

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 December 2024

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 €140,513,404.00 EU Funds and an additional €8,750,475.00 of EURI Funds, amounting to €149,263,879.00 EU 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 €46,837,801.33.
- The RDP 2014-2020 amounts to €196,101,680.33 in Public Funds.

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

- From the original allocation for 2014-2020 to the additional allocation for 2021-2022, there was a 44.37% increase on the original amount. Thus, Malta for the additional 2 years (2021-2022) must spend nearly half of the allocation it had for the original 6 years.
- This is apart from the EURI allocation it had be allocated for 2021 and 2022.

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

Measure	Total Public Expenditure Net of Recoveries	Total EAFRD Expenditure Net of Recoveries
01	€97,744.05	€73,308.04
02	€117,789.69	€88,342.27
03	€0.00	€0.00
04	€88,909,725.04	€66,682,293.78
04 EURI	€2,928,296.27	€2,928,296.27
06	€6,553,823.84	€4,915,367.88
08	€0.00	€0.00
10	€11,713,231.15	€8,784,923.36
11	€15,899.07	€11,924.30
13	€12,398,569.15	€9,298,926.86
13 EURI	€3,502,713.75	€3,502,713.75
16	€3,356,303.73	€2,517,227.80
19	€7,174,314.29	€5,380,735.72
20	€8,089,053.28	€6,066,789.96
20 EURI	€0.00	€0.00
22	€1,632,740.00	€1,224,555.00
Total:	€146,490,203.31	€111,475,404.99

- By the end of Quarter 3 of 2024, Malta has declared net payments amounting to **€111,475,404.99** (EAFRD component), equivalent to **€146,490,203.31** Public Expenditure.
- The total expenditure was spread among 10 Measures and Technical Assistance.
  - This implies that Malta has declared **74.68%** of its total EU allocation under RDP 2014-2020.

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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	€562,500.00		€73,308.04		13.03%	€489,191.96	
M02	€397,366.63		€88,342.27		22.23%	€309,024.36	
M03	€33,750.00		€0.00		0.00%	€33,750.00	
M04	€86,971,772.50	€4,812,761.25	€66,682,293.78	€2,928,296.27	75.84%	€20,289,478.72	€1,884,464.98
M06	€5,262,750.00		€4,915,367.88		93.40%	€347,382.12	
M08	€8,100,000.00		€0.00		0.00%	€8,100,000.00	
M10	€10,383,244.00		€8,784,923.36		84.61%	€1,598,320.64	
M11	€17,450.51		€11,924.30		68.33%	€5,526.21	
M13	€9,450,000.00	€3,502,713.75	€9,298,926.86	€3,502,713.75	98.83%	€151,073.14	€0.00
M16	€5,100,000.00		€2,517,227.80		49.36%	€2,582,772.20	
M19	€7,120,000.00		€5,380,735.72		75.57%	€1,739,264.28	
M20	€5,882,980.36	€435,000.00	€6,066,789.96	€0.00	96.02%	-€183,809.60	€435,000.00
M22	€1,231,590.00		€1,224,555.00		99.43%	€7,035.00	
<b>Total:</b>	<b>€140,513,404.00</b>	<b>€8,750,475.00</b>	<b>€105,044,394.97</b>	<b>€6,431,010.02</b>	<b>74.68%</b>	<b>€57,664,001.53</b>	<b>€6,107,117.47</b>
	<b>€149,263,879.00</b>		<b>€111,475,404.99</b>			<b>€63,771,119.00</b>	


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## Summary Table EAFRD Quarterly Declarations till Q3 2024

