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

**11th FINANCIAL REPORT FROM THE COMMISSION TO THE EUROPEAN  
PARLIAMENT AND THE COUNCIL  
on the EUROPEAN AGRICULTURAL FUND FOR RURAL DEVELOPMENT  
(EAFRD)  
2017 FINANCIAL YEAR**

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## 1. BUDGET PROCEDURE

### 1.1. Financial framework

Rural development expenditure in 2017 is funded within two multiannual financial frameworks (MFFs): 2007-2013 and 2014-2020. The financial framework 2014-2020 is provided by Council Regulation (EU) No 1311/2013. The allocation for rural development and the allocation for market related expenditure and direct payments after the annual technical adjustment of the MFF are presented in table 1.

Table 1 – Financial framework 2014-2020

| <b>HEADING 2.</b><br><b>Sustainable growth: natural resources</b>       | <b>In million EUR; current prices</b> |               |               |               |               |               |               |
|-------------------------------------------------------------------------|---------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                                                         | <b>2014</b>                           | <b>2015</b>   | <b>2016</b>   | <b>2017</b>   | <b>2018</b>   | <b>2019</b>   | <b>2020</b>   |
| <b>TOTAL</b>                                                            | <b>49 857</b>                         | <b>64 692</b> | <b>64 262</b> | <b>60 191</b> | <b>60 267</b> | <b>60 344</b> | <b>60 421</b> |
| of which :                                                              |                                       |               |               |               |               |               |               |
| - Rural Development <sup>a), b), c), d), e)</sup>                       | 5 299                                 | 18 184        | 18 684        | 14 371        | 14 381        | 14 691        | 14 709        |
| - Market related expenditure and direct aids, <sup>a), b), c), d)</sup> | 43 778                                | 44 190        | 43 950        | 44 146        | 44 162        | 43 880        | 43 888        |

a) After net transfer of EUR 351.9 million between EAGF and EAFRD for the financial year 2014 (see note f for details)

b) After net transfer of EUR 51.6 million between EAGF and EAFRD for the financial year 2015 (see note f for details)

c) After net transfer of EUR 28 million between EAGF and EAFRD for the financial years 2014-2020 (see note f for details)

d) After net transfer of EUR 4 313.6 million between EAGF and EAFRD for financial years 2015-2020 (see note f for details)

e) After the reprogramming of the EAFRD allocation of year 2014 following the application of Article 19 of MFF Regulation (EU) No 1311/2013 a total amount of EUR 8 705 million deducted from 2014 commitments was equally distributed to 2015 and 2016 commitments

f) The transfers into Rural Development (EAFRD) mentioned in notes a) to d) above involve: EUR 4 million transferred annually for the whole period 2014-2020 from the cotton sector (EL) on the basis of Article 66(1) of Regulation (EU) No 1307/2013, EUR 296.3 million set for the voluntary adjustment transferred for the financial year 2014 (UK) on the basis of Article 10b and 10c(2) of Regulation (EC) No 73/2009, EUR 51.6 million for unspent amounts transferred each year for financial years 2014 and 2015 (SE and DE) on the basis of Articles 136 and 136b of Regulation (EC) No 73/2009 and EUR 4 313.6 million for the reduction of payments and the flexibility between pillars on the basis of Articles 7(2) and 14(1) of Regulation (EU) No 1307/2013

### 1.2. Draft Budget (DB) 2017

The 2017 Draft Budget (DB) was adopted by the Commission and proposed to the Budgetary Authority on 18 July 2016.

The Draft Budget included EUR 1 280 million in payment appropriations for the European Agricultural Fund for Rural Development (EAFRD) for the 2007-2013 programming period. No commitment appropriations were requested for year 2017 as the 2007-2013 programming period ended at the end of 2013. For the programming period 2014-2020, the DB 2017 included EUR 14 360 million in commitment appropriations and EUR 9 926 million in payment appropriations.

The Council adopted its position on the 2017 Draft Budget on 12 September 2016 and the European Parliament adopted its position on 26 October 2016. The Conciliation Committee had to be convened and the Committee agreed on a joint text within the 21-day time limit. The Council approved the joint text on 29 November 2016 and the European Parliament approved it on 1 December 2016.

### 1.3. The adoption of the 2017 Budget

The 2017 Budget adopted on 1 December 2016 was, as regards the EAFRD, equal to the initial Commission's proposal.

Table 2

| <b>Adopted Budget 2017</b>                       |                                              |                                           |
|--------------------------------------------------|----------------------------------------------|-------------------------------------------|
| <b>Budget Item</b>                               | <b>Commitment appropriations</b><br>(in EUR) | <b>Payment appropriations</b><br>(in EUR) |
| <b>2007-2013</b>                                 |                                              |                                           |
| 05.040501 (Rural development programmes)         | -                                            | 1 280 000 000                             |
| 05.040502 (Operational technical assistance)     | -                                            | -                                         |
| <b>2014-2020</b>                                 |                                              |                                           |
| 05.046001 (Rural development programmes)         | 14 337 026 697                               | 9 902 000 000                             |
| 05.010404 (Non-operational technical assistance) | 4 910 000                                    | 4 910 000                                 |
| 05.046002 (Operational technical assistance)     | 18 522 000                                   | 19 022 443                                |

### 1.4. The adoption of the Amending Budgets

In the Amending Budgets No 6 the payment appropriations of EAFRD 2007-2013 were decreased by EUR 780 million and the commitments appropriations for the technical assistance were decreased by EUR 1.5 million.

