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

**8th FINANCIAL REPORT FROM THE COMMISSION TO THE EUROPEAN  
PARLIAMENT AND THE COUNCIL  
on the EUROPEAN AGRICULTURAL FUND FOR RURAL DEVELOPMENT  
(EAFRD)  
2014 FINANCIAL YEAR**

{SWD(2016) 111 final}

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## 1. BUDGET PROCEDURE

### 1.1. Draft Budget (DB) 2014

The 2014 Draft Budget (DB) was adopted by the Commission and proposed to the Budgetary Authority on 28 June 2013.

The Draft Budget for the European Agricultural Fund for Rural Development (EAFRD) under heading 2 of the Financial Framework 2007-2013 totalled EUR 10 340 million in payment appropriations. No commitment appropriations were requested for year 2014 as the old programming period ended in 2013. For the new programming period 2014-2020, the DB 2014 included EUR 13 987 million in commitment appropriations and EUR 1 312 million in payment appropriations.

Table 1

<b>Budget Item</b>	<b>Commitment appropriations (in EUR)</b>	<b>Payment appropriations (in EUR)</b>
<b>2007-2013</b>		
05.040501 (Rural dev. Programmes)	-	10 333 305 000
05.040502 (Operational technical assistance)	-	6 433 956
<b>2014-2020</b>		
05.046001 (Rural dev. Programmes)	13 970 049 059	1 303 887 960
05.046002 (Operational technical assistance)	17 222 000	7 748 500

The Council adopted its position on the 2014 Draft Budget on 2 September 2013. Payment appropriations for EAFRD programmes were reduced by EUR 4.6 million for the old programming period and EUR 50 million for the new programming period as compared to the Commission's DB while commitments remained unchanged. The European Parliament adopted its position on 23 October 2013 whereby it restored the Commission's proposal. The Conciliation procedure resulted in an agreement between the two institutions. The Council and the European Parliament agreed to a compromise package on 12 November 2013.

### 1.2. The adoption of the 2014 Budget

The Draft Budget was approved by the Parliament in a vote on 20 November 2013. The voted budget for the EAFRD in chapter 05 04 amounted to EUR 10 336 million in payment appropriations for the programming period 2007-2013 and EUR 13 987 million in commitment appropriations and EUR 1 275 million in payment appropriations for the period 2014-2020.

Table 2

<b>Budget Item</b>	<b>Commitment appropriations (in EUR)</b>	<b>Payment appropriations (in EUR)</b>
05.040501 (Rural dev. Programmes 2007-2013)	-	10 329 896 149
05.040502 (Technical assistance 2007-2013)	-	6 433 956
05.046001 (Rural dev. Programmes 2014-2020)	13 970 049 059	1 267 275 423
05.046002 (Technical assistance 2014-2020)	17 222 000	7 748 500

### 1.3. The adoption of the Amending Budgets

Amending Budget No 2 was adopted on 17 December 2014. It reduced the payment appropriations for the Rural Development Programmes 2014-2020 by EUR 20 million.

## 2. MANAGEMENT OF APPROPRIATIONS

### 2.1. Management of Commitment appropriations

#### 2.1.1. EAFRD rural development programmes

Budget 2014 did not include any commitment appropriations for EAFRD 2007-2013 programmes whilst commitment appropriation for EAFRD 2014-2020 amounted in total to EUR 13 970 million.

Table 3

<b>Management of commitment appropriations in 2014 – EAFRD</b>	<b>Budget Item 05.040501 (amounts in euro)</b>	<b>Budget Item 05.046001 (amounts in euro)</b>
Appropriations at the beginning of 2014	-	13 970 049 059
Carryover from 2013	-	0
Appropriations available in 2014	-	13 970 049 059
Appropriations used in 2014	-	3 294 627 697

#### 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, at the initiative of the Commission, the technical assistance actions necessary to implement the rural development policy and, in particular, the costs for setting up and operating the European network for

rural development and the European Innovation Partnership (EIP) network. In the 2014 budget, the initial amount available for this purpose was EUR 17.2 million. Of this, EUR 0.7 million was redeployed to other items of the budget. At the end of 2014, the total amount committed was EUR 11.9 million.

