

GOVERNMENT OF MALTA
MINISTRY FOR AGRICULTURE,
FISHERIES AND ANIMAL RIGHTS

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EAFRD Financial Execution

Rural Development Programme 2014-2020

Agriculture and Rural Payments Agency

RDP Monitoring Committee

6 October 2023

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*

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General Overview

- Malta's financing plan of its RDP 2014-2020 provides an allocation of €140,513,404 EU Funds and an additional €8,750,475.00 of EURI Funds.
- A performance reserve of 6% is applied to the annual allocation, which in total will amount to €5,839,614. This is going to be used by Malta by 2025.
- The National contribution to the programme is €46,837,801.

Commitment Year	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
Annual	€0.00	€20,905,107.00	€20,878,690.00	€13,914,927.00	€13,893,023.00	€13,876,504.00	€13,858,647.00	€23,852,009.00	€19,334,497.00	€140,513,404.00
Performance Reserve	€0.00	€1,254,306.42	€1,252,721.40	€834,895.62	€833,581.38	€832,590.24	€831,518.82			€5,839,613.88
Net Amount	€0.00	€19,650,800.58	€19,625,968.60	€13,080,031.38	€13,059,441.62	€13,043,913.76	€13,027,128.18	€23,852,009.00	€25,174,110.88	€140,513,404.00
EURI								€2,588,898.00	€6,161,577.00	€8,750,475.00
Total Net Amount	€0.00	€19,650,800.58	€19,625,968.60	€13,080,031.38	€13,059,441.62	€13,043,913.76	€13,027,128.18	€26,440,907.00	€31,335,687.88	€149,263,879.00

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General Overview

- Malta's financing plan of its RDP 2014-2020 provides an allocation of €140,513,404 EU Funds and an additional €8,750,475.00 of EURI Funds.

Commitment	Total			
2014-2020	€97,326,898.00			
2021-2022	€43,186,506.00	€140,513,404.00	44.37%	Increase on Original Amount
EURI	€8,750,475.00	€8,750,475.00		
Total Net Amount	€149,263,879.00	€149,263,879.00		

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State of Play of Programme

€	Total Public Expenditure Net of Recoveries (€)	Total EAFRD Expenditure Net of Recoveries (€)
1	€ 13,271.46	€ 9,953.60
2	€ 42,022.68	€ 31,517.01
3	€ -	€ -
4	€ 71,148,014.24	€ 53,491,436.83
6	€ 5,736,303.34	€ 4,302,227.51
8	€ -	€ -
10	€ 10,089,659.95	€ 7,567,244.96
11	€ 13,744.72	€ 10,308.54
13	€ 14,121,431.52	€ 11,121,799.87
16	€ 1,074,518.37	€ 805,888.78
19	€ 4,742,510.72	€ 3,556,883.04
20	€ 6,127,333.16	€ 4,595,499.87
22	€ -	€ -
Total:	€ 113,108,810.16	€ 85,492,760.00

- By the end of Quarter 2 of 2023, Malta has issued payments amounting to **€85,492,760.00** (EAFRD component), equivalent to **€113,108,810.16** Public Expenditure.

- The total expenditure was spread among 9 Measures and Technical Assistance.

- The highest uptake is under M04.

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State of play per Measure

Measure	EAFRD Financing Plan in force	EURI Financing Plan in force	Total EAFRD amount Requested (€)	Total EURI amount Requested (€)	EAFRD + EURI Requested Financing Plan (%)	EAFRD available to declare for the remaining period	EURI available to declare for the remaining period
M01	€ 3,300,000.00		€ 9,953.60		0.30%	€ 3,290,046.41	€ -
M02	€ 1,875,000.00		€ 31,517.01		1.68%	€ 1,843,482.99	€ -
M03	€ 609,878.00		€ -		0.00%	€ 609,878.00	€ -
M04	€ 83,649,090.75	€ 4,812,761.25	€ 52,969,732.25	€ 521,704.58	60.47%	€ 30,679,358.51	€ 4,291,056.67
M06	€ 5,808,828.00		€ 4,302,227.51		74.06%	€ 1,506,600.50	€ -
M08	€ 6,260,000.00		€ -		0.00%	€ 6,260,000.00	€ -
M10	€ 10,383,244.00		€ 7,567,244.96		72.88%	€ 2,815,999.04	€ -
M11	€ 762,000.00		€ 10,308.54		1.35%	€ 751,691.46	€ -
M13	€ 9,000,000.00	€ 3,502,713.75	€ 9,000,146.93	€ 2,121,652.95	88.96%	-€ 146.92	€ 1,381,060.80
M16	€ 4,212,382.89		€ 805,888.78		19.13%	€ 3,406,494.11	€ -
M19	€ 7,120,000.00		€ 3,556,883.04		49.96%	€ 3,563,116.96	€ -
M20	€ 5,882,980.36	€ 435,000.00	€ 4,595,499.87		72.74%	€ 1,287,480.49	€ 435,000.00
M22	€ 1,650,000.00		€ -		0.00%	€ 1,650,000.00	€ -
Total:	€ 140,513,404.00	€ 8,750,475.00	€ 82,849,402.47	€ 2,643,357.53	57.28%	€ 57,664,001.53	€ 6,107,117.47