Table 3

| <b>Budget 2017 after the Amendments</b>          |                                              |                                           |
|--------------------------------------------------|----------------------------------------------|-------------------------------------------|
| <b>Budget Item</b>                               | <b>Commitment appropriations</b><br>(in EUR) | <b>Payment appropriations</b><br>(in EUR) |
| <b>2007-2013</b>                                 |                                              |                                           |
| 05.040501 (Rural development programmes)         | -                                            | 500 000 000                               |
| 05.040502 (Operational technical assistance)     | -                                            | -                                         |
| <b>2014-2020</b>                                 |                                              |                                           |
| 05.046001 (Rural development programmes)         | 14 337 026 697                               | 9 902 000 000                             |
| 05.010404 (Non-operational technical assistance) | 4 910 000                                    | 4 910 000                                 |

|                                              |            |            |
|----------------------------------------------|------------|------------|
| 05.046002 (Operational technical assistance) | 17 022 000 | 19 022 443 |
|----------------------------------------------|------------|------------|

## 2. MANAGEMENT OF APPROPRIATIONS

### 2.1. Management of commitment appropriations

#### 2.1.1. EAFRD rural development programmes

As regards commitment appropriations, the 2017 voted budget amounted to EUR 14 337 million, all related to the 2014-2020 programmes.

The Budget 2017 did not include any commitment appropriations for EAFRD 2007-2013 programmes.

Table 4

| <b>Management of commitment appropriations<br/>in 2017 – EAFRD</b> | <b>Budget Item<br/>05.040501<br/>(in EUR)</b> | <b>Budget Item<br/>05.046001<br/>(in EUR)</b> |
|--------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------|
| Appropriations at the beginning of 2017                            | -                                             | 14 337 026 697                                |
| <b>Appropriations available in 2017</b>                            | -                                             | <b>14 337 026 697</b>                         |
| Appropriations used in 2017                                        | -                                             | 14 337 026 697                                |

#### 2.1.2. Technical assistance

Article 51(1) of Regulation (EU) No 1305/2013 provides that the EAFRD may use up to 0.25% of its annual allocation to finance technical assistance actions at the initiative of the Commission. In the 2017 budget, the initial amount available for this purpose was EUR 4.9 million for non-operational technical assistance and EUR 18.5 million for operational technical assistance. The latter was reduced by EUR 1.5 million by the Amending Budget No 6.

### 2.2. Management of payment appropriations

#### 2.2.1. EAFRD rural development programmes

For the rural development programmes 2014-2020, the payment appropriations of the voted budget 2017 amounted to EUR 9 902 million. In addition, the available assigned revenue, collected during the year, amounted to EUR 14.0 million. The payment appropriations were reinforced with the transfer of EUR 3.0 million from the line of the technical assistance, with the end-of-the year transfer in the amount of EUR 567.7 million and with the transfer of EUR 110.0 million of assigned revenue from EAFRD 2007-2013 in order to cover in full the Member States' declarations of expenditure of the third quarter of 2017. Taking into account all transfers, the total amount of payment appropriations available in 2017 amounted to EUR 11 069.9 million. In total, in 2017, EUR 11 051.8 million of payment appropriations were used and EUR 18.1 million of assigned revenue were automatically carried over to 2018.

For the rural development programmes 2007-2013, payment appropriations of the voted budget 2017 amounted to EUR 1 280 million. In addition, the available assigned revenue, either carried over from 2016 or collected during the year, amounted to EUR 497.2 million. The Amending Budget No 6 reduced the payment appropriations by EUR 780 million. Moreover, they were also reduced by two transfers to the budget line for the EAFRD 2014-2020 programmes, in total EUR 583.2 million. At the end of the year, the total amount of payment appropriations available in 2017 was EUR 413.8 million. Of this amount, EUR 43.1 million were used and EUR 370.7 million of assigned revenue were automatically carried over to 2018.

Table 5

| <b>Management of payment appropriations in 2017<br/>(in EUR)</b> |                       |
|------------------------------------------------------------------|-----------------------|
| <b>EAFRD (2014-2020)<br/>Budget Item - 05.046001</b>             |                       |
| Appropriations at the beginning of 2017                          | 9 902 000 000         |
| Transfer from EAFRD 2007-2013                                    | 473 190 882           |
| Transfer from technical assistance line of EAFRD 2014-2020       | 3 000 000             |
| End-of-the year transfer                                         | 567 662 308           |
| Assigned revenue collected in 2017                               | 14 029 057            |
| Transfer of Assigned revenue from EAFRD 2007-2013                | 110 000 000           |
| <b>Appropriations available in 2017</b>                          | <b>11 069 882 247</b> |
| Appropriations used in 2017                                      | 11 051 784 091        |
| <b>EAFRD (2007-2013)<br/>Budget Item - 05.040501</b>             |                       |
| Appropriations at the beginning of 2017                          | 1 280 000 000         |
| Transfer to EAFRD 2014-2020                                      | -473 190 882          |
| Transfer to line 05.087706                                       | -182 967              |
| Amending budget                                                  | -780 000 000          |
| Assigned revenue carried over from 2016                          | 12 134 265            |
| Assigned revenue collected in 2017                               | 485 027 166           |
| Transfer of Assigned revenue to EAFRD 2014-2020                  | -110 000 000          |

|                                         |                    |
|-----------------------------------------|--------------------|
| <b>Appropriations available in 2017</b> | <b>413 787 582</b> |
| Appropriations used in 2017             | 43 121 731         |

### 2.2.2. *Technical assistance*

As regards the EAFRD technical assistance, total payment appropriations in the 2017 budget amounted to EUR 23.9 million. EUR 3.0 million were transferred to the EAFRD 2014-2020 programmes line in order to cover in full the Member States' declarations of expenditure of the third quarter of 2017. The final payment appropriations was EUR 20.9 million.

## 3. **IMPLEMENTATION OF THE 2017 EAFRD BUDGET**

### 3.1. **Implementation of commitment appropriations**

#### 3.1.1. *EAFRD rural development programmes*

The total amount of commitment appropriations available in the 2017 budget for the EAFRD programmes 2014-2020 (EUR 14 337.0 million) was committed.

