 058 924	573 058 924	N/A
GR	0	0	0	0	141 548 754	141 548 754	141 548 754	N/A
HR	0	0	0	54 335 233	40 524 450	94 859 683	94 859 683	N/A
HU	0	0	0	0	68 613 290	68 613 290	68 613 290	N/A
IE	0	0	0	327 135 539	54 764 804	381 900 343	381 900 343	N/A
IT	0	0	0	7 578 868	208 887 615	216 466 483	216 466 483	N/A
LT	0	0	0	38 414 223	32 261 765	70 675 988	70 675 988	N/A
LU	0	0	0	12 209 640	2 011 492	14 221 132	14 221 132	N/A
LV	0	0	0	53 339 164	21 512 076	74 851 240	74 851 240	N/A
MT	0	0	0	0	1 946 538	1 946 538	1 946 538	N/A
NL	0	0	0	27 621 653	12 146 107	39 767 761	39 767 761	N/A
PL	0	85 982 808	85 982 808	174 360 865	85 982 808	260 343 673	174 360 865	202.79%
PT	0	53 745 852	53 745 852	226 596 314	47 698 857	274 295 171	220 549 318	410.36%
RO	0	0	0	0	243 839 892	243 839 892	243 839 892	N/A
SE	0	0	0	140 723 643	34 911 305	175 634 948	175 634 948	N/A
SI	0	0	0	29 933 496	16 756 996	46 690 492	46 690 492	N/A
SK	0	0	0	61 667 351	30 905 457	92 572 808	92 572 808	N/A
UK	0	0	0	479 188 117	98 067 330	577 255 447	577 255 447	N/A
Total	0	224 989 886	224 989 886	3 306 942 948	1 945 249 474	5 252 192 422	5 027 202 536	2234.41%

3.2.2. Technical assistance

In the 2015 budget there were no longer payment appropriations for the technical assistance related to the programming period 2007-2013. However, the amount of EUR 0.2 million was carried over from 2014.

For the programming period 2014-2020, the amount for payment appropriations for technical assistance was EUR 19.8 million. A part of these appropriations (EUR 8.8 million) was transferred to cover payment needs in relation to rural development programmes under Objective 1 and EAFRD 2007-2013.

Table 12 hereafter presents the payments grouped by main activities. The most important part relates to the European Network for Rural Development.

Table 12

Technical assistance – Implementation of payment appropriations	
Description	Amount paid
Budget Item: 05.040502	<i>(in euro)</i>
Information technology	154 655
Total: 05.040502	154 655
Budget Item: 05.046002	<i>(in euro)</i>
European Network for Rural Development	3 379 803
European Innovation Partnership	2 102 856
Information technology	1 701 673
European Evaluation Network	1 156 864
Events	295 482
Protection of EU symbols	150 000
Total: 05.046002	8 786 679
Total technical assistance	8 941 334

3.3. Analysis of expenditure declared by axis and/or by measure

Tables 13a and 13b show the payment claims declared by Member States and by axis/measure for Rural Development in 2015 (4th quarter of 2014 to 3rd quarter of 2015), the cumulative declared expenditure from the beginning of the programmes and also the financial plans of EAFRD programmes.

In 2015, the expenditure for EAFRD 2007-2013 concentrated in axis 1 (37.1%), followed by axis 2 with 31.4%, axis 3 with 16.5% and axis 4 with 12.8%. Compared to the previous year there is a noticeable drop in the share of axis 2 in favour of axes 1, 3 and 4. This confirms the trend towards the expected alignment between the actual implementation and the programming per axis, even though, until 3rd quarter of 2015, the repartition of expenditure still diverges from the repartition in the financial plans (31.6%, 46.7%, 12.6% and 5.9% for axis 1 to 4 respectively).

Axis 2 measures mainly involve annual payments (e.g. agro-environmental measures) whilst axis 1, 3 and, to a lesser extent, axis 4 mainly relate to multi-annual measures that require longer proceedings for their approval and implementation (e.g. investment projects).

The expenditure for EAFRD 2014-2020 in 2015 concentrated mainly in Measure 13 (Payments to areas facing natural or other specific constraints) and in Measure 10 (Agri-environment-climate).