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Summary Table EAFRD Quarterly Declarations till Q2 2023

Budget Code	Total Public expenditure excluding adjustments	Union Contribution before adjustments	Union contribution financial adjustments (irregularities)	Total Public contribution financial adjustments (irregularities)	Union contribution other adjustments	Total Public contribution other adjustments	Union contribution requested amount
08 03 01 02 0121 100	€ 13,271.46	€ 9,953.60	€ -	€ -	€0.00	€0.00	€ 9,953.60
08 03 01 02 0221 100	€ 42,022.68	€ 31,517.01	€ -	€ -	€0.00	€0.00	€ 31,517.01
08 03 01 02 0321 100	€ -	€ -	€ -	€ -	€0.00	€0.00	€ -
08 03 01 02 0421 100	€ 72,777,111.40	€ 54,713,259.70	-€ 1,221,822.87	-€ 1,629,097.16	€0.00	€0.00	€ 53,491,436.83
08 03 01 02 0621 100	€ 5,904,303.34	€ 4,428,227.51	-€ 126,000.00	-€ 168,000.00	€0.00	€0.00	€ 4,302,227.51
08 03 01 02 0821 100	€ -	€ -	€ -	€ -	€0.00	€0.00	€ -
08 03 01 02 1021 100	€ 10,331,038.93	€ 7,748,279.20	-€ 181,034.24	-€ 241,378.98	€0.00	€0.00	€ 7,567,244.96
08 03 01 02 1121 100	€ 14,230.47	€ 10,672.85	-€ 364.31	-€ 485.75	€0.00	€0.00	€ 10,308.54
08 03 01 02 1321 100	€ 14,154,592.52	€ 11,146,670.62	-€ 24,870.75	-€ 33,161.00	€0.00	€0.00	€ 11,121,799.87
08 03 01 02 1621 100	€ 1,074,518.37	€ 805,888.78	€ -	€ -	€0.00	€0.00	€ 805,888.78
08 03 01 02 1921 100	€ 4,892,198.33	€ 3,669,148.75	-€ 112,265.71	-€ 149,687.61	€0.00	€0.00	€ 3,556,883.04
08 03 01 02 2021 100	€ 6,127,333.16	€ 4,595,499.87	€ -	€ -	€0.00	€0.00	€ 4,595,499.87
08 03 01 02 2221 100	€ -	€ -	€ -	€ -	€0.00	€0.00	€ -
Total:	€ 113,108,810.16	€ 87,159,117.87	-€ 1,666,357.88	-€ 2,221,810.50	€0.00	€0.00	€ 85,492,760.00

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Decommitment of EAFRD allocation

- **Since Malta's RDP was approved late in 2015, the 2014 allocation was added on to the allocations approved for 2015 and 2016.**
- **Malta has succeeded in disbursing all respective allocations due so far applying the N+3 rule and leaving the Performance reserve (6%) to be used by 2025:**
 - ❖ **The 2015 allocation and 2016 allocation, Malta has reached this by end of Q4 of 2018 and 2019 respectively.**
 - ❖ **With regards to the 2017 allocation, Malta has reached this disbursement by Q3 2020.**
 - ❖ **With regards to the 2018 allocation, Malta has reached this disbursement by Q2 2021.**
 - ❖ **With regards to the 2019 allocation, Malta has reached this disbursement by Q4 2022.**
 - ❖ **With regards to the 2020 allocation, Malta is expecting to reach the target by Q4 2023.**

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Decommitment of EAFRD allocation

- ❖ **With regards to the 2020 allocation, Malta is expecting to reach the target by Q4 2023.**

	2020 Allocation
	€13,027,128.18
Q4 2022	€2,500,501.17
Q1 2023	€2,593,607.44
Q2 2023	€1,961,034.02
Q3 2023* (* till 30.09.2023)	€419,241.01
Q3 2023 ** (Forecast 1-15 Oct 2023)	€2,000,000
Q4 2023 ** (Forecast)	€14,658,268
Total Expenditure Declared	€24,132,651.64
	185.25%
<u>Disbursement Balance</u>	
Remaining Balance For Disbursement	-€11,105,523.46
	2020 Allocation

