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COMMISSION IMPLEMENTING DECISION (EU) 2024/2866

of 13 November 2024

excluding from European Union financing certain expenditure incurred by the United Kingdom under the European Agricultural Fund for Rural Development (EAFRD)

(notified under document C(2024) 7808)

(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 ([1]), 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 ([2]), and in particular Article 52 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)(iv), 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 ([3]).

(2) In accordance with Article 52 of Regulation (EU) No 1306/2013, the Commission is to carry out the necessary verifications, communicate to the United Kingdom the results of those verifications, take note of the comments provided by the United Kingdom, initiate a bilateral discussion so that an agreement may be reached and formally communicate its conclusions to the United Kingdom.

(3) The United Kingdom has had an opportunity to request the launch of a conciliation procedure. That opportunity has not been used.

(4) In accordance with Regulation (EU) No 1306/2013, only agricultural expenditure, which has been incurred in a way that has not infringed Union law may be financed.

(5) In the light of the verifications carried out and the outcome of the bilateral discussion, part of the expenditure declared by the United Kingdom does not fulfil this requirement and cannot therefore be financed under the EAFRD.

([1]) OJ L 435, 6.12.2021, p. 187, ELI: http://data.europa.eu/eli/reg/2021/2116/oj.
([2]) OJ L 347, 20.12.2013, p. 549, ELI: http://data.europa.eu/eli/reg/2013/1306/oj.
([3]) 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, ELI: http://data.europa.eu/eli/reg/2013/1305/oj).

(6) The amounts that are not recognised as being chargeable to the EAFRD should be indicated. Those amounts do not relate to expenditure incurred more than 24 months before the Commission's written notification of the results of the verifications to the United Kingdom, except where otherwise provided for in Article 52(4), points (b) and (c), and Article 52(5) of Regulation (EU) No 1306/2013.

(7) The amounts excluded from Union financing by this Decision should also take into account any reductions or suspensions in accordance with Article 41 of Regulation (EU) No 1306/2013 due to the fact that such reductions or suspensions are of a provisional nature and without prejudice to decisions taken pursuant to Articles 51 or 52 of that Regulation.

(8) As regards the cases covered by this Decision, the Commission notified the assessment of the amounts to be excluded on grounds of non-compliance with Union law to the United Kingdom in a summary report on the subject ([4]).

(9) This Decision is without prejudice to any financial conclusions that the Commission may draw from the judgments of the Court of Justice of the European Union in cases pending on 23 August 2024,

HAS ADOPTED THIS DECISION:

Article 1

The amounts set out in the Annex and related to expenditure incurred by the United Kingdom's accredited paying agencies and declared under the EAFRD shall be excluded from Union financing.

Article 2

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

Done at Brussels, 13 November 2024.

For the Commission
Janusz WOJCIECHOWSKI
Member of the Commission

([4]) Ares(2024)6628762.

ANNEX

Financial Corrections

EAFRD

Financial corrections - excluding cross-compliance

Budget Item: 08030102

Member State	Measure	FY	Reason	Type	Correction %	Currency	Gross Amount	Deductions	Net Decided
GB	Rural Development EAFRD investment - private beneficiaries	2023	RESONABLENESS OF COSTS - M 4 FOR 2023	FLAT RATE	5,00%	EUR	6 177,53	0,00	6 177,53
	Rural Development EAFRD Measures with flat-rate support	2023	RESONABLENESS OF COSTS - M 6 FOR 2023	FLAT RATE	5,00%	EUR	68,01	0,00	68,01
					Total GB:	**EUR**	**6 245,54**	**0,00**	**6 245,54**

Currency	Gross Amount	Deductions	Net Decided
EUR	6 245,54	0,00	6 245,54

Budget Item: 6201

Member State	Measure	FY	Reason	Type	Correction %	Currency	Gross Amount	Deductions	Net Decided
GB	Rural Development EAFRD measures subject to IACS	2020	08/06/2020 - 15/10/2020	FLAT RATE	15,00%	EUR	– 213 798,03	0,00	– 213 798,03
	Rural Development EAFRD measures subject to IACS	2023	16-10-2022 31-12-2022	FLAT RATE	15,00%	EUR	– 5 060,95	0,00	– 5 060,95

