

In the examples below DG AGRI provides some indicative cases to demonstrate the link between the gross amount (required for performance reporting purposes) and the net amounts declared in the annual declaration of accounts in each financial year. All the elements under point ii) in table 2.2.1, 2.2.2 and 2.2.3 of the draft implementing act (and necessary for the calculation of the gross amount based on the adjustment of net amounts) should already be available in the information systems of the paying agencies as part of the relevant procedures for authorisation of individual payments. Furthermore, it is understood that the Paying Agencies will need to do the same calculations to prepare the (contribution to) Annual Activity Report on the basis of the annual accounts. Therefore, the total amounts for each below mentioned reconciliation element in the annual performance report would provide for the Paying Agencies' own reconciliation, the Certification Bodies' certification audit and the Commission's performance clearance procedure.

DISCLAIMER: These examples are purely illustrative. Assumption is made regarding the level of reductions, penalties, contribution rate etc.

The CAP Strategic Plan includes the (average) unit amounts that the Member State plans to pay to the beneficiaries for outputs within the following specific interventions:

Fund	Form of Intervention	Type of Intervention	Intervention Code (MS) — Name	Common Output Indicator	Planned output indicator 2023	Planned Unit amount (EUR) 2023	Contribution rate
EAGF	DP decoupled	BISS(21) EXAMPLE 1	Ref. 1 — Basic income support for sustainability	O.4 - Number of hectares benefitting from for basic income support	132 500	223	
EAGF	Sectoral — Fruit and Vegetables	INVRE(47(1)(a)) EXAMPLE 2A	F&V10 — Environmental actions — ‘Integrated production’	O.35 - Number of supported operational programmes	5	7 500	
EAGF	Sectoral — Apiculture	INVAPI(55(1)(b)) EXAMPLE 2B	Investments in apiculture	O.37 Number of actions or units for beekeeping preservation or improvement	3500 beehives	28 (Union expenditure)	40% Union contribution
EAGF	Sectoral - Wine	PROMOWINE(58(1)(k)) EXAMPLE 2C	01IS581801V1 - restructuring and promotion carried out in third countries	O.36 – Number of actions or units supported in the wine sector	15	3 000	80% (50% Union+30% national payment)
EAFRD	RD	ENVCLIM(70) EXAMPLE 3	A.A. 1.1.6 — Organic farming	O.17 - Number of hectares or number of other units benefitting from support for organic farming	4650	290 (Total Public Expenditure in EUR)	80%
EAFRD	RD	INVEST(73-74) EXAMPLE 4	A.A. 4.4 — Infrastructure projects in rural areas and village renewal	O.22 - Number of supported infrastructures investment operations or units	10	735 715 (Total Public Expenditure in EUR)	43%

During the implementation stage of the CAP Strategic Plan, the paying agency or other implementing bodies authorises the amounts to be paid at beneficiaries' level based on the control and penalty system in place. Then the paying agency executes the payments and declares the total amounts to be reimbursed by the Union in monthly or quarterly declarations under specific budget lines (per FY, intervention, unit amount etc). An overview of this information is submitted annually to the Commission in the form of annual accounts together with the annual performance report and the annual certification report.

EXAMPLE 1 - BISS — Ref. 1 — FY 2024 - EAGF

The PA of the MS carries out the following payments at the level of farmer:

Applicant	Number of claim	Date of claim	Area claimed	Amount of the area claimed	Area determined	Amount of the area determined (gross amount)	Area not found	Amount of the area not found	Penalties (based on the penalty system in place)	Capping /reduction (amount>600 00 is reduced to 55%)	Financial Discipline (amount>200 0 is reduced by 1.3%)	Amount paid (net amount)	Date of payment
F1	05914	13-Apr-23	5.92	1,320.16	5.53	1,233.19	0.39	86.97	-66.81	0.00	0.00	1,166.38	01-Dec-23
F2	02994	30-Apr-23	485.91	108,357.93	485.91	108,357.93	0.00	0.00	0.00	-26,596.86	-1,108.68	80,652.39	18-Dec-23
..... F32249													
Totals			135,426.48	30,199,235.07	132,446.70	29,535,608.19	2,979.78	663,627.88	-627,498.58	-87,642.12	-364,792.25	28,455,675.24	

The farmer F1 claims in his declaration aid for 5.92ha. However, 0.39 ha are not compliant with the eligibility rules of the intervention. Then, the determined area where the payment will be based is 5.53 ha. The gross amount is EUR 1 233.19 (5.53ha x EUR 223). This amount is reduced by the amount of penalties EUR 66.81. The result of the deduction is the (net) amount paid EUR 1 166.38 to the farmer.