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Financial Plan

Annual EAFRD Contribution * RDP v7.0
As per Pg 611 of RDP 2014-2020 (Section 10.1)

RDP 2014-2020	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total
Article 59(3)(b) of Regulation (EU) No 1305/2013 - All regions whose GDP per capita for the 2007-2013 period was less than 75 % of the average of the EU-25 for the reference period but whose GDP per capita is above 75 % of the GDP average of the EU-27	€0.00	€20,905,107.00	€20,878,690.00	€13,914,927.00	€13,893,023.00	€13,876,504.00	€13,858,647.00	€23,852,009.00	€19,334,497.00	€140,513,404.00
Total	€0.00	€20,905,107.00	€20,878,690.00	€13,914,927.00	€13,893,023.00	€13,876,504.00	€13,858,647.00	€23,852,009.00	€19,334,497.00	€140,513,404.00
Out of which performance reserve	€0.00	€1,254,306.42	€1,252,721.40	€834,895.62	€833,581.38	€832,590.24	€831,518.82	€23,852,009.00	€25,174,110.88	€5,839,613.88
Net Amount	€0.00	€19,650,800.58	€19,625,968.60	€13,080,031.38	€13,059,441.62	€13,043,913.76	€13,027,128.18	€23,852,009.00	€25,174,110.88	€140,513,404.00
Allocation per Year Art 59(4a) – EUR!								€2,588,898.00	€6,161,577.00	€8,750,475.00
To be used by	2017	2018	2019	2020	2021	2022	2023	2024	2025	€149,263,879.00


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RDP 2014-2020	€0.00	€19,650,800.58	€19,625,968.60	€13,080,031.38	€13,059,441.62	€13,043,913.76	€13,027,128.18	€23,852,009.00	€25,174,110.88	€140,513,404.00
To be used by	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Actual Expenditure Declared										
Pre-Financing		€2,919,806.94								€2,919,806.94
Q1 2016		€0.00								€0.00
Q2 2016		€565,944.07								€565,944.07
Q3 2016		€23,512.81								€23,512.81
Q4 2016		€1,654,062.09								€1,654,062.09
Q1 2017		€305,557.24								€305,557.24
Q2 2017		€88,102.98								€88,102.98
Q3 2017		€123,251.05								€123,251.05
Q4 2017		€1,664,858.49								€1,664,858.49
Q1 2018		€773,254.33								€773,254.33
Q2 2018		€404,854.30								€404,854.30
Q3 2018		€6,548,266.47								€6,548,266.47
Q4 2018		€4,579,329.81	€6,508,560.25							€11,087,890.06
Q1 2019			€620,865.42							€620,865.42
Q2 2019			€4,054,637.63							€4,054,637.63
Q3 2019			€3,666,529.00							€3,666,529.00
Q4 2019			€4,775,376.30	€2,665,557.33						€7,440,933.63
Total Expenditure Declared	€0.00	€19,650,800.58	€19,625,968.60	€13,080,031.38	€13,059,441.62	€13,043,913.76	€7,055,142.63	€0.00	€0.00	€85,515,298.57
Disbursement Balance							54.16%			
Remaining Balance	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00	€5,971,985.55	€23,852,009.00	€25,174,110.88	€54,998,105.43
		2015 Allocation	2016 Allocation	2017 Allocation	2018 Allocation	2019 Allocation	2020 Allocation	2021 Allocation	2022 Allocation+PR	€140,513,404.00


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EDP 2014-2020	€0.00	€19,650,800.58	€19,625,968.60	€13,080,031.38	€13,059,441.62	€13,043,913.76	€13,027,128.18	€23,852,009.00	€25,174,110.88	€140,513,404.00
To be used by	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Actual Expenditure Declared										
Q4 2019			€4,775,376.30	€2,665,557.33						€7,440,933.63
Q1 2020				€3,339,671.66						€3,339,671.66
Q2 2020				€4,050,418.15						€4,050,418.15
Q3 2020				€3,024,384.24	€202,723.74					€3,227,107.98
Q4 2020					€5,389,174.47					€5,389,174.47
Q1 2021					€2,064,622.89					€2,064,622.89
Q2 2021					€5,402,920.52	€347,464.83				€5,750,385.35
Q3 2021						€1,755,944.23				€1,755,944.23
Q4 2021						€4,269,562.33				€4,269,562.33
Q1 2022						€1,592,238.16				€1,592,238.16
Q2 2022						€1,476,164.34				€1,476,164.34
Q3 2022						€2,195,178.17				€2,195,178.17
Q4 2022						€1,407,361.16	€2,500,501.17			€3,907,862.33
Q1 2023							€2,593,607.44			€2,593,607.44
Q2 2023							€1,961,034.02			€1,961,034.02
Q3 2023*							€419,241.01			€0.00
Total Expenditure Declared	€0.00	€19,650,800.58	€19,625,968.60	€13,080,031.38	€13,059,441.62	€13,043,913.76	€7,474,383.64	€0.00	€0.00	€85,515,298.57
Disbursement Balance							57.38%			
Remaining Balance	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00	€5,552,744.54	€23,852,009.00	€25,174,110.88	€54,998,105.43
		2015 Allocation	2016 Allocation	2017 Allocation	2018 Allocation	2019 Allocation	2020 Allocation	2021 Allocation	2022 Allocation+PR	€140,513,404.00

