

**COMMISSION IMPLEMENTING DECISION (EU) 2023/1038****of 24 May 2023****on the clearance of the accounts of the paying agencies of the United Kingdom concerning expenditure financed by the European Agricultural Fund for Rural Development (EAFRD) for financial year 2022***(notified under document C(2023) 3275)***(Only the English text is authentic)**

THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2021/2116 of the European Parliament and of the Council of 2 December 2021 on the financing, management and monitoring of the common agricultural policy and repealing Regulation (EU) No 1306/2013 <sup>(1)</sup>, and in particular Article 104 thereof,Having regard to Regulation (EU) No 1306/2013 of the European Parliament and of the Council of 17 December 2013 on the financing, management and monitoring of the common agricultural policy and repealing Council Regulations (EEC) No 352/78, (EC) No 165/94, (EC) No 2799/98, (EC) No 814/2000, (EC) No 1290/2005 and (EC) No 485/2008 <sup>(2)</sup>, and in particular Article 51 thereof, in conjunction with Articles 131 and 138 of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community,

After consulting the Committee on the Agricultural Funds,

Whereas:

- (1) Article 104(1), second subparagraph, point (a), of Regulation (EU) 2021/2116 provides that Article 4(1), point (b), Article 5, Article 7(3), Articles 9, 17, 21 and 34, Article 35(4), Articles 36, 37, 38, 40 to 43, 51, 52, 54, 56, 59, 63, 64, 67, 68, 70 to 75, 77, 91 to 97, 99 and 100, Article 102(2) and Articles 110 and 111 of Regulation (EU) No 1306/2013 continue to apply, as regards the European Agricultural Fund for Rural Development (EAFRD), in relation to expenditure incurred by the beneficiaries and payments made by the paying agency in the framework of the implementation of rural development programmes pursuant to Regulation (EU) No 1305/2013 of the European Parliament and of the Council <sup>(3)</sup> for financial year 2022.
- (2) Article 64, second paragraph, point (a), of Commission Implementing Regulation (EU) 2022/128 <sup>(4)</sup> provides that Article 2, Article 3(1), first subparagraph, Article 3(2), Article 4(1), point (b), Article 5, Article 6, Article 7, Articles 21 to 25, Article 27, Article 28, Article 29, Article 30(1), points (a), (b) and (c), Article 30(2), (3) and (4), Articles 31 to 40 and Articles 42 to 47 of Commission Implementing Regulation (EU) No 908/2014 <sup>(5)</sup> continue to apply, as regards the EAFRD, in relation to expenditure incurred by the beneficiaries and payments made by the paying agency in the framework of the implementation of rural development programmes pursuant to Regulation (EU) No 1305/2013 for financial year 2022.

<sup>(1)</sup> OJ L 435, 6.12.2021, p. 187.

<sup>(2)</sup> OJ L 347, 20.12.2013, p. 549.

<sup>(3)</sup> Regulation (EU) No 1305/2013 of the European Parliament and of the Council of 17 December 2013 on support for rural development by the European Agricultural Fund for Rural Development (EAFRD) and repealing Council Regulation (EC) No 1698/2005 (OJ L 347, 20.12.2013, p. 487).

<sup>(4)</sup> Commission Implementing Regulation (EU) 2022/128 of 21 December 2021 laying down rules for the application of Regulation (EU) 2021/2116 of the European Parliament and of the Council on paying agencies and other bodies, financial management, clearance of accounts, checks, securities and transparency (OJ L 20, 31.1.2022, p. 131).

<sup>(5)</sup> Commission Implementing Regulation (EU) No 908/2014 of 6 August 2014 laying down rules for the application of Regulation (EU) No 1306/2013 of the European Parliament and of the Council with regard to paying agencies and other bodies, financial management, clearance of accounts, rules on checks, securities and transparency (OJ L 255, 28.8.2014, p. 59).