Table 6 shows, per Member State, the allocation established by Regulation (EU) No 1305/2013 as last amended by Commission Delegated Regulation (EU) 2018/162 and the amounts committed in 2017.

Table 6

| <b>Regulation (EU) No 1305/2013 (as amended) vs. amounts committed by the end of 2017</b> |                                                         |                                      |
|-------------------------------------------------------------------------------------------|---------------------------------------------------------|--------------------------------------|
| <b>Budget item: 05.046001</b>                                                             |                                                         | <i>(in EUR)</i>                      |
| <b>MS</b>                                                                                 | <b>Regulation (EU) No 1305/2013<br/>2017 Allocation</b> | <b>Amounts committed<br/>in 2017</b> |
|                                                                                           | <b>(a)</b>                                              | <b>(b)</b>                           |
| AT                                                                                        | 562 467 745                                             | 562 467 745                          |
| BE                                                                                        | 97 175 076                                              | 97 175 076                           |
| BG                                                                                        | 340 409 994                                             | 340 409 994                          |
| CY                                                                                        | 18 894 801                                              | 18 894 801                           |
| CZ                                                                                        | 344 509 078                                             | 344 509 078                          |
| DE                                                                                        | 1 404 073 302                                           | 1 404 073 302                        |
| DK                                                                                        | 144 868 072                                             | 144 868 072                          |
| EE                                                                                        | 122 865 093                                             | 122 865 093                          |
| ES                                                                                        | 1 185 553 005                                           | 1 185 553 005                        |
| FI                                                                                        | 340 009 057                                             | 340 009 057                          |
| FR                                                                                        | 1 665 777 592                                           | 1 665 777 592                        |
| GR                                                                                        | 703 471 245                                             | 703 471 245                          |
| HR                                                                                        | 282 342 500                                             | 282 342 500                          |
| HU                                                                                        | 488 620 684                                             | 488 620 684                          |

|              |                       |                       |
|--------------|-----------------------|-----------------------|
| IE           | 313 007 411           | 313 007 411           |
| IT           | 1 493 380 162         | 1 493 380 162         |
| LT           | 230 451 686           | 230 451 686           |
| LU           | 14 366 484            | 14 366 484            |
| LV           | 155 139 289           | 155 139 289           |
| MT           | 13 914 927            | 13 914 927            |
| NL           | 118 357 256           | 118 357 256           |
| PL           | 1 192 025 238         | 1 192 025 238         |
| PT           | 579 806 001           | 579 806 001           |
| RO           | 1 186 544 149         | 1 186 544 149         |
| SE           | 249 386 135           | 249 386 135           |
| SI           | 119 684 133           | 119 684 133           |
| SK           | 215 356 644           | 215 356 644           |
| UK           | 754 569 938           | 754 569 938           |
| <b>Total</b> | <b>14 337 026 697</b> | <b>14 337 026 697</b> |

### 3.1.2. *Technical assistance*

For the programming period 2014-2020, the amount of commitment appropriations for operational technical assistance in the budget 2017 was EUR 18.5 million. This line was reduced by EUR 1.5 million in the Amending Budget No 6. Table 7 shows the consumption of the commitment appropriations available for operational technical assistance in 2017. The most important part relates to the European Network for Rural Development as well as the European Innovation Partnership.

Table 7

| <b><i>Technical assistance – Implementation of commitment appropriations</i></b> |                         |
|----------------------------------------------------------------------------------|-------------------------|
| <b>Budget Item: 05.046002</b> <span style="float: right;"><i>(in EUR)</i></span> |                         |
| <b>Description</b>                                                               | <b>Amount committed</b> |
| European Network for Rural Development                                           | 5 023 899               |
| European Innovation Partnership                                                  | 2 687 741               |
| Information technology*                                                          | 2 257 024               |
| European Evaluation Network                                                      | 1 925 113               |
| Audit and Controls                                                               | 668 574                 |
| Solidarity Corps                                                                 | 500 000                 |
| Organic agriculture database                                                     | 115 000                 |
| <b>Total</b>                                                                     | <b>13 177 350</b>       |

\* Including Broadband Competence Offices

### 3.2. Implementation of payment appropriations

#### 3.2.1. EAFRD rural development programmes

For the programming period 2014-2020, all payment appropriations available in the Budget 2017 (EUR 9 902.0 million) were used. In addition, in the end of the year, reinforcements were needed to allow reimbursing in full expenditure declared by the Member States. The following transfers increased the payment appropriations available for EAFRD 2014-2020: EUR 473.2 million from EAFRD 2007-2013 Budget 2017, EUR 110.0 million of the assigned revenue from EAFRD 2007-2013, EUR 3.0 million from the operational technical assistance EAFRD 2014-2020, EUR 567.7 million from the end-of-the year transfer. In total, by the end of 2017, EUR 11 051.8 million, out of EUR 11 069.9 million payment appropriations available after the transfers was used.

For the programming period 2007-2013, EUR 43.1 million were implemented out of the initial EUR 1 280 million of payment appropriations available in the budget and of EUR 497.2 million available as assigned revenue. The Amending Budget No 6 reduced the payment appropriations by EUR 780.0 million. Moreover, EUR 583.2 million (including EUR 110.0 million of assigned revenue) was transferred to the budget line for the EAFRD 2014-2020 programmes.

