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

**3rd FINANCIAL REPORT FROM THE COMMISSION  
TO THE EUROPEAN PARLIAMENT AND THE COUNCIL  
on the  
EUROPEAN AGRICULTURAL FUND FOR RURAL DEVELOPMENT (EAFRD)**

**2009 FINANCIAL YEAR**

SEC(2010) 1091

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## **1. BUDGET PROCEDURE**

### **1.1. Preliminary Draft Budget (PDB) 2009**

The 2009 Preliminary Draft Budget (PDB) was adopted by the Commission and proposed to the Budgetary Authority on 6 May 2008. The proposal for the European Agricultural Fund for Rural Development (EAFRD) under heading 2 of the Financial Framework 2007-2013 totalled EUR 13 395 millions in commitment appropriations and 9 842 in payment appropriations.

| <b>Budget Item</b>                | <b>Commitment appropriations</b><br>(in €) | <b>Payment appropriations</b><br>(in €) |
|-----------------------------------|--------------------------------------------|-----------------------------------------|
| 05.040501 (Rural dev. programmes) | 13 373 504 584                             | 9 832 000 000                           |
| 05.040502 (Technical assistance)  | 21 913 625                                 | 9 900 000                               |

### **1.2. Draft Budget (DB) 2009**

The Council adopted the 2009 Draft Budget in July 2008. The payments appropriations for EAFRD programmes were reduced by EUR 115.0 million as compared to the PDB.

### **1.3. Amending Letter (AL) 2009**

In October 2008 the Commission adopted Amending Letter No 2 to the 2009 PDB. Even though the Amending Letter exercise mainly concerns the EAGF, the appropriations for EAFRD programmes were increased to reflect an additional transfer from the first pillar of EUR 0.16 million relating to the wine reform. The increase concerned both commitment and payment appropriations.

### **1.4. Council second reading**

The Council second reading, adopted on 12.11.2008, did not involve any modification of the EAFRD appropriations proposed in the Amending Letter.

### **1.5. The adoption of the 2009 Budget**

The European Parliament adopted the 2009 budget in its plenary session of December 2008, by increasing the amounts for EAFRD programmes proposed in the second reading of the Council by EUR 249.8 million for commitment appropriation and decreasing the amounts by EUR 696.8 million for payment appropriation.

| <b>Budget Item</b>                | <b>Commitment appropriations</b><br>(in €) | <b>Payment appropriations</b><br>(in €) |
|-----------------------------------|--------------------------------------------|-----------------------------------------|
| 05.040501 (Rural dev. programmes) | 13 623 504 584                             | 9 135 331 205                           |
| 05.040502 (Technical assistance)  | 21 913 625                                 | 9 900 000                               |

## 2. MANAGEMENT OF APPROPRIATIONS

### 2.1. Management of Commitment appropriations

#### 2.1.1. EAFRD operational programmes

In 2009 the commitment appropriations of the initial budget amounted to EUR 13.62 billion. This amount was increased (Amending Budget No 4) by EUR 0.6 billion corresponding to the first part of the Recovery Package whilst it was reduced (Amending Budget No 10) by EUR 0.25 billion in appropriations entered through and amendment by the Budget Authority and that could not be implemented due to insufficient legal basis. Hence, the total amount finally available for the budget year 2009 was EUR 13.97 billion.

The total amount committed for EAFRD programmes in 2009 was EUR 13.72 billion. An amount of EUR 252 million was carried over to 2010.

| <b>Management of commitment appropriations in 2009 - EAFRD</b>                            | <b>Budget Item<br/>05.040501 (amounts in €)</b> |
|-------------------------------------------------------------------------------------------|-------------------------------------------------|
| Appropriations at the beginning of 2009                                                   | 13 623 504 584                                  |
| Amending Budget No 4 – Additional allocation under the European Economic Recovery Program | 600 000 000                                     |
| Amending Budget No 10 – Cancellation of non-executable appropriations                     | -249 840 000                                    |
| Appropriations available in 2009                                                          | 13 973 664 584                                  |
| Appropriations used in 2009                                                               | 13 721 634 827                                  |
| Unused amounts at the end of 2009 – Carry over to 2010                                    | 252 029 757                                     |

#### 2.1.2. Technical assistance

Article 69, 2<sup>nd</sup> paragraph of the Council regulation 1698/2005 stipulates that 0.25% of the resources for Community support to rural development shall be devoted to technical assistance for the Commission. In the 2009 budget, the amount available for this purpose was EUR 21.9 million. At the end of 2009, the total amount committed was EUR 5.1 million.

### 2.2. Management of payment appropriations

#### 2.2.1. EAFRD operational programmes

In 2009 the initial payment appropriations amounted to EUR 9.91 billion, of which EUR 9.1 billion corresponded to the voted budget and EUR 775 million to appropriations carried forward from 2008. In December the Amending Budget No 10 reduced the amount by EUR 1.65 billion to take account of the revised payment forecast submitted by the Member States in September. Consequently, the payment appropriations available for the budget year 2009 amounted to EUR 8.26 billion.