## 2.2. Management of payment appropriations

### 2.2.1. EAFRD rural development programmes

For programmes 2007-2013, payment appropriations of the voted budget 2014 amounted to EUR 10 330 million. In addition, the available assigned revenue, either carried over from 2013 or collected during the year, amounted to EUR 149.9 million. During the year, the monitoring of the implementation of the budget and the analysis of the forecasts submitted by Member States revealed an additional need of EUR 536.4 million in payment appropriations. This additional need was covered with transfers from 2014-2020 programmes and technical assistance lines

The total amount paid to Member States for EAFRD programmes 2007-2013 in 2014 reached EUR 10 947 million. EUR 69 million of assigned revenue were automatically carried over to 2015.

For programmes 2014-2020, payment appropriations of the voted budget amounted to EUR 1 267 million. Of this amount, only EUR 225 million were implemented in 2014 due to the late adoption of new rural development programmes. As regards the surplus, part was made available to old programmes (EUR 532 million) and the rest was included in the End of Year transfer (EUR 490 million) or in the Amending Budget No 2/2014 (EUR 20 million).

Table 4

<b>Management of payment appropriations in 2014 (in euro)</b>	
<b>EAFRD (2007-2013) Budget Item - 05.040501</b>	
Appropriations at the beginning of 2014	10 329 896 149
Assigned revenue carried over from 2013	80 494 135
Assigned revenue collected in 2014	69 413 811
Transfers from 2014-2020 RDPs and TA lines	536 390 000
Appropriations available in 2014	11 016 194 095
Appropriations used in 2014	10 947 350 314
<b>EAFRD (2014-2020) Budget Item - 05.046001</b>	
Appropriations at the beginning of 2014	1 267 275 423
Transfer to 2007-2013 programmes	- 532 190 000
Amending Budget No 2/2014	- 20 000 000
End-of-the year transfer	- 490 090 023
Appropriations available in 2014	224 995 400
Appropriations used in 2014	224 989 886

### 2.2.2. *Technical assistance*

Total payment appropriations in 2014 budget amounted to EUR 14.2 million. Of this amount, EUR 6.4 million related to 2007-2013 outstanding needs (open RAL of budget item 05.040502) whereas EUR 7.7 million corresponded to new period's technical assistance (item 05.046002). At the end of the year, total payments reached EUR 8.4 million while EUR 4.2 million were redeployed to reinforce 2007-2013 programmes.

## 3. IMPLEMENTATION OF THE 2014 EAFRD BUDGET

### 3.1. Introduction

The last commitments of the programming period 2007-2013 were made in financial year 2013. As regards payments, the pace of the implementation of rural development programmes recorded in 2014 continued at high level even though, for some programmes, declarations of expenditure were not completely reimbursed due to the application of the 95% capping. Execution in 2014 represents 83.5% of 2012 execution which is the highest execution recorded during this programming period.

### 3.2. Implementation of commitment appropriations

#### 3.2.1. *EAFRD rural development programmes*

In 2014, commitment appropriations were available only for EAFRD programmes 2014-2020. The 2014 voted budget amounted to EUR 13 970 million but the late adoption of programmes did not permit to commit the entire amount. As a result, for the programmes not adopted, it was necessary either to reprogramme the allocations or, in case the requirements set by Regulation (EU) 966/2012 were met, to carryover the corresponding appropriations to year 2015.

Table 5 shows the allocation established by Regulation (EU) No 1305/2013 of 17/12/2013 as amended by Commission Delegated Regulation (EU) 2015/791 of 27/04/2015 (i.e. including the reprogramming) for new EAFRD programmes and the amounts committed per Member State in 2014.