	Rural Development EAFRD Measures with flat-rate support	2019	2nd hand equipement - M6	ONE OFF		EUR	– 106 766,63	0,00	– 106 766,63
	Rural Development EAFRD Measures with flat-rate support	2020	2nd hand equipement - M6	ONE OFF		EUR	– 188 753,25	0,00	– 188 753,25
	Rural Development EAFRD Measures with flat-rate support	2021	2nd hand equipement - M6	ONE OFF		EUR	– 89 565,21	0,00	– 89 565,21
	Rural Development EAFRD Measures with flat-rate support	2022	2nd hand equipement - M6	ONE OFF		EUR	– 7 598,31	0,00	– 7 598,31
	Rural Development EAFRD Leader	2020	2nd hand equipemnt - M19	ONE OFF		EUR	– 370 365,19	– 1 756,90	– 368 608,29
	Rural Development EAFRD Leader	2021	2nd hand equipemnt - M19	ONE OFF		EUR	– 146 275,81	0,00	– 146 275,81
	Rural Development EAFRD investment - public beneficiaries	2020	2nd hand equipment - M7	ONE OFF		EUR	– 18 777,58	– 504,34	– 18 273,24
	Rural Development EAFRD Leader	2018	aid rate granted higher than requested - M19	ONE OFF		EUR	– 22 494,01	0,00	– 22 494,01
	Rural Development EAFRD Leader	2019	aid rate granted higher than requested - M19	ONE OFF		EUR	– 5 039,86	0,00	– 5 039,86

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	Rural Development EAFRD investment - public beneficiaries	2020	aid rate granted higher than requested - M7	ONE OFF		EUR	– 413 325,22	– 11 101,30	– 402 223,92
	Rural Development EAFRD investment - public beneficiaries	2021	aid rate granted higher than requested - M7	ONE OFF		EUR	– 60 797,39	0,00	– 60 797,39
	Rural Development EAFRD Knowledge and innovation	2020	Appropriate evaluation of the reasonableness of costs M01-M16	ONE OFF		EUR	– 22 757,80	0,00	– 22 757,80
	Rural Development EAFRD Knowledge and innovation	2021	Appropriate evaluation of the reasonableness of costs M01-M16	ONE OFF		EUR	– 23 348,86	0,00	– 23 348,86
	Rural Development EAFRD investment - private beneficiaries	2021	Appropriate evaluation of the reasonableness of costs M04	ONE OFF		EUR	– 21 167,99	0,00	– 21 167,99
	Rural Development EAFRD investment - public beneficiaries	2020	Appropriate evaluation of the reasonableness of costs M07-M20	ONE OFF		EUR	– 3 204,00	0,00	– 3 204,00
	Rural Development EAFRD investment - public beneficiaries	2021	Appropriate evaluation of the reasonableness of costs M07-M20	ONE OFF		EUR	– 8 185,62	0,00	– 8 185,62
	Rural Development EAFRD Leader	2020	Appropriate evaluation of the reasonableness of costs M19	ONE OFF		EUR	– 3 814,99	0,00	– 3 814,99
	Rural Development EAFRD Leader	2021	Appropriate evaluation of the reasonableness of costs M19	ONE OFF		EUR	– 25 957,11	0,00	– 25 957,11

	Rural Development EAFRD Knowledge and innovation	2020	Controls on payment claims delegated to a third party - actual disbursement not verified	ONE OFF		EUR	– 10 400,90	0,00	– 10 400,90
	Rural Development EAFRD Knowledge and innovation	2021	Controls on payment claims delegated to a third party - actual disbursement not verified	ONE OFF		EUR	– 15 261,75	0,00	– 15 261,75
	Rural Development EAFRD investment - private beneficiaries	2020	Controls on payment claims of projects approved on the basis of a generic list of cost headings	ONE OFF		EUR	– 152 742,77	0,00	– 152 742,77
	Rural Development EAFRD investment - private beneficiaries	2021	Controls on payment claims of projects approved on the basis of a generic list of cost headings	ONE OFF		EUR	– 158 715,74	0,00	– 158 715,74
	Rural Development EAFRD investment - private beneficiaries	2022	Controls on payment claims of projects approved on the basis of a generic list of cost headings	ONE OFF		EUR	– 178 535,45	0,00	– 178 535,45
	Rural Development EAFRD measures subject to IACS	2022	EAFRD IACS: known errors identified by CB (substantive testing)	ONE OFF		EUR	– 7 178,20	0,00	– 7 178,20
	Rural Development EAFRD measures subject to IACS	2022	EAFRD IACS - most probable financial risk above materiality	ONE OFF		EUR	– 2 068 375,83	0,00	– 2 068 375,83
	Rural Development EAFRD Knowledge and innovation	2022	EAFRD NIACS: known error identified by CB (compliance testing)	ONE OFF		EUR	– 805 627,84	0,00	– 805 627,84

