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COMMISSION OF THE EUROPEAN COMMUNITIES

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

**2nd financial report on the financial implementation of the European Agricultural Fund
for Rural Development (EAFRD)
Year 2008**

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1. PROCEDURE AND BUDGETARY MONITORING

On 2 May 2007 the Commission adopted the preliminary draft budget (PDB) for the year 2008. The PDB for the EAFRD was submitted to the budget authority with the following financial resources (in EUR):

Budget line	Commitment appropriations	Payment appropriations
05.040501 (Rural Development programmes)	12 542 462 561.00	9 396 700 000.00
05.040502 (Technical assistance)	22 089 328.00	10 000 000.00

Council Regulation (EC) No 378/2007 laying down rules for voluntary modulation of direct payments was adopted on 27 March 2007. Its direct impact on the EAFRD budget is an increase of EUR 362 000 000.00 in commitment appropriations.

As a result, the general budget for 2008 was adopted by the Parliament at its second reading on 13 December 2007 with the following amounts for the EAFRD:

Budget line	Commitment appropriations	Payment appropriations
05.040501 (Rural Development programmes)	12 904 462 561.00	9 396 700 000.00
05.040502 (Technical assistance)	22 089 328.00	10 000 000.00

At the end of 2007 only 54 EAFRD programmes out of a total of 94 were approved by the Commission. The other 40 programmes were approved in 2008 as follows:

- 25 EAFRD programmes were approved at the start of 2008 having benefited from a non-automatic carry-over of the commitment appropriations from the year 2007 to 2008, for a total amount of EUR 1 360 517 165.00.
- 15 EAFRD programmes for which the appraisal work had not been completed by the Commission before the end of 2007 were part of the 2007 instalment which was reassigned to the years 2008-2013 by application of paragraph 48 of the Interinstitutional Agreement (IIA) on budgetary discipline.

For these last 15 EAFRD programmes, the appropriations entered in the 2007 budget for the 2007 annual instalment were cancelled and the budgetary authority approved, in May 2008, a corrected budget for an additional amount of EUR 370 376 764.00 in commitment appropriations which corresponds to the 2008 share of the reassigned 2007 annual instalment.

It should be noted that the application of paragraph 48 of the IIA also necessitated the revision of the financial framework for rural development with the amendment of Council Decision 2006/493/EC determining the level of Community aid for rural development during the period 2007-2013 and its annual allocation, and the amendment of Decision 2006/636/EC establishing, by Member State, the annual allocation of the amount for rural development for the same period.

The above situation means that the amount of commitment appropriations finally available for the budget line for operational EAFRD programmes (excluding technical assistance) is EUR 14 635 356 490.00.

It should be noted that the payment appropriations stayed at the same level during 2008 as that included in the budget adopted by the Parliament at its second reading on 13 December 2007, with the exception of a total transfer of EUR 82 995 000.00 which was made at the end of the year to increase the budget lines for the EAGGF Guidance Section. The table below illustrates the situation per budget line (in EUR):

Financial instrument / budget line	Increase ('+') or Decrease ('-') of the available payment appropriation (in EUR)
EAFRD (05.040501)	- 82 995 000.00
EAGGF Guidance Section Objective 1 (05.04.02.01) and EAGGF Guidance Section Leader + (05.040206)	+ 82 995 000.00
Total variation (increase, decrease) for rural development	0.00

The following section describes how these funds have been used.

2. MANAGEMENT OF APPROPRIATIONS AND FINANCIAL IMPLEMENTATION

2.1. Commitment appropriations

2.1.1. Commitment appropriations for operational rural development programmes

All of the available commitment appropriations for the 2008 instalment (EUR 14 635 356 490.00) were used up (i.e. 100% financial implementation). The following table shows the amounts actually committed in 2008, by Member State, for the EAFRD programmes (in EUR):

Member State	Use of commitment appropriations 2008
AT	594 709 669.00
BE	63 957 784.00
BG	581 200 565.00
CY	24 772 842.00
CZ	392 638 892.00
DE	1 186 941 705.00
DK	128 937 144.00
EE	95 569 377.00
ES	1 548 539 790.00
FI	318 959 772.00
FR	959 359 146.00
GR	463 470 078.00
HU	537 525 661.00
IE	355 014 220.00
IT	1 616 756 298.00
LT	248 836 020.00
LU	13 661 411.00
LV	300 635 734.00
MT	23 962 147.00
NL	72 638 338.00
PL	1 932 933 351.00
PT	587 531 051.00
RO	1 146 687 683.00
SE	277 225 207.00
SI	139 868 094.00
SK	286 531 906.00
UK	736 492 605.00

Grand total	14 635 356 490.00
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2.1.2. Commitment appropriations available for technical assistance

Article 69(2) of Council Regulation (EC) No 1698/2005 provides for 0.25% of the total amount of Community aid for rural development to be allocated to technical assistance managed by the Commission. In the 2008 budget the amount available for this purpose was EUR 22 089 328.00 in commitment appropriations. At the end of 2008 the use of commitment appropriations amounted to EUR 5 250 376.94.