Table 5

<b>Regulation (EU) No 1305/2013 vs. the amounts committed end of 2014:</b>			
<b>Budget item: 05.046001</b> <span style="float: right;"><i>(in euro)</i></span>			
<b>MS</b>	<b>Regulation (EU) No 1305/2013 – EU funds 2014</b>	<b>Amounts carried over for commitment in 2014</b>	<b>Amounts committed in the budget year 2014</b>
	<b>(a)</b>	<b>(b)</b>	<b>(c=a+b)</b>
AT	557 806 503	-	557 806 503
BE	40 855 562	-	-
BG	-	-	-
CY	-	-	-
CZ	-	-	-
DE	664 601 903	-	234 970 693
DK	90 287 658	-	90 287 658

EE	103 626 144	-	-
ES	-	-	-
FI	335 440 884	-	332 522 548
FR	4 353 019	-	-
GR	-	-	-
HR	-	-	-
HU	-	-	-
IE	-	-	-
IT	-	-	-
LT	230 392 975	-	-
LU	-	-	-
LV	138 327 376	-	-
MT	-	-	-
NL	87 118 078	-	-
PL	1 569 517 638	-	1 569 517 638
PT	577 031 070	-	509 522 657
RO	-	-	-
SE	-	-	-
SI	118 678 072	-	-
SK	271 154 575	-	-
UK	475 531 544	-	-
<b>Total</b>	<b>5 264 723 001</b>	<b>-</b>	<b>3 294 627 697</b>

### 3.2.2. Technical assistance

Table 6 shows the commitment appropriations for technical assistance consumed in 2014. The most important part relates to European Network for Rural Development.

Table 6

<i>Technical assistance – Implementation of commitment appropriations</i>	
<b>Budget Item: 05.046002</b> <span style="float: right;"><i>(in euro)</i></span>	
Description	Amount committed
Contact point of the European Network for Rural Development	4 000 000
Experts groups / Coordination committee / Seminars (ENRD)	1 087 693
EIP (Website and Network Facility)	2 569 923
Information technology	1 927 013
Protection of symbols	290 443
Events	1 000 000
European Evaluation Network (evaluation helpdesk and expert committees)	993 950
<b>Total</b>	<b>11 869 022</b>

### 3.3. Implementation of payment appropriations

#### 3.3.1. EAFRD rural development programmes

For the programming period 2007-2013 all payment appropriations available in the voted budget 2014 were implemented (EUR 10 330 million). Additional payments of EUR 81 million and EUR 536.4 million were made respectively with appropriations from assigned revenue and transfers from technical assistance lines (05.040502 and 05.046002) and the line for new programmes(05.046001). At the end of 2014, the total amount paid for EAFRD programmes 2007-2013 was EUR 10 947 million. EUR 68.8 million of assigned revenue were carried over to 2015

For the programming period 2014-2020 only the pre-financing in the amount of EUR 225 million was paid.

Table 7 below shows the breakdown of payments made in 2014 by declaration period:

Table 7

<i>Payments 2014 for EAFRD rural development programmes (in million euro)</i>	<i>2007-2013</i>	<i>2014-2020</i>
	Item 05.040501	Item 05.046001
Reimbursement of payment claims Q3 2013	2.61	-
Reimbursement of payment claims Q4 2013	4 927.28	-
Reimbursement of payment claims Q1 2014	2 101.38	-
Reimbursement of payment claims Q2 2014	1 711.84	-
Reimbursement of payment claims Q3 2014	2 204.24	-
Pre-financing 2014-2020	-	224.99
<b>Total 2014</b>	<b>10 947.35</b>	<b>224.99</b>