For Farmer F2 the gross amount is EUR 108 357.93 (485.91 ha x EUR 223). This amount is reduced by the amount of reduction EUR 26 596.86 and financial discipline EUR 1 108.68. The result of the deduction is the (net) amount paid EUR 80 652.39 to the farmer, etc.

The total (net) amount paid **EUR 28 455 675.24** is declared in the annual accounts under budget line 08020401000004001000100X24X as effected in the financial year 2024 for the reimbursement by the Commission.

Consequently, the related total realised outpour indicator (Q4) is **132 446.70 ha** and the related total gross amount (**EUR 28 455 675.24 + EUR 627 498.58 + EUR 87 642.12 + EUR 364 792.25 =**) **EUR 29 535,608.19**.

In the indicative draft templates of the “**Input template for direct payments interventions**” these amounts are to be reported as follows:

Amount not paid following reduction and capping (EUR)	Amount not paid following financial discipline (EUR)	Amount not paid following penalties (EUR)	Gross realised expenditure (EUR)
87.642,12	364,792.25	627.498,58	29.535.608,19

EXAMPLE 2A - INVRE(47(1)(a)) — F&V10 — FY 2024 - EAGF

The PA of the MS carries out the following payments at the level of producers’ organisation:

Applicant	Number of declaration	Date of declaration	Quantity of Operational programmes	Declared amount	Determined amount (gross amount)	Penalties (based on the penalty system in place)	limitation by the % of the value of the marketed production	Amount paid (net amount)	Date of payment
PO1	PAF028	15-Feb-23	1	7 500	5 000	-850	0	4 150	17-Aug-24
PO2	PAC037	15-Feb-23	1	7 500	7 500		0	7 500	23-Aug-24
PO3	PAM061	15-Feb-23	1	7 500	7 500		0	7 500	02-Sep-24
PO4	PAM062	15-Feb-23	1	7 500	7 500		0	7 500	22-Sep-24
PO5	PAT025	15-Feb-23	1	7 500	7 500		0	7 500	22-Sep-24
Totals			5	37 500	35 000	-850	0	34 150	

The Producers Organisation PO1 submitted a declaration of expenditure for the action ‘Integrated production’ equal to EUR 7500. However, based on eligibility conditions only the amount of EUR 5000 can be considered eligible for Union financing which is the gross amount. This amount is reduced by the amount of penalties EUR 850. The result of the deduction is the (net) amount paid EUR 4150 to the Producers Organisation, etc.

The total (net) amount paid **EUR 34 150** is declared in the annual accounts under budget line *080202010000350000001000232* as effected in the financial year 2024 for the reimbursement by the Commission.

Consequently, the related total realised outpour indicator (Q35) is **5 Operational programmes** and the related total gross amount (**EUR 34 150 + EUR 850=) EUR 35 000**.

In the indicative draft templates of the “**Input template for sectoral interventions**” these amounts are to be reported as follows:

Amount not paid following a limitation due to the proportion of the value of the marketed production (EUR)	Amount not paid following penalties (EUR)	Gross realised expenditure (EUR)
0,00	850,00	35.000,00

EXAMPLE 2B – INVAPI(55(1b)) — Apiculture – investments and other actions for combatting beehive invaders and diseases — FY 2023 - EAGF

The PA of the MS carries out the following payments at the level of beneficiaries :

Applicant	Number of payment claim	Date of payment claim	No. of beehives supported	Amount declared	Amount determined (gross public expenditure)	Gross realised expenditure	Penalties (based on the penalty system in place)	Amount paid (public expenditure)	Amount paid (Union contribution)	Date of payment	Union contribution rate
BK1	API 001	8-Jul-23	120	8 400	8 200	3 280	0	8 200	3 280.00	5-Oct-23	40%
BK2	API 002	10-Aug-23	50	3 500	3 500	1 400	0	3 500	1 400.00	5-Oct-23	40%
BKO.1	API 003	25-Aug-23	1 000	70 000	67 000	26 800	-3 000	64 000	25 600.00	5-Oct-23	40%
BKO.2	API 004	30-Aug-23	1 500	105 000	105 000	42 000	0	105 000	42 000.00	5-Oct-23	40%
Totals			2 670	186 900	183 700	73 480	-3 000	180 700	72 280.00		40%