The table below shows how these commitment appropriations were used. The majority of the commitment appropriations for the year 2008 involved actions related to creating the European Network for rural development and the development of the SFC2007 computer system.

Item / Description	Commitment appropriations used in 2008	Comment
040502-C1-AGRI AGRI-G3	4 879 562 €	Creation of European Network for RD; Leader + expert committee (European Network framework); Cyprus seminar; Leader + magazine (publishing, distribution, translation) and web site.
05.040502-C1-AGRI AGRI-L4	81 000 €	Expert committee - evaluation of RD programmes
Sub-total for direct management by DG AGRI	4 960 562 €	
05.040502-C1-AGRI/EMPL	289 815 €	Development of SFC 2007 computer system
Sub-total for management by DG EMPL	289 815 €	
General total	5 250 377 €	

2.2. Payment appropriations

2.2.1. Appropriations available for operational rural development programmes

The payment appropriations included in the 2008 budget for the EAFRD programmes amount to EUR 9 396 700 000.00. Of this available amount, EUR 82 995 000.00 were transferred in November and December 2008 to increase budget lines 05.040201 and 05.040206 (programmes under EAGGF-Guidance Section for Objective 1 and Leader + for the programming period 2000-2006 respectively).

At the end of the year 2008, the use of payment appropriations amounted to EUR 8 538 840 673.98, which was used as follows:

Payments on account:	EUR 2 475 706 914.50
Reimbursements 4th quarter 2006	EUR 21 697 817.73
Reimbursement 3rd quarter 2007	EUR 116 058 716.24
Reimbursement 4th quarter 2007	EUR 1 697 255 282.24
Reimbursement 1st quarter 2008	EUR 1 120 239 109.02

Reimbursement 2nd quarter 2008	EUR 1 303 099 545.58
Reimbursement 3rd quarter 2008	EUR 1 804 783 288.67
Total use 2008	EUR 8 538 840 673.98

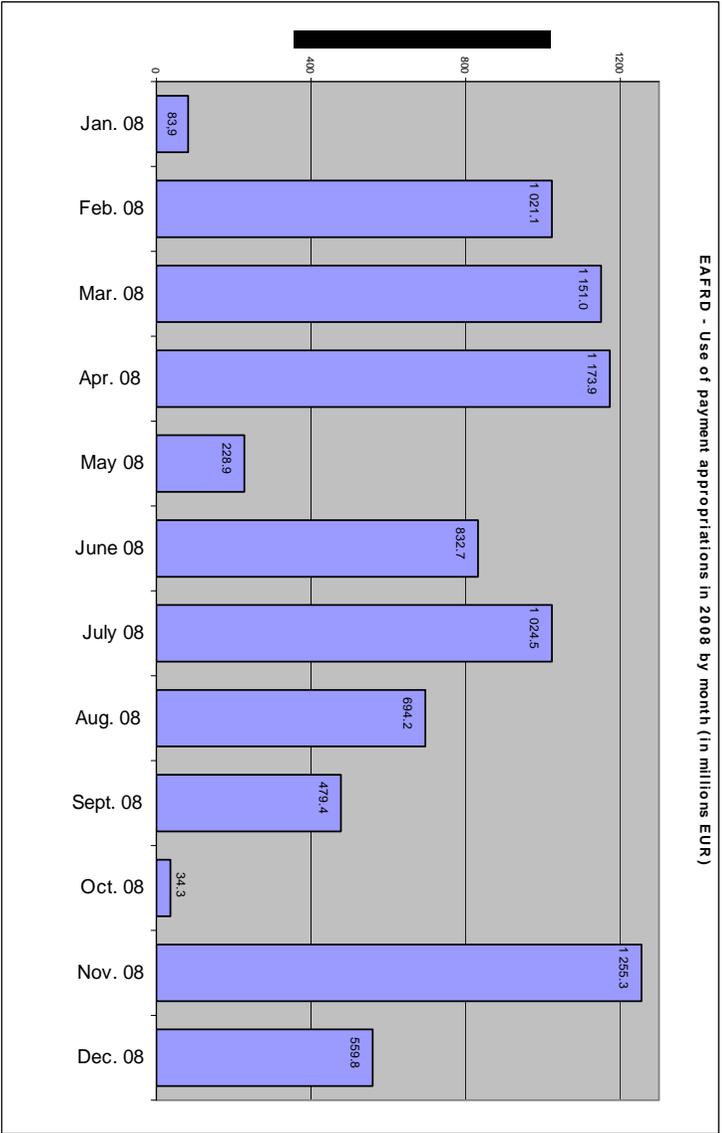
The 2nd and 3rd quarter 2008 reimbursements for some programmes (see list below) were totally or partially pending at the end of the year due to the fact that the commitments for 2007 and 2008 for these programmes had already been fully used by the payments on account and previous reimbursements. The table below shows the situation of the programmes which have used up the commitment appropriations, and for which the payments have had to await the start of 2009 (in EUR):