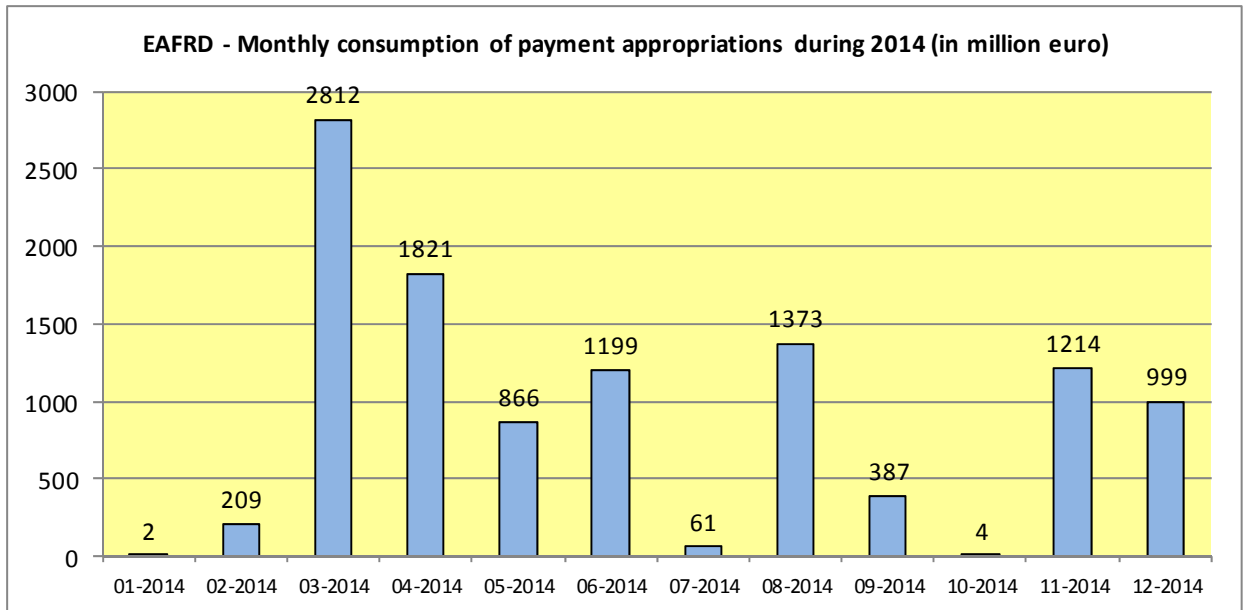
For programmes 2007-2013, the monthly consumption of payment appropriations during the year (January to December 2014) is represented in the graph below. The rhythm of consumption is linked to the calendar for sending the four payment declarations (31 January, 30 April, 31 July and 10 November for the payment claims corresponding respectively to Q4 2013, Q1 2014, Q2 2014 and Q3 2014) in accordance article 22 (2) of the Commission Implementing Regulation (EU) No 908/2014.

As regards, programmes 2014-2020, all advances (EUR 225 million) were paid in December 2014.

The graph shows the monthly consumption of payment appropriations. The rhythm of payments was influenced by treasury constraints that delayed some reimbursements in the first part of 2014 (January to June) and at the end of the year.



Graph 1



The breakdown per Member State and per declaration period of the amounts paid by the Commission for programmes 2007-2013 in budget year 2014 is shown in table 8a. The total amount paid, EUR 10 947 million, relates to interim payments only.