- (3) Article 64, second paragraph, point (c), of Implementing Regulation (EU) 2022/128 provides that Annexes II and III to Implementing Regulation (EU) No 908/2014 continue to apply for the purposes of Article 32, points (f) and (g), of Implementing Regulation (EU) 2022/128 for financial year 2022.
- (4) Article 40, second paragraph, of Commission Delegated Regulation (EU) 2022/127 <sup>(6)</sup> provides that Article 5, Article 5a, Article 7(3) and (4), Article 10, Article 11(1), second subparagraph, Article 11(2), Article 12, Article 13 and Article 41(5) of Commission Delegated Regulation (EU) No 907/2014 <sup>(7)</sup> continue to apply as regards the EAFRD in relation to expenditure incurred by the beneficiaries and payments effected by the paying agency in the framework of the implementation of rural development programmes pursuant to Regulation (EU) No 1305/2013 for financial year 2022.
- (5) Pursuant to Article 51 of Regulation (EU) No 1306/2013, the Commission, on the basis of the annual accounts submitted by the United Kingdom, accompanied by the information required for the clearance of accounts and an audit opinion regarding the completeness, accuracy and veracity of the accounts and the reports established by the certification bodies, has to clear the accounts of the paying agencies referred to in Article 7 of that Regulation prior to 31 May of the year following the budget year in question.
- (6) In accordance with Article 35 of Regulation (EU) 2021/2116, the agricultural financial year begins on 16 October of year N-1 and ends on 15 October of year N. When clearing the accounts for financial year 2022, for the purpose of aligning the reference period for the EAFRD expenditure with that of the European Agricultural Guarantee Fund (EAGF), account should be taken of expenditure incurred by the United Kingdom between 16 October 2021 and 15 October 2022, as provided for in Article 11(1) of Implementing Regulation (EU) 2022/128.
- (7) Article 33(2), second subparagraph, of Implementing Regulation (EU) No 908/2014 provides that the amounts that are recoverable from, or payable to, the United Kingdom, in accordance with the accounts clearance decision referred to in Article 33(1) of that Regulation, are to be established by deducting the intermediate payments for the financial year concerned from the expenditure recognised for that year in accordance with Article 33(1). The Commission is to deduct that amount from or add it to the next intermediate payment.
- (8) The Commission has checked the information submitted by the United Kingdom and has communicated the results of its checks to the United Kingdom, together with the amendments it proposes.
- (9) For the paying agencies of the United Kingdom, 'Department of Agriculture, Environment and Rural Affairs', 'The Scottish Government Rural Payments and Inspections Directorate', 'Welsh Government' and 'Rural Payments Agency', the annual accounts and the accompanying documents permit the Commission to take a decision on the completeness, accuracy and veracity of the annual accounts submitted.
- (10) Article 36(3), first subparagraph, point (b), of Regulation (EU) No 1306/2013 provides that intermediate payments are to be made without overrun of the total programmed EAFRD contribution. Pursuant to Article 23(2) of Implementing Regulation (EU) No 908/2014, where the combined total of declarations of expenditure exceeds the total programmed contribution for a rural development programme, the amount to be paid has to be capped at the programmed amount, without prejudice to the ceiling provided for in Article 34(2) of Regulation (EU) No 1306/2013. The capped amount will be subject to a later reimbursement by the Commission following the adoption of the amended financial plan or at the closure of the programming period.

<sup>(6)</sup> Commission Delegated Regulation (EU) 2022/127 of 7 December 2021 supplementing Regulation (EU) 2021/2116 of the European Parliament and of the Council with rules on paying agencies and other bodies, financial management, clearance of accounts, securities and use of euro (OJ L 20, 31.1.2022, p. 95).

<sup>(7)</sup> Commission Delegated Regulation (EU) No 907/2014 of 11 March 2014 supplementing Regulation (EU) No 1306/2013 of the European Parliament and of the Council with regard to paying agencies and other bodies, financial management, clearance of accounts, securities and use of euro (OJ L 255, 28.8.2014, p. 18).

- (11) In accordance with Article 75(1), fourth subparagraph, of Regulation (EU) No 1306/2013, the rules on payment deadlines for measures under rural development in the context of the integrated administration and control system apply from claim year 2019. The reductions for non-compliance with the latest payment deadlines, calculated in conformity with Article 5a of Delegated Regulation (EU) No 907/2014, follow the procedure laid down in Articles 40 and 41 of Regulation (EU) No 1306/2013 and are to be taken into account in this Decision for financial year 2022. Those reductions may be examined, where appropriate, under conformity clearance proceedings pursuant to Article 52 of Regulation (EU) No 1306/2013.
- (12) Pursuant to Article 34(2) of Regulation (EU) No 1306/2013, the combined total of prefinancing and interim payments are not to exceed 95 % of the EAFRD's contribution to each rural development programme. The following programmes have reached this threshold: 2014UK06RDRP001 and 2014UK06RDRP003. The outstanding balance of these programmes will be settled at the closure of the programming period.
- (13) Pursuant to Article 54(2) of Regulation (EU) No 1306/2013, 50 % of the financial consequences of non-recovery of irregularities should be borne by the United Kingdom, if recovery has not taken place within 4 years from the date of the recovery request, or within 8 years where the recovery is taken before the national courts. Article 54(4) of Regulation (EU) No 1306/2013 requires the United Kingdom to attach to the annual accounts that it has to submit to the Commission, pursuant to Article 29 of Implementing Regulation (EU) No 908/2014, a certified table reflecting the amounts to be borne by the United Kingdom under Article 54(2) of Regulation (EU) No 1306/2013. Rules on the application of the United Kingdom's obligation to report the amounts to be recovered are laid down in Implementing Regulation (EU) No 908/2014. Annex II to Implementing Regulation (EU) No 908/2014 sets out the model of the table that the United Kingdom has to use to provide information about amounts to be recovered. On the basis of the tables completed by the United Kingdom, the Commission should decide on the financial consequences of non-recovery of irregularities older than 4 or 8 years respectively.
- (14) Pursuant to Article 54(3) of Regulation (EU) No 1306/2013, on duly justified grounds, the United Kingdom may decide not to pursue recovery. Such a decision may be taken only if the costs already, and likely to be, incurred total more than the amount to be recovered, or if the recovery proves impossible owing to the insolvency recorded and recognised under national law, of the debtor or the persons legally responsible for the irregularity. If the decision has been taken within 4 years from the date of recovery request, or within 8 years where the recovery is taken before the national courts, 100 % of the financial consequences of the non-recovery should be borne by the Union budget. The amounts for which the United Kingdom decided not to pursue recovery and the grounds for its decision are shown in the summary report referred to in Article 54(4) of that Regulation. Therefore, such amounts should not be charged to the United Kingdom and are consequently to be borne by the Union budget.
- (15) This Decision should also take into account the amounts that are still to be charged to the United Kingdom as a result of the application of Article 54(2) of Regulation (EU) No 1306/2013 in relation to the 2007-2013 programming period for the EAFRD.
- (16) In accordance with Article 51 of Regulation (EU) No 1306/2013, this Decision should be without prejudice to the decisions the Commission may take subsequently to exclude from Union financing expenditure not effected in accordance with Union rules,