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EURI								€2,588,898.00	€6,161,577.00	€8,750,475.00
To be used by	2017	2018	2019	2020	2021	2022	2023	2024	2025	€149,263,879.00
Actual Expenditure Declared										
Q1 2022								€248,251.18		€248,251.18
Q2 2022								€5,662.35		€5,662.35
Q3 2022								€323.98		€323.98
Q4 2022								€1,463,679.89		€1,463,679.89
Q1 2023								€486,312.23		€486,312.23
Q2 2023								€384,668.37	€52,723.83	€437,392.20
Q3 2023*									€154,885.27	€154,885.27
Total Expenditure Declared								€2,588,898.00	€207,609.10	€2,796,507.10
Disbursement Balance									3.37%	
Remaining Balance For Disbursement								€0.00	€5,953,967.90	€5,953,967.90
								EURI Allocation	EURI Allocation	€8,750,475.00

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Financial Clearance

• Clearance Documents

- ❖ Financial Year N is from 16th October N-1 to 15th October N.
- ❖ Following the Financial Year-end, each Member State shall send to the Commission a set of information/documents as established in Regulation No. 1306/2013 Article 7(3):
 - (a) the annual accounts for the expenditure effected in carrying out the tasks entrusted to their accredited paying agencies, accompanied by the requisite information for their clearance in accordance with Article 51;
 - (b) a management declaration as to the completeness, accuracy and veracity of the accounts and the proper functioning of the internal control systems, based on objective criteria, as well as to the legality and regularity of the underlying transactions;
 - (c) an annual summary of the final audit reports and of controls carried out, including an analysis of the nature and extent of the errors and of weaknesses in systems identified, as well as corrective action to be taken or planned.

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Financial Clearance

• Clearance of Accounts by Commission

- ❖ According to Article 51 of Regulation (EU) No 1306/2013, the Commission should clear the annual accounts of every Paying Agency by the 31 of May of the year following the Financial Year being audited. If the Commission decides not to clear the accounts, then these will be suspended until a conciliation is taken place.
- ❖ For FY 2018, FY 2019, FY 2020, FY 2021 and FY 2022 the accounts of the Maltese Paying Agency have been cleared by 31 of May.
- ❖ Following the Clearance of Accounts, the 30th April Letter has been received and the remarks were done and these have been answered to. Recommendations given by Commission were taken onboard and action on them has been taken.

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Error Rate

- Part of the Financial Clearance Package sent by each Member State for each Financial Year N (16.10.n-1 – 15.10.n), is the Management Declaration. This is signed by DG Paying Agency.
- Annex I and Annex II of the Management Declaration give a detailed analysis on the Error Rate of the Member State according to the Control Statistics submitted to Commission during the Financial Year N, which relate to Control Statistics of Year N-1.

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Error Rate for the last 5 FYs

Population	Population Error rate				
	FY 2018	FY 2019	FY 2020	FY 2021	FY 202
TOTAL EAGF – IACS	0.96%	1.08%	0.40%	0.07%	0.78%
TOTAL EAGF Non-IACS	5.80%	1.77%	3.00%	1.07%	3.46%
TOTAL EAFRD – IACS	4.16%	2.51%	1.87%	0.42%	1.68%
TOTAL EAFRD Non-IACS	0.00%	0.00%	0.00%	0.77%	0.20%
TOTAL	1.68%	1.34%	0.70%	0.41%	0.41%

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Extract from Management Decl FY 2022