EAFRD Programme – CCI No	Q2 2008 (2nd quarter)	Q3 2008 (3rd quarter)	Total
Flanders (2007BE06RPO001)		2 634 830.50	2 634 830.50
North Rhine-Westphalia (2007DE06RPO015)		10 345 809.87	10 345 809.87
Aragon (2007ES06RPO002)	12 299 213.27	16 291 566.28	28 590 779.54
Asturias (2007ES06RPO003)		1 100 082.61	1 100 082.61
La Rioja (2007ES06RPO016)		1 046 530.71	1 046 530.71
Ireland National (2007IE06RPO001)		95 219 252.45	95 219 252.45
Total	12 299 213.27	126 638 072.42	138 937 285.68

The difference between the total amount of the available payment appropriations and, the amount of payment appropriations used taken with the amount transferred to increase two lines for the previous programming period, was EUR 774 864 326.02. This amount represents financial under utilisation of 8.2% of the amount available in the budget. This under utilisation is mainly the result of the fact that the declaration of expenditure for the third quarter fell below the forecasts initially sent by the Member States. These appropriations have been carried over to the 2009 budget by means of Commission Decision SEC(2009) 164 of 13 February 2009 as C2 appropriations (appropriations not carried over automatically by means of a Commission decision and to be used before 31 December 2009).

The attached graph shows the monthly use of the payment appropriations during 2008. The rate of use is influenced by the dates on which the four payment declarations for the year are sent (31 January, 30 April, 31 July, 10 November for the declarations for Q4 2007, Q1 2008, Q2 2008 and Q3 2008 respectively).

EAFRD - Use of payment appropriations in 2008 by month (in millions EUR)



The table below states the amounts paid by the Commission during the calendar year 2008, by Member State, for the payments on account made and reimbursements of the expenditure incurred by the paying agencies during the periods from 16 October to 31 December 2007 (Q4 2007), from 1 January 2008 to 31 March 2008 (Q1 2008), from 1 April 2008 to 30 June 2008 (Q2 2008), from 1 July 2008 to 15 October 2008 (Q3 2008).

The amounts relating to Q4 2006, which refer to the expenditure declared by the Member States on the basis of the provisional provisions contained in Regulation (EC) No 1290/2005, are paid once the corresponding programmes are finally adopted by the Commission, which led to payments still being made in 2008. These payments relate to programmes which were not yet approved at the end of the 2007 year and which were subject to reassignment (Article 48 of the Interinstitutional Agreement) or the non-automatic carrying over of commitment appropriations from 2007 to 2008.

The amounts relating to Q3 2007 (incurred between 1 July 2007 and 15 October 2007) concern programmes which have exhausted their commitment appropriations for 2007 and were paid with the appropriations for the year 2008.

Payments actually made to Member States in 2008 (by Member State, in EUR)