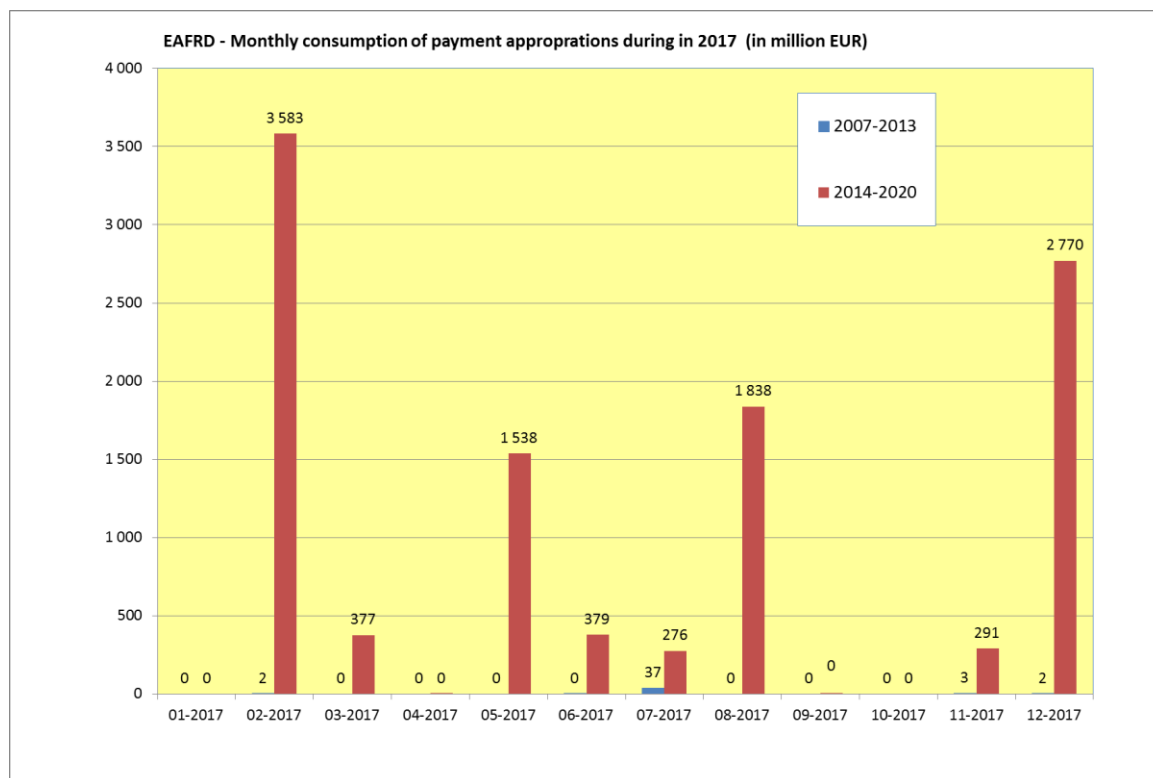
Table 8 shows the breakdown of payments made in 2017 by declaration period:

Table 8

| <b><i>Payments 2017 for EAFRD rural development programmes (in million EUR)</i></b> | <b><i>2007-2013</i></b> | <b><i>2014-2020</i></b> |
|-------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                     | Item 05.040501          | Item 05.046001          |
| Pre-financing 2014-2020                                                             | -                       | 0.0                     |
| Reimbursement of payment claims prior to Q4 2017                                    | 0.0                     | 26.4                    |
| Reimbursement of payment claims Q4 2017                                             | 0.0                     | 3 941.4                 |
| Reimbursement of payment claims Q1 2017                                             | 0.0                     | 1 924.2                 |
| Reimbursement of payment claims Q2 2017                                             | 0.0                     | 2 099.1                 |
| Reimbursement of payment claims Q3 2017                                             | 0.0                     | 3 060.7                 |
| Closure and/or positive payments 2007-2013                                          | 43.1                    | -                       |
| <b>Total 2017</b>                                                                   | <b>43.1</b>             | <b>11 051.8</b>         |

The monthly consumption of payment appropriations during the year (January to December 2017) is shown in the graph below.

Graph 1



The breakdown per Member State and per declaration period of the amounts paid by the Commission in budget year 2017 is shown in tables 9a and 9b.

Table 9a: EAFRD 2007-2013

| <b>Payments effectively made between 01/01/2017 and 31/12/2017</b> |                                                                               |                |                   |
|--------------------------------------------------------------------|-------------------------------------------------------------------------------|----------------|-------------------|
| <b>EAFRD 2007-2013 - Budget item 05.040501</b>                     |                                                                               |                | <b>(in EUR)</b>   |
| <b>MS</b>                                                          | <b>Positive payments, mainly following the judgements of Court of Justice</b> | <b>Closure</b> | <b>Total</b>      |
| AT                                                                 |                                                                               |                |                   |
| BE                                                                 |                                                                               |                |                   |
| BG                                                                 | 1 644 120                                                                     |                | 1 644 120         |
| CY                                                                 |                                                                               |                |                   |
| CZ                                                                 |                                                                               |                |                   |
| DE                                                                 | 2 607                                                                         |                | 2 607             |
| DK                                                                 |                                                                               |                |                   |
| EE                                                                 |                                                                               |                |                   |
| ES                                                                 |                                                                               |                |                   |
| FI                                                                 |                                                                               |                |                   |
| FR                                                                 |                                                                               |                |                   |
| GR                                                                 | 4 843 628                                                                     |                | 4 843 628         |
| HU                                                                 |                                                                               |                |                   |
| IE                                                                 |                                                                               |                |                   |
| IT                                                                 |                                                                               |                |                   |
| LT                                                                 | 708 137                                                                       |                | 708 137           |
| LU                                                                 |                                                                               |                |                   |
| LV                                                                 |                                                                               |                |                   |
| MT                                                                 |                                                                               |                |                   |
| NL                                                                 |                                                                               |                |                   |
| PL                                                                 | 24 776                                                                        |                | 24 776            |
| PT                                                                 |                                                                               |                |                   |
| RO                                                                 | 35 897 249                                                                    |                | 35 897 249        |
| SE                                                                 |                                                                               |                |                   |
| SI                                                                 | 1 214                                                                         |                | 1 214             |
| SK                                                                 |                                                                               |                |                   |
| UK                                                                 |                                                                               |                |                   |
| <b>Total</b>                                                       | <b>43 121 731</b>                                                             | <b>0</b>       | <b>43 121 731</b> |

