



Annual Activity Report 2022

Annexes

DIRECTORATE-GENERAL REGIONAL AND
URBAN POLICY

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ANNEX 1: Statement of the Director in charge of Risk Management and Internal Control

I declare that in accordance with the Commission's communication on the internal control framework¹, I have reported my advice and recommendations on the overall state of internal control in the DG to the Director-General.

I hereby certify that the information provided in the present Annual Activity Report and in its annexes is, to the best of my knowledge, accurate and complete².

Brussels, 25 April 2023

Mónika Hencsey

"Signed"

¹ C(2017)2373 of 19.04.2017

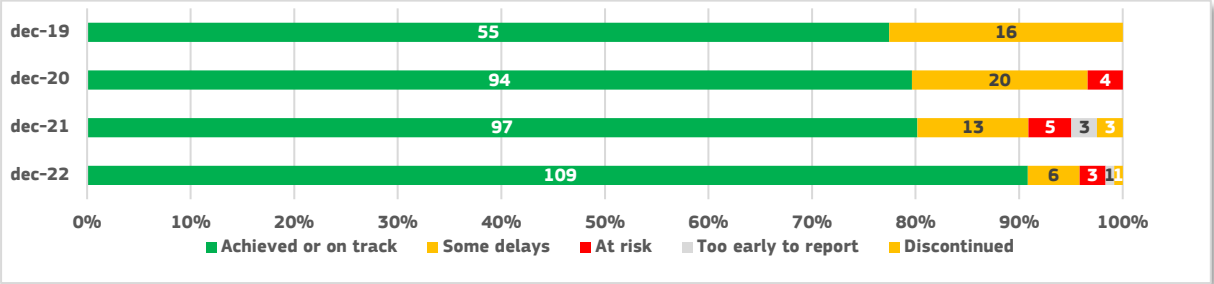
² For an assessment of the reliability of performance data, please see main AAR section 2.1.1, chapter 'Reliability of reporting'

ANNEX 2: Performance tables

Alignment between REGIO’s multiannual and operational priorities (2022 Management Plan) and Commission general objectives

REGIO identified 12 specific objectives. These are structured around four of the six main Commission multiannual priorities (general objectives) to which REGIO contributes.

The outcomes of the final monitoring exercise of REGIO’s performance against the priorities of the Management Plan (MP) 2022 are the following:



Methodology – measuring performance in REGIO

Performance information mainly comes from Member States reporting on common indicators on the implementation of 2014-2020 programmes, in line with the performance framework embedded in REGIO's Strategic Plan for 2020-2024. This information is important for assessing the achievement of objectives associated with ERDF/CF programmes.

Indicator values from Member States are also supplemented by the assessment of policy achievements contained in the management declarations provided by the relevant Authorising Officers by Sub-Delegation (AOSDs). This assessment takes into account all the available evidence regarding programme performance.

The Annual Implementation Reports, submitted in mid-2022, present a rich source of information on performance, in terms of common indicators. Generally, the reported values show a plausible relationship between the indicator targets and values from selected projects.

Due to the time gap between project investment decisions and results, but also in terms of performance reporting by the Member States, for some projects, the level of project selection translates into reported outputs in the second half of the programming period.

The level of reported achievements may not yet have moved significantly in certain investment areas, even when there are satisfactory project selection rates. These interventions mostly concern physical investments of significant scale with long life cycles and outputs and outcomes visible only at a very advanced phase, late in the period (also reflected in the 2007-2013 experience).

REGIO policy performance takes into account:

- **Forecasted achievement of selected projects:** based on the reporting on financial progress at the end of 2022³, reflecting the most recent state of programmes' implementation on the ground. These data refer to the project selection rate (expressed in an amount of funds allocated to selected projects).
- **Reported achievements:** referring to already implemented projects. These results are communicated to the Commission in the Annual Implementation Report. The data reflects the situation at the end of 2021, as reported in the 2021 Annual Implementation Report in summer 2022⁴.
- **Reporting on non-financing contribution:** In addition, non-financial contribution of REGIO to the achievement of specific objectives and to the Commission's priorities. This includes ex-ante conditionalities, integrated territorial solutions, capacity building, cooperation mechanisms and technical assistance, which are all instrumental in ensuring proper investment conditions, durability of results and lasting structural changes.

All reported data (achievements and targets) are available on-line through the **ESIF Open data platform**⁵ based on indicators reported by the Member States. It is continuously updated.

→ ERDF/CF-specific performance data can also be found in the respective **Programme Performance Statements**.

Performance tables from the Strategic Plan 2020-2024 (Impact & result indicators)

General objective 1: A European Green Deal			
Impact indicator 1: Greenhouse gas emissions			
Explanation: This indicator measures man-made emissions of the so-called 'Kyoto basket' of greenhouse gases, which are integrated into a single indicator expressed in units of CO2 equivalents using each gas' global warming potential. It shows changes in percent of the emissions compared to 1990 levels			
Source of the data : European Environmental Agency/Eurostat online data code: EEA approximated GHG inventory for the year 2021/sdg 13 10			
Baseline (2018)	Interim Milestone (2020)	Target (2030)	Latest known results (2021)
-23%	-20%	-55% of net GHG emission	- 30% ⁶

³ As required under Article 112 of "Common Provisions" Regulation (EU) No 1303/2013

⁴ The data for 2022 will only be available with the 2022 annual implementation reports to be submitted by mid-2023.

⁵ <https://cohesiondata.ec.europa.eu/>

⁶ Net GHG emissions (i.e., including the Land Use, Land Use Change and Forestry (LULUCF) sector)

Impact indicator 2: Share of renewable energy in gross final energy consumption

Explanation: Renewable energy generation is given as the share of renewable energy consumption in gross final energy consumption. The gross final energy consumption is the energy used by end consumers (final energy consumption) plus grid losses and self-consumption of power plants

Source of the data: Eurostat (Eurostat online data code: [sdg_07_40](#))

Baseline (2018)	Interim Milestone (2020)	Target (2030)	Latest known results (2021)
19.1%	20%	32%	21.8%

Impact indicator 3: Size of the green economy

Explanation: The environmental goods and services sector comprises parts of the economy that generate environmental products, i.e. those produced for environmental protection or resource management. Gross value-added represents the contribution made by the production of environmental goods and services to the gross domestic product in million euros. Employment is measured by the full-time equivalent employment engaged in the production of output of environmental goods and services as defined above

Source of the data: Eurostat (Eurostat online data code: [env_ac_egss3](#))

Baseline (2017)	Interim Milestone (2022)	Target (2024)	Latest known results (2019)
Gross value-added: EUR 293,705 million	Increase	Increase	EUR 325,874 million
Full-time equivalent employment: 4,260,000	Increase	Increase	4,535,000

Impact indicator 4: Recycling rate of plastic packaging waste

Explanation: The indicator is defined as the share of plastic packaging waste recycled into plastic material, in all generated plastic packaging waste. Plastic packaging waste covers wasted material that was used for the containment, protection, handling, delivery and presentation of goods, from raw materials to processed goods, from the producer to the user or the consumer, excluding production residues

Source of the data: Eurostat (Eurostat online data code: [CEI_WM020](#))

Baseline (2017)	Interim Milestone (2022)	Target (2025)	Latest known results (2020)
41.7%	Increase	50%	37.7%

Impact indicator 5: Climate mainstreaming in the EU budget

Explanation: Proportion of climate related spending (mainstreaming) in the EU budget

Source of the data: European Commission Draft Budget Reports

Baseline (2014-2020, previous MFF) ⁷	Interim Milestone (2022)	Target (2021-2027)	Latest known results (2022)
21%	30%	30%	34.8% ⁸

Specific objective 1.1: Investments in climate

Related to spending programme(s): ERDF/CF

Result indicator 1.1.1: Additional waste recycling capacity

Explanation: REGIO Common indicator CO17 - Additional solid waste recycling capacity (tonnes/yr.)

Source of the data: <https://cohesiondata.ec.europa.eu>

Baseline (2018) ⁹	Interim Milestone (2022)	Target (2024) ¹⁰	Latest known results (2022)
755,405	Increase	5,679,850	2,380,769

Result indicator 1.1.2: Proportion of climate related spending over total ERDF/CF budget

Explanation: Proportion of cohesion policy dedicated to climate change (in %). Climate change related expenditure on the basis of current regulation

Source of the data: REGIO Climate tracking (Strategic report, Annex 3)

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
19.2%	Increase	Achieved 20%	20%

Result indicator 1.1.3: Total length of reconstructed or upgraded railway lines

Explanation: REGIO Common indicator CO12 - Total length of reconstructed or upgraded railway line (in km)

Source of the data: <https://cohesiondata.ec.europa.eu/>

Baseline (2018)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
938	Increase	4,544	1,838

⁷ Change from yearly basis to duration basis

⁸ Estimate based on commitment appropriations

⁹ In the following pages, all Baselines for common indicators (COXX) are the latest available (2020) figures.

¹⁰ While a target date of 2024 is mentioned (the end of the current strategic plan), please note that in the following pages, all targets for common indicators (COXX) are set for programmes of the 2014-2020 programming period, the delivery of which will extend to 2023. Consequently, these targets are formally 2023 targets.