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	Clearance of Accounts - Financial Clearance	2022	EAFRD NIACS: most probable financial risk	ONE OFF		EUR	– 768 046,80	0,00	– 768 046,80
	Rural Development EAFRD Knowledge and innovation	2020	Eligibility of costs incurred before the date of the application for support, and of costs found ineligible by previous controls, and then claimed again	ONE OFF		EUR	– 1 628 649,04	0,00	– 1 628 649,04
	Rural Development EAFRD Knowledge and innovation	2021	Eligibility of costs incurred before the date of the application for support, and of costs found ineligible by previous controls, and then claimed again	ONE OFF		EUR	– 231 039,97	0,00	– 231 039,97
	Rural Development EAFRD measures subject to IACS	2021	FY2021-2022	FLAT RATE	15,00%	EUR	– 944 774,85	– 89,11	– 944 685,74
	Rural Development EAFRD measures subject to IACS	2022	FY2021-2022	FLAT RATE	15,00%	EUR	– 920 972,58	0,00	– 920 972,58
	Rural Development EAFRD measures subject to IACS	2022	IACS - Weaknesses in Administrative checks FY2022	ONE OFF		EUR	– 219 732,92	0,00	– 219 732,92
	Rural Development EAFRD measures subject to IACS	2022	Known errors identified by CB (compliance testing)	ONE OFF		EUR	– 47 313,37	0,00	– 47 313,37
	Rural Development EAFRD investment - public beneficiaries	2020	M20 Public procurement	ONE OFF		EUR	– 4 537,97	– 121,88	– 4 416,09
	Rural Development EAFRD investment - private beneficiaries	2022	NIACS - Weaknesses in Administrative checks FY2022	ONE OFF		EUR	– 16 463,48	0,00	– 16 463,48

	Rural Development EAFRD Leader	2020	Projects below the threshold - M19	ONE OFF		EUR	– 48 354,13	– 229,38	– 48 124,75
	Rural Development EAFRD investment - private beneficiaries	2020	projects financed despite being below the threshold - CPSG - M4	ONE OFF		EUR	– 151 738,74	0,00	– 151 738,74
	Rural Development EAFRD Leader	2017	RESONABLENESS OF COSTS - M19	FLAT RATE	5,00%	EUR	– 28 152,02	0,00	– 28 152,02
	Rural Development EAFRD Leader	2018	RESONABLENESS OF COSTS - M19	FLAT RATE	5,00%	EUR	– 117 164,65	0,00	– 117 164,65
	Rural Development EAFRD Leader	2019	RESONABLENESS OF COSTS - M19	FLAT RATE	5,00%	EUR	– 908 284,56	0,00	– 908 284,56
	Rural Development EAFRD Leader	2020	RESONABLENESS OF COSTS - M19	FLAT RATE	5,00%	EUR	– 1 484 845,90	– 797 614,67	– 687 231,23
	Rural Development EAFRD Leader	2021	RESONABLENESS OF COSTS - M19	FLAT RATE	5,00%	EUR	– 537 908,50	0,00	– 537 908,50
	Rural Development EAFRD Leader	2022	RESONABLENESS OF COSTS - M19	FLAT RATE	5,00%	EUR	– 185 598,87	0,00	– 185 598,87
	Rural Development EAFRD Leader	2023	RESONABLENESS OF COSTS - M 19 FOR 2023	FLAT RATE	5,00%	EUR	– 197 334,63	0,00	– 197 334,63
	Rural Development EAFRD investment - private beneficiaries	2017	RESONABLENESS OF COSTS - M4	FLAT RATE	5,00%	EUR	– 25 631,05	– 726,75	– 24 904,30
	Rural Development EAFRD investment - private beneficiaries	2018	RESONABLENESS OF COSTS - M4	FLAT RATE	5,00%	EUR	– 83 545,71	0,00	– 83 545,71