Table 8a

<b>Payments effectively made between 01/01/2014 and 31/12/2014</b>						
<b>Budget item 05.040501</b>						<i>(in euro)</i>
<b>MS</b>	<b>Q3 2013</b>	<b>Q4 2013</b>	<b>Q1 2014</b>	<b>Q2 2014</b>	<b>Q3 2014</b>	<b>Grand Total</b>
<b>AT</b>	0	244 873 999	0	0	0	244 873 999
<b>BE</b>	0	2 689 192	3 244 454	9 266 757	1 427 705	16 628 109
<b>BG</b>	0	284 557 645	24 550 102	27 675 831	56 967 049	393 750 627
<b>CY</b>	0	13 267 957	1 055 853	4 586 052	3 988 489	22 898 351
<b>CZ</b>	0	41 674 370	187 320 552	54 253 139	0	283 248 060
<b>DE</b>	0	477 758 847	119 748 265	96 522 148	223 278 056	917 307 316
<b>DK</b>	0	22 147 611	19 064 163	20 158 227	21 937 263	83 307 265
<b>EE</b>	0	19 809 432	42 326 220	0	0	62 135 652
<b>EL</b>	0	297 262 410	28 283 661	54 263 779	169 354 762	549 164 613
<b>ES</b>	0	495 902 738	147 877 593	103 782 522	216 625 787	964 188 641
<b>FI</b>	0	56 934 909	0	0	0	56 934 909
<b>FR</b>	0	351 132 742	165 867 656	139 255 349	141 896 984	798 152 731
<b>HU</b>	0	171 302 480	121 740 056	110 912 819	146 395 713	550 351 068
<b>IE</b>	0	0	0	0	0	0
<b>IT</b>	51 734	634 840 721	128 549 026	211 279 181	229 312 537	1 204 033 199
<b>LT</b>	0	22 936 917	119 899 042	49 775 609	39 769 642	232 381 211
<b>LU</b>	0	1 287 916	0	0	0	1 287 916
<b>LV</b>	0	51 845 146	6 941 296	0	0	58 786 443
<b>MT</b>	0	4 949 774	527 688	2 451 135	3 482 391	11 410 988
<b>NL</b>	0	24 827 909	19 292 515	44 919 341	21 976 313	111 016 078
<b>PL</b>	0	626 415 545	392 425 430	335 987 350	345 944 778	1 700 773 103
<b>PT</b>	913 213	210 553 953	154 826 061	139 415 532	177 413 253	683 122 011
<b>RO</b>	0	345 989 125	172 531 090	107 792 851	196 529 406	822 842 472
<b>SE</b>	0	178 628 972	34 930 716	7 714 548	0	221 274 236
<b>SI</b>	0	54 749 783	17 568 160	33 916 658	11 856 850	118 091 451
<b>SK</b>	0	79 574 145	25 024 890	25 142 009	18 604 336	148 345 380
<b>UK</b>	1 646 288	211 369 622	167 784 553	132 767 523	177 476 500	691 044 486
<b>Total</b>	<b>2 611 235</b>	<b>4 927 283 862</b>	<b>2 101 379 040</b>	<b>1 711 838 362</b>	<b>2 204 237 814</b>	<b>10 947 350 314</b>

For the programmes 2014-2020 adopted in 2014, the advances paid amounted to EUR 224.99 million. Table 8b shows the breakdown per Member State.

Table 8b

<b>Prefinancing 2014-2020 paid between 01/01/2014 and 31/12/2014</b>	
<i>(in euro)</i>	
<b>Budget item: 05.046001</b>	
<b>MS</b>	<b>Amount</b>
AT	39 375 519.97
BE	-
BG	-
CY	-
CZ	-
DE	15 994 705.09
DK	6 294 006.90
EE	-
ES	-
FI	23 596 993.38
FR	-
GR	-
HR	-
HU	-
IE	-
IT	-
LT	-
LU	-
LV	-
MT	-
NL	-
PL	85 982 808.14
PT	53 745 852.35
RO	-
SE	-
SI	-
SK	-
UK	-
<b>Total</b>	<b>224 989 885.83</b>

Table 9 compares, for each Member State, the EAFRD 2007-2013 payments made in 2014 with the payments in 2013. The total payments decreased by 15.5% (EUR 10.95 billion vs. 12.95 billion).