Result indicator 1.1.4: Additional capacity of renewable energy production

Explanation: REGIO Common indicator C030 - Additional capacity of renewable energy production (MW)

Source of the data: <https://cohesiondata.ec.europa.eu/>

Baseline (2018)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
1,016	Increase	8,945	3,640

Result indicator 1.1.5: Number of households with improved energy consumption classification

Explanation: REGIO Common indicator C031 - Number of households with improved energy consumption classification (households)

Source of the data: <https://cohesiondata.ec.europa.eu/>

Baseline (2018)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
173,688	Increase	626,249	459,362

Specific objective 1.2: Mobilising research and innovation

Related to spending programme(s): ERDF/CF

Result indicator 1.2.1: Amount dedicated to green innovation in 2021-2027 programmes¹¹

Explanation: Programmed support for green innovation in 2021-2027 programmes

Source of the data: Intervention field 029. Annex I (Dimensions and codes for the types of intervention for the ERDF, the ESF+, the Cohesion Fund and the JTF) of the Regulation (EU) 2021/1060 (CPR Regulation).

Baseline (2020)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
0	EUR 1 billion programmed	Achieved EUR 2 billion programmed	3.4 billion programmed

¹¹ This indicator has been changed from the 2021 MP onwards (originally: Amount of research and innovation investments in low carbon economy and climate change).

Specific objective 1.3: Just transition

Related to spending programme(s): JTF

Result indicator 1.3.1: Implementation of Just Transition Plans

Explanation: Implementation of the JTF will be measured through commitments made by affected regions and Member States as of 2021

Source of the data: SFC

Baseline (2020)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
0	Increase	EUR 19.2 billion	EUR 18.2 billion has been committed

Result indicator 1.3.2: Estimated GHG emissions from activities listed in Annex I to the Directive 2003/87/EC in supported enterprises

Explanation: REGIO (JTF) Common indicator RCR 29a. The GHG emissions.

Source of the data: <https://cohesiondata.ec.europa.eu/>

Baseline (2020)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
16.4 million tons CO ₂ equivalent per year	Decrease	9.7 million tons	Not yet available. Only available once the programmes report implemented values

Result indicator 1.3.3: Just Transition Fund project selection

Explanation: % financial resources allocated to selected projects (project pipeline)

Source of the data: SFC (financial data transmitted by Member states to the Commission)

Baseline (2020)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
0	Increase	30%	0%

General objective 2: A Europe fit for the Digital Age

Impact indicator 1: Enterprises with a broadband access of at least 100 Mbps

Explanation: The indicator measures the percentage of enterprises (with 10 or more persons employed) with a maximum contracted download speed of the fastest internet connection of at least 100 Mbps

Source of the data: Eurostat (Eurostat online data code: [isoc_ci_it_en2](#))

Baseline (2020)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
46%	Increase	Increase	57.5%

Impact indicator 2: Aggregate score in the Digital Economy and Society Index (DESI)

Explanation: DESI is a composite index that summarises relevant indicators on Europe's digital performance and tracks the evolution of EU Member States in digital competitiveness. Higher values indicate a better performance

Source of the data: [DESI](#)

Methodology for calculating the indicator: The DESI index is calculated as the weighted average of the five main DESI dimensions: 1 Connectivity (25%), 2 Human Capital (25%), 3 Use of Internet (15%), 4 Integration of Digital Technology (20%) and 5 Digital Public Services (15%)

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
43.1	Increase	Increase	52.3

Impact indicator 3: Enterprises selling online

Explanation: The indicator measures the percentage of enterprises (with 10 or more persons employed) with at least 1% of their turnover generated through e-sales

Source of the data: Eurostat (Eurostat online data code: [isoc_ec_eseln2](#))

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
17%	Increase	Increase	20%

Impact indicator 4: Gross domestic expenditure on research and development

Explanation: This indicator measures gross domestic expenditure on research and development (R&D) as a percentage of GDP - the R&D intensity. The Frascati Manual defines R&D as creative and systematic work undertaken in order to increase the stock of knowledge - including knowledge of humankind, culture and society - and to devise new applications of available knowledge

Source of the data: Eurostat (Eurostat online data code: [sdg_09_10](#))

Baseline (2018)	Interim Milestone (2020)	Target (2024)	Latest known results (2021)
2.19%	3.00%	Increase	2.26%

Impact indicator 5: Innovative enterprises

Explanation: Enterprises with more than 10 persons employed introducing product and/or business process innovations, including enterprises with ongoing or abandoned innovation activities

Source of the data: Eurostat (Eurostat online data code: [INN_CIS11_BAS](#) and [INN_CIS12_BAS](#))

Baseline (2018)	Interim Milestone (2022)	Target (2024)	Latest known results (2020)
50.3% EU 27	Increase	Increase	52.7% EU 27

Specific objective 2.1: Digital transformation

Related to spending programme(s): ERDF/CF

Result indicator 2.1.1: Business digitalisation

Explanation: % of enterprises using electronic information sharing, social media, big data, cloud

Source of the data: Eurostat

Baseline (2017)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
21%	Increase	(tracking of progress based on 2017 baseline is no longer possible due to change in data source and a more granular and disaggregated monitoring as part of revamped DESI indicators where various technologies are monitored individually and not as an aggregated indicator)	The data ¹² source of this (aggregated) indicator is no longer accessible. It is therefore suggested to update with a number of disaggregated data. Enterprises with a website: up from 76% in 2017 to 78% in 2021. Enterprises using electronic information sharing 36% in 2017, 38% in 2022. Enterprises using Big Data, up from 9% in 2017 to 14% in 2022. Enterprises using advanced cloud services: up from 16% in 2018 to 34% in 2022.

Result indicator 2.1.2: Broadband access

Explanation: REGIO Common indicator C010 - Additional households with broadband access of at least 30Mbps (households)

Source of the data: <https://cohesiondata.ec.europa.eu/>

Baseline (2018)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
2,989,418	Increase	11,958,899	6,313,361

¹² For the "Result Indicator 2.1.1 Business digitalisation" there is a continuation issue as the 2017 baseline indicator is no longer tracked in its old form. Instead, the indicator is broken down into a more granular subset of what is being tracked by DESI (digital economy and society index). The change is only recorded in the last column but it has no direct relation to the baseline figure.

Result indicator 2.1.3: Expenditure on digitalisation

Explanation: Dedicated funds to Thematic Objective 2 (TO2) under the 2014-2020 (Baseline) plus 2021-2027 MFF (Target) budget Specific objectives 1.2 (remapping the benefits of digitalisation), 1.5 (digital connectivity).

Source of the data: <https://cohesiondata.ec.europa.eu/>

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
EUR 2.936 billion ¹³	Increase	EUR 16 billion for 14-20 (+20 billion planned for 2021-2027)	EUR 10.1 billion spent for 2014-2020 period. For the current 2021-2027 period, the value spent will only be known once the programmes are implemented

Specific objective 2.2: Innovative and smart transformation

Related to spending programme(s): ERDF/CF

Result indicator 2.2.1: Number of enterprises receiving support

Explanation: Common indicator CO01 - Number of enterprises receiving support (enterprises)

Source of the data: <https://cohesiondata.ec.europa.eu/>

Baseline (2018)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
414,302	Increase	2,235,546	2,235,546

Result indicator 2.2.2: Number of enterprises supported to introduce new to the market product

Explanation: REGIO Common indicator CO28 - Number of enterprises supported to introduce new to the market product (enterprises)

Source of the data: <https://cohesiondata.ec.europa.eu/>

Baseline (2018)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
11,827	Increase	32,809	30,437

¹³ Spent under Information & Communication Technologies (Thematic Objective 2)

Result indicator 2.2.3: Number of new researchers in supported enterprises**Explanation:** REGIO Common indicator CO24 - Number of new researchers in supported enterprises (researchers)**Source of the data:** <https://cohesiondata.ec.europa.eu/>

Baseline (2018)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
5,342	Increase	28,613	15,826

Result indicator 2.2.4: Employment increase in supported enterprises**Explanation:** REGIO Common indicator CO08 - New direct jobs (direct employment increase in supported enterprises)**Source of the data:** <https://cohesiondata.ec.europa.eu/>

Baseline (2020)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
108,654 ¹⁴	Increase	376,537	310,081

General objective 3: An economy that works for people**Impact indicator 1:** GDP per capita growth**Explanation:** This indicator measures the annual percentage growth rate of gross domestic product (GDP) per capita based on constant local currency. GDP per capita is the GDP divided by the midyear population. GDP at purchaser's prices is the sum of gross value added by all resident producers in the economy plus any product taxes and minus any subsidies not included in the value of the products. It is calculated without making deductions for depreciation of fabricated assets or for depletion and degradation of natural resources**Source of the data:** Eurostat (Eurostat online data code: [TECO0115](#))

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2021)
1.6%	Increase	Increase	5.5%

¹⁴ 211,792 – 117,494 (Spanish value) = 94,298 is the disaggregated value for “Enhancing the competitiveness of small and medium-sized enterprises”

Impact indicator 2: Human resources in science and technology

Explanation: This indicator shows human resources in science and technology as a share of the active population aged 25 to 64 in percent. Human resources in science and technology are people with a tertiary education in and/or employed in science and technology

Source of the data: Eurostat (Eurostat online data code: [sdg_09_21](#) and [tsc00025](#)), based on the EU Labour Force Survey)

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2021)
46.9%	Increase	Increase	48.6%

Specific objective 3.1: Full, effective and compliant use of funds

Related to spending programme(s): ERDF/CF

Result indicator 3.1.1: 2021-2027 project selection rate

Explanation: 2021-2027 project selection rate (in %), calculated based on the total eligible cost of selected projects as share of the total planned amount (public cost is used where relevant) – reported by MS for ERDF, CF and IPA/E priorities, with a cut-off date for the data submitted: end of the year

Source of the data: The financial data transmitted by MS to the Commission via SFC

Baseline (2020)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
0%	At least 10%	45%	2% ¹⁵

Result indicator 3.1.2: Amount invested into financial instruments, including Invest EU

Explanation: Amount invested in EUR into final recipients and spent for management costs and fees as well as the amounts contributed to InvestEU Member States compartment

Source of the data: SFC and Annual implementation report

Baseline (1/1/2020)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
EUR 5.3 billion	EUR 12 billion	EUR 18 billion	18.02 billion

¹⁵ Only few projects have been selected since the programmes were adopted during 2022.