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	Rural Development EAFRD investment - private beneficiaries	2019	RESONABLENESS OF COSTS - M4	FLAT RATE	5,00%	EUR	– 1 515 062,40	– 489,46	– 1 514 572,94
	Rural Development EAFRD investment - private beneficiaries	2020	RESONABLENESS OF COSTS - M4	FLAT RATE	5,00%	EUR	– 1 731 328,25	– 930 017,59	– 801 310,66
	Rural Development EAFRD investment - private beneficiaries	2021	RESONABLENESS OF COSTS - M4	FLAT RATE	5,00%	EUR	– 825 535,60	0,00	– 825 535,60
	Rural Development EAFRD investment - private beneficiaries	2022	RESONABLENESS OF COSTS - M4	FLAT RATE	5,00%	EUR	– 874 059,35	0,00	– 874 059,35
	Rural Development EAFRD Measures with flat-rate support	2017	RESONABLENESS OF COSTS - M6	FLAT RATE	5,00%	EUR	– 5 779,06	0,00	– 5 779,06
	Rural Development EAFRD Measures with flat-rate support	2018	RESONABLENESS OF COSTS - M6	FLAT RATE	5,00%	EUR	– 63 561,96	0,00	– 63 561,96
	Rural Development EAFRD Measures with flat-rate support	2019	RESONABLENESS OF COSTS - M6	FLAT RATE	5,00%	EUR	– 401 710,75	0,00	– 401 710,75
	Rural Development EAFRD Measures with flat-rate support	2020	RESONABLENESS OF COSTS - M6	FLAT RATE	5,00%	EUR	– 592 848,60	– 318 460,48	– 274 388,12
	Rural Development EAFRD Measures with flat-rate support	2021	RESONABLENESS OF COSTS - M6	FLAT RATE	5,00%	EUR	– 552 174,80	0,00	– 552 174,80

	Rural Development EAFRD Measures with flat-rate support	2022	RESONABLENESS OF COSTS - M6	FLAT RATE	5,00%	EUR	– 652 633,60	0,00	– 652 633,60
	Rural Development EAFRD investment - public beneficiaries	2018	RESONABLENESS OF COSTS - M7	FLAT RATE	5,00%	EUR	– 1 475,18	0,00	– 1 475,18
	Rural Development EAFRD investment - public beneficiaries	2019	RESONABLENESS OF COSTS - M7	FLAT RATE	5,00%	EUR	– 63 317,05	– 36,91	– 63 280,14
	Rural Development EAFRD investment - public beneficiaries	2020	RESONABLENESS OF COSTS - M7	FLAT RATE	5,00%	EUR	– 295 081,51	– 158 742,40	– 136 339,11
	Rural Development EAFRD investment - public beneficiaries	2021	RESONABLENESS OF COSTS - M7	FLAT RATE	5,00%	EUR	– 291 009,63	0,00	– 291 009,63
	Rural Development EAFRD investment - public beneficiaries	2022	RESONABLENESS OF COSTS - M7	FLAT RATE	5,00%	EUR	– 189 686,45	0,00	– 189 686,45
	Rural Development EAFRD investment - public beneficiaries	2023	RESONABLENESS OF COSTS - M 7 FOR 2023	FLAT RATE	5,00%	EUR	– 20 134,95	0,00	– 20 134,95
					Total GB:	**EUR**	**– 21 779 381,17**	**– 2 219 891,17**	**– 19 559 490,00**

Currency	Gross Amount	Deductions	Net Decided
EUR	– 21 779 381,17	– 2 219 891,17	– 19 559 490,00

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Financial Corrections		Total Net Decided
EAFRD	**Financial corrections - excluding cross-compliance**	**– 19 553 244,46**
TOTAL:		**– 19 553 244,46**

Reimbursements	Total Net Decided
TOTAL:	**0,00**