Table 9b: EAFRD 2014-2020

| Payments effectively made between 01/01/2017 and 31/12/2017 |                   |                      |                      |                      |                      |                       |
|-------------------------------------------------------------|-------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| EAFRD 2014-2020 - Budget item 05.046001                     |                   |                      |                      |                      |                      | (in EUR)              |
| MS                                                          | Prior to Q4 2016  | Q4 2016              | Q1 2017              | Q2 2017              | Q3 2017              | Total                 |
| AT                                                          |                   | 284 034 513          | 34 306 827           | 118 368 156          | 41 760 912           | 478 470 408           |
| BE                                                          |                   | 5 925 045            | 2 756 556            | 19 997 126           | 8 452 989            | 37 131 717            |
| BG                                                          |                   | 19 664 658           | 39 513 021           | 81 321 944           | 54 014 439           | 194 514 062           |
| CY                                                          |                   | 7 106 491            | 2 030 516            | 1 212 301            | 4 224 143            | 14 573 450            |
| CZ                                                          |                   | 40 792 524           | 95 902 134           | 86 375 959           | 36 281 185           | 259 351 803           |
| DE                                                          |                   | 474 591 531          | 206 265 375          | 158 977 107          | 111 118 692          | 950 952 706           |
| DK                                                          |                   | 27 313 513           | 20 805 180           | 31 119 758           | 20 639 549           | 99 878 000            |
| EE                                                          |                   | 17 338 409           | 52 578 670           | 12 925 139           | 16 571 073           | 99 413 291            |
| ES                                                          |                   | 288 516 817          | 126 055 741          | 121 249 143          | 166 811 391          | 702 633 093           |
| FI                                                          |                   | 127 783 822          | 18 656 891           | 53 803 633           | 118 963 308          | 319 207 655           |
| FR                                                          |                   | 801 033 393          | 64 649 703           | 69 174 381           | 818 850 517          | 1 753 707 994         |
| GR                                                          |                   | 338 972 961          | 39 884 776           | 45 877 268           | 283 310 929          | 708 045 934           |
| HR                                                          |                   | 12 404 315           | 35 760 815           | 79 650 699           | 22 357 649           | 150 173 479           |
| HU                                                          |                   | 54 311 309           | 2 482 437            | 105 315 539          | 34 483 224           | 196 592 509           |
| IE                                                          |                   | 104 218 851          | 24 253 168           | 17 117 853           | 108 982 160          | 254 572 032           |
| IT                                                          |                   | 215 647 575          | 189 232 281          | 211 715 839          | 173 676 812          | 790 272 508           |
| LT                                                          |                   | 84 849 526           | 68 844 173           | 55 926 201           | 44 354 105           | 253 974 006           |
| LU                                                          |                   | 2 759 059            | 4 188 850            | 637 753              | 1 277 912            | 8 863 575             |
| LV                                                          |                   | 63 038 107           | 44 521 391           | 22 859 330           | 32 078 140           | 162 496 969           |
| MT                                                          |                   | 1 654 062            | 305 557              | 88 103               | 123 251              | 2 170 973             |
| NL                                                          |                   | 11 845 693           | 32 549 017           | 10 590 136           | 2 628 968            | 57 613 814            |
| PL                                                          |                   | 148 421 690          | 132 318 221          | 208 784 253          | 84 080 426           | 573 604 590           |
| PT                                                          |                   | 309 074 601          | 87 906 633           | 77 268 204           | 49 983 739           | 524 233 177           |
| RO                                                          | 26 332 371        | 265 094 574          | 340 526 570          | 313 662 587          | 623 552 613          | 1 569 168 715         |
| SE                                                          |                   | 31 826 689           | 34 272 890           | 23 227 732           | 14 948 891           | 104 276 200           |
| SI                                                          |                   | 27 374 475           | 12 498 310           | 31 421 808           | 8 959 016            | 80 253 608            |
| SK                                                          |                   | 51 127 107           | 44 801 397           | 38 534 466           | 33 400 226           | 167 863 196           |
| UK                                                          | 43 923            | 124 709 926          | 166 295 483          | 101 908 247          | 144 817 050          | 537 774 629           |
| <b>Total</b>                                                | <b>26 376 295</b> | <b>3 941 431 236</b> | <b>1 924 162 584</b> | <b>2 099 110 666</b> | <b>3 060 703 310</b> | <b>11 051 784 091</b> |

Table 10 compares, for each Member State, the EAFRD 2014-2020 payments made in 2017 with the payments in 2016. The payments increased significantly (by 42%) compared to year 2016 (EUR 11.1 billion vs. EUR 7.8 billion). The 2016 figures include the last tranche of pre-financing paid for the 2014-2020 programmes.