The total amount paid to Member States for EAFRD programmes in 2009 reached EUR 8.21 billion.

| <b>Management of payment appropriations in 2009 - EAFRD</b>                                     | <b>Budget Item<br/>05.040501 (amounts<br/>in €)</b> |
|-------------------------------------------------------------------------------------------------|-----------------------------------------------------|
| Appropriations at the beginning of 2009                                                         | 9 135 331 205                                       |
| Appropriations carried over from 2008                                                           | 774 864 326                                         |
| Amending Budget No 10 – Reduction of payment appropriations following revised forecasts from MS | -1 650 000 000                                      |
| Appropriations available in 2009                                                                | 8 260 195 531                                       |
| Appropriations used in 2009                                                                     | 8 209 373 256                                       |
| Unused amounts at the end of 2009                                                               | 50 822 275                                          |

### 2.2.2. *Technical assistance*

In the 2009 budget, the amount for payment appropriations was EUR 9.9 million. At the end of the year, the total amount of payments was EUR 3.7 million.

## 3. **THE IMPLEMENTATION OF THE 2009 EAFRD BUDGET**

### 3.1. **Introduction**

Financial year 2009 mostly represented a transition between the initial phase of approval and initiation of rural development programmes (including payment of advances) and a phase where most programmes attain their cruising speed. However, this transition slowed down to some extent because of the economic crisis which had an effect on the Member States ability to provide the national co-financing but also might have caused beneficiaries to hesitate to enter into any commitments, the late approval of certain programmes as well as a lack of sufficient previous experience of some Member States in the implementation of Rural Development programmes.

Another important element that characterizes the financial year 2009 is the reprogramming process subsequent to the approval of the Health Check and the European Economic Recovery Package.

### 3.2. **Modification of EAFRD programmes**

In 2009, a total of 132 modifications of rural development programmes (RDPs) for the 2007-2013 programming period were made: 76 by notification procedure and 56 by Commission Decision after a positive opinion of the Rural Development Committee (RDC). Of these 56 modifications, 49 were approved in the context of the Health Check and the European Economic Recovery Package. The number of programmes to modify (88 in total) and the complexity of the preparatory work and negotiations did not permit the approval of all HC and EERP modifications in 2009. The Commission Decisions regarding the 39 programmes outstanding were adopted early in 2010, which explains the carry-over of EUR 252 million in commitment appropriations from 2009 to 2010.

### 3.3. Implementation of commitment appropriations

#### 3.3.1. EAFRD operational programmes

The table below shows the amounts committed per Member State in 2009 and the allocation established by Commission decision 636/2006 (modification of October 2009 still in force at the end of the year).

In 2009, the commitment appropriations available for EAFRD programmes amounted to EUR 13.97 billion and the amount committed to EUR 13.72 billion. The remaining EUR 252 million correspond to programmes for which the modifications in relation to the Health Check and the Recovery Package were not approved before the year end. These appropriations were carried-over to 2010 and committed entirely within the deadline of 31 March 2010. Hence, no amount was lost for rural development programmes.

**Commission Decision 636 / 2006 (last version in force end of 2009) vs. the amounts committed end of 2009 (in €):**

| MS           | Commission Decision<br>636 / 2006 – EU funds in<br>2009 | Amounts committed in<br>the budget year 2009 | Amounts carried over<br>for commitment in 2010 |
|--------------|---------------------------------------------------------|----------------------------------------------|------------------------------------------------|
|              | (a)                                                     | (b)                                          | (c = a - b)                                    |
| AT           | 580,732,057                                             | 580,732,057                                  | 0                                              |
| BE           | 62,458,083                                              | 61,348,083                                   | 1,110,000                                      |
| BG           | 456,843,751                                             | 437,343,751                                  | 19,500,000                                     |
| CY           | 23,949,762                                              | 23,949,762                                   | 0                                              |
| CZ           | 409,036,387                                             | 388,036,387                                  | 21,000,000                                     |
| DE           | 1,202,865,574                                           | 1,188,636,470                                | 14,229,104                                     |
| DK           | 67,411,254                                              | 67,411,254                                   | 0                                              |
| EE           | 101,036,594                                             | 101,036,594                                  | 0                                              |
| ES           | 1,320,830,901                                           | 1,270,959,694                                | 49,871,207                                     |
| FI           | 308,265,407                                             | 308,138,561                                  | 126,846                                        |
| FR           | 947,341,939                                             | 947,176,739                                  | 165,200                                        |
| GR           | 482,113,090                                             | 453,393,090                                  | 28,720,000                                     |
| HU           | 527,075,432                                             | 498,635,432                                  | 28,440,000                                     |
| IE           | 346,851,422                                             | 329,171,422                                  | 17,680,000                                     |
| IT           | 1,183,870,921                                           | 1,145,274,921                                | 38,596,000                                     |
| LT           | 249,948,998                                             | 249,948,998                                  | 0                                              |
| LU           | 13,255,487                                              | 13,255,487                                   | 0                                              |
| LV           | 150,342,483                                             | 150,342,483                                  | 0                                              |
| MT           | 11,256,597                                              | 11,256,597                                   | 0                                              |
| NL           | 73,671,337                                              | 73,671,337                                   | 0                                              |
| PL           | 1,971,439,817                                           | 1,971,439,817                                | 0                                              |
| PT           | 584,180,154                                             | 584,180,154                                  | 0                                              |
| RO           | 1,502,691,530                                           | 1,502,691,530                                | 0                                              |
| SE           | 270,816,031                                             | 256,996,031                                  | 13,820,000                                     |
| SI           | 136,508,049                                             | 136,508,049                                  | 0                                              |
| SK           | 282,749,256                                             | 268,049,256                                  | 14,700,000                                     |
| UK           | 706,122,271                                             | 702,050,871                                  | 4,071,400                                      |
| <b>Total</b> | <b>13,973,664,584</b>                                   | <b>13,721,634,827</b>                        | <b>252,029,757</b>                             |