Result indicator 3.1.3: Uptake of roadmaps for administrative capacity building in Member States

Explanation: Number of Member States where roadmaps for administrative capacity have been developed

Source of the data: Partnership Agreements, Programmes, Annual implementation reports

Baseline (2020)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
5 Member States	12 Member States	15 Member States	14 Member States

Result indicator 3.1.4: Number of simplified cost option methodologies in place in the Member States

Explanation: Mapping of SCOs in place in the EU done in 2019

Source of the data: Programmes and information from Member States

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
388 ¹⁶	600	800	636

Specific objective 3.2: Complementarity with structural reforms

Related to spending programme(s): ERDF/CF

Result indicator 3.2.1: Achieve complementarity between cohesion policy investments through technical assistance for furthering structural reforms

Explanation: Review of 100% of all Member State requests under the Technical Support Instrument that are relevant for implementation of cohesion policy by the set deadline

Source of the data: JIRA database

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
100% of relevant requests reviewed for the 2020 budget	100% of relevant requests reviewed for the 2021 and 2022 budgets	100% of relevant requests reviewed for the 2021-2024 budgets	100% of relevant requests reviewed

¹⁶ Please note that the baseline of 388 considered also the UK schemes that are no longer part of the updated figure.

Specific objective 3.3: European Semester

Related to spending programme(s): ERDF/CF

Result indicator 3.3.1: Uptake of REGIO contributions to country reports

Explanation: Country Reports addressing regional disparities and including analysis of investments at regional level: number of Country Reports

Source of the data: <https://cohesiondata.ec.europa.eu/>

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
26/28	24/27	24/27	27 (provisional figure until the country reports are published in May)

Specific objective 3.4: Demographic and social challenges

Related to spending programme(s): ERDF

Result indicator 3.4.1: Capacity of supported childcare or education infrastructure

Explanation: REGIO Common indicator C035 - Capacity of supported childcare or education infrastructure

Source of the data: <https://cohesiondata.ec.europa.eu/>

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
6,799,156	Increase	18,607,700	23,308,129

Result indicator 3.4.2: Population covered by improved health services

Explanation: REGIO Common indicator C036 - Population covered by improved health services

Source of the data: <https://cohesiondata.ec.europa.eu/>

Baseline (2020)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
27,458,607	Increase	91,926,725	59,778,149

Specific objective 3.5: Urban and territorial development

Related to spending programme(s): ERDF/CF

Result indicator 3.5.1: Population living in areas with integrated urban development strategies

Explanation: REGIO Common indicator C037 - Population living in areas with integrated urban development strategies

Source of the data: <https://cohesiondata.ec.europa.eu/>

Baseline (2020)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
16,017,698	Increase	44,489,998	29,441,792

Result indicator 3.5.2: Participants in cross-border labour mobility

Explanation: REGIO Common indicator C043 - Number of participants in cross-border mobility initiatives

Source of the data: <https://cohesiondata.ec.europa.eu/>

Baseline (2018)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
55,960	Increase	197,529	166,055

General objective 4: A stronger Europe in the world

Impact indicator 1: Readiness of enlargement countries on economic criteria

Explanation: This indicator aims at showing where the enlargement countries stand in terms of their preparations for meeting key areas of the two economic accession criteria, namely the existence of a functioning market economy and the capacity to cope with competitive pressures and market forces within the EU. It is given as an overall sum of enlargement countries. It is measured on a scale from 1 to 5

Source of the data: European Commission

Methodology for calculating the indicator: In each of the areas, the state of play (i.e. the readiness) is assessed according to the following five-tier standard assessment scale:

1. Early stage
2. Some level of preparation
3. Moderately prepared
4. Good level of preparation
5. Well advanced

Baseline ¹⁷ (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
2.64	Increase	Increase	2.68

Impact indicator 2: Readiness of enlargement countries on political criteria

Explanation: This indicator shows where the enlargement countries stand in terms of their preparations for meeting key areas of the political accession criteria, namely the functioning of the judiciary, fight against corruption, fight against organised crime, freedom of expression and public administration reform. It is given as an overall sum of enlargement countries. It is measured on a scale from 1 to 5

Source of the data: European Commission

Methodology for calculating the indicator: In each of the areas, the state of play (i.e. the readiness) is assessed according to the following five-tier standard assessment scale:

1. Early stage
2. Some level of preparation
3. Moderately prepared
4. Good level of preparation
5. Well advanced

Baseline (2019)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
1.99 ¹⁸	Increase	Increase	2.02

¹⁷ The baseline includes Western Balkans and Turkey. For the Western Balkans only the baseline would be 2.33 and the 2022 value 2.5. The value for this indicator increased slightly thanks to improvement in the functioning market economy criteria of Albania and Montenegro. All other indicators remained the same.

¹⁸ This includes the Western Balkans and Turkey. For the Western Balkans only the baseline would be 2.05 and the 2022 value 2.11. The value for this indicator remained essentially the same as in the previous year.

Impact indicator 3: Governance in neighbourhood

Explanation: The following three indicators are measured for the eastern and southern neighbourhood countries. They are measured on a scale from 0 to 100

- **Voice and accountability** captures perceptions of the extent to which a country's citizens are able to participate in selecting their government, as well as freedom of expression, freedom of association, and a free media

- **Government effectiveness** captures perceptions of the quality of public services, the quality of the civil service and the degree of its independence from political pressures, the quality of policy formulation and implementation, and the credibility of the government's commitment to such policies

- **Political stability and absence of violence / terrorism** captures perceptions of the likelihood of political instability and / or politically-motivated violence, including terrorism

Source of the data: The World Bank's [Worldwide Governance Indicators](#) (WGI) project compile and summarise information from over 30 existing data sources that report the views and experiences of citizens, entrepreneurs, and experts in the public, private and NGO sectors from around the world, on the quality of various aspects of governance

Baseline (2017)	Interim Milestone (2022)	Target (2024)	Latest known results (2021)
Voice and accountability: Eastern neighbourhood: 33.09 Southern neighbourhood: 27.98	Increase	Increase	Voice and accountability: Eastern neighbourhood: 39.09 Southern neighbourhood: 27.00
Government effectiveness: Eastern neighbourhood: 46.32 Southern neighbourhood: 37.98	Increase	Increase	Government effectiveness: Eastern neighbourhood: 45.19 Southern neighbourhood: 34.81
Political stability and absence of violence / terrorism: Eastern neighbourhood: 27.06 Southern neighbourhood: 13.43	Stabilise	Increase	Political stability and absence of violence / terrorism: Eastern neighbourhood: 28.86 Southern neighbourhood: 15.54

Specific objective 4.1: Neighbouring and enlargement

Related to spending programme(s): IPA/ENI

Result indicator 4.1.1: Composite indicator on the readiness of enlargement IPA countries on ‘Resources, agriculture and cohesion’, ‘Competitiveness and inclusive growth’ and “Green agenda and sustainable connectivity” clusters of the political accession criteria

Explanation: State of play (i.e. the readiness) is assessed according to five-tier standard assessment scale

Source of the data: Annual enlargement country reports – European Commission

Baseline (2020)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
4 cases of early stage of preparation	3 cases of early stage of preparation	Calculated majority of candidate countries and potential candidates are moderately prepared ¹⁹	2 cases of early stage of preparation / 5 candidate IPA countries are moderately prepared

Result indicator 4.1.2: Faster adoption and implementation of the Uptake of investments in territorial cooperation programmes on EU external borders with third neighbouring countries, in the framework of the European Neighbourhood Policy and EU-Russia relations

Explanation: The indicator will measure the levels of cooperation between the relevant authorities in the EU MS and non-EU partner countries of the Eastern and Southern Neighbourhood (cooperation with Russia has been suspended following the war of aggression against Ukraine)

Source of the data: REGIO database (SFC)

Baseline (2020)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
Number of Interreg NEXT programmes 2021-2027 adopted	50% of the foreseen programmes adopted	100% of the programmes adopted are under implementation	No programmes adopted as of now All but one programme adopted by end 2022. Nine programmes cancelled because of the war of aggression against Ukraine. One programme, Mid Atlantic, unlikely to be adopted for geopolitical reasons

¹⁹ More specifically 2 cases of early stage of presentation

Specific objective 4.2: Cohesion policy's role in external relations

Related to spending programme(s): IPA/ENI

Result indicator 4.2.1: Number of strategies and agreements with strategic partners or world regions, containing a component for regional and urban policy, coordinating and steering relevant EU initiatives on regional and urban policy with strategic partners

Explanation: Inclusion of specific provisions on regional and urban policy cooperation in Strategic Partnership, Association and Cooperation Agreements with strategic partners, in EU strategies, policy documents (as Action Plans, Cooperation Agendas with strategic partners, Summit Conclusions or Policy Dialogues Conclusions), coordination of EU partnerships on urban policy as the EU-India Smart and Sustainable Urbanisation Partnership

Source of the data: Legal texts, strategic policy documents, minutes, joint statements or conclusions of regional and urban policy dialogues

Baseline (2020)	Interim Milestone (2022)	Target (2024)	Latest known results (2022)
Chile, Colombia, Peru, Argentina) and 1 regional organisation (SICA)	Successful conclusion of negotiations of articles on regional and urban policy in EU-Chile Association Agreement, EU-MERCOSUR Association Agreement, EU-Mexico Modernised Agreement	Achieved	Negotiations of the following art. successfully concluded: * EU-Chile Association Agreement: Articles 28&51. * EU-MERCOSUR Agreement: Article 28 * EU-Mexico Modernised Agreement : Article 4.4
Specific provisions in EU-Japan SPA, EU-India Urbanisation Partnership, EU-China Joint Statement EU Latin America Strategy	Regional and urban policy dialogues with operational conclusions with at least 5 of the 9 partners	7 Regional and urban policy dialogues with all partners conducted	Regional and urban policy dialogues conducted with Japan, India, Peru and Colombia. In 2023, policy dialogues are expected with India, Colombia (Mesa Sectorial Regional Policy) and Japan.