HAS ADOPTED THIS DECISION:

#### *Article 1*

The accounts of the paying agencies of the United Kingdom, 'Department of Agriculture, Environment and Rural Affairs', 'The Scottish Government Rural Payments and Inspections Directorate', 'Welsh Government' and 'Rural Payments Agency' are hereby cleared as regards expenditure financed by the European Agricultural Fund for Rural Development (EAFRD) in respect of financial year 2022 and relating to the 2014-2020 programming period.

The amounts recoverable from, or payable to the United Kingdom under each rural development programme pursuant to this Decision, are set out in Annex I.

*Article 2*

The amounts to be charged to the United Kingdom, as a result of the application of Article 54(2) of Regulation (EU) No 1306/2013 relating to the 2014-2020 programming period and to the 2007-2013 programming period for the EAFRD, are set out in Annex II to this Decision.

*Article 3*

The reductions for non-compliance with the latest payment deadlines in accordance with Article 75(1) of Regulation (EU) No 1306/2013 under each rural development programme are set out in Annex III to this Decision.

*Article 4*

This Decision is without prejudice to future conformity clearance decisions that the Commission may take pursuant to Article 52 of Regulation (EU) No 1306/2013 to exclude from Union financing expenditure not effected in accordance with Union rules.

*Article 5*

This Decision is addressed to the United Kingdom of Great Britain and Northern Ireland.

Done at Brussels, 24 May 2023.

*For the Commission*  
Janusz WOJCIECHOWSKI  
*Member of the Commission*

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## Cleared EAFRD expenditure by Rural Development programme for financial year 2022

## Amount to be recovered from or paid to the United Kingdom per programme

## Approved programmes with declared expenditure for EAFRD 2014-2020

	CCI	Expenditure 2022	Corrections	Total	Non-reusable amounts	Accepted amount cleared for FY 2022	Interim payments reimbursed to the United Kingdom for the financial year including clearing of pre-financing	In Euro	In Euro
								Amount to be recovered from (-) or paid to (+) the United Kingdom	Balance to be settled at closure of programming period due to 95% threshold reached (*)
		i	ii	iii = i + ii	iv	v = iii - iv	vi	vii = v - vi	
UK	2014UK06RDRP001	320 428 023,31	0,00	320 428 023,31	0,00	320 428 023,31	272 787 068,76	- 13 178,79	47 654 133,34
UK	2014UK06RDRP002	27 737 698,19	- 33 192,33	27 704 505,86	0,00	27 704 505,86	27 703 772,21	733,65	0,00
UK	2014UK06RDRP003	43 945 611,42	- 441 226,49	43 504 384,93	0,00	43 504 384,93	29 598 163,53	- 597 933,18	14 504 154,58
UK	2014UK06RDRP004	83 079 581,60	- 178 527,42	82 901 054,18	0,00	82 901 054,18	82 901 627,10	- 572,92	0,00

(\*) Where payments have reached 95 % of the total EAFRD contribution for a rural development programme — Article 34(2) of Regulation (EU) No 1306/2013, the balance will be settled during the closure of the programme.

## ANNEX II

## Clearance of the Paying Agencies' accounts

Financial year 2022 – EAFRD

## Corrections according to Article 54(2) of Regulation (EU) 1306/2013

		Corrections Related to the 2014-2020 Programming Period		Corrections Related to the 2007-2013 Programming Period	
	Currency	In National currency	In Euro	In National currency	In Euro
UK	GBP	3 841,34	0,00	17 115,42	0,00

## ANNEX III

**Clearance of the paying agencies' accounts****Financial year 2022 - EAFRD****Reductions for non-compliance with the latest payment deadlines in accordance with Article 75(1)  
of Regulation (EU) No 1306/2013**

In Euro		
	CCI	Reductions for non-compliance with latest payment deadlines for FY2022
UK	2014UK06RDRP001	434 188,85
UK	2014UK06RDRP002	0,00
UK	2014UK06RDRP003	0,00
UK	2014UK06RDRP004	0,00