Table 13a

EAFRD declared expenditure 2015 (Q4 2014-Q3 2015) & Total cumulative expenditure (Q4 2006 to Q3 2015)						
compared with Financial Plans - EAFRD 2007-2013						
	Declared expenditure 2015 (Q4 2014 to Q3 2015)		Cumulative declared expenditure (Q4 2006 to Q3 2015)		Financial Plans 2007-2013	
EAFRD Axis / Measure	(million €)	(%)	(million €)	(%)	(million €)	(%)
111 Vocational training and information actions	132.1	1.2%	787.1	0.9%	902.3	0.9%
112 Setting up of young farmers	540.1	5.0%	2 922.5	3.3%	3 310.8	3.4%
113 Early retirement	200.5	1.9%	2 587.4	2.9%	2 593.8	2.7%
114 Use of advisory services	18.4	0.2%	129.6	0.1%	139.4	0.1%
115 Setting up of management, relief and	1.7	0.0%	30.5	0.0%	33.8	0.0%
121 Modernisation of agricultural holdings	1 447.5	13.4%	11 037.0	12.4%	11 828.7	12.2%
122 Improvement of the economic value of forest	46.8	0.4%	302.2	0.3%	324.1	0.3%
123 Adding value to agricultural and forestry...	583.8	5.4%	4 094.6	4.6%	4 643.0	4.8%
124 Cooperation for development of new products	47.1	0.4%	205.6	0.2%	252.5	0.3%
125 Infrastructure related to the development ...	722.3	6.7%	3 840.2	4.3%	4 366.9	4.5%
126 Restoring agricultural production potential	135.0	1.3%	612.1	0.7%	652.9	0.7%
131 Meeting standards based on Community...	0.2	0.0%	62.0	0.1%	64.1	0.1%
132 Participation of farmers in food quality...	8.6	0.1%	88.3	0.1%	99.4	0.1%
133 Information and promotion activities	26.6	0.2%	116.5	0.1%	131.3	0.1%
141 Semi-subsistence farming	50.3	0.5%	744.1	0.8%	792.2	0.8%
142 Producer groups	36.9	0.3%	224.4	0.3%	250.7	0.3%
143 Direct Payment (BG + RO)	0.6	0.0%	9.5	0.0%	15.7	0.0%
144 Holdings undergoing restructuring	1.0	0.0%	180.7	0.2%	190.0	0.2%
Axis 1	3 999.3	37.1%	27 974.1	31.5%	30 591.8	31.6%
211 Natural handicap payments to farmers in ...	331.2	3.1%	7 210.0	8.1%	7 128.0	7.4%
212 Payments to farmers in areas with handicaps...	462.3	4.3%	7 593.5	8.6%	8 062.5	8.3%
213 Natura 2000 payments and payments linked ..	44.0	0.4%	254.3	0.3%	272.6	0.3%
214 Agri-environment payments	1 618.9	15.0%	23 155.2	26.1%	23 845.5	24.6%
215 Animal welfare payments	258.1	2.4%	899.9	1.0%	1 040.6	1.1%
216 Non-productive investments	120.9	1.1%	580.8	0.7%	656.4	0.7%
221 First afforestation of agricultural land	133.2	1.2%	1 543.7	1.7%	1 584.4	1.6%
222 First establishment of agroforestry systems...	0.4	0.0%	1.2	0.0%	2.5	0.0%
223 First afforestation of non-agricultural land	22.2	0.2%	160.6	0.2%	176.1	0.2%
224 Natura 2000 payments	12.7	0.1%	62.5	0.1%	69.6	0.1%
225 Forest-environment payments	8.0	0.1%	62.0	0.1%	79.4	0.1%
226 Restoring forestry potential and ...	248.0	2.3%	1 393.3	1.6%	1 603.3	1.7%
227 Non-productive investments	119.1	1.1%	623.5	0.7%	738.5	0.8%
Axis 2	3 379.04	31.4%	43 540.65	49.1%	45 259.23	46.7%
311 Diversification into non-agricultural activities	137.3	1.3%	1 004.1	1.1%	1 110.5	1.1%
312 Business creation and development	224.9	2.1%	1 318.9	1.5%	1 570.0	1.6%
313 Encouragement of tourism activities	168.5	1.6%	791.9	0.9%	1 112.0	1.1%
321 Basic services for the economy and rural ...	673.8	6.3%	3 160.9	3.6%	3 745.6	3.9%
322 Village renewal and development	332.9	3.1%	3 035.2	3.4%	3 327.0	3.4%
323 Conservation and upgrading of the rural....	206.3	1.9%	1 069.1	1.2%	1 194.2	1.2%
331 Training and information	17.6	0.2%	89.5	0.1%	96.4	0.1%
341 Skills acquisition, animation and implement...	12.6	0.1%	96.1	0.1%	101.0	0.1%
Axis 3	1 773.85	16.5%	10 565.8	11.9%	12 256.8	12.6%
411 Implementing local development strategies...	140.0	1.3%	391.3	0.4%	505.2	0.5%
412 Implementing local development strategies...	16.6	0.2%	51.4	0.1%	73.8	0.1%
413 Implementing local development strategies....	1 034.3	9.6%	3 520.6	4.0%	4 059.9	4.2%