Table 9

Payments made to Member States - Comparison 2014 vs 2013 (in euro)								
MS	2013			2014			Difference 2014 vs. 2013	
	Interim payments	Prefinancing	Total	Interim payments	Prefinancing	Total	(in euro)	(in %)
AT	526 926 131	-	526 926 131	244 873 999	-	244 873 999	-282 052 131	-53.53%
BE	52 721 009	-	52 721 009	16 628 109	-	16 628 109	-36 092 900	-68.46%
BG	396 641 691	-	396 641 691	393 750 627	-	393 750 627	-2 891 064	-0.73%
CY	23 033 218	-	23 033 218	22 898 351	-	22 898 351	-134 866	-0.59%
CZ	373 075 923	-	373 075 923	283 248 060	-	283 248 060	-89 827 863	-24.08%
DE	1 267 359 343	-	1 267 359 343	917 307 316	-	917 307 316	-350 052 027	-27.62%
DK	62 519 910	-	62 519 910	83 307 265	-	83 307 265	20 787 355	33.25%
EE	127 044 772	-	127 044 772	62 135 652	-	62 135 652	-64 909 120	-51.09%
EL	225 793 111	-	225 793 111	549 164 613	-	549 164 613	323 371 502	143.22%
ES	1 038 317 781	-	1 038 317 781	964 188 641	-	964 188 641	-74 129 140	-7.14%
FI	340 230 873	-	340 230 873	56 934 909	-	56 934 909	-283 295 964	-83.27%
FR	998 803 101	-	998 803 101	798 152 731	-	798 152 731	-200 650 370	-20.09%
HU	491 234 841	-	491 234 841	550 351 068	-	550 351 068	59 116 226	12.03%
IE	256 972 589	-	256 972 589	0	-	0	-256 972 589	-100.00%
IT	1 275 133 647	-	1 275 133 647	1 204 033 199	-	1 204 033 199	-71 100 448	-5.58%
LT	252 927 822	-	252 927 822	232 381 211	-	232 381 211	-20 546 611	-8.12%
LU	10 094 904	-	10 094 904	1 287 916	-	1 287 916	-8 806 989	-87.24%
LV	184 032 828	-	184 032 828	58 786 443	-	58 786 443	-125 246 385	-68.06%
MT	9 682 192	-	9 682 192	11 410 988	-	11 410 988	1 728 796	17.86%
NL	99 485 140	-	99 485 140	111 016 078	-	111 016 078	11 530 938	11.59%
PL	1 820 972 541	-	1 820 972 541	1 700 773 103	-	1 700 773 103	-120 199 438	-6.60%
PT	656 450 463	-	656 450 463	683 122 011	-	683 122 011	26 671 547	4.06%
RO	1 191 637 130	-	1 191 637 130	822 842 472	-	822 842 472	-368 794 658	-30.95%
SE	182 871 555	-	182 871 555	221 274 236	-	221 274 236	38 402 681	21.00%
SI	126 635 115	-	126 635 115	118 091 451	-	118 091 451	-8 543 663	-6.75%
SK	197 308 952	-	197 308 952	148 345 380	-	148 345 380	-48 963 572	-24.82%
UK	763 498 948	-	763 498 948	691 044 486	-	691 044 486	-72 454 462	-9.49%
<b>Total</b>	<b>12 951 405 528</b>	<b>0</b>	<b>12 951 405 528</b>	<b>10 947 350 314</b>	<b>0</b>	<b>10 947 350 314</b>	<b>-2 004 055 214</b>	<b>-15.47%</b>

### 3.3.2. Technical assistance

In the 2014 budget the amount for payment appropriations was EUR 6.4 million for the programmes 2007-2013 and EUR 7.7 million for the programmes 2014-2020. Part of these appropriations were transferred to cover payment needs in relation to rural development programmes under EAFRD 2007-2013: EUR 0.8 million from the old programming period and EUR 3.4 million from the new programming period..

Table 10 hereafter presents the payments grouped by main activities. The most important part relates to the European Network for Rural Development.

Table 10

<b>Technical assistance – Implementation of payment appropriations</b>	
<b>Description</b>	<b>Amount paid</b>
<b>Budget Item: 05.040502</b> <span style="float: right;"><i>(in euro)</i></span>	
European Network for Rural Development (Contact point, expert groups, coordination committee, seminars..)	2 333 316
European Evaluation Network (expert committees, meetings...)	21 426
European Innovation Partnership (EIP)	988 626
Information technology	1 424 401
Protection of EU symbols	308 241
<b>Total 05.040502</b>	<b>5 076 010</b>
<b>Budget Item: 05.046002</b> <span style="float: right;"><i>(in euro)</i></span>	
European Network for Rural Development (expert groups, coordination committee, seminars...)	1 076 857
European Evaluation Network (expert committees, meetings...)	64 594
European Innovation Partnership (EIP)	1 099 903
Information technology	694 133
Events	400 000
<b>Total 05.046002</b>	<b>3 335 487</b>
<b>Total technical assistance</b>	<b>8 411 497</b>

### 3.4. Analysis of expenditure declared by axis and by measure – Programming period 2007-2013

Table 11 shows the payment claims declared by Member state and by axis/measure for rural development in 2014 (Q4 2013 to Q3 2014) for the programmes 2007-2013,

the cumulative declared expenditure from 2007 to 2013 (Q4 2006 to Q3 2014) and also the financial plans of EAFRD programmes (2007-2013; EU27).