<p>Regional and urban policy dialogues established with 9 strategic partners (Japan, China, India, Mexico, Brazil, Argentina, Peru, Colombia, Chile)</p>	<p>Inclusion of regional and urban policy provisions in Summit joint statements and new EU strategies and cooperation agendas with India, China, Japan and Latin America</p>	<p>Regional and urban policy cooperation strengthened and highlighted in subsequent high-level events (Summits) and operational documents (action plans, cooperation agendas)</p>	<p>Regional and urban policy cooperation advances made in the following contexts:</p> <ul style="list-style-type: none"> EU-China Cooperation Agenda 2025 and EU-India Strategic Partnership Roadmap 2025 New signed letter of intent establishing a regional and urban policy dialogue with Japan Signed EU-Colombia action plan on regional policy cooperation EU-India Joint Action Plan 2021-2022 on Smart and Sustainable Urbanisation EU-India Programme of Action 2023-2024 under the Partnership on Smart and Sustainable Urbanisation EU-India Leaders' Meeting Joint Statement EU-Peru MoU on an Agenda of enhanced political and sectoral dialogue and cooperation EU-Latin America and Caribbean (LAC) Action Plan 2023
<p>Result indicator 4.2.2: Number of cooperation programmes, projects, initiatives, studies and networks with strategic partners</p> <p>Explanation: Implementation of cooperation programmes and projects involving EU regions and cities with non-EU regions and cities, joint research and studies on common challenges</p> <p>Source of the data: Related projects' reports and studies</p>			
<p>Baseline (2020)</p>	<p>Interim Milestone (2022)</p>	<p>Target (2024)</p>	<p>Latest known results (2022)</p>

<p>Finalisation of the first phase of the International Urban Cooperation programme (IUC) funded by the PI</p>	<p>IURC: Second phase of IUC effectively launched, 100 cities (50 from EU) and 60 regions (30 from EU) selected and started to cooperate.</p>	<p>IURC programme successfully implemented, thematic networks established on topics of EU interest, action plans developed by participating cities, knowledge sharing platform completed</p>	<p>IURC successfully launched in 2021, including the selection of 66 EU cities (from 18 MS) and 72 non-EU cities (total of 138) together with 26 EU and 25 non-EU regions (total of 51 regions). Besides, 43 thematic networking events were organized including the first in-person IURC global annual event in Brussels, regional events in North America, Latina America and Japan, as well as events at the last World Urban Forum.</p>
	<p>Pilot project (EP): Four thematic city networks established including selection of 32 cities (at least 16 from EU)</p>	<p>Pilot project successfully implemented, thematic networks established</p>	<p>EP “International City Partnerships (ICP)” launched with the establishment of four thematic networks on circular economy, energy transition, air quality and integration of migrants and refugees. Set-up of a website and collaborative platform for 14 EU and 14 non-EU selected cities and 27 study visits organised. 4 EU cities and 4 Latin American cities cooperated successfully under URBELAC network on inclusion of migrants and refugees, two in-person networking meetings and five virtual thematic networking events were organised. Five pilot projects have been identified.</p>
	<p>Studies on demographic change and territorial development (with Japanese partners) and on smart specialisation (with Chinese partners) carried out</p>	<p>Achieved Final reports delivered, including at least 5 case studies and a final event for each study</p>	<p>10 case studies on demographic change and territorial development with Japanese partners and 5 case studies on smart specialisation with Chinese partners finalised. Final reports delivered</p>

Performance tables from the Management Plan 2022 (Outputs)

General objective 1: A European Green Deal

Specific objective 1.1: Investments in climate

Related to spending programme(s): ERDF, CF, JTF

Main outputs²⁰ in 2022:

Other important outputs

Output	Indicator	Target	Latest known results (2022)
Enabling conditions related to National Energy and Climate Plans, disaster risk management plans, waste management plans and comprehensive transport planning put in place	Share of assessed enabling conditions related to energy/climate/water, waste and sustainable transport reviewed for all Member States to which these enabling conditions will be applicable	100%	Achieved
Ensure effective integration of environmental, climate and energy priorities in cohesion policy programmes 2021-2027	Share of reviewed programmes submitted by Member States (environment, climate, energy, smart and sustainable mobility)	100%	Achieved
Promoting and mainstreaming the NEB initiative in 2021-2027 period	Number of Member States that committed to promote and mainstream NEB in their programming documents	27	Achieved

Specific objective 1.2: Mobilising research and innovation

Related to spending programme(s): ERDF, CF, JTF

Main outputs in 2022:

Other important outputs

Output	Indicator	Target	Latest known results (2022)
Initiate general integration of green technologies in programmes	Amount of programmed support for green innovation in 2021-2027 programmes adopted in 2022	EUR 2.0 billion	Achieved

²⁰ The main outputs in all tables in part 1 of this annex are segmented into seven mandatory categories: 1) New policy initiatives; 2) Initiatives linked to regulatory simplification and burden reduction; 3) Evaluations and fitness checks; 4) Public consultations; 5) Enforcement actions; 6) External communication actions; 7) Other important actions. The categories not relevant to REGIO's 2022 activities are not shown.

Specific objective 1.3: Just transition

Related to spending programme(s): JTF

Main outputs in 2022:

Other important outputs

Output	Indicator	Target	Latest known results (2022)
Further development and operation of the Just Transition Platform (technical assistance for the implementation of the Just Transition Mechanism)	Timely implementation of the Technical assistance to manage the Just Transition Platform	Second TA framework contract signed by Q4 2022	Achieved
Implementation of the Just Transition Mechanism 3rd pillar (Public Sector Loan Facility)	Ensure the launch of the call for proposals	Q2 2022	Achieved
	Take-up of the Facility and its advisory services (close follow-up with EIB, CINEA and InvestEU)	30 proposals received by end-2022	Achieved
Preparation of the Territorial Just Transition Plans (TJTPs)	Share of TJTPs formally submitted by Member States	100%	67 TJTPs approved for 26 MS. 3 TJTPs are missing for Bulgaria
	Share of submitted TJTPs reviewed in a timely manner	100%	Achieved

External communication actions

Output	Indicator	Target	Latest known results (2022)
Contribution of Cohesion policy to the delivery of Commission political priorities are aggregated and communicated to all citizens in an increasingly transparent and user-friendly way	Engagements generated on EURegionsWeek	>20 000	Achieved
	Satisfaction survey	>75%	Achieved
	Media reach	> 500 reports	Achieved
	N° participants	>10,000	Achieved
	Promoting a just transition in European regions Percentage of population in the transition region reached by communication activity	>60%	Too early to report

General objective 2: A Europe Fit for the Digital Age

Specific objective 2.1: Digital transformation

Related to spending programme(s): ERDF, CF

Main outputs in 2022:

Other important outputs

Output	Indicator	Target	Latest known results (2022)
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Enabling condition related to national or regional broadband plans put in place	Share of assessed enabling conditions related to broadband reviewed for all Member States to which this enabling condition is applicable	100%	Achieved
Ensure effective integration of policy objectives related to digitalisation and broadband in 2021-2027 programmes	Share of programmes formally submitted by Member States reviewed on time	100%	Achieved

Specific objective 2.2: Innovative and smart transformation

Related to spending programme(s): ERDF, CF

Main outputs in 2022:

Other important outputs

Output	Indicator	Target	Latest known results (2022)
Initiate a proper uptake of smart specialisation strategies in cohesion policy programmes 2021-2027	Share of assessed enabling conditions related to smart specialisation reviewed for all Member States to which this enabling condition is applicable	100%	Achieved
	Share of reviewed programmes submitted by Member States	100%	Achieved
Initiate and sustain constructive relationship with regional stakeholders	Definition and approval by the Commission of the second biannual work program (2023-24) for the Interregional Innovation Investments (I3) programme with the involvement of the I3 expert group	Adopted by Q4 2022	The second biannual work programme was defined together with the I3 expert group that met in January, June and December. Approval took place in the first quarter of 2023.