Budget Code	Measure	Total Public expenditure excluding adjustments	Union Contribution before adjustments	Union contribution financial adjustments (irregularities)	Total Public contribution financial adjustments (irregularities)	Union contribution other adjustments	Union contribution requested amount
08 03 01 02 0121 100	M01	€97,744.08	€73,308.07	€0.00	€0.00	-€0.03	€73,308.04
08 03 01 02 0221 100	M02	€117,789.74	€88,342.31	€0.00	€0.00	-€0.04	€88,342.27
08 03 01 02 0321 100	M03	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00
08 03 01 02 0421 100	M04	€93,884,836.37	€71,145,701.51	-€1,535,106.93	-€2,046,809.12	-€4.53	€69,610,590.05
08 03 01 02 0621 100	M06	€6,722,049.30	€5,041,536.99	-€126,169.01	-€168,225.34	-€0.10	€4,915,367.88
08 03 01 02 0821 100	M08	€0.00	€0.00	€0.00	€0.00	€0.00	€0.00
08 03 01 02 1021 100	M10	€12,154,672.82	€9,116,001.55	-€331,003.86	-€441,337.96	-€74.33	€8,784,923.36
08 03 01 02 1121 100	M11	€17,187.08	€12,890.34	-€965.90	-€1,287.86	-€0.14	€11,924.30
08 03 01 02 1321 100	M13	€15,935,005.02	€12,827,254.68	-€25,432.11	-€33,909.35	-€181.96	€12,801,640.61
08 03 01 02 1621 100	M16	€3,380,716.64	€2,535,537.48	-€18,309.66	-€24,412.88	-€0.02	€2,517,227.80
08 03 01 02 1921 100	M19	€7,378,946.18	€5,534,209.68	-€153,472.20	-€204,629.57	-€1.76	€5,380,735.72
08 03 01 02 2021 100	M20	€8,089,053.85	€6,066,790.42	€0.00	€0.00	-€0.46	€6,066,789.96
08 03 01 02 2221 100	M22	€1,633,515.00	€1,225,136.25	-€581.25	-€775.00	€0.00	€1,224,555.00
		<b>€149,411,516.08</b>	<b>€113,666,709.28</b>	<b>-€2,191,040.92</b>	<b>-€2,921,387.08</b>	<b>-€263.37</b>	<b>€111,475,404.99</b>

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## Financial Plan


Annual EAFRD Contribution \* RDP v8.0  
 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	€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			€5,839,613.88
Net Amount Allocation per Year Art 59(4a) – EURI	€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	€149,263,879.00




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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.
  - ❖ The 2019 allocation and 2020 allocation, Malta has reached this by end of Q4 of 2022 and 2023, respectively.
  - ❖ With regards to the 2021 allocation, Malta is expecting to reach the target by Q4 2024.



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## Decommitment of EAFRD allocation

❖ **With regards to the 2021 allocation, Malta is expecting to reach the target by Q4 2024.**

	2021 Allocation
	€23,852,009.00
Q4 2023	€7,415,300.96
Q1 2024	€1,898,377.85
Q2 2024	€4,377,261.74
Remaining Balance For Disbursement W/O Performance Reserve	€10,161,068.45
Decommitment Letter Amount	€10,161,068.45
Q3 2024	€2,785,977.24
<b>Q4 2024*</b>	
<b>Claim already paid (till 04.12.2024)</b>	<b>€6,499,836.21</b>
<b>Claims awaiting to be paid (as at 04.12.2024)</b>	<b>€161,055.17</b>
<b>Irregularities recovered (till 04.12.2024)</b>	<b>-€183,762.60</b>
<b>Capping adjustments in Q4 2024 Declaration</b>	<b>-€47,911.54</b>
<b>Claims in hand forecasted to be paid by end of this quarter</b>	<b>€2,483,928.52</b>
<b>Net Expenditure to be declared in Q4 2024</b>	<b>€8,913,145.76</b>
Disbursement Balance	
Remaining Balance For Disbursement	-€1,538,054.55
	2021 Allocation

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## Financial Clearance

- **Clearance Documents**
  - ❖ Financial Year N is from 16<sup>th</sup> October N-1 to 15<sup>th</sup> 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, FY 2022 and FY 2023 the accounts of the Maltese Paying Agency have been cleared by 31 of May.
- ❖ Following the Clearance of Accounts, the 30<sup>th</sup> April Letter has been received, and the remarks made 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 6 FYs

Population	Population Error rate					
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
<b>TOTAL EAGF – IACS</b>	0.96%	1.08%	0.40%	0.07%	0.78%	0.17%
<b>TOTAL EAGF Non-IACS</b>	5.80%	1.77%	3.00%	1.07%	3.46%	0.00%
<b>TOTAL EAFRD – IACS</b>	4.16%	2.51%	1.87%	0.42%	1.68%	5.18%
<b>TOTAL EAFRD Non-IACS</b>	0.00%	0.00%	0.00%	0.77%	0.20%	0.05%
<b>TOTAL</b>	1.68%	1.34%	0.70%	0.41%	0.41%	0.18%

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