Country	Q4 2006	Q3 2007	Q4 2007	Q1 2008	Q2 2008	Q3 2008	payments	Grand total
AT			371 286 024.65	14 068 801.75	30 060 501.85	47 193 416.95		462 608 745.20
BE			7 855 796.56	3 716 421.52	13 468 963.93	23 489 466.28	12 866 719.12	61 397 367.41
BG				44 623 266.77	12 965 601.61	596 961.32	182 636 901.72	240 822 731.42
CY			2 861 290.58	2 226 844.54	1 795 210.19	3 573 267.86		10 456 613.17
CZ			82 096 045.38	3 042 845.25	92 557 567.73	34 928 088.97		212 624 547.33
DE		15 159 448.42	266 605 351.99	61 315 527.30	51 814 976.17	274 609 584.29	131 421 515.15	800 926 403.32
DK	2 771 313.40		33 713 148.73	23 214 105.75	8 748 958.90	8 726 793.16	31 126 255.72	108 300 575.66
EE			1 755 286.53	7 073 589.90	3 343 724.64	11 754 204.47	25 013 059.92	48 939 865.46
ES	9 322 259.39		80 727 937.95	26 293 747.01	271 633 956.77	88 157 101.41	501 043 604.54	977 178 607.07
FI	4 784.52		7 789 919.37	2 894 821.36	2 404 210.75	206 885 717.44	29 631 449.29	249 610 902.73
FR			229 535 417.99	76 434 955.78	127 587 646.72	346 967 980.17	91 330 692.29	871 856 692.95
GR			22 609 906.45	11 896 825.42	55 403 905.41	133 762 669.63	129 755 654.84	353 428 961.75
HU			52 944 204.32	16 668 304.04	34 734 352.96	44 538 336.14		148 885 197.46
IE		32 174 706.48	72 186 100.35	45 801 218.05	44 475 101.00	78 480 083.47	81 897 010.65	355 014 220.00
IT		1 846 826.34	204 378 448.94	24 746 776.27	38 881 995.32	105 155 811.51	304 567 250.20	679 577 108.58
LT			22 119 684.58	8 099 867.33	19 709 731.04	10 884 277.29		60 813 560.24
LU			2 122 639.25	882 963.35	5 003 121.20	925 950.40	2 961 487.62	11 896 161.82
LV				12 686 328.51	23 939 056.24	14 026 415.28	72 877 945.28	123 529 745.31
MT							5 364 334.84	5 364 334.84
NL			2 644 989.00	11 058 938.00	4 747 847.00	4 689 292.23		23 141 066.23
PL			26 878 091.94	392 164 087.68	306 562 342.87	120 925 904.45		846 530 426.94
PT			26 481 306.80	116 440 499.47	37 010 165.52	74 681 682.84	144 063 955.11	398 677 609.74
RO							561 575 332.14	561 575 332.14
SE			42 500 466.81	27 072 386.20	16 526 791.36	88 335 150.09	15 181 392.86	189 616 187.32
SI			243 945.74	32 148 132.08	32 675 387.55	20 190 493.06		85 257 958.43
SK			69 737 150.57	24 355 731.70	3 106 306.54	590 903.92	68 929 632.73	166 719 725.46
UK	9 599 460.42	66 877 735.00	68 182 127.76	131 312 123.99	63 942 122.31	60 713 736.04	83 462 720.48	484 090 026.00
Grand total	21 697 817.73	116 058 716.24	1 697 255 282.24	1 120 239 109.02	1 303 099 545.58	1 804 783 288.67	2 475 706 914.50	8 538 840 673.98

For 2008, the total amount of reimbursements (interim payments) amounts to EUR 6 063 133 759.48 and the total amount for advance payments is EUR 2 475 706 914.50.

In terms of the change in comparison with 2007, the table below shows a very significant increase (+ 40.43%) of the payments made to the Member States. This increase is explained by the fact that the reimbursements have more than doubled in 2008 (+ 155.21%), whereas the amount of advance payments has decreased slightly (-33.18%). The reduction in advance payments results from the fact that more than half had already been paid in 2007. The strong growth in reimbursements in turn shows the progressive implementation of the rural development programmes in the Member States.

Payments actually made to Member States - Comparison 2008-2007 (by Member State, in EUR)