External communication actions

Output	Indicator	Target	Latest known results (2022)
Contribution of Cohesion policy to the delivery of Commission political priorities are aggregated and communicated to all citizens in an increasingly transparent and user-friendly way	Cohesion Data Platform asset usage (download/application Programme Interface)	> 500,000	Achieved
	Cohesion Data Platform: website visits	> 100,000	Achieved
	INFOREGIO Website visits	> 500,000	Achieved

General objective 3: An Economy that Works for People

Specific objective 3.1: Full, effective and compliant use of funds

Related to spending programme(s): ERDF, CF, JTF

Main outputs in 2022:

Evaluations and fitness checks

Output	Indicator	Target	Latest known results (2022)
Reporting evidence of cohesion policy contribution to EU development through evaluation activities	Ex-post evaluation of cohesion policy during the 2007-2013 period: Ex-post evaluation on (RTD) infrastructures and activities and ex-post evaluation on e-cohesion in Member States	Both Commission Staff Working Documents adopted by Q4 2022	The SWD on RTD was in the phase of Interservice consultation at end 2022 The Interservice consultation for the SWD on e-Cohesion will be launched at the beginning of 2023
2014-2020 ex-post evaluation of cohesion policy	Evaluation work-package	10 contracts signed by end-2022	9 out of 10 contracts were signed by end of 2022.
	Preparatory study on beneficiary level data monitoring systems and data	completed by end-2022	Achieved

Other important outputs

Output	Indicator	Target	Latest known results (2022)
Effective mobilisation and monitoring of cohesion policy resources to respond to the Covid-19 outbreak in the context of CRII/CRII+ and REACT-EU	Responses to MS questions for interpretation of new legislation and its application provided timely in line with the procedure on ESIF Q&A	100%	Achieved
	Timely adoption (within the regulatory deadline) of programme amendments, accommodating Member States actions in the framework of CRII and CRII Plus and REACT-EU 2022 tranche	90% of programmes under rapid adoption procedure (REACT-EU) adopted /amended within the envisaged deadline (15 working days)	Achieved
Senior management is regularly informed about the progress in implementation of the 2014-2020 period, including REACT-EU and CRII amendments	Number of Implementation reports providing comprehensive overview on the state of play of implementation	4	Achieved

Effective monitoring and reporting of achievements of cohesion policy support to measures addressing the Covid-19 pandemic under CRII and REACT-EU	Update of the COVID-19 and REACT-EU Dashboards on the Cohesion Open Data Platform	12 monthly updates by end-2022	Achieved
Support to geographical units colleagues to make sure that the 2014-2020 programmes maintain their performance focus till the end of the programming period	Updates of Monitoring Scorecards as soon as data is available	4 updates	Achieved
Programming documents submitted by Member States for the 2021-2027 programming period	Number of Partnership Agreements (PA) and mainstream programmes submitted	All remaining PAs 200 mainstream programmes	Achieved
	Share of adopted mainstream ERDF/CF/JTF programmes	100%	Achieved
	Number of adopted Partnership Agreements	100%	Achieved
Senior management is regularly informed about the progress with the preparation of 2021-2027 partnership agreements and programmes via a negotiations progress report	Number of Negotiations progress reports providing an overview on the state of play	A monthly overview of the progress and 6 negotiations progress reports per year (4 in light format and 2 full reports)	Achieved
European Community of Practice on Partnership 2021-2027	European Community of Practice on Partnership thanks to sharing good practices among the stakeholders of all CPR funds and EAGF/EAFRD	Set up and fully functioning	Achieved
Make sure that the focus on performance is consistently respected in 2021-2027 programmes	Share of 2021-2027 programmes negotiated in 2022 reviewed with respect to performance framework related aspects	100%	Achieved
Contribute to provide evidence to the Court of Auditors with a view to demonstrating the performance focus of cohesion policy within the context of CoA performance audits	Written and oral input to the Performance audits carried out by the Court of Auditors provided timely	100%	Achieved

Improvement of Member States' evaluation capacity	Support initiatives carried out through the evaluation helpdesk	10 methodological support meetings 1 summer school Synthesis of all Member States evaluations Update of 11 thematic reports and 29 country fact sheets	Achieved
Roadmaps developed in Member States facing administrative capacity building challenges	Number of Member States where roadmaps have been developed	6 Member States end June and 12 Member States by end December	Achieved
Exchange of experience and expertise, using REGIO Peer2Peer, between staff working in administrations managing the ERDF/Cohesion Fund	Number of participants in TAIEX-REGIO Peer2Peer exchange events in 2022	600	At risk of non/under-achievement REGIO will continue to strengthen promotion of the tool and further explore how TAIEX-REGIO Peer2Peer can support different REGIO actions/priorities.
Commitments by Member States to implement Integrity Pacts in the 2021-2027 programming period.	Commitments to implement Integrity Pacts included in the Partnership Agreements	11 Member States that participated in the pilot action on Integrity Pacts and at least 3 other Member States	Achieved
Ensure quick start of the period with the pipeline of mature and high-quality projects	Offer tailored assistance to Member States, regions and cities by JASPERS for improving the project pipeline in accordance with the priorities of REGIO	Finalise the negotiation and establish the country work programmes with JASPERS and Member States	JASPERS continues supporting MS with 417 ongoing assignments, including JTF related assignments. ES, CZ and PL JASPERS Country Work Programmes have been validated. Final drafts are available for PT, RO, BG and HR Country Work Programmes and they are on track to be validated in early 2023. In addition, a Strategy on the transfer of knowledge and a document on the Reporting and Monitoring Requirements were adopted in the Steering Committee of December 2022.
Ensure effective justification of the forms of support in relation to the use of financial instruments in 2021-2027 programmes	Share of reviewed programmes	100%	Achieved
Encourage a wider uptake of financial instruments and promote InvestEU	Implementation of the 2022 fi-compass work programme	100%	Achieved

Simplified cost options and Financing not linked to costs promoted	Guidelines on audit of SCOs and FNLC drafted by the Commission	1	An explanatory note on audit of FNLC has been drafted and presented to audit authorities on 15 December 2022. The Interservice consultation was launched in December and adoption will take place in the course of 2023.
	Number of bilateral meetings with and/or trainings for Member States organised	5	Achieved
	Number of Transnational Network meetings organised	3	Achieved
Implementation of the Brexit Adjustment Reserve to mitigate the impact on Member States, regions and sectors most affected	Payment of the second instalment of pre-financing to Member States	By 30 April 2022	Achieved
Ensure effective 2014-2020 closure process	Closure guidelines dissemination to Member States: share of trainings provided to those Member States which expressed interest	100%	Achieved
Ensure (pre)closure of 2007-2013 period through close monitoring, detailed monitoring of 2000-2006 closure issues and closure of remaining CF 2000-2006 projects	Number of reports to Board on closure 2000-2006	2	Achieved
	Number of 2000-2006 projects closed	3	Achieved

Specific objective 3.2: Complementarity with structural reforms

Related to spending programme(s): ERDF, CF

Main outputs in 2022:

Other important outputs

Output	Indicator	Target	Latest known results (2022)
Commission position on fulfilment of enabling conditions	Position established in time for programme adoption	100%	Achieved

Specific objective 3.3: European semester

Related to spending programme(s): ERDF, CF

Main outputs in 2022:

Other important outputs

Output	Indicator	Target	Latest known results (2022)
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REGIO contribution to the European Semester	Coordination of REGIO contribution to the drafting of Country Reports for largest cohesion policy beneficiaries (20 Member States)	100%	Achieved
Reinforced link between cohesion policy programmes and EU's economic governance	Share of Partnership Agreements assessed as regards appropriately addressing Country-specific Recommendations and taking into account National Recovery and Resilience Plans	100%	Achieved

Specific objective 3.4: Demographic and social challenges

Related to spending programme(s): ERDF, CF, JTF, EUSF

Main outputs in 2022:

Other important outputs


Output	Indicator	Target	Latest known results (2022)
Implement actions linked to the external dimension of the 2022 Equality Work plan	Share of completed or ongoing actions	100% by end 2022	Out of 14 actions, 12 have been fully implemented. The two remaining actions were delayed for 2023
Ensure effective integration of inclusive growth priorities in cohesion policy programmes 2021-2027	Share of reviewed programmes submitted by Member States (policy objective 4)	100%	Achieved

Specific objective 3.5: Urban and territorial development

Related to spending programme(s): ERDF, CF

Main outputs in 2022:

New policy initiatives

Output	Indicator	Target	Latest known results (2022)
 Outermost Regions Communication (Communication defining the strategic partnership and approach towards these regions - focus on dual transition and recovery)	Communication is adopted by the College in oral procedure	Q2 2022	Achieved

Other important outputs

Output	Indicator	Target	Latest known results (2022)
Ensure minimum requirements for integrated territorial development in cohesion policy programmes 2021-2027	Share of reviewed programmes submitted by Member States	100%	Achieved

Delivery of 2014-2020 UIA	Number of successfully tested urban innovative solutions	22	As of end 2022, 19 UIA projects were completed in full in 2022. However, the remaining projects have experienced problems inherited from unfavourable external conditions (e.g., disruption in supply chains, construction costs rises) or specific to the solutions tested (e.g. data protection rules, legal permits) that resulted in delays and/or needs for adjustments. The next reporting from the UIA Secretariat (annual implementation report 2022) will enable to get better insight on achievements.
EUI call to support innovative urban actions including NEB dimension	Publication of the call for innovative urban actions	Q3 2022	Achieved
Operationalisation of EUI	Signed contribution agreement with region Hauts de France	Q2 2022	Achieved
Support to local authorities for incubation of NEB investments in the cohesion policy	Launched call for applications	Q1 2022	Achieved
Preparation of Cities Forum 2023	Signed contract with the event organiser	Q2 2022	Achieved
Facilitated implementation and increased visibility for the 4 EU macro-regional strategies (in the Baltic Sea, the Adriatic and Ionian, the Danube, and the Alpine Regions)	Number of MRS events organised with the focus on territorial embedding and implementation of green and digital transition and on communication	Four MRS Annual fora and one High-level Group meeting during MRS week/days in Brussels	Achieved
	Drafting and adoption of the 4th biennial Report on the implementation of EU macro-regional strategies	Adoption by end-2022	Achieved
Interreg programmes 2021-2027 with new specific Interreg objective 1 "better cooperation governance"	Share of Interreg programmes/cross border programmes that have included the new specific objective for better cooperation governance in their programmes	75%	Achieved
Number of volunteers that have been deployed in programmes and projects	European year of Youth: increased involvement of IVY trainees (Interreg Volunteer Youth) in Interreg programmes and projects	IVY trainees: 140	Achieved