Table 10

| Payments made to Member States - Comparison 2017 vs 2016 - <u>EAFRD 2014-2020</u> <span style="float: right;">(in EUR)</span> |                      |                      |                      |                       |               |                       |                          |               |
|-------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|-----------------------|---------------|-----------------------|--------------------------|---------------|
| MS                                                                                                                            | 2016                 |                      |                      | 2017                  |               |                       | Difference 2017 vs. 2016 |               |
|                                                                                                                               | Interim payments     | Pre-financing        | Total                | Interim payments      | Pre-financing | Total                 | (in €)                   | (in %)        |
| AT                                                                                                                            | 394 576 581          | 39 375 520           | 433 952 101          | 478 470 408           | 0             | 478 470 408           | 44 518 307               | 10.26%        |
| BE                                                                                                                            | 39 503 051           | 6 477 978            | 45 981 029           | 37 131 717            | 0             | 37 131 717            | -8 849 312               | -19.25%       |
| BG                                                                                                                            | 129 060 043          | 23 667 170           | 152 727 213          | 194 514 062           | 0             | 194 514 062           | 41 786 849               | 27.36%        |
| CY                                                                                                                            | 7 177 699            | 1 322 444            | 8 500 142            | 14 573 450            | 0             | 14 573 450            | 6 073 308                | 71.45%        |
| CZ                                                                                                                            | 181 882 819          | 23 056 740           | 204 939 559          | 259 351 803           | 0             | 259 351 803           | 54 412 243               | 26.55%        |
| DE                                                                                                                            | 647 841 345          | 93 607 201           | 741 448 545          | 950 952 706           | 0             | 950 952 706           | 209 504 160              | 28.26%        |
| DK                                                                                                                            | 74 929 013           | 14 976 097           | 89 905 110           | 99 878 000            | 0             | 99 878 000            | 9 972 890                | 11.09%        |
| EE                                                                                                                            | 87 901 431           | 8 233 416            | 96 134 846           | 99 413 291            | 0             | 99 413 291            | 3 278 445                | 3.41%         |
| ES                                                                                                                            | 378 590 289          | 82 973 888           | 461 564 178          | 702 633 093           | 0             | 702 633 093           | 241 068 915              | 52.23%        |
| FI                                                                                                                            | 327 182 929          | 23 804 083           | 350 987 012          | 319 207 655           | 0             | 319 207 655           | -31 779 358              | -9.05%        |
| FR                                                                                                                            | 524 557 370          | 113 848 442          | 638 405 812          | 1 753 707 994         | 0             | 1 753 707 994         | 1 115 302 182            | 174.70%       |
| GR                                                                                                                            | 227 838 949          | 47 182 918           | 275 021 867          | 708 045 934           | 0             | 708 045 934           | 433 024 067              | 157.45%       |
| HR                                                                                                                            | 131 044 159          | 20 262 225           | 151 306 384          | 150 173 479           | 0             | 150 173 479           | -1 132 905               | -0.75%        |
| HU                                                                                                                            | 208 468 125          | 34 306 645           | 242 774 769          | 196 592 509           | 0             | 196 592 509           | -46 182 260              | -19.02%       |
| IE                                                                                                                            | 253 822 792          | 21 905 922           | 275 728 714          | 254 572 032           | 0             | 254 572 032           | -21 156 682              | -7.67%        |
| IT                                                                                                                            | 419 548 741          | 104 443 808          | 523 992 549          | 790 272 508           | 0             | 790 272 508           | 266 279 959              | 50.82%        |
| LT                                                                                                                            | 173 957 330          | 16 130 882           | 190 088 212          | 253 974 006           | 0             | 253 974 006           | 63 885 794               | 33.61%        |
| LU                                                                                                                            | 6 355 840            | 1 005 746            | 7 361 586            | 8 863 575             | 0             | 8 863 575             | 1 501 989                | 20.40%        |
| LV                                                                                                                            | 108 833 038          | 10 756 038           | 119 589 076          | 162 496 969           | 0             | 162 496 969           | 42 907 893               | 35.88%        |
| MT                                                                                                                            | 589 457              | 973 269              | 1 562 726            | 2 170 973             | 0             | 2 170 973             | 608 248                  | 38.92%        |
| NL                                                                                                                            | 34 449 926           | 10 812 454           | 45 262 379           | 57 613 814            | 0             | 57 613 814            | 12 351 435               | 27.29%        |
| PL                                                                                                                            | 362 852 034          | 88 961 088           | 451 813 122          | 573 604 590           | 0             | 573 604 590           | 121 791 467              | 26.96%        |
| PT                                                                                                                            | 536 945 153          | 40 601 404           | 577 546 557          | 524 233 177           | 0             | 524 233 177           | -53 313 380              | -9.23%        |
| RO                                                                                                                            | 524 017 099          | 81 279 964           | 605 297 063          | 1 569 168 715         | 0             | 1 569 168 715         | 963 871 652              | 159.24%       |
| SE                                                                                                                            | 191 405 372          | 17 455 653           | 208 861 025          | 104 276 200           | 0             | 104 276 200           | -104 584 824             | -50.07%       |
| SI                                                                                                                            | 77 260 537           | 8 378 498            | 85 639 035           | 80 253 608            | 0             | 80 253 608            | -5 385 427               | -6.29%        |
| SK                                                                                                                            | 105 682 050          | 15 885 298           | 121 567 349          | 167 863 196           | 0             | 167 863 196           | 46 295 847               | 38.08%        |
| UK                                                                                                                            | 653 010 765          | 48 906 195           | 701 916 960          | 537 774 629           | 0             | 537 774 629           | -164 142 331             | -23.38%       |
| <b>Total</b>                                                                                                                  | <b>6 809 283 936</b> | <b>1 000 590 984</b> | <b>7 809 874 920</b> | <b>11 051 784 091</b> | <b>0</b>      | <b>11 051 784 091</b> | <b>3 241 909 172</b>     | <b>41.51%</b> |

### 3.2.2. Technical assistance

For the programming period 2014-2020, the amount for payment appropriations for the operational technical assistance was EUR 19.0 million. A part of these appropriations (EUR 3.0 million) was transferred to cover payment needs in relation to rural development programmes under EAFRD 2014-2020.

Table 11 hereafter presents the payments grouped by main activities. The most important part relates to the European Network for Rural Development.