#### 3.3.2. Technical assistance

The table below shows the commitment appropriations for technical assistance consumed in 2009. The most important part is related to European Network for Rural Development.

| Budget line                                 | Amounts committed in budget year 2009 (in €) | Comment / description                                                                                     |
|---------------------------------------------|----------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| 05.040502                                   | 200 000                                      | Seminar on the implementation of DR programs organized in Brussels                                        |
| 05.040502                                   | 4 208 909                                    | Contact point of the European network for RD (2nd year); semi-subsistence seminar organized in Sibiu (RO) |
| <b>Subtotal management by DG AGRI</b>       | <b>4 408 909</b>                             |                                                                                                           |
| 05.040502                                   | 428 290                                      | European Network for RD (Leader+ subcommittee, coordination committee, thematic working groups) etc.      |
| 05.040502                                   | 200 000                                      | Expert committee on the evaluation of RD programmes                                                       |
| 05.040502                                   | 101 250                                      | Magazine for European Network for RD                                                                      |
| <b>Subtotal management by PMO and OPOCE</b> | <b>729 540</b>                               |                                                                                                           |
| <b>Total</b>                                | <b>5 138 449</b>                             |                                                                                                           |

### 3.4. Implementation of payment appropriations

#### 3.4.1. EAFRD operational programmes

In the 2009 budget the amount for payment appropriations, including the carry-over from 2008, was EUR 9.91 billion. Amending Budget No 10 reduced this amount in December by EUR 1.65 billion so that the appropriations of the year finally amounted to EUR 8.26 billion.

At the end of 2009, the total amount paid for EAFRD programmes was EUR 8.21 billion. The difference between the appropriations of the year (EUR 8.26 billion) and the total amount paid is EUR 51.2 million, which represents an under-execution of 0.6%.

The table below shows the breakdown of this amount by declaration period:

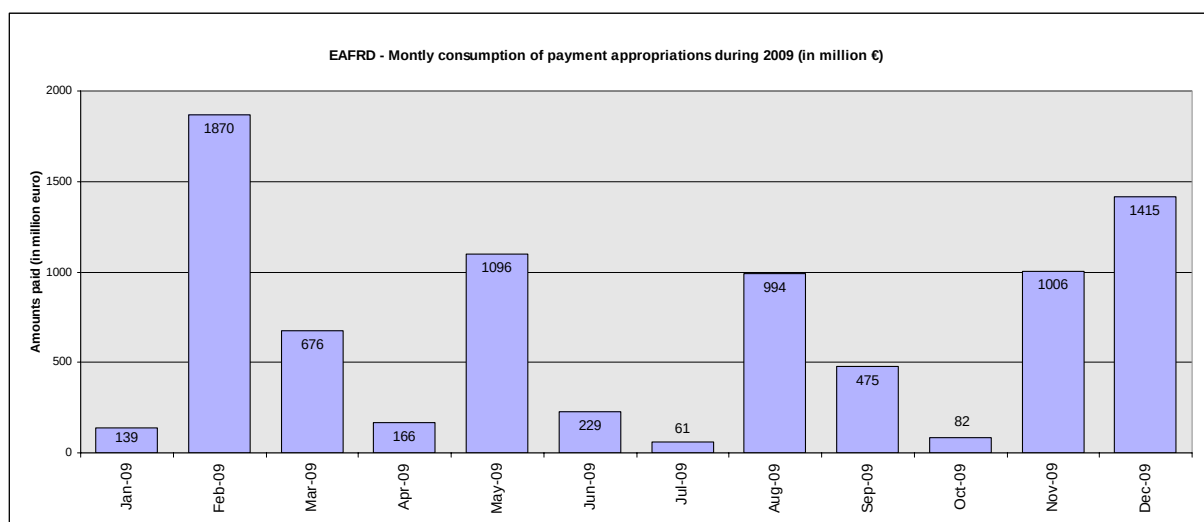
|                                         | (in million €) |
|-----------------------------------------|----------------|
| Reimbursement of payment claims Q2 2008 | 12.3           |
| Reimbursement of payment claims Q3 2008 | 126.6          |
| Reimbursement of payment claims Q4 2008 | 2 546.8        |
| Reimbursement of payment claims Q1 2009 | 1 490.4        |
| Reimbursement of payment claims Q2 2009 | 1 612.0        |
| Reimbursement of payment claims Q3 2009 | 2 421.2        |
| <b>Total 2009</b>                       | <b>8 209.4</b> |

The reimbursement of 3<sup>rd</sup> quarter 2009 for 6 EAFRD programmes was totally or partially on hold at the end of the year because the commitment appropriations for these programmes were fully exhausted by the payment of previous claims. The table below shows the 6 EAFRD programmes and the corresponding amounts. The payment had to wait until the new commitment appropriations for 2010 were made available.



| <b>Programme FEADER - N° CCI</b>     | <b>Q3 2009 (in €)</b> |
|--------------------------------------|-----------------------|
| Vlaanderen (2007BE06RPO001)          | 6,425,513.33          |
| Nordrhein-Westfalen (2007DE06RPO015) | 2,100,736.79          |
| Aragon (2007ES06RPO002)              | 2,506,309.72          |
| Ireland National (2007IE06RPO001)    | 107,643,642.54        |
| Bayern (2007DE06RPO004)              | 8,534,106.68          |
| Åland (Finland) 2007FI06RPO002       | 98,742.99             |
| <b>Total</b>                         | <b>127,309,052.05</b> |

The monthly consumption of payment appropriations during the year (January to December 2009) is represented in the graph below. The rhythm of consumption is linked to the calendar for sending the four payment declarations (31 January, 30 April, 31 July and 10 November for the payment claims corresponding respectively to Q4 2008, Q1 2009, Q2 2009 and Q3 2009).