Country	2007			2008			Variation 2008/2007					
	Reimbursements	Advance payments	Total	Reimbursements	Advance payments	Total	Reimbursements	%	Advance payments	%	Total	%
AT	79 486 601.40	273 802 899.44	353 289 500.84	462 608 745.20		462 608 745.20	383 122 143.80	482.00%	-273 802 899.44	-77.50%	109 319 244.36	30.94%
BE	38 646 666.61	16 436 002.28	55 082 668.89	48 530 648.29	12 866 719.12	61 397 367.41	9 883 981.68	25.58%	-3 569 283.16	-6.48%	6 314 698.52	11.46%
BG				58 185 829.70	182 636 901.72	240 822 731.42	58 185 829.70		182 636 901.72		240 822 731.42	
CY		11 376 650.18	11 376 650.18	10 456 613.17		10 456 613.17	10 456 613.17		-11 376 650.18		-920 037.01	-8.09%
CZ		197 085 444.78	197 085 444.78	212 624 547.33		212 624 547.33	212 624 547.33		-197 085 444.78		15 539 102.55	7.88%
DE	376 206 462.97	436 454 678.63	812 661 141.60	669 504 888.17	131 421 515.15	800 926 403.32	293 298 425.20	77.96%	-305 033 163.48	-37.54%	-11 734 738.28	-1.44%
DK				77 174 319.94		108 300 575.66	77 174 319.94		31 126 255.72		108 300 575.66	
EE		25 013 059.92	25 013 059.92	23 926 805.54	25 013 059.92	48 939 865.46	23 926 805.54		0.00		23 926 805.54	95.66%
ES	3 903 655.85	3 930 641.26	7 834 297.11	476 135 002.53	501 043 604.54	977 178 607.07	472 231 346.68	12097.16%	497 112 963.28	6345.34%	969 344 309.96	12373.09%
FI	216 341 356.81	115 963 854.19	332 305 211.00	219 979 453.44	29 631 449.29	249 610 902.73	3 638 096.63	1.68%	-86 332 404.90	-25.98%	-82 694 308.27	-24.89%
FR	552 323 242.89	359 606 865.33	911 930 108.22	780 526 000.66	91 330 692.29	871 856 692.95	228 202 757.77	41.32%	-268 276 173.04	-29.42%	-40 073 415.27	-4.39%
GR	194 014 806.92	129 755 654.84	323 770 461.76	223 673 306.91	129 755 654.84	353 428 961.75	29 658 499.99	15.29%	0.00	0.00%	29 658 499.99	9.16%
HU	1 569 249.15	266 409 037.44	267 978 286.59	148 885 197.46		148 885 197.46	147 315 948.31	9387.67%	-266 409 037.44	-99.41%	-119 093 089.13	-44.44%
IE	291 786 505.35	81 897 010.65	373 683 516.00	273 117 209.35	81 897 010.65	355 014 220.00	-18 669 296.00	-6.40%	0.00	0.00%	-18 669 296.00	-5.00%
IT	169 986 744.42	275 873 441.60	445 860 186.02	375 009 858.38	304 567 250.20	679 577 108.58	205 023 113.96	120.61%	28 693 808.60	6.44%	233 716 922.56	52.42%
LT		122 035 206.50	122 035 206.50	60 813 560.24		60 813 560.24	60 813 560.24		-122 035 206.50		-61 221 646.26	-50.17%
LU	11 080 836.77	3 341 160.20	14 421 996.97	8 934 674.20	2 961 487.62	11 896 161.82	-2 146 162.57	-19.37%	-379 672.58	-2.63%	-2 525 835.15	-17.51%
LV				50 651 800.03		123 529 745.31	50 651 800.03		72 877 945.28		123 529 745.31	
MT					5 364 334.84	5 364 334.84			5 364 334.84		5 364 334.84	
NL	18 232 811.00	34 056 481.68	52 289 292.68	23 141 066.23		23 141 066.23	4 908 255.23	26.92%	-34 056 481.68	-65.13%	-29 148 226.45	-55.74%
PL		926 102 670.92	926 102 670.92	846 530 426.94		846 530 426.94	846 530 426.94		-926 102 670.92		-79 572 243.98	-8.59%
PT	90 261 356.57	130 988 796.85	221 250 153.42	254 613 654.63	144 063 955.11	398 677 609.74	164 352 298.06	182.08%	13 075 158.26	5.91%	177 427 456.32	80.19%
RO					561 575 332.14	561 575 332.14			561 575 332.14		561 575 332.14	
SE	179 519 739.08	112 613 963.92	292 133 703.00	174 434 794.46	15 181 392.86	189 616 187.32	-5 084 944.62	-2.83%	-97 432 571.06	-33.35%	-102 517 515.68	-35.09%
SI	30 063 136.39	63 018 671.02	93 081 807.41	85 257 958.43		85 257 958.43	55 194 822.04	183.60%	-63 018 671.02	-67.70%	-7 823 848.98	-8.41%
SK		68 929 632.73	68 929 632.73	97 790 092.73		166 719 725.46	97 790 092.73		0.00		97 790 092.73	141.87%
UK	122 297 861.10	50 207 488.90	172 505 350.00	400 627 305.52	83 462 720.48	484 090 026.00	278 329 444.42	227.58%	33 255 231.58	19.28%	311 584 676.00	180.62%
Grand total	2 375 721 033.28	3 704 899 313.26	6 080 620 346.54	6 063 133 759.48	2 475 706 914.50	8 538 840 673.98	3 687 412 726.20	155.21%	-1 229 192 398.76	-33.18%	2 458 220 327.44	40.43%

2.2.2. Appropriations available for technical assistance

In the 2008 budget the amount initially available for this purpose was EUR 10 000 000.00 in payment appropriations. During the global transfer exercise for 2008 carried out by DG BUDG, a sum of EUR 2 000 000.00 was transferred to another budget line outside the perimeters of rural development. At the end of 2008, the use of payment appropriations amounted to EUR 3 455 471.11.

The following table shows the amounts paid by budget line, and the principle actions carried out, such as the creation of the European Network for rural development and the monitoring centre for rural areas.

Item / Description	Payment appropriations used in 2008	Comment
040502-C1-AGRI AGRI-G2	23 870 €	Final payment for RD seminar (3 and 4 Oct 07 in Brussels)
040502-C1-AGRI AGRI-G3	3 007 565 €	Creation of European network for RD; monitoring centre for rural areas: seminar in Corsica and Evora; Leader + magazine (publishing, distribution); expert costs (Leader + experts committee).
Sub-total for direct management by DG AGRI	3 031 434 €	
05.040502-C1-AGRI/DGT	107 413 €	Translation by DGT (Leader + magazine)
05.040502-C1-AGRI/EMPL	316 624 €	Development of SFC 2007 computer system
Sub-total for management by DG DGT and DG EMPL	424 037 €	
General total	3 455 471 €	

It should be noted that part of the payment appropriations used in 2008 for the budget line corresponding to the development of the SFC 2007 computer system (EUR 316 624) relate to commitments undertaken in the year 2007.