Table 11

| <b>Technical assistance – Implementation of payment appropriations</b> |                    |
|------------------------------------------------------------------------|--------------------|
| <b>Budget Item: 05.046002</b> (in EUR)                                 |                    |
| <b>Description</b>                                                     | <b>Amount paid</b> |
| European Network for Rural Development                                 | 4 057 011          |
| European Innovation Partnership                                        | 2 734 982          |
| Corporate communication                                                | 2 600 000          |
| Information technology*                                                | 2 258 270          |
| European Evaluation Network                                            | 1 375 984          |
| Audit and Controls                                                     | 649 115            |
| Technical Advisory Platform for Financial Instruments                  | 320 000            |
| Solidarity Corps                                                       | 296 041            |
| Organic agriculture database                                           | 248 533            |
| <b>Total</b>                                                           | <b>14 539 936</b>  |

\* Including Broadband Competence Offices

### 3.3. Analysis of expenditure declared by measure

Table 12 shows the payment claims declared by Member States and by measure for rural development in 2017 (4<sup>th</sup> quarter of 2016 to 3<sup>rd</sup> quarter of 2017), the cumulative declared expenditure from the beginning of the programming period and also the financial plan of EAFRD 2014-2020 programmes.

The expenditure for EAFRD 2014-2020 in 2017 continued to concentrate mainly in Measure 13 (Payments to areas facing natural or other specific constraints) and in Measure 10 (Agri-environment-climate).

Table 12

| EAFRD declared expenditure 2017 (Q4 2016-Q3 2017) & Total cumulative expenditure (Q4 2014 to Q3 2017)<br>compared with Financial Plans - EAFRD 2014-2020 |                                                                                                                                                     |                                                      |               |                                                            |               |                               |               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------|---------------|------------------------------------------------------------|---------------|-------------------------------|---------------|
|                                                                                                                                                          |                                                                                                                                                     | Declared expenditure<br>2017 (Q4 2016 to Q3<br>2017) |               | Cumulative declared<br>expenditure (Q4 2014<br>to Q3 2017) |               | Financial Plans 2014-<br>2020 |               |
| EAFRD Measure                                                                                                                                            |                                                                                                                                                     | (million<br>€)                                       | (%)           | (million<br>€)                                             | (%)           | (million<br>€)                | (%)           |
| Measure 01                                                                                                                                               | Knowledge transfer and information actions                                                                                                          | 51.4                                                 | 0.5%          | 73.3                                                       | 0.3%          | 1 102.7                       | 1.1%          |
| Measure 02                                                                                                                                               | Advisory services, farm management and farm relief services                                                                                         | 16.0                                                 | 0.1%          | 27.3                                                       | 0.1%          | 763.4                         | 0.8%          |
| Measure 03                                                                                                                                               | Quality schemes for agricultural products and foodstuffs                                                                                            | 18.3                                                 | 0.2%          | 28.8                                                       | 0.1%          | 379.9                         | 0.4%          |
| Measure 04                                                                                                                                               | Investments in physical assets                                                                                                                      | 1 625.5                                              | 14.7%         | 2 811.7                                                    | 13.3%         | 22 621.2                      | 22.8%         |
| Measure 05                                                                                                                                               | Restoring agricultural production potential damaged by natural disasters and catastrophic events and introduction of appropriate prevention actions | 58.5                                                 | 0.5%          | 111.6                                                      | 0.5%          | 894.1                         | 0.9%          |
| Measure 06                                                                                                                                               | Farm and business development                                                                                                                       | 861.5                                                | 7.8%          | 1 277.6                                                    | 6.0%          | 7 234.7                       | 7.3%          |
| Measure 07                                                                                                                                               | Basic services and village renewal in rural areas                                                                                                   | 568.5                                                | 5.2%          | 688.9                                                      | 3.3%          | 6 679.5                       | 6.7%          |
| Measure 08                                                                                                                                               | Investments in forest area development and improvement of the viability of forests                                                                  | 341.7                                                | 3.1%          | 670.2                                                      | 3.2%          | 4 532.6                       | 4.6%          |
| Measure 09                                                                                                                                               | Setting-up of producer groups and organisations                                                                                                     | 17.4                                                 | 0.2%          | 33.4                                                       | 0.2%          | 413.1                         | 0.4%          |
| Measure 10                                                                                                                                               | Agri-environment-climate                                                                                                                            | 2 031.8                                              | 18.4%         | 5 125.3                                                    | 24.2%         | 16 504.1                      | 16.6%         |
| Measure 11                                                                                                                                               | Organic farming                                                                                                                                     | 939.8                                                | 8.5%          | 1 739.5                                                    | 8.2%          | 6 631.8                       | 6.7%          |
| Measure 12                                                                                                                                               | Natura 2000 and Water Framework Directive payments                                                                                                  | 69.6                                                 | 0.6%          | 165.5                                                      | 0.8%          | 576.2                         | 0.6%          |
| Measure 13                                                                                                                                               | Payments to areas facing natural or other specific constraints                                                                                      | 3 314.4                                              | 30.0%         | 6 532.7                                                    | 30.8%         | 16 013.6                      | 16.1%         |
| Measure 14                                                                                                                                               | Animal Welfare                                                                                                                                      | 287.8                                                | 2.6%          | 519.3                                                      | 2.5%          | 1 509.4                       | 1.5%          |
| Measure 15                                                                                                                                               | Forest environmental and climate services and forest conservation                                                                                   | 10.7                                                 | 0.1%          | 20.2                                                       | 0.1%          | 265.2                         | 0.3%          |
| Measure 16                                                                                                                                               | Co-operation                                                                                                                                        | 38.8                                                 | 0.4%          | 60.7                                                       | 0.3%          | 1 749.0                       | 1.8%          |
| Measure 17                                                                                                                                               | Risk management                                                                                                                                     | 166.6                                                | 1.5%          | 182.3                                                      | 0.9%          | 1 671.7                       | 1.7%          |
| Measure 18                                                                                                                                               | Financing of complementary national direct payments for Croatia                                                                                     | 17.8                                                 | 0.2%          | 108.5                                                      | 0.5%          | 111.9                         | 0.1%          |
| Measure 19                                                                                                                                               | Support for LEADER local development — community-led local development (CLLD)                                                                       | 291.5                                                | 2.6%          | 417.0                                                      | 2.0%          | 6 931.2                       | 7.0%          |
| Measure 20                                                                                                                                               | Technical assistance Member States                                                                                                                  | 208.0                                                | 1.9%          | 291.7                                                      | 1.4%          | 2 125.4                       | 2.1%          |
| Measure 113                                                                                                                                              | Early retirement                                                                                                                                    | 97.4                                                 | 0.9%          | 295.1                                                      | 1.4%          | 631.8                         | 0.6%          |
| Measure 131                                                                                                                                              | Meeting standards based on Community legislation                                                                                                    | 0.0                                                  | 0.0%          | 0.0                                                        | 0.0%          | 0.0                           | 0.0%          |
| Measure 341                                                                                                                                              | Skills acquisition, animation and implementation                                                                                                    | 0.4                                                  | 0.0%          | 0.4                                                        | 0.0%          | 0.6                           | 0.0%          |
| <b>Grand total</b>                                                                                                                                       |                                                                                                                                                     | <b>11 033.6</b>                                      | <b>100.0%</b> | <b>21 180.9</b>                                            | <b>100.0%</b> | <b>99 343.3</b>               | <b>100.0%</b> |