The beneficiaries (2 beekeepers and 2 beekeeper organisations in this example) submitted payment claims under this intervention equal to EUR 186 900. For beekeeper 1, based on eligibility conditions the amount of EUR 8 200 can be considered eligible for financing which is the gross public amount. The Beekeeping organisation 1 (BKO.1) submitted a request for payment of EUR 70,000, of which EUR 3 000 were deducted following an on-the-spot check. Based on the penalty system in place a penalty of EUR 3 000 was applied to BKO1.

The total net amount paid to these beneficiaries under this intervention amounts to EUR 180 700. Given that for this Member State the Union co-financing rate is equivalent to 40%, they therefore declare EUR 72 280 in the annual accounts under budget line 08 02 02 02 00 02 37 002 0001 000 00 2 as effected in the financial year 2023 for reimbursement by the Commission.

Consequently, the related total realised output indicator (O.37) is 2 670 beehives, the related gross realised expenditure in Union contribution amounts to EUR 73 480 (EUR 183 700 X 0.4) and the amount not paid following penalties in Union contribution is EUR 1 200 (EUR 3 000 X 0.4). In the indicative draft templates of the “**Input template for apiculture sectoral interventions**”, these amounts are to be reported as follows:

Amount not paid following penalties in Union contribution (EUR)	Gross realised expenditure in Union contribution (EUR)
1 200,00	73 480,00

EXAMPLE 2C - PROMOWINE(58(1)(k)) - promotion carried out in third countries - 01IS581811V1 - FY 2024 – EAGF

The PA of the MS carries out the following payments at the level of the beneficiary:

Applicant	Date of declaration	Quantity of operations	Declared amount	Determined amount (Gross realised expenditure)	Penalties (based on the penalty system in place)	National payments	Amount paid (including Union and national payments)	Amount paid (Union contribution)	Date of payment
1	15-Oct-23	1	3 000	2 000	-1 000	0	1 000	1 000	14-Feb-24
2	15-Oct-23	2	6 000	6 000		0	6 000	6 000	14- Feb-24
3	15-Oct-23	3	9 000	9 000		3 000	12 000	9 000	14- Feb-24
4	15-Oct-23	4	12 000	12 000		4 000	16 000	12 000	14- Feb-24
5	15-Oct-23	5	15 000	14 000		0	14 000	14 000	14- Feb-24
Totals		15	45 000	43 000	-1 000	7 000	49 000	42 000	

Applicant 1 submitted a declaration of expenditure for the action “Promotion in third countries” equal to EUR 3 000. However, based on eligibility conditions only the amount of EUR 2 000 can be considered eligible for Union financing which is the gross amount. This amount is further reduced by the amount of penalties of EUR 1 000. Similarly the payment due to applicant 5 was reduced by EUR 1 000 due to non eligibility of expenditure but no penalty was applied. The result of these deductions together with the national payment granted is the net amount paid to beneficiaries which is EUR 49 000.

Member State therefore declares EUR 42 000 in the annual accounts under budget line 08 02 02 03 00 01 36001 0001 000 00 2 as effected in the financial year 2024 for the reimbursement by the Commission.

Consequently, the related total realised output indicator (O.36) is 15 actions and the related total gross amount is EUR 43 000. In the indicative draft templates of the “**Input template for sectoral interventions**” these amounts are to be reported as follows:

Amount not paid following penalties (EUR)	Gross realised expenditure (EUR)
1 000,00	43 000,00

EXAMPLE 3 - ENVCLIM(70) — A.A. 1.1.6 — FY 2024 - EAFRD

The PA of the MS carries out the following payments at the level of farmers:

Applicant	Number of payment claim	Date of payment claim	Area claimed	Amount of the area claimed	Area determined	Amount of the area determined (gross amount)	Area not found	Amount of the area not found	Amount not paid following non-compliance with commitments	Penalties	Amount paid (public expenditure)	Date of payment	Union contribution rate	Amount paid (Union contribution)
F1	126304	13-Apr-23	4.68	1,357.20	4.68	1,357.20	0.00	0.00	0.00	0.00	1,357.86	01-Jun-24	80%	1,086.29
F2	126841	22-Apr-23	80.40	23,316.00	78.31	22,709.90	2.09	606.10	0.00	-775.40	21,934.50	29-Jun-24	80%	17,547.60
F3	115358	2-May-23	177.98	51,614.20	173.02	48,853.18	4.96	1,438.40	1,322.62	-1,840.16	47,013.02	17-Jun-24	80%	37,610.42
F1028														
Totals			4,658.35	1,350,921.50	4,616.28	1,333,245.99	42.07	12,200.30	5,475.21	-19,644.01	1,313,601.98		80%	1,050,881.58

The farmer F2 claims in his declaration compensation for 80.40ha. However, 2.09 ha are not compliant with the eligibility rules of the intervention (as defined in the CSP). Then, the determined area where the payment will be based is 78.31ha. The gross amount is EUR 22 709.90 (78.31ha x EUR 290). This amount is reduced by the amount of penalties EUR 775.40. The result of the deduction is the (net) amount paid EUR 21 934.50 to the farmer.

For Farmer F3 the gross amount is EUR 48 853.18. This amount is reduced by the amount of penalties EUR 1 840.16. The result of the deduction is the (net) amount paid EUR 47 013.02 to the farmer, etc.

The total (net) amount paid **EUR 1 050 881.58** is declared in the annual accounts under budget line 08030101000117006000100240 as effected in the financial year 2024 for the reimbursement by the Commission.

Consequently, the related total realised outpour indicator (Q17) is **4 616.28ha** and the related total gross amount (public expenditure) **{(EUR 1 050 881.58/0.8) + EUR 19 644.01=} EUR 1 333 245.99**.

In the indicative draft templates of the “**Input template for rural development interventions**”, these amounts are to be reported as follows:

Amount recovered (EUR)	Amount not paid following penalties (EUR)	Gross realised expenditure (EUR)
0,00	19.644,01	1.333.245,99

EXAMPLE 4 -_INVEST(73-74) — A.A. 4.4 — FY 2024 - EAFRD

The PA of the MS carries out the following payments at the level of municipalities (in this example):

Applicant	Number of declarations	Date of declaration	Quantity of infrastructures	Amount declared	Amount determined (gross amount)	Penalties (based on the penalty system in place if any foreseen in the authorisation process)	Amount paid (public expenditure)	Date of payment	Union contribution rate	amount paid (Union contribution)
MU1	MU1/004	23-Apr-24	1	560 000	547 000	0	547 000.0	10-Oct-24	43%	235 210.00
MU1	MU1/005	25-Feb-24	1	735 715	702 000	0	702 000	11-Aug-24	43%	301 860.00
MU10										
Totals			10	6 957 980	6 490 830		6 490 830.00		43%	2 791 056.90

The municipality MU1 submitted a declaration of expenditure for an infrastructure equal to EUR 560 000. However, based on eligibility conditions only the amount of EUR 547 000 can be considered eligible for Union financing which is the gross amount., etc.

The total (net) amount paid EUR 2 791 056.90 would be declared in the annual accounts under budget line *080301010005220010001004240* as effected in the financial year 2024 for the reimbursement by the Commission in the quarterly declarations. However, in the case of EAFRD, recoveries are also declared as a negative amounts (EUR 90 000) under the same budget line. Therefore, the net amount in the annual declaration of accounts will be **EUR 2 701 056.90** (EUR 2 791 056.90 -EUR 90 000)

Consequently, an additional adjustment is required by adding back the amount of recoveries. Thus, the related total realised outpour indicator (Q22) is **10 infrastructures** and the related total gross amount {(**EUR 2 701 056 90** + 90 000 Financing from recoveries) /0.43 =**EUR 6 490 830**}.

In the indicative draft templates of the “**Input template for rural development interventions**”, these amounts are to be reported as follows:

Amount recovered (EUR)	Amount not paid following penalties (EUR)	Gross realised expenditure (EUR)
90.000,00	0,00	6.490.830,00