421 Implementing cooperation projects	57.9	0.5%	131.7	0.1%	189.9	0.2%
431 Running the local action group, acquiring ...	126.6	1.2%	826.8	0.9%	928.6	1.0%
Axis 4	1 375.3	12.8%	4 921.8	5.5%	5 757.4	5.9%
511 Technical Assistance	247.4	2.3%	1 301.1	1.5%	1 531.1	1.6%
611 BG RO Direct Payments	-0.2	0.0%	436.4	0.5%	1 531.1	1.6%
Grand total	10 774.6	100.0%	88 739.9	100.0%	95 833.8	100.0%

Table 13b

EAFRD declared expenditure 2015 (Q4 2014-Q3 2015) & Total cumulative expenditure (Q4 2014 to Q3 2015) compared with Financial Plans - EAFRD 2014-2020							
		Declared expenditure 2015 (Q4 2014 to Q3 2015)		Cumulative declared expenditure (Q4 2014 to Q3 2015)		Financial Plans 2014-2020	
EAFRD Measure		(million €)	(%)	(million €)	(%)	(million €)	(%)
Measure 01	Knowledge transfer and information actions	1.6	0.0%	1.6	0.0%	1 158	1.2%
Measure 02	Advisory services, farm management and farm relief services	0.7	0.0%	0.7	0.0%	885	0.9%
Measure 03	Quality schemes for agricultural products and foodstuffs	1.7	0.0%	1.7	0.0%	381	0.4%
Measure 04	Investments in physical assets	219.7	5.8%	219.7	5.8%	22 483	22.7%
Measure 05	Restoring agricultural production potential damaged by natural disasters and catastrophic events and introduction of appropriate prevention actions	15.1	0.4%	15.1	0.4%	956	1.0%
Measure 06	Farm and business development	71.4	1.9%	71.4	1.9%	7 315	7.4%
Measure 07	Basic services and village renewal in rural areas	2.9	0.1%	2.9	0.1%	6 652	6.7%
Measure 08	Investments in forest area development and improvement of the viability of forests	80.6	2.1%	80.6	2.1%	4 610	4.7%
Measure 09	Setting-up of producer groups and organisations	0.0	0.0%	0.0	0.0%	477	0.5%
Measure 10	Agri-environment-climate	1 364.3	36.2%	1 364.3	36.2%	16 335	16.5%
Measure 11	Organic farming	216.0	5.7%	216.0	5.7%	6 290	6.4%
Measure 12	Natura 2000 and Water Framework Directive payments	34.7	0.9%	34.7	0.9%	575	0.6%
Measure 13	Payments to areas facing natural or other specific constraints	1 540.0	40.9%	1 540.0	40.9%	16 149	16.3%
Measure 14	Animal Welfare	49.0	1.3%	49.0	1.3%	1 401	1.4%
Measure 15	Forest environmental and climate services and forest conservation	2.6	0.1%	2.6	0.1%	281	0.3%
Measure 16	Co-operation	1.2	0.0%	1.2	0.0%	1 708	1.7%
Measure 17	Risk management	5.2	0.1%	5.2	0.1%	1 706	1.7%
Measure 18	Financing of complementary national direct payments for Croatia	54.6	1.4%	54.6	1.4%	112	0.1%
Measure 19	Support for LEADER local development — community-led local development (CLLD)	9.0	0.2%	9.0	0.2%	6 878	7.0%
Measure 20	Technical assistance Member States	18.3	0.5%	18.3	0.5%	1 990	2.0%
Measure 113	Early retirement	80.7	2.1%	80.7	2.1%	615	0.6%
Measure 131	Meeting standards based on Community legislation	0.0	0.0%	0.0	0.0%	0	0.0%
Measure 341	Skills acquisition, animation and implementation	0.0	0.0%	0.0	0.0%	0	0.0%
Grand total		3 769	100.0%	3 769	100.0%	98 958	100.0%

*Member States declare their expenditure quarterly. However for year n Q4 declarations are submitted in January of year n+1. Consequently, the corresponding reimbursements by the Commission to the Member States in year n go from Q4 of year n-1 until Q3 of year n.

3.4. Implementation of EAFRD programmes - Programming period 2007-2013

Graph 2 presents the financial implementation rate of rural development programmes 2007-2013 per Member State: payments from the beginning of the programming period to 2015, including 4th quarter of 2015 that is reimbursed in financial year 2016, compared with the 2007-2013 commitments according to the financial plan. As 2013 was the last year when commitments were made, the implementation rate equals to the absorption rate (payments made from the beginning of the programming period compared to the total 2007-2013 allocation). The average EAFRD financial implementation rate for all EAFRD programmes is 95%.

Graph 2 shows that almost all Member States have absorbed 95% of the 2007-2013 commitments.

Until the end of 2015 the application of the N+2 rule has resulted in decommitments amounting in total to EUR 410.4 million. This amount relates to years 2008, 2009, 2010, 2011 and 2012.

**Graph 2 - Implementation/Absorption rate of 2007-2013 RD programs by Member State
(% of the EAFRD payments including payment claims Q4 2015 compared with 2007-2013
allocation)**