ANALYSIS BY EAFRD PRIORITY AND MEASURE OF THE AMOUNTS DECLARED BY THE PAYING AGENCIES OF THE MEMBER STATES

The table below shows the expenditure declared by the Member States by rural development measure in 2007 (from Q4 2006 to Q3 2007), in 2008 (from Q4 2007 to Q3 2008), and in comparison with the same expenditure since the start of the programmes (Q4 2006 to Q3 2008), and with the amounts shown in the financing plans for 2007-2013 (in millions of EUR). This comparison shows the extent to which the actual implementation in the field corresponds to the forecasts given in the programmes.

For the year 2008, it emerges that 21.3% of these amounts relate to expenditure for measures under Priority 1, 75.0% for measures under Priority 2, and 1.9% to measures under Priority 3. This profile shows significant discrepancies in comparison with the financial plan in force at the end of December 2008 for the whole period 2007-2013 (34% for Priority 1, 43.7% for Priority 2 and 13.4% for Priority 3).

This situation is explained for the most part by the nature of the measures under Priority 2, which are often paid either on the basis of contracts during the previous programming period, or by means of annual payments. However, the delay for Priorities 1 and 3 is explained by the fact that investment projects require a longer approval procedure (publication of conditions of approval, receipt of applications from potential beneficiaries, selection procedure, etc.), and for their implementation.

The balance between the Priorities provided for in the development strategy for each programme will be achieved gradually as the EAFRD programmes are implemented. Indeed, the comparison of the percentages for the year 2008 with those for 2007 already show a trend in this direction and, by way of example, Priority 2 fell from 81.6% of the declared expenditure in 2007 to 75.00% in 2008, whilst Priority 1 shows an opposite trend and increased from 16.0% in 2007 to 21.3% in 2008.

**EAFRD requests for payment, by priority and by measure - year 2007 (Q4 2006 to Q3 2007),
EAFRD requests for payment, by priority and by measure - year 2008 (Q4 2007 to Q3 2008),
EAFRD requests for payment, by priority and by measure - year 2007 plus year 2008 (Q4 2006 to Q3 2008),
and financial plans in force at the end of 2008 (period 2007- 2013)**