Progress of actions under Border Focal Point (BFP) action plan: main deliverables	B-solutions: number of obstacles cases identified and associated solutions	60 cases	<p>During 2022 a total of 30 b-solutions cases were selected, now reaching a cumulative total of 120 cases of border obstacles addressed.</p> <p>The target is 120 for the period 2022 and 2023.</p> <p>Challenges are mainly related with the need to reach out to stakeholders at local level across all borders. Some stakeholders also report the extra effort needed to do an impactful follow-up to ensure successful solutions for the border obstacles.</p> <p>Border control measures due to the pandemic have had an enormous impact on border regions, which have implied diverting administrative capacity of border regions stakeholders, reducing their capacity to propose cases.</p>
	Study on cross border public services	Final report Q3 2022	Achieved
Implement outermost regions' strategy: mainstream outermost regions' concerns into all relevant EU policies and steer implementation	n° of EU initiatives that reflect outermost regions' specificities/have specific provisions for these regions	end-2022: 12	Achieved
	n° of meetings of Outermost regions' working group (OR and their Member-States)	end-2022: 4	Achieved
	n° of meetings of Outermost regions' Inter-Service Group	end-2022: 3	Achieved
Implementation of the World Bank support in transition to Functional Areas	Local authorities benefiting from the World Bank support selected	Q2 2022	Achieved

External communication actions			
Output	Indicator	Target	Latest known results (2022)
Contribution of Cohesion policy to the delivery of Commission political priorities are aggregated and communicated to all citizens in an increasingly transparent and user-	Contribution to Media Pluralism: EU and cohesion policy course for journalism schools Number of students attending the course	> 400	Not achieved The starting date for the project is 01 January 2022. However, the first meeting with the beneficiary took place on 8 December. A further meeting on the Cohesion Policy module took place on 20 December.

friendly way	Integrated umbrella campaign EU in my Region: share of the regional population reached by the respective regional communication campaign	> 50%	Achieved
	Calls for partnerships with media/ academia: number of countries covered	> 19	Achieved
	Youth4Regions: number of applications	>400	Achieved
	INFORM: number of participants to the online training sessions	>1,500	Achieved
	Smart Regions: Reached audience	>5 million	Achieved
	RegioStars: number of submitted projects	At least one per MS	Achieved
Organisation of the 8th Cohesion Forum	Holding of the Forum	Q1 2022	Achieved
The contributions of Cohesion policy to the delivery of Commission political priorities are aggregated and communicated to all citizens in an increasingly transparent and user-friendly way	Improvements of Cohesion Open Data Platform for the 2014-2020 period and extension of the Open Data Platform to cover the 2021-2027 programming period	3 updates to reflect implementation progress for the 2014-2020 period following Member States regulatory deadlines for data transmission	Achieved
		1 update to cover the adoption of 2021-2027 programmes	Achieved

General objective 4: A Stronger Europe in the World
Specific objective 4.1: Neighbouring and enlargement

Related to spending programme(s): ENI-CBC, IPA-CBC

Main outputs in 2022:

Other important outputs

Output	Indicator	Target	Latest known results (2022)
Timely preparation and adoption of Interreg NEXT and Interreg IPA cooperation programmes on EU external	Financing agreement templates for the partner countries and Russia are prepared	3	Achieved

borders with enlargement (IPA) and neighbouring countries	The Implementing acts - Multiannual strategic programming documents for Interreg IPA and Interreg NEXT - are adopted in time for the swift adoption of IPA and Interreg NEXT programmes	Q1 2022	Achieved
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Specific objective 4.2: Cohesion policy's role in external relations

Related to spending programme(s): ERDF, ENI-CBC, IPA-CBC

Main outputs in 2022:

Other important outputs

Output	Indicator	Target	Latest known results (2022)
Implementation of 4 city networks on energy transition, circular economy, integration of migrants and refugees, air quality with EU strategic partners (EPP International city partnerships)	Number of networking events	8	Achieved
Regional and urban policy dialogues with strategic partners	Number of dialogues including policy conclusions	At least 4 dialogues (most likely Japan, China, India, Peru)	Likely to be achieved but with tolerable delays / shortfalls COVID-19 travel restrictions made it impossible to organise in-person policy dialogues in 2022. However, dates for three policy dialogues have been already agreed: India (13 February), Japan (6 July) and Colombia (2nd quarter). Chinese partners have also agreed to have our dialogue (virtual or on-line depending on COVID evolution in China) during the first semester 2023.
Successful implementation of the new International Urban and Regional Cooperation programme (IURC)	Number of thematic networking events	18	Achieved

Timely preparation and adoption of 2021-2027 outermost cooperation programmes with improved participation of third countries	Increased number of third countries or regional organisations participating in outermost cooperation programmes, compared to the 2014-2020 period	Increase by 10% (from 42 to 46)	<p>Not achieved</p> <p>Large increase in participating countries secured for the Madeira-Azores-Canaries programme, going from a couple of countries to 7. Usual large number of potential partners involved in the Indian Ocean programme, and the Amazonia programme has secured the participation of Guyana. However, less countries and regions are participating in the Caribbean programme. Negotiations are still ongoing, with the possible agreement of other 12 countries in total. If these are confirmed, the result would be a 9% increase.</p> <p>These results are due to the extreme difficulty in obtaining participating countries agreement for Outermost Regions Interreg Programmes on time and the lack of flexibility of the Regulation.</p>
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External communication actions			
Output	Indicator	Target	Latest known results (2022)
Contribution of Cohesion policy to the delivery of Commission political priorities are aggregated and communicated to all citizens in an increasingly transparent and user-friendly way	Media reports published in the framework of the annual fora of the 4 macro-regional strategies	>175	<p>Likely to be achieved but with tolerable delays / shortfalls</p> <p>147 articles published (Danube 43 articles + EUSAIR 63 + Baltic 15 + Alpine 26)</p>
	Media programmes of the annual fora of the 4 macro-regional strategies: number of journalists attending	>60	<p>Likely to be achieved but with tolerable delays / shortfalls</p> <p>50 journalists attended (Danube 11 journalists + EUSAIR 19 + Baltic 10 + Alpine 10)</p>
	Organisation of Annual Interreg Event reaching out to increased participation: Satisfaction survey	>75%	Achieved
	10 Interreg project videos (project slam): number of views	Views of each video: over 5,000	Achieved

ANNEX 3: Draft annual accounts and financial reports

AAR 2022 Version 3

Annex 3 Financial Reports - DG REGIO - Financial Year 2022

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Statement of Financial Performance

Table 5 Bis: Off Balance Sheet

Table 6 : Average Payment Times

Table 7 : Income

Table 8 : Recovery of undue Payments

Table 9 : Ageing Balance of Recovery Orders

Table 10 : Waivers of Recovery Orders

Table 11 : Negotiated Procedures

Table 12 : Summary of Procedures

Table 13 : Building Contracts

Table 14 : Contracts declared Secret

Table 15 : FPA duration exceeds 4 years

Table 16 : Commitments co-delegation type 3 in 2022

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2022 (in Mio €) for DG REGIO					
			Commitment appropriations authorised*	Commitments made	%
			1	2	3=2/1
Title 02 European Strategic Investments					
0203	0203	Connecting Europe Facility (CEF)	1,00	1,00	100,00 %
Total Title 02			1,00	1,00	100,00 %
Title 05 Regional Development and Cohesion					
0501	0501	Support administrative expenditure of the 'Regional Development and Cohesion' cluster	0,23	0,06	25,42 %
	0502	European Regional Development Fund (ERDF)	38.979,86	37.991,01	97,46 %
	0503	Cohesion Fund (CF)	7.060,99	6.780,28	96,02 %
	0500	Pilot projects, preparatory actions, prerogatives and other actions	2,71	2,68	98,82 %
Total Title 05			46.043,79	44.774,03	97,24 %
Title 06 Recovery and Resilience					
0601	0601	Support administrative expenditure of the 'Recovery and Resilience' cluster	0,10	0,10	100,00 %
Total Title 06			0,10	0,10	100,00 %
Title 07 Investing in People, Social Cohesion and Values					
0701	0701	Support administrative expenditure of the "Investing in People, Social Cohesion and Values" cluster	0,22	0,22	100,00 %
	0702	European Social Fund PLus (ESF+)	20,35	20,35	100,00 %
Total Title 07			20,58	20,58	100,00 %

Title 08 Agriculture and Maritime Policy					
0803	0803	European Agricultural Fund for Rural Development (EAFRD)	3,50	3,50	100,00 %
	0804	European Maritime, Fisheries and Aquaculture Fund (EMFAF)	0,11	0,11	100,00 %
Total Title 08			3,61	3,61	100,00 %
Title 09 Environment and Climate Action					
0901	0901	Support administrative expenditure of the 'Environment and Climate Action' Cluster	13,59	0,03	0,20 %
	0903	Just Transition Fund (JTF)	1.442,80	1.327,15	91,98 %
	0904	Public sector loan facility under the Just Transition Mechanism (JTM)	142,73	0,00	0,00 %
Total Title 09			1.599,12	1.327,18	82,99 %
Title 10 Migration					
1001	1001	Support administrative expenditure of the "Migration" Cluster	0,01	0,01	100,00 %
	1002	Asylum, Migration and Integration Fund (AMIF)	0,00	0,00	0,00 %
Total Title 10			0,01	0,01	100,00 %
Title 11 Border Management					
1101	1101	Support administrative expenditure of the 'Border Management' cluster	0,00	0,00	100,00 %
Total Title 11			0,00	0,00	100,00 %
Title 12 Security					
1201	1201	Support administrative expenditure of the "Security" cluster	0,00	0,00	100,00 %
Total Title 12			0,00	0,00	100,00 %
Title 14 External Action					
1400	1400	Support administrative expenditure of	0,02	0,00	0,00 %