In 2014, the expenditure for EAFRD 2007-2013 continues to be concentrated in axis 2 (43.7%), followed by axis 1 with 32.1%, axis 3 with 13.5% and axis 4 with 8.9%. Even though differences decrease for 3 axes, this repartition of expenditure still diverges from the repartition in the financial plans for the 2007-2013 programming period (32.6%, 46.0%, 13.2% and 6.2% for axis 1 to 4 respectively).

Axis 2 measures mainly involve annual payments (e.g. agro-environmental measures) whilst Axis 1, 3 and, to a lesser extent, Axis 4 mainly relate to multi-annual measures that require longer proceedings for their approval and implementation (e.g. investment projects).

Table 11

EAFRD declared expenditure 2014 (Q4 2013-Q3 2014) & Total cumulative expenditure (Q4 2006 to Q3 2014) compared with Financial Plans						
EAFRD Axis / Measure	Declared expenditure 2014 (Q4 2013 to Q3 2014)		Cumulative declared expenditure (Q4 2006 to Q3 2014)		Financial Plans 2007-2013	
	(million €)	(%)	(million €)	(%)	(million €)	(%)
111 Vocational training and information actions	136.4	1.1%	655.0	0.8%	928.5	1.0%
112 Setting up of young farmers	286.2	2.4%	2 382.4	3.1%	2 949.3	3.1%
113 Early retirement	335.0	2.8%	2 386.9	3.1%	2 459.1	2.6%
114 Use of advisory services	21.9	0.2%	111.2	0.1%	167.2	0.2%
115 Setting up of management. relief and ....	4.0	0.0%	28.8	0.0%	46.9	0.0%
121 Modernisation of agricultural holdings	1 386.2	11.5%	9 589.6	12.3%	11 888.4	12.4%
122 Improvement of the economic value of forest	44.2	0.4%	255.4	0.3%	356.4	0.4%
123 Adding value to agricultural and forestry...	519.8	4.3%	3 510.8	4.5%	5 307.3	5.5%
124 Cooperation for development of new products	45.3	0.4%	158.6	0.2%	284.5	0.3%
125 Infrastructure related to the development ...	779.5	6.4%	3 117.9	4.0%	4 677.4	4.9%
126 Restoring agricultural production potential	128.5	1.1%	477.1	0.6%	686.8	0.7%
131 Meeting standards based on Community...	2.2	0.0%	61.8	0.1%	67.0	0.1%
132 Participation of farmers in food quality...	14.3	0.1%	79.6	0.1%	113.6	0.1%
133 Information and promotion activities	23.2	0.2%	89.9	0.1%	144.9	0.2%
141 Semi-subsistence farming	84.1	0.7%	693.8	0.9%	802.1	0.8%
142 Producer groups	34.5	0.3%	187.5	0.2%	246.5	0.3%
143 Direct Payment (BG + RO)	1.8	0.0%	8.9	0.0%	15.8	0.0%
144 Holdings undergoing restructuring	32.7	0.3%	179.6	0.2%	191.0	0.2%
<b>Axis 1</b>	<b>3 879.8</b>	<b>32.1%</b>	<b>23 974.8</b>	<b>30.8%</b>	<b>31 332.7</b>	<b>32.6%</b>
211 Natural handicap payments to farmers in ...	613.2	5.1%	6 878.8	8.8%	6 810.9	7.1%
212 Payments to farmers in areas with handicaps...	774.1	6.4%	7 131.2	9.1%	7 718.4	8.0%
213 Natura 2000 payments and payments linked ..	44.4	0.4%	210.3	0.3%	274.9	0.3%
214 Agri-environment payments	2 937.2	24.3%	21 536.3	27.6%	23 522.9	24.5%
215 Animal welfare payments	242.9	2.0%	641.8	0.8%	891.5	0.9%
216 Non-productive investments	131.2	1.1%	459.9	0.6%	584.2	0.6%
221 First afforestation of agricultural land	184.8	1.5%	1 410.4	1.8%	1 630.2	1.7%
222 First establishment of agroforestry systems...	0.3	0.0%	0.9	0.0%	8.9	0.0%
223 First afforestation of non-agricultural land	22.4	0.2%	138.4	0.2%	204.1	0.2%