The breakdown per Member State and per declaration period of the amounts paid by the Commission in the budget year 2009 is shown in the following table. The declaration periods concerned are from 16 October to 31 December 2008 (Q4 2008), from 1 January 2009 to 31 March 2009 (Q1 2009), from 1 April 2009 to 30 June 2009 (Q2 2009) and from 1 July 2009 to 15 October 2009 (Q3 2009).

In the table below, the amounts from columns Q2 2008 and Q3 2008 relate to the EAFRD programmes that exhausted their commitment appropriations for 2007 and 2008 and had to wait until 2009 to have their amounts reimbursed with new 2009 appropriations.

Payments effectively made in the budget year 2009 (in €)

| MS           | Q2 2008              | Q3 2008               | Q4 2008                 | Q1 2009                 | Q2 2009                 | Q3 2009                 | Total                   |
|--------------|----------------------|-----------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| AT           |                      |                       | 427,949,468.51          | 37,906,840.60           | 43,897,590.17           | 40,598,431.18           | 550,352,330.46          |
| BE           |                      | 2,634,830.50          | 10,376,897.04           | 7,212,858.83            | 20,897,215.45           | 16,787,346.17           | 57,909,147.99           |
| BG           |                      |                       | 24,190,671.12           | 39,168,066.16           | 37,693,842.23           | 26,000,411.44           | 127,052,990.95          |
| CY           |                      |                       | 5,307,184.60            | 3,793,620.57            | 3,497,159.91            | 3,563,803.38            | 16,161,768.46           |
| CZ           |                      |                       | 10,128,510.90           | 110,974,831.07          | 82,178,640.52           | 36,893,946.50           | 340,175,928.99          |
| DE           |                      | 10,345,809.87         | 374,933,155.25          | 103,131,605.84          | 85,070,469.75           | 356,705,369.28          | 930,186,409.99          |
| DK           |                      |                       | 12,150,036.33           | 20,697,171.26           | 9,535,500.93            | 11,478,786.58           | 53,861,495.10           |
| EE           |                      |                       | 23,940,802.93           | 41,941,283.76           | 13,754,824.08           | 15,484,239.63           | 95,121,150.40           |
| ES           | 12,299,213.27        | 18,438,179.63         | 156,895,320.71          | 99,545,639.20           | 156,002,080.45          | 175,412,539.46          | 618,592,972.72          |
| FI           |                      |                       | 13,131,174.24           | 6,206,336.97            | 8,153,331.43            | 163,635,234.21          | 191,126,076.85          |
| FR           |                      |                       | 258,731,262.94          | 107,383,212.58          | 90,156,048.85           | 323,536,247.95          | 779,806,772.32          |
| GR           |                      |                       | 20,238,236.94           | 29,988,515.32           | 71,138,490.87           | 52,767,205.17           | 174,132,448.30          |
| HU           |                      |                       | 156,246,669.69          | 96,671,967.12           | 155,032,080.49          | 89,233,671.16           | 497,184,388.46          |
| IE           |                      | 95,219,252.45         | 75,404,378.64           | 55,761,624.35           | 50,432,026.42           | 52,354,140.14           | 329,171,422.00          |
| IT           |                      |                       | 79,913,810.69           | 35,813,253.22           | 73,086,720.11           | 167,878,512.18          | 356,692,296.20          |
| LT           |                      |                       | 34,134,107.24           | 48,651,779.76           | 87,349,750.54           | 77,358,004.23           | 247,493,641.77          |
| LU           |                      |                       | 2,861,814.18            | 4,649,597.17            | 2,085,587.64            | 3,313,511.57            | 12,910,510.56           |
| LV           |                      |                       | 20,445,383.75           | 28,086,479.38           | 42,060,538.99           | 13,870,990.90           | 104,463,393.02          |
| MT           |                      |                       |                         |                         |                         | 3,357,533.82            | 3,357,533.82            |
| NL           |                      |                       | 5,533,019.26            | 15,647,058.76           | 5,793,324.73            | 9,098,570.81            | 36,071,973.56           |
| PL           |                      |                       | 215,398,260.57          | 351,623,965.99          | 255,735,375.64          | 221,068,079.69          | 1,043,825,681.89        |
| PT           |                      |                       | 96,528,233.12           | 12,286,838.03           | 858,574.75              | 125,890,304.17          | 235,563,950.07          |
| RO           |                      |                       | 109,676,461.84          | 615,356,212.24          | 144,008,337.72          | 250,707,458.23          | 565,927,879.03          |
| SE           |                      |                       | 55,808,494.29           | 213,674,217.3           | 12,240,963.73           | 16,451,526.90           | 105,868,406.65          |
| SI           |                      |                       | 27,883,610.46           | 19,190,587.19           | 38,596,260.58           | 15,062,003.97           | 100,732,462.20          |
| SK           |                      |                       | 116,095,838.58          | 32,555,030.65           | 66,181,492.98           | 74,453,967.21           | 289,286,329.42          |
| UK           |                      |                       | 112,884,460.14          | 98,592,173.12           | 56,593,186.87           | 78,274,074.46           | 346,343,894.59          |
| <b>Total</b> | <b>12,299,213.27</b> | <b>126,638,072.45</b> | <b>2,546,787,263.96</b> | <b>1,490,383,379.87</b> | <b>1,612,029,415.83</b> | <b>2,421,235,910.39</b> | <b>8,209,373,255.77</b> |