	1	the 'External Action' cluster			
	1402	Neighbourhood, Development and International Cooperation Instrument - Global Europe (NDICI - Global Europe)	106,69	106,69	100,00 %
Total Title 14			106,70	106,69	99,99 %
Title 15 Pre-accession Assistance					
15	1502	Instrument for Pre-accession Assistance (IPA III)	67,54	67,54	100,00 %
Total Title 15			67,54	67,54	100,00 %
Title 16 Expenditure outside the annual ceilings set out in the Multiannual Financial Framework					
16	1602	Mobilisation of solidarity mechanisms (Special instruments)	3.321,49	2.574,04	77,50 %
Total Title 16			3.321,49	2.574,04	77,50 %
Title 20 Administrative expenditure of the European Commission					
20	2002	Other staff and expenditure relating to persons	0,07	0,07	99,90 %
	2004	Information and communication technology related expenditure	1,34	1,34	100,00 %
Total Title 20			1,41	1,41	99,99 %
Title 30 Reserves					
30	3004	Solidarity mechanisms (special instruments)	0,00	0,00	0,00 %
Total Title 30			0,00	0,00	0,00 %
Total Excluding NGEU			51.165,36	48.876,18	95,53 %

Title 05 Regional Development and Cohesion					
05	0501	Support administrative expenditure of the 'Regional Development and Cohesion' cluster	11,32	0,00	0,00 %

0502	European Regional Development Fund (ERDF)	6.125,72	6.069,95	99,09 %
Total Title 05		6.137,04	6.069,95	98,91 %
Title 06 Recovery and Resilience				
0601	Support administrative expenditure of the 'Recovery and Resilience' cluster	0,02	0,02	100,00 %
Total Title 06		0,02	0,02	100,00 %
Title 09 Environment and Climate Action				
0901	Support administrative expenditure of the 'Environment and Climate Action' Cluster	15,47	0,00	0,00 %
0903	Just Transition Fund (JTF)	10.849,42	4.980,17	45,90 %
Total Title 09		10.864,88	4.980,17	45,84 %
Total NGEU Only		17.001,94	11.050,13	64,99 %
Total DG REGIO		68.167,29	59.926,31	87,91 %

* Commitment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous commitment appropriations for the period (e.g. internal and external assigned revenue).

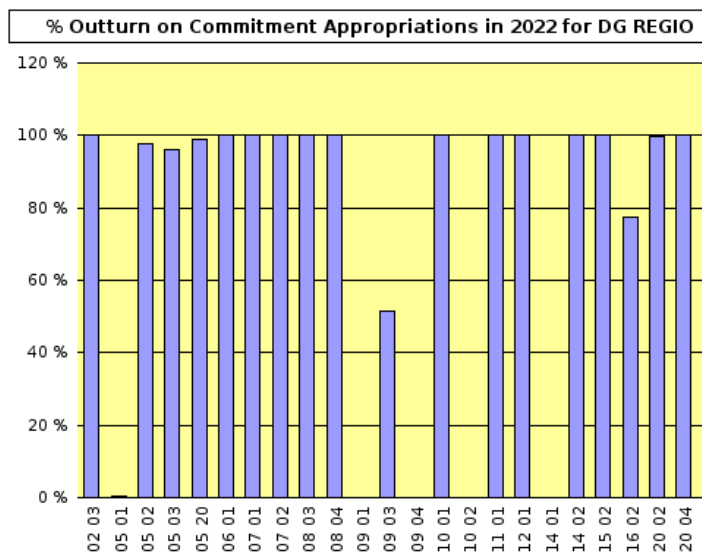
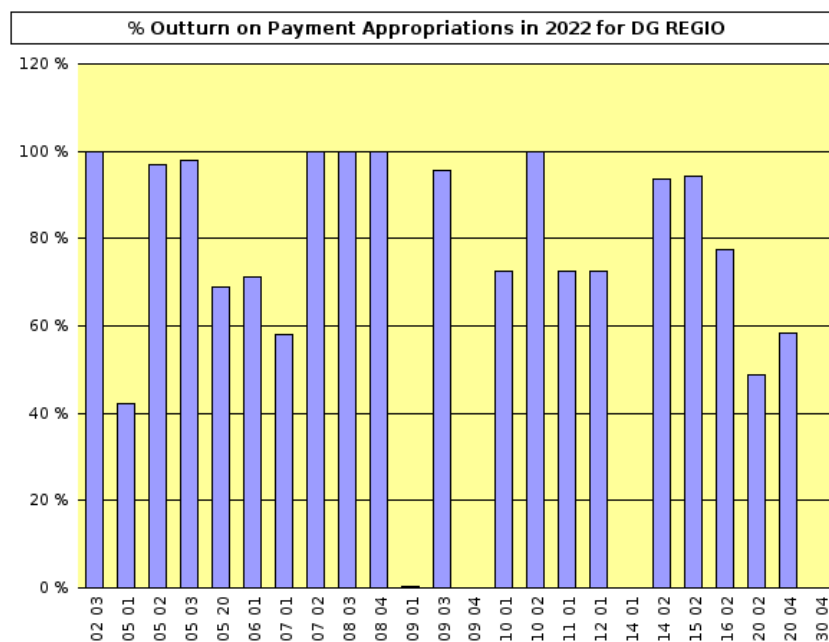


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2022 (in Mio €) for DG REGIO					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 02 European Strategic Investments					
02	02 03	Connecting Europe Facility (CEF)	0,85	0,85	100,00 %
Total Title 02			0,85	0,85	100,00%
Title 05 Regional Development and Cohesion					
05	05 01	Support administrative expenditure of the 'Regional Development and Cohesion' cluster	1,01	0,64	63,65 %
	05 02	European Regional Development Fund (ERDF)	34.775,54	33.451,44	96,19 %
	05 03	Cohesion Fund (CF)	10.224,27	10.000,26	97,81 %
	05 20	Pilot projects, preparatory actions, prerogatives and other actions	3,01	2,07	68,86 %
Total Title 05			45.003,82	43.454,41	96,56%
Title 06 Recovery and Resilience					
06	06 01	Support administrative expenditure of the 'Recovery and Resilience' cluster	0,15	0,11	70,83 %
Total Title 06			0,15	0,11	70,83%
Title 07 Investing in People, Social Cohesion and Values					
07	07 01	Support administrative expenditure of the "Investing in People, Social Cohesion and Values" cluster	0,30	0,17	58,04 %
	07 02	European Social Fund Plus (ESF+)	1,82	1,82	100,00 %
Total Title 07			2,12	2,00	94,10%
Title 08 Agriculture and Maritime Policy					
08	08 03	European Agricultural Fund for Rural Development (EAFRD)	2,49	2,49	100,00 %
	08 04	European Maritime, Fisheries and Aquaculture Fund (EMFAF)	0,19	0,19	100,00 %
Total Title 08			2,68	2,68	100,00%
Title 09 Environment and Climate Action					
09	09 01	Support administrative expenditure of the 'Environment and Climate Action' Cluster	13,59	0,02	0,18 %
	09 03	Just Transition Fund (JTF)	1,48	1,48	100,00 %
	09 04	Public sector loan facility under the Just Transition Mechanism (JTM)	152,63	0,00	0,00 %
Total Title 09			167,70	1,50	0,90%
Title 10 Migration					
10	10 01	Support administrative expenditure of the "Migration" Cluster	0,02	0,01	72,57 %

	10 02	Asylum, Migration and Integration Fund (AMIF)	0,48	0,48	100,00 %
Total Title 10			0,49	0,49	99,11%
Title 11 Border Management					
11	11 01	Support administrative expenditure of the 'Border Management' cluster	0,01	0,01	72,57 %
Total Title 11			0,01	0,01	72,57%
Title 12 Security					
12	12 01	Support administrative expenditure of the "Security" cluster	0,01	0,00	72,57 %
Total Title 12			0,01	0,00	72,57%
Title 14 External Action					
14	14 01	Support administrative expenditure of the 'External Action' cluster	0,03	0,00	0,00 %
	14 02	Neighbourhood, Development and International Cooperation Instrument - Global Europe (NDICI - Global Europe)	49,76	46,57	93,59 %
Total Title 14			49,79	46,57	93,53%
Title 15 Pre-accession Assistance					
15	15 02	Instrument for Pre-accession Assistance (IPA III)	103,50	97,66	94,36 %
Total Title 15			103,50	97,66	94,36%
Title 16 Expenditure outside the annual ceilings set out in the Multiannual Financial Framework					
16	16 02	Mobilisation of solidarity mechanisms (Special instruments)	3.321,49	2.574,04	77,50 %
Total Title 16			3.321,49	2.574,04	77,50%
Title 20 Administrative expenditure of the European Commission					
20	20 02	Other staff and expenditure relating to persons	0,09	0,04	48,86 %
	20 04	Information and communication technology related expenditure	2,33	1,36	58,24 %
Total Title 20			2,42	1,40	57,90%
Title 30 Reserves					
30	30 04	Solidarity mechanisms (special instruments)	0,00	0,00	0,00 %
Total Title 30			0,00	0,00	0,00%
Total Excluding NGEU			48.655,02	46.181,72	94,92%

Title 05 Regional Development and Cohesion					
05	05 01	Support administrative expenditure of the 'Regional Development and Cohesion' cluster	0,52	0,00	0,00 %
	05 02	European Regional Development Fund (ERDF)	8.896,35	8.874,76	99,76 %
Total Title 05			8.896,87	8.874,76	99,75%
Title 06 Recovery and Resilience					

06	06 01	Support administrative expenditure of the 'Recovery and Resilience' cluster	0,03	0,02	72,57 %
Total Title 06			0,03	0,02	72,57%
Title 09 Environment and Climate Action					
09	09 01	Support administrative expenditure of the 'Environment and Climate Action' Cluster	0,32	0,00	0,00 %
	09 03	Just Transition Fund (JTF)	173,19	165,68	95,67 %
Total Title 09			173,50	165,68	95,49%
Total NGEU Only			9.070,41	9.040,46	99,67%
Total DG REGIO			57.725,43	55.222,18	95,66 %



* Payment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous payment appropriations for the period (e.g. internal and external assigned revenue).