Population	Population Error rate in financial year 2022	Error rate in previous financial year	Explanations in the event of the three cases defined above, please indicate
TOTAL EAGF – IACS	0.78%	0.07%	The error rate at population level in the financial year is below the allowable threshold and hence no explanation is deemed necessary.
TOTAL EAGF Non-IACS	3.46%	1.07%	<p>This high error rate was mainly due to Apiculture 2022. For Apiculture Programme 2022, more beneficiaries were subject to OTS. During the OTS inspection, it was noticed that some of the beekeepers did not have the exact number of colonies and nuclei on the site as indicated by themselves on the application itself. Given that the overall amounts paid to each beekeeper are small, then any discrepancy, irrespective of its size, would result in a high error rate.</p> <p>For next Apiculture Programme, more information sessions are going to be held. Also, more guidance is going to be given to the Associations so that in turn, they pass the information to their members.</p>

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Extract from Management Decl FY 2022

Population	Population Error rate in financial year 2022	Error rate in previous financial year	Explanations in the event of the three cases defined above, please indicate
TOTAL EAFRD – IACS	1.68%	0.42%	The error rate at population level in the financial year is below the allowable threshold and hence no explanation is deemed necessary.
TOTAL EAFRD Non-IACS	0.20%	0.77%	The error rate at population level in the financial year is below the allowable threshold and hence no explanation is deemed necessary.
TOTAL	0.41%	0.41%	

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Extract from Management Decl FY 2022

- Detailed explanation of Error Rate for FY 2022 - EAFRD

Population	Official control data/ statistics available	Date of control data/ statistics used as a basis for the MD	Total amount claimed	Total amount subject to OTSC (only random if available)	Total amount at error before application of penalties as a result of admin controls and OTSC (only random if available)	Error rate in financial year 2021	Error per scheme/ measure	Population	Error in EUR for the financial year in question
					a	b	c	d=c/b	e=d*a
PAYMENTS TO AREAS FACING NATURAL OR OTHER SPECIFIC CONSTRAINTS (ARTICLES 31 AND 32) - Measure 13 - ANC	CS-33	53	Y	15/07/202	€1,959,810.98	€22,752.92	€165.02	0.73%	€14,213.91
AGRI-ENVIRONMENT-CLIMATE (ARTICLE 28) - Measure 10 - AECM	CS-34	50	Y	15/07/202	€21,907.36	€15,875.52	€700.00	0.00%	€0.00
ORGANIC FARMING (ARTICLE 29) - Measure 11	CS-33	50	Y	15/07/202	€2,236,839.36	€88,107.31	€1,274.48	1.45%	€32,356.08
AGRI-ENVIRONMENT-CLIMATE (ARTICLE 28) - Measure 10	CS-33	51	Y	15/07/202	€4,047.14	€552.43	€0.00	0.00%	€0.00
TOTAL EAFRD – IACS					€4,222,604.84	€127,288.18	€2,139.50	1.68%	€70,974.88

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Extract from Management Decl FY 2022

Population	Official control data/ statistics available	Date of control data/ statistics used as a basis for the MD	Total amount claimed	Total amount subject to OTSC (only random if available)	Total amount at error before application of penalties as a result of admin controls and OTSC (only random if available)	Error rate in financial year 2021	Error per scheme/ measure	Population	Error in EUR for the financial year in question
					a	b	c	d=c/b	e=d*a
KNOWLEDGE TRANSFER AND INFORMATION ACTIONS (ARTICLE 14) - Measure 01	CS-35	01	Y	15/07/2022	€3,374.10	€0.00	€0.00		
ADVISORY SERVICES, FARM MANAGEMENT AND FARM RELIEF SERVICES (ARTICLE 15) - Measure 02	CS-35	02	Y	15/07/2022	€6,349.88	€0.00	€0.00		
INVESTMENTS IN PHYSICAL ASSETS (ARTICLE 17) - Measure 04	CS-35	04	Y	15/07/2022	€17,501,860.27	€1,017,577.26	€2,480.24	0.24%	€42,658.99
FARM AND BUSINESS DEVELOPMENT (ARTICLE 19) - Measure 06	CS-35	06	Y	15/07/2022	€578,813.86	€33,750.00	€0.00	0.00%	€0.00
SUPPORT FOR LEADER LOCAL DEVELOPMENT (CLLD – COMMUNITY-LED LOCAL DEVELOPMENT) (ARTICLE 35) - Measure 19	CS-35	19	Y	15/07/2022	€1,520,048.98	€67,626.64	€0.00	0.00%	€0.00
TECHNICAL ASSISTANCE (ARTICLE 51) - Measure 20	CS-35	20	Y	15/07/2022	€1,975,949.42	€128,266.64	€0.00	0.00%	€0.00
TOTAL EAFRD NonIACS					€21,586,396.51	€1,247,220.54	€2,480.24	0.20%	€42,927.01

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Thank you