The amount paid in 2009, EUR 8.21 billion, relate to reimbursements only as all prefinancing foreseen was paid in 2007 and 2008.

The table in the next page compares, for each Member State, the EAFRD payments made in 2009 to the payments in 2008. While interim payments in 2009 increased by 35.4% compared to 2008 (EUR 8.21 billion vs. 6.06 billion), the total amount decreased by -3.9% (EUR 8.21 billion vs. 8.54 billion) as the last part of pre-financing was already paid in 2008.

Payments made to Member States - Comparison 2008-2009 (in €)

| MS           | 2008                    |                         |                         | 2009                    |              |                         | Difference 2009 vs. 2008 |              |
|--------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------|-------------------------|--------------------------|--------------|
|              | Interim payments        | Prefinancing            | Total                   | Interim payments        | Prefinancing | Total                   | ( in €)                  | ( in %)      |
| AT           | 462,608,745.20          |                         | 462,608,745.20          | 550,352,330.46          |              | 550,352,330.46          | 87,743,585.26            | 19.0%        |
| BE           | 48,530,648.29           | 12,866,719.12           | 61,397,367.41           | 57,909,147.99           |              | 57,909,147.99           | -3,488,219.42            | -5.7%        |
| BG           | 58,185,829.70           | 182,636,901.72          | 240,822,731.42          | 127,052,990.95          |              | 127,052,990.95          | -113,769,740.47          | -47.2%       |
| CY           | 10,456,613.17           |                         | 10,456,613.17           | 16,161,768.46           |              | 16,161,768.46           | 5,705,155.29             | 54.6%        |
| CZ           | 212,624,547.33          |                         | 212,624,547.33          | 340,175,928.99          |              | 340,175,928.99          | 127,551,381.66           | 60.0%        |
| DE           | 669,504,888.17          | 131,421,515.15          | 800,926,403.32          | 930,186,409.99          |              | 930,186,409.99          | 129,260,006.67           | 16.1%        |
| DK           | 77,174,319.94           | 31,126,255.72           | 108,300,575.66          | 53,861,495.10           |              | 53,861,495.10           | -54,439,080.56           | -50.3%       |
| EE           | 23,926,805.54           | 25,013,059.92           | 48,939,865.46           | 95,121,150.40           |              | 95,121,150.40           | 46,181,284.94            | 94.4%        |
| ES           | 476,135,002.53          | 501,043,604.54          | 977,178,607.07          | 618,592,972.72          |              | 618,592,972.72          | -358,585,634.35          | -36.7%       |
| FI           | 219,979,453.44          | 29,631,449.29           | 249,610,902.73          | 191,126,076.85          |              | 191,126,076.85          | -58,484,825.88           | -23.4%       |
| FR           | 780,526,000.66          | 91,330,692.29           | 871,856,692.95          | 779,806,772.32          |              | 779,806,772.32          | -92,049,920.63           | -10.6%       |
| GR           | 223,673,306.91          | 129,755,654.84          | 353,428,961.75          | 174,132,448.30          |              | 174,132,448.30          | -179,296,513.45          | -50.7%       |
| HU           | 148,885,197.46          |                         | 148,885,197.46          | 497,184,388.46          |              | 497,184,388.46          | 348,299,191.00           | 233.9%       |
| IE           | 273,117,209.35          | 81,897,010.65           | 355,014,220.00          | 329,171,422.00          |              | 329,171,422.00          | -25,842,798.00           | -7.3%        |
| IT           | 375,009,858.38          | 304,567,250.20          | 679,577,108.58          | 356,692,296.20          |              | 356,692,296.20          | -322,884,812.38          | -47.5%       |
| LT           | 60,813,560.24           |                         | 60,813,560.24           | 247,493,641.77          |              | 247,493,641.77          | 186,680,081.53           | 307.0%       |
| LU           | 8,934,674.20            | 2,961,487.62            | 11,896,161.82           | 12,910,510.56           |              | 12,910,510.56           | 1,014,348.74             | 8.5%         |
| LV           | 50,651,800.03           | 72,877,945.28           | 123,529,745.31          | 104,463,393.02          |              | 104,463,393.02          | -19,066,352.29           | -15.4%       |
| MT           |                         | 5,364,334.84            | 5,364,334.84            | 3,357,533.82            |              | 3,357,533.82            | -2,006,801.02            | -37.4%       |
| NL           | 23,141,066.23           |                         | 23,141,066.23           | 36,071,973.56           |              | 36,071,973.56           | 12,930,907.33            | 55.9%        |
| PL           | 846,530,426.94          |                         | 846,530,426.94          | 1,043,825,681.89        |              | 1,043,825,681.89        | 197,295,254.95           | 23.3%        |
| PT           | 254,613,654.63          | 144,063,955.11          | 398,677,609.74          | 235,563,950.07          |              | 235,563,950.07          | -163,113,659.67          | -40.9%       |
| RO           |                         | 561,575,332.14          | 561,575,332.14          | 565,927,879.03          |              | 565,927,879.03          | 4,352,546.89             | 0.8%         |
| SE           | 174,434,794.46          | 15,181,392.86           | 189,616,187.32          | 105,868,406.65          |              | 105,868,406.65          | -83,747,780.67           | -44.2%       |
| SI           | 85,257,958.43           |                         | 85,257,958.43           | 100,732,462.20          |              | 100,732,462.20          | 15,474,503.77            | 18.2%        |
| SK           | 97,790,092.73           | 68,929,632.73           | 166,719,725.46          | 289,286,329.42          |              | 289,286,329.42          | 122,566,603.96           | 73.5%        |
| UK           | 400,627,305.52          | 83,462,720.48           | 484,090,026.00          | 346,343,894.59          |              | 346,343,894.59          | -137,746,131.41          | -28.5%       |
| <b>Total</b> | <b>6,063,133,759.48</b> | <b>2,475,706,914.50</b> | <b>8,538,840,673.98</b> | <b>8,209,373,255.77</b> | <b>0.00</b>  | <b>8,209,373,255.77</b> | <b>-329,467,418.21</b>   | <b>-3.9%</b> |