224 Natura 2000 payments	16.7	0.1%	49.8	0.1%	72.1	0.1%
225 Forest-environment payments	13.1	0.1%	54.0	0.1%	106.7	0.1%
226 Restoring forestry potential and ...	183.1	1.5%	1 145.3	1.5%	1 637.2	1.7%
227 Non-productive investments	124.0	1.0%	504.4	0.6%	733.7	0.8%
<b>Axis 2</b>	<b>5 287.31</b>	<b>43.7%</b>	<b>40 161.61</b>	<b>51.5%</b>	<b>44 195.65</b>	<b>46.0%</b>
311 Diversification into non-agricultural activities	152.9	1.3%	866.9	1.1%	1 220.5	1.3%
312 Business creation and development	212.6	1.8%	1 094.0	1.4%	1 729.0	1.8%
313 Encouragement of tourism activities	140.6	1.2%	623.4	0.8%	1 191.8	1.2%
321 Basic services for the economy and rural ...	523.9	4.3%	2 487.1	3.2%	3 757.9	3.9%
322 Village renewal and development	403.2	3.3%	2 702.3	3.5%	3 337.4	3.5%
323 Conservation and upgrading of the rural....	180.6	1.5%	862.8	1.1%	1 218.8	1.3%
331 Training and information	13.3	0.1%	71.9	0.1%	102.1	0.1%
341 Skills acquisition. animation and implement...	10.0	0.1%	83.6	0.1%	105.2	0.1%
<b>Axis 3</b>	<b>1 637.21</b>	<b>13.5%</b>	<b>8 792.0</b>	<b>11.3%</b>	<b>12 662.7</b>	<b>13.2%</b>
411 Implementing local development strategies...	105.9	0.9%	251.3	0.3%	520.5	0.5%
412 Implementing local development strategies...	13.6	0.1%	34.9	0.0%	80.0	0.1%
413 Implementing local development strategies....	778.7	6.4%	2 486.4	3.2%	4 139.3	4.3%
421 Implementing cooperation projects	26.8	0.2%	73.8	0.1%	214.6	0.2%
431 Running the local action group. acquiring ...	154.4	1.3%	700.2	0.9%	964.7	1.0%
<b>Axis 4</b>	<b>1 079.4</b>	<b>8.9%</b>	<b>3 546.5</b>	<b>4.5%</b>	<b>5 919.1</b>	<b>6.2%</b>
511 Technical Assistance	220.2	1.8%	1 053.7	1.4%	1 525.1	1.6%
611 BG RO Direct Payments	-0.4	0.0%	436.6	0.6%	437.8	0.5%
<b>Grand total</b>	<b>12 103.5</b>	<b>100.0%</b>	<b>77 965.3</b>	<b>100.0%</b>	<b>96 073.2</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.

### **3.5. Implementation of EAFRD programmes - Programming period 2007-2013**

Graph 2 presents the financial implementation rate of rural development programmes 2007-2013 per Member State: payments from the beginning of the programming period to 2014, including Q4 2014 that is reimbursed in financial year 2015, compared with the 2007-2013 commitments according to the financial plan. As 2013 was the last year when commitments were made, the implementation rate equals to the absorption rate (payments made from the beginning of the programming period compared to the total 2007-2013 allocation). The average EAFRD financial implementation rate for all EAFRD programmes is 91%.

Graph 2 shows that most Member States have absorbed more than 90% of the 2007-2013 commitments.

Until the end of 2014 the application of the N+2 rule has resulted in relatively small decommitments for the rural development programmes. Those decommitments amount in total to EUR 171.7 million and relate to years 2008, 2009, 2010 and 2011. Decommitments in relation to year 2012 are made in 2015.



**Graph 2 - Implementation/Absorption rate of 2007-2013 RD programs by Member State (% of the EAFRD payments including payment claims Q4 2014 compared with 2007-2013 allocation)**