EAFRD axis/measure	2007 (Q4 2006 to Q3 2007, in millions EUR)	2007 (Q4 2006 to Q3 2007, in %)	2008 (Q4 2007 to Q3 2008, in millions EUR)	2008 (Q4 2007 to Q3 2008, in %)	2007 and 2008 (Q4 2006 to Q3 2008, in millions EUR)	2007 and 2008 (Q4 2006 to Q3 2008, in %)	Financial plans 2007-2013 (in millions EUR)	Financial plans 2007-2013 (in %)
111 Professional training and information campaigns	15.2	0.6%	22.9	0.4%	38.1	0.4%	996.1	1.1%
112 Establishing young farmers	80.4	3.2%	147.5	2.4%	227.9	2.7%	2 724.0	3.0%
113 Early retirement	51.8	2.1%	319.5	5.3%	371.3	4.3%	2 638.9	2.9%
114 Use of advisory services	0.2	0.0%	3.3	0.1%	3.6	0.0%	662.5	0.7%
115 Creation of management, assistance and advisory services	0.46	0.0%	0.35	0.0%	0.81	0.0%	135.1	0.1%
121 Modernisation of farms	150.0	6.0%	400.0	6.6%	550.0	6.4%	9 656.9	10.6%
122 Improving the economic value of forests	13.6	0.5%	13.6	0.2%	27.2	0.3%	651.3	0.7%
123 Enhancing agricultural and forestry projects	24.1	1.0%	116.8	1.9%	140.9	1.6%	5 535.9	6.1%
124 Cooperation in the development of new products	-	0.0%	0.7	0.0%	0.7	0.0%	336.5	0.4%
125 Infrastructure linked to development and adaptation	29.4	1.2%	98.0	1.6%	127.4	1.5%	4 867.7	5.4%
126 Restoring the potential of agricultural production	6.3	0.2%	17.6	0.3%	23.9	0.3%	730.2	0.8%
131 Complying with rules based on Community legislation	30.1	1.2%	2.0	0.0%	32.0	0.4%	94.4	0.1%
132 Participation by farmers in food quality programmes	0.0	0.0%	1.8	0.0%	1.8	0.0%	294.4	0.3%
133 Information and promotion activities	-	0.0%	1.0	0.0%	1.0	0.0%	208.8	0.2%
141 Semi-subsistence farming	-	0.0%	136.5	2.3%	136.5	1.6%	915.3	1.0%
142 Producers' groups	-	0.0%	7.3	0.1%	7.3	0.1%	325.5	0.4%
143 Direct payments (BG + RO)	-	0.0%	-	0.0%	-	0.0%	131.8	0.1%
Priority 1	401.6	16.0%	1 289.0	21.3%	1 690.6	19.7%	30 905.2	34.0%
211 Payments to farmers in mountain regions (natural handicaps)	382.5	15.2%	878.6	14.5%	1 261.1	14.7%	6 006.7	6.6%
212 Payments to farmers in areas with handicaps, other than Natura 2000	323.5	12.9%	1 011.1	16.7%	1 334.7	15.6%	6 658.2	7.3%
213 Natura 2000 payments and payments linked to the Direct Payments	1.8	0.1%	10.4	0.2%	12.2	0.1%	469.0	0.5%
214 Agri-environmental payments	1 204.0	47.8%	2 312.0	38.1%	3 516.0	41.0%	20 276.8	22.3%
215 Animal protection payments	10.5	0.4%	40.1	0.7%	50.6	0.6%	342.6	0.4%
216 Non-productive investments	0.8	0.0%	4.1	0.1%	4.9	0.1%	463.1	0.5%
221 Initial afforestation of agricultural land	82.8	3.3%	191.8	3.2%	274.6	3.2%	2 410.5	2.6%
222 Initial establishment of agro-forestry systems on non-agricultural land	-	0.0%	-	0.0%	-	0.0%	22.7	0.0%
223 Initial afforestation of non-agricultural land	1.5	0.1%	5.3	0.1%	6.8	0.1%	360.8	0.4%
224 Natura 2000 payments	-	0.0%	0.2	0.0%	0.2	0.0%	108.3	0.1%
225 Forestry-environmental payments	0.4	0.0%	4.9	0.1%	5.2	0.1%	263.4	0.3%
226 Restoring forestry potential and introducing prevention	38.1	1.5%	62.8	1.0%	100.9	1.2%	1 560.8	1.7%
227 Non-productive investments	8.5	0.3%	25.2	0.4%	33.7	0.4%	808.2	0.9%
Priority 2	2 054.3	81.6%	4 546.5	75.0%	6 600.8	76.9%	39 751.3	43.7%
311 Diversification to include non-agricultural activities	9.6	0.4%	11.2	0.2%	20.8	0.2%	1 436.0	1.6%
312 Creation and development of companies	0.3	0.0%	5.9	0.1%	6.2	0.1%	2 185.8	2.4%
313 Promotion of tourist activities	4.2	0.2%	15.2	0.3%	19.4	0.2%	1 300.6	1.4%
321 Basic services for the economy and the rural population	10.7	0.4%	21.7	0.4%	32.4	0.4%	2 692.3	3.0%
322 Renewal and development of villages	17.5	0.7%	29.6	0.5%	47.1	0.5%	3 045.8	3.3%
323 Conservation and improvement of rural heritage	7.4	0.3%	23.4	0.4%	30.8	0.4%	1 265.5	1.4%
331 Training and information	0.4	0.0%	1.6	0.0%	2.0	0.0%	135.8	0.1%
341 Acquisition of skills, animation and implementation of local development strategies	0.5	0.0%	6.0	0.1%	6.5	0.1%	161.2	0.2%
Priority 3	50.7	2.0%	114.7	1.9%	165.4	1.9%	12 222.8	13.4%
411 Implementation of local development strategies. Competitiveness	0.0	0.0%	0.7	0.0%	0.7	0.0%	448.1	0.5%
412 Implementation of local development strategies. Environment	-	0.0%	0.0	0.0%	0.0	0.0%	168.2	0.2%
413 Implementation of local development strategies. Quality of life	0.2	0.0%	5.0	0.1%	5.2	0.1%	3 806.6	4.2%
421 Implementation of cooperation projects	-	0.0%	0.2	0.0%	0.2	0.0%	265.6	0.3%
431 Directing the local action group, acquiring skills and... (1)	-	0.0%	2.4	0.0%	2.4	0.0%	844.6	0.9%
Priority 4	0.3	0.0%	8.4	0.1%	8.7	0.1%	5 533.2	6.1%
511 Technical Assistance	10.6	0.4%	61.4	1.0%	72.0	0.8%	1 925.4	2.1%
611 BG RO Direct payments		0.0%	44.9	0.7%	44.9	0.5%	645.6	0.7%
Grand total (1)	2 517.4	100.0%	6 064.9	100.0%	8 582.3	100.0%	90 983.5	100.0%