### 3.4.2. Technical assistance

In the 2009 budget the amount for payment appropriations is € 9.9 million. The table hereafter presents the payments for technical assistance with a total amount of € 3.7 million. The most important part is related to European Network for Rural Development.

| Budget lines                                 | Amounts paid in budget year 2009 (in €) | Comment / description                                                                                                         |
|----------------------------------------------|-----------------------------------------|-------------------------------------------------------------------------------------------------------------------------------|
| 05.040502-C1-AGRI AGRI-G3                    | 3 441 139                               | European Network for Rural Development contact point, Leader+ seminar in Portugal, Leader+ magazines and best practices, etc. |
| <b>Subtotal management by DG AGRI</b>        | <b>3 441 139</b>                        |                                                                                                                               |
| 05.040502-C1-AGRI/EMPL                       | 176 392                                 | IT maintenance and development (SFC 2007)                                                                                     |
| 05.040502-C1-AGRI/PMO                        | 116 278                                 | European Network for Rural Development – reimbursement of charges for participating experts                                   |
| <b>Subtotal management by DG EMPL et PMO</b> | <b>292 670</b>                          |                                                                                                                               |
| <b>Total</b>                                 | <b>3 733 809</b>                        |                                                                                                                               |

### 3.5. Analysis of expenditure declared by axis and by measure

The table below shows the payment claims declared by Member state and by axis/measure for rural development in 2009 (Q4 2008 to Q3 2009), from 2007 to 2009 (Q4 2006 to Q3 2009) and also the financial plans of EAFRD programmes (2007-2013; EU27).

In year 2009, the expenditure continues to be concentrated in axis 2 (57.8%), followed by axis 1 with 32%, axis 3 with 4.4% and axis 4 with 1.1%. This repartition of expenditure still significantly diverges with the repartition in the financial plans for the 2007-2013 programming period (33.6%, 44.4%, 13.3% and 5.9% for respectively axis 1 to 4).

Axis 2 measures mainly involve annual payments (e.g. agro-environmental measures) whilst Axis 1 and 3 mainly relate to multiannual measures that require longer proceedings for their approval and implementation (e.g. investment projects).

Compared with the average for the first 3 years (2007-2009), in the year 2009 the expenditure is more balanced between the axis and the level of each axis tends to be closer compared to the levels of the axis in the financial plans. For instance, Axis 2 decreases from 75.0% in 2008 to 57.8% in 2009 while Axis 1 increases from 21.3% in 2008 to 32.0% in 2009.

**EAFRD payment claims, by axis and by measure – year 2009 (Q4 2008 to Q3 2009),  
EAFRD Payment claims, by axis and by measure - 2007 to 2009 (Q4 2006 to Q3 2009) and,  
EAFRD financial plans in force (at 17 March 2010; including HC & RP; year 2007 to year 2013)**