\*Member States declare their expenditure quarterly. However, for year n, Q4 declarations are submitted in January of year n+1. Consequently, the corresponding reimbursements by the Commission to the Member States in year n go from Q4 of year n-1 until Q3 of year n.

### **3.4. Implementation of EAFRD programmes**

#### **3.4.1. *Programming period 2007-2013***

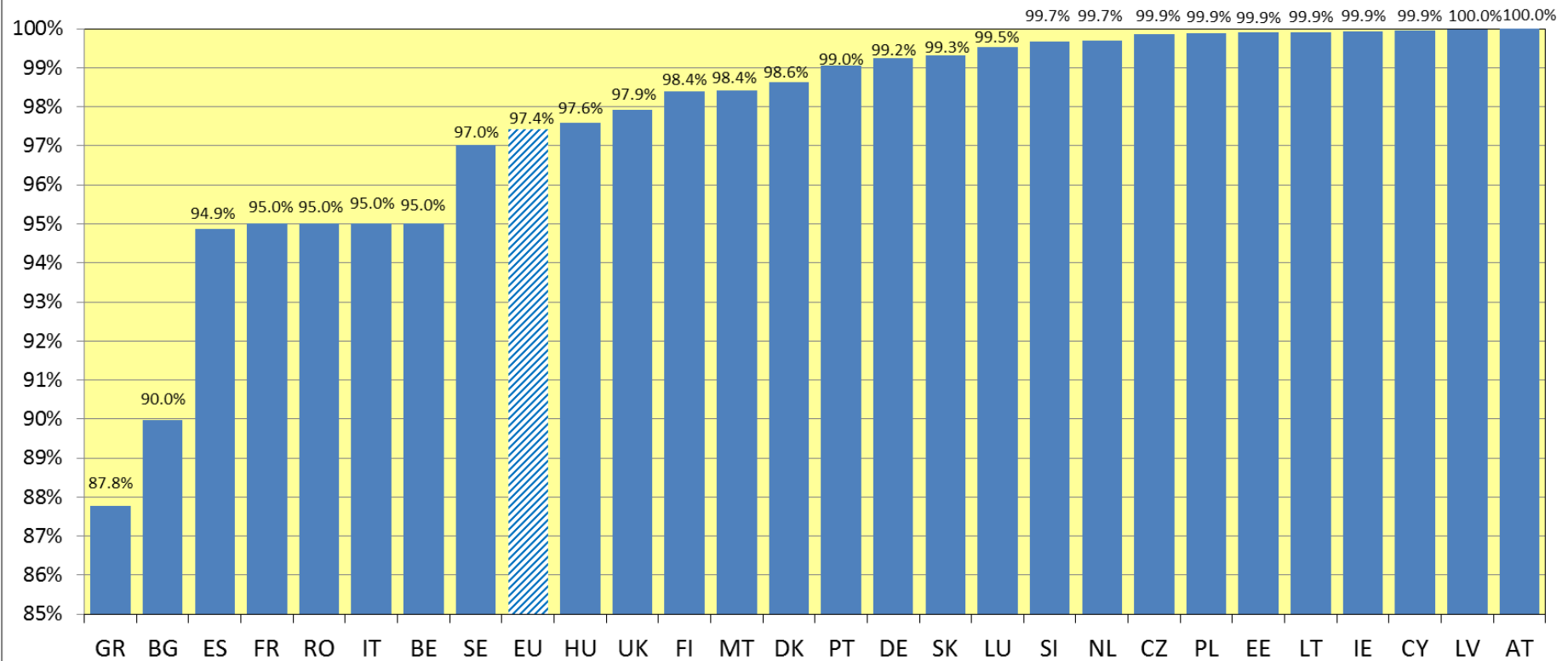
Graph 2 presents the absorption rate of rural development programmes 2007-2013 per Member State: payments from the beginning of the programming period till 31 December 2017, including closure payments for the programmes that have already been closed by this date, compared to the total 2007-2013 allocation.

Until the end of 2017 the application of the N+2 rule has resulted in decommitments amounting in total to EUR 1 867 million.

#### **3.4.2. *Programming period 2014-2020***

Graph 3 presents the absorption rate of rural development programmes 2014-2020 per Member State: payments from the beginning of the programming period including payments made for the 4<sup>th</sup> quarter of 2017 that is reimbursed in financial year 2018 compared to the total 2014-2020 allocation.

**Graph 2 - Absorption rate of 2007-2013 RD programmes by Member State (% of the EAFRD payments including closure payments done by 31/12/2017 compared with 2007-2013 allocations)**



\*The rate for the Member States which programmes have not been closed by 31/12/2017 are capped at 95%

**Graph 3 - Absorption rate of 2014-2020 RD programmes by Member State  
(% of the EAFRD payments including payment claims Q4'2017 compared to  
2014-2020 allocations)**