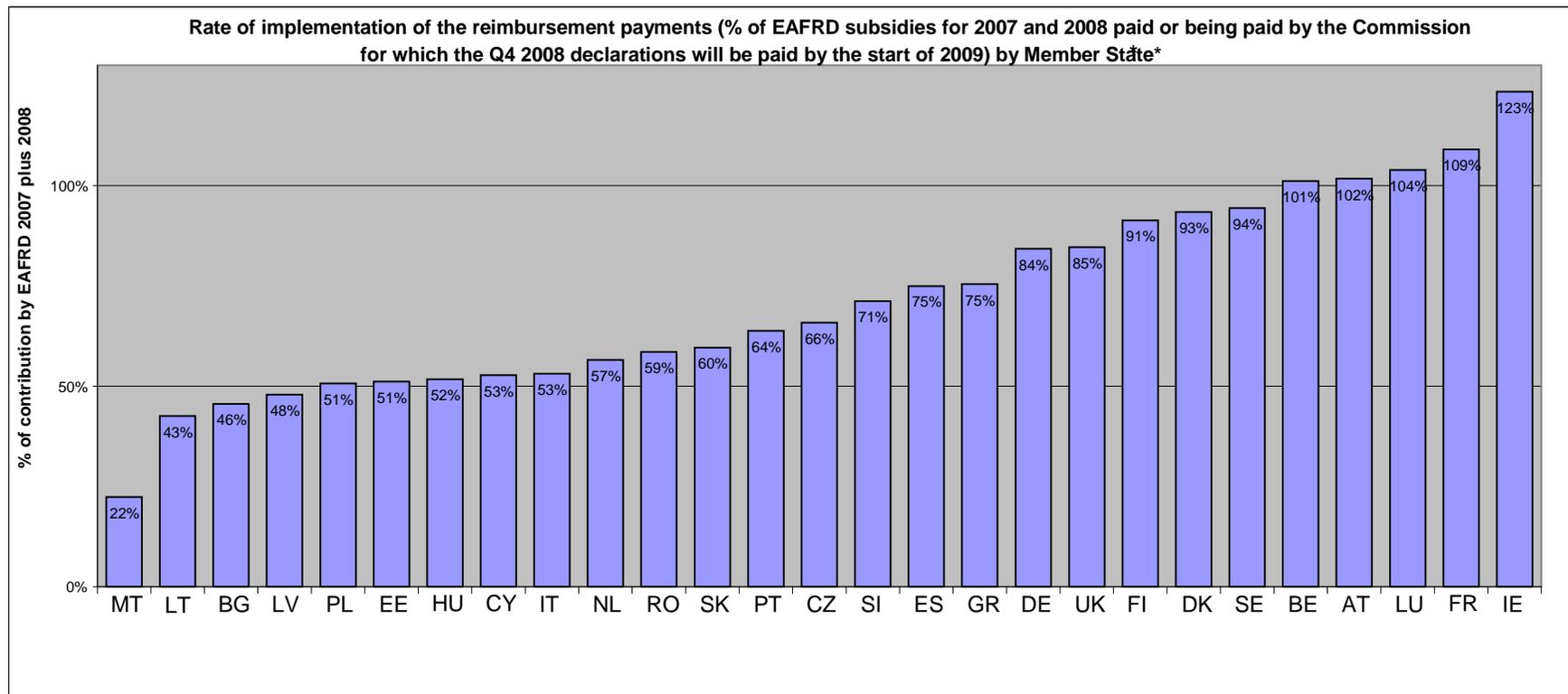
(1) 2007 => figure updated after reassignment

3. RATE OF IMPLEMENTATION OF EAFRD PROGRAMMES (% OF EAFRD 2007 AND 2008 SUBSIDIES PAID BY THE COMMISSION) BY MEMBER STATE

The graph on the following page shows the level of EAFRD payments from the start of the programming period, including the amounts paid by the Member States for the last quarter of 2008 (and therefore reimbursed by the Commission under the 2009 budget), compared with subsidies for the years 2007 and 2008. This level is 71.7% across all of the EAFRD programmes.

The graph shows that all the programmes apart from four (Malta, Lithuania, Bulgaria and Latvia) had spent more than 50% of the cumulated amount of the appropriations for 2007 and 2008 at Member State level.

However, five countries (Ireland, France, Luxembourg, Austria and Belgium) have declared expenditure which exceeds the accumulated amount of the instalments for 2007 and 2008, an excess which has had to be borne by the annual commitment for 2009.



- * - It should be noted that all the payment declarations for Q4 2008 will be paid at the start of 2009; the amounts of these declarations for Q4 2008 are included in the graph.
- For the UK, the 7% payments on account percentage applies to the amount of the financing plan without the voluntary modulation part.
- It should be noted that the five Member States which show rates higher than 100% of the commitments for the years 2007 and 2008 used appropriations for the year 2009.