| Axis / Measure EAFRD                                           | 2009 (Q4 2008 to Q3 2009, in €) | 2009 (Q4 2008 to Q3 2009, in %) | 2007 to 2009 (Q4 2006 to Q3 2009, in €) | 2007 to 2009 (Q4 2006 to Q3 2009, in %) | Financial plans 2007-2013 (in €)* | Financial plans 2007-2013 (in %)* |
|----------------------------------------------------------------|---------------------------------|---------------------------------|-----------------------------------------|-----------------------------------------|-----------------------------------|-----------------------------------|
| I1 Vocational training and information actions                 | 39,485,635.1                    | 0.5%                            | 77,586,899.1                            | 0.5%                                    | 1085,976,060.0                    | 1%                                |
| I2 Setting up of young farmers                                 | 264,366,482.5                   | 3.2%                            | 492,257,964.4                           | 2.9%                                    | 2,893,743,758.0                   | 3.0%                              |
| I3 Early retirement                                            | 317,043,487.5                   | 3.9%                            | 688,392,789.8                           | 4.1%                                    | 2,854,573,418.0                   | 3.0%                              |
| I4 Use of advisory services                                    | 5,155,491.4                     | 0.1%                            | 8,713,361.3                             | 0.1%                                    | 534,516,203.0                     | 0.6%                              |
| I5 Setting up of management, relief and advisory ..            | 702,632.61                      | 0.0%                            | 1509,979.37                             | 0.0%                                    | 102,271,298.0                     | 0.1%                              |
| I21 Modernisation of agricultural holdings                     | 1262,721,280.2                  | 15.4%                           | 1,809,687,532.5                         | 10.8%                                   | 10,619,144,021.0                  | 11.0%                             |
| I22 Improvement of the economic value of forests               | 20,423,294.6                    | 0.2%                            | 47,624,163.6                            | 0.3%                                    | 648,923,205.0                     | 0.7%                              |
| I23 Adding value to agricultural and forestry ..               | 289,834,725.9                   | 3.5%                            | 430,726,372.1                           | 2.6%                                    | 5,656,327,873.0                   | 5.9%                              |
| I24 Cooperation for development of new products                | 4,832,912.0                     | 0.1%                            | 5,557,508.8                             | 0.0%                                    | 349,603,378.0                     | 0.4%                              |
| I25 Infrastructure related to the development ...              | 220,118,596.1                   | 2.7%                            | 347,562,878.3                           | 2.1%                                    | 5,105,283,661.0                   | 5.3%                              |
| I26 Restoring agricultural production potential                | 31,995,899.1                    | 0.4%                            | 55,868,555.7                            | 0.3%                                    | 402,531,731.0                     | 0.4%                              |
| I31 Meeting standards based on Community ..                    | 9,995,318.6                     | 0.1%                            | 42,043,963.8                            | 0.3%                                    | 1,175,932.0                       | 0.1%                              |
| I32 Participation of farmers in food quality ...               | 5,223,301.9                     | 0.1%                            | 7,046,405.5                             | 0.0%                                    | 298,624,104.0                     | 0.3%                              |
| I33 Information and promotion activities                       | 3,922,769.5                     | 0.0%                            | 4,956,742.8                             | 0.0%                                    | 207,671,669.0                     | 0.2%                              |
| I41 Semi-subsistence farming                                   | 123,576,845.2                   | 1.5%                            | 260,100,123.3                           | 1.5%                                    | 994,955,894.0                     | 1.0%                              |
| I42 Producer groups                                            | 25,766,437.9                    | 0.3%                            | 33,096,650.9                            | 0.2%                                    | 327,899,573.0                     | 0.3%                              |
| I43 Direct Payment (BG + RO)                                   | 624,803.6                       | 0.0%                            | 624,803.6                               | 0.0%                                    | 131,773,438.0                     | 0.1%                              |
| I44 Holdings undergoing restructuring due to a reform of a CMO | -                               | 0.0%                            | -                                       | 0.0%                                    | 15,903,594.0                      | 0.0%                              |
| <b>Axe 1</b>                                                   | <b>2,625,789,913.6</b>          | <b>32.0%</b>                    | <b>4,313,356,694.7</b>                  | <b>25.7%</b>                            | <b>32,331,482,206.0</b>           | <b>33.6%</b>                      |
| 211 Natural handicap payments to farmers in mountain...        | 899,008,563.2                   | 11.0%                           | 2,160,134,402.6                         | 12.9%                                   | 6,218,167,879.0                   | 6.5%                              |
| 212 Payments to farmers in areas with handicaps, other ..      | 907,935,875.8                   | 11.1%                           | 2,242,591,187.5                         | 13.4%                                   | 7,236,375,252.0                   | 7.5%                              |
| 213 Natura 2000 payments and payments linked ..                | 20,494,456.5                    | 0.2%                            | 32,684,124.2                            | 0.2%                                    | 487,654,824.0                     | 0.5%                              |
| 214 Agri-environment payments                                  | 2,547,549,479.5                 | 31.1%                           | 6,062,907,817.8                         | 36.1%                                   | 22,224,144,629.0                  | 23.1%                             |
| 215 Animal welfare payments                                    | 30,159,911.1                    | 0.4%                            | 80,721,824.0                            | 0.5%                                    | 540,790,341.0                     | 0.6%                              |
| 216 Non-productive investments                                 | 15,236,510.8                    | 0.2%                            | 20,144,766.8                            | 0.1%                                    | 588,202,389.0                     | 0.6%                              |
| 221 First afforestation of agricultural land                   | 182,078,744.1                   | 2.2%                            | 456,665,272.4                           | 2.7%                                    | 2,300,268,371.0                   | 2.4%                              |
| 222 First establishment of agroforestry systems on ...         | -                               | 0.0%                            | -                                       | 0.0%                                    | 16,117,104.0                      | 0.0%                              |
| 223 First afforestation of non-agricultural land               | 11,547,811.2                    | 0.1%                            | 18,337,533.5                            | 0.1%                                    | 354,672,609.0                     | 0.4%                              |
| 224 Natura 2000 payments                                       | 3,037,675.5                     | 0.0%                            | 3,214,475.7                             | 0.0%                                    | 1,198,939.0                       | 0.1%                              |
| 225 Forest-environment payments                                | 2,883,836.4                     | 0.0%                            | 8,129,772.8                             | 0.0%                                    | 267,929,870.0                     | 0.3%                              |
| 226 Restoring forestry potential and ...                       | 90,310,052.8                    | 1.1%                            | 191,198,573.0                           | 1.1%                                    | 1,606,222,818.0                   | 1.7%                              |
| 227 Non-productive investments                                 | 30,460,131.7                    | 0.4%                            | 64,089,359.8                            | 0.4%                                    | 811,188,979.0                     | 0.8%                              |
| <b>Axe 2</b>                                                   | <b>4,740,703,048.5</b>          | <b>57.8%</b>                    | <b>11,340,819,110.3</b>                 | <b>67.6%</b>                            | <b>42,753,724,461.0</b>           | <b>44.4%</b>                      |
| 311 Diversification into non-agricultural activities           | 44,332,453.8                    | 0.5%                            | 65,142,225.9                            | 0.4%                                    | 1,495,305,179.0                   | 1.6%                              |
| 312 Business creation and development                          | 36,443,851.7                    | 0.4%                            | 42,624,639.5                            | 0.3%                                    | 2,215,288,801.0                   | 2.3%                              |
| 313 Encouragement of tourism activities                        | 29,523,291.0                    | 0.4%                            | 48,967,924.7                            | 0.3%                                    | 1,296,872,839.0                   | 1.3%                              |
| 321 Basic services for the economy and rural ...               | 68,080,913.0                    | 0.8%                            | 100,520,579.4                           | 0.6%                                    | 3,181,670,749.0                   | 3.3%                              |
| 322 Village renewal and development                            | 10,164,321.2                    | 1.3%                            | 157,302,587.0                           | 0.9%                                    | 3,009,100,433.0                   | 3.1%                              |
| 323 Conservation and upgrading of the rural heritage           | 59,328,212.0                    | 0.7%                            | 90,150,345.6                            | 0.5%                                    | 1,347,143,457.0                   | 1.4%                              |
| 331 Training and information                                   | 5,239,242.9                     | 0.1%                            | 7,286,202.7                             | 0.0%                                    | 146,171,526.0                     | 0.2%                              |
| 341 Skills acquisition, animation and implementation of ...    | 11,281,176.6                    | 0.1%                            | 17,796,792.2                            | 0.1%                                    | 149,985,663.0                     | 0.2%                              |
| <b>Axe 3</b>                                                   | <b>364,393,462.3</b>            | <b>4.4%</b>                     | <b>529,791,296.9</b>                    | <b>3.2%</b>                             | <b>12,841,538,647.0</b>           | <b>13.3%</b>                      |
| 411 Implementing local development strategies. Compet..        | 8,813,604.9                     | 0.1%                            | 9,539,364.5                             | 0.1%                                    | 449,103,916.0                     | 0.5%                              |
| 412 Implementing local development strategies. Envir..         | 749,828.7                       | 0.0%                            | 778,622.3                               | 0.0%                                    | 166,935,719.0                     | 0.2%                              |
| 413 Implementing local development strategies. Quality ..      | 51,756,757.3                    | 0.6%                            | 57,003,658.0                            | 0.3%                                    | 3,883,169,004.0                   | 4.0%                              |
| 421 Implementing cooperation projects                          | 420,154.4                       | 0.0%                            | 643,455.4                               | 0.0%                                    | 278,656,455.0                     | 0.3%                              |
| 431 Running the local action group, acquiring skills and ...   | 25,760,154.2                    | 0.3%                            | 28,208,895.3                            | 0.2%                                    | 941,057,710.0                     | 1.0%                              |
| <b>Axe 4</b>                                                   | <b>87,500,499.6</b>             | <b>1.1%</b>                     | <b>96,173,995.4</b>                     | <b>0.6%</b>                             | <b>5,718,922,804.0</b>            | <b>5.9%</b>                       |
| <b>511 Technical Assistance</b>                                | <b>91,352,175.9</b>             | <b>1.1%</b>                     | <b>163,339,575.5</b>                    | <b>1.0%</b>                             | <b>1,952,924,872.0</b>            | <b>2.0%</b>                       |
| <b>611 BG RO Direct Payments</b>                               | <b>294,536,277.5</b>            | <b>3.6%</b>                     | <b>339,455,102.4</b>                    | <b>2.0%</b>                             | <b>645,581,697.0</b>              | <b>0.7%</b>                       |
| <b>Grand total</b>                                             | <b>8,204,275,377.3</b>          | <b>100.0%</b>                   | <b>16,782,935,775.0</b>                 | <b>100.0%</b>                           | <b>96,244,174,687.0</b>           | <b>100.0%</b>                     |

\* Financial plans including Health Check (HC) and Recovery Package (RP) amounts (at 17 March 2010)

### **3.6. Implementation rate of EAFRD programmes**

The graph on the next page presents the financial implementation rate of rural development programmes (from the beginning to 2009, including Q4 2009) compared with the 2007-2009 appropriations. The average EAFRD financial implementation rate for all EAFRD programmes is 68.4%.

The graph shows that most Member States have absorbed more than 50% of the 2007-2009 appropriations.

Furthermore, 3 Member states have a level of declared expenditure which is higher than the 2007-2009 commitments and the difference had to be paid with fresh commitments from 2010.