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG REGIO									
			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
02	02 03	Connecting Europe Facility (CEF)	1,00	0,84	0,16	15,63%	0,00	0,16	0,20
Total Title 02			1,00	0,84	0,16	15,63%	0,00	0,16	0,20

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG REGIO									
			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
05	05 01	Support administrative expenditure of the 'Regional Development and Cohesion' cluster	0,06	0,00	0,06	96,93%	0,00	0,06	0,78
	05 02	European Regional Development Fund (ERDF)	37.991,01	3.535,88	34.455,13	90,69%	34.932,40	69.387,52	64.919,92
	05 03	Cohesion Fund (CF)	6.780,28	678,43	6.101,85	89,99%	9.056,79	15.158,64	18.395,36
	05 20	Pilot projects, preparatory actions, prerogatives and other actions	2,68	0,00	2,68	100,00%	3,74	6,43	6,93
Total Title 05			44.774,03	4.214,31	40.559,72	90,59%	43.992,93	84.552,64	83.322,99

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG REGIO									
			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021

Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
06	06 01	Support administrative expenditure of the 'Recovery and Resilience' cluster	0,10	0,05	0,04	45,00%	0,00	0,04	0,05
Total Title 06			0,10	0,05	0,04	45,00%	0,00	0,04	0,05

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG REGIO

Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
07	07 01	Support administrative expenditure of the "Investing in People, Social Cohesion and Values" cluster	0,22	0,12	0,10	45,86%	0,00	0,10	0,07
	07 02	European Social Fund PPlus (ESF+)	20,35	0,38	19,98	98,14%	2,56	22,53	4,05
Total Title 07			20,58	0,50	20,08	97,57%	2,56	22,63	4,12

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG REGIO

Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
08	08 03	European Agricultural Fund for Rural Development (EAFRD)	3,50	0,00	3,50	100,00%	5,09	8,59	7,58
	08 04	European Maritime, Fisheries and Aquaculture Fund (EMFAF)	0,11	0,02	0,09	79,16%	0,05	0,14	0,22

Total Title 08	3,61	0,02	3,59	99,38%	5,14	8,73	7,80
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TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG REGIO

Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
09	09 01	Support administrative expenditure of the 'Environment and Climate Action' Cluster	0,03	0,02	0,00	9,15%	0,00	0,00	0,00
	09 03	Just Transition Fund (JTF)	1.327,15	0,42	1.326,73	99,97%	0,52	1.327,24	2,74
	09 04	Public sector loan facility under the Just Transition Mechanism (JTM)	0,00	0,00	0,00	0,00%	0,00	0,00	0,00
Total Title 09			1.327,18	0,45	1.326,73	99,97%	0,52	1.327,25	2,74

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG REGIO

Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
10	10 01	Support administrative expenditure of the "Migration" Cluster	0,01	0,00	0,00	54,86%	0,00	0,00	0,01
	10 02	Asylum, Migration and Integration Fund (AMIF)	0,00	0,00	0,00	0,00%	2,02	2,02	2,50
Total Title 10			0,01	0,00	0,00	54,86%	2,02	2,03	2,51

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG REGIO

			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
11	11 01	Support administrative expenditure of the 'Border Management' cluster	0,00	0,00	0,00	54,86%	0,00	0,00	0,00
Total Title 11			0,00	0,00	0,00	54,86%	0,00	0,00	0,00

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG REGIO

			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
12	12 01	Support administrative expenditure of the "Security" cluster	0,00	0,00	0,00	54,86%	0,00	0,00	0,00
Total Title 12			0,00	0,00	0,00	54,86%	0,00	0,00	0,00

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG REGIO

			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
14	14 01	Support administrative expenditure of the 'External Action' cluster	0,00	0,00	0,00	0,00%	0,00	0,00	0,02
	14 02	Neighbourhood, Development and International Cooperation Instrument - Global Europe (NDICI - Global Europe)	106,69	0,36	106,33	99,67%	105,41	211,74	151,62

Total Title 14	106,69	0,36	106,33	99,67%	105,41	211,74	151,64
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TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG REGIO

			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
15	15 02	Instrument for Pre-accession Assistance (IPA III)	67,54	56,06	11,48	17,00%	139,13	150,61	238,17
Total Title 15			67,54	56,06	11,48	17,00%	139,13	150,61	238,17

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG REGIO

			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
16	16 02	Mobilisation of solidarity mechanisms (Special instruments)	2.574,04	2.574,04	0,00	0,00%	0,00	0,00	0,00
Total Title 16			2.574,04	2.574,04	0,00	0,00%	0,00	0,00	0,00

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG REGIO

			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7

20	20 02	Other staff and expenditure relating to persons	0,07	0,04	0,03	42,21%	0,00	0,03	0,02
	20 04	Information and communication technology related expenditure	1,34	0,36	0,97	72,71%	0,00	0,97	0,99
Total Title 20			1,41	0,41	1,00	71,18%	0,00	1,00	1,01

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG REGIO

			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
30	30 04	Solidarity mechanisms (special instruments)	0,00	0,00	0,00	0,00%	0,00	0,00	0,00
Total Title 30			0,00	0,00	0,00	0,00%	0,00	0,00	0,00
Total Excluding NGEU			48.876,18	6.847,05	42.029,14	85,99%	44.247,70	86.276,84	83.731,23

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG REGIO

			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
05	05 01	Support administrative expenditure of the 'Regional Development and Cohesion' cluster	0,00	0,00	0,00	0,00%	0,00	0,00	0,00
	05 02	European Regional Development Fund (ERDF)	6.069,95	1.042,93	5.027,02	82,82%	11.267,46	16.294,48	19.111,77
Total Title 05			6.069,95	1.042,93	5.027,02	82,82%	11.267,46	16.294,48	19.111,77

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG REGIO

			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
06	06 01	Support administrative expenditure of the 'Recovery and Resilience' cluster	0,02	0,01	0,01	54,86%	0,00	0,01	0,02
Total Title 06			0,02	0,01	0,01	54,86%	0,00	0,01	0,02

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2022 (in Mio €) for DG REGIO

			Commitments to be settled				Commitments to be settled from financial years previous to 2021	Total of commitments to be settled at end of financial year 2022	Total of commitments to be settled at end of financial year 2021
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
09	09 01	Support administrative expenditure of the 'Environment and Climate Action' Cluster	0,00	0,00	0,00	0,00%	0,00	0,00	0,00
	09 03	Just Transition Fund (JTF)	4.980,17	165,63	4.814,53	96,67%	0,90	4.815,43	5,11
Total Title 09			4.980,17	165,63	4.814,53	96,67%	0,90	4.815,43	5,11
Total NGEU Only			11.050,13	1.208,57	9.841,56	89,06%	11.268,36	21.109,93	19.116,90

Total for DG REGIO			59.926,31	8.055,61	51.870,70	86,56 %	55.516,06	107.386,76	102.848,13
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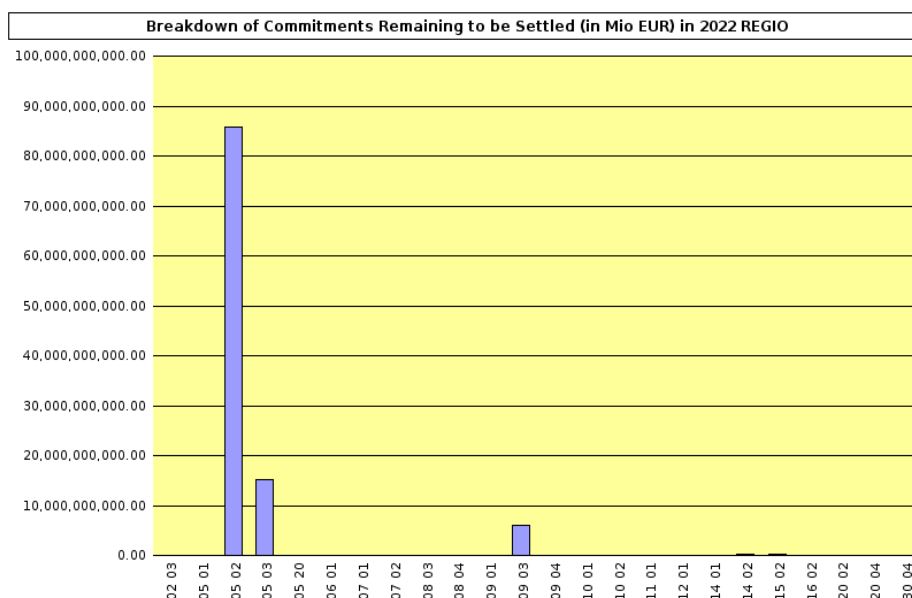


TABLE 4 : BALANCE SHEET for DG REGIO

BALANCE SHEET	2022	2021
A.I. NON CURRENT ASSETS	15.318.890.915,90	21.149.345.394,47
A.I.1. Intangible Assets	13.405.271,73	12.659.076,66
A.I.5. Non-Current Pre-Financing	14.572.061.305,32	20.181.883.938,96
A.I.6. Non-Cur Exch Receiv & Non-Ex Recoverab	733.424.338,85	954.802.378,85
A.II. CURRENT ASSETS	16.749.143.761,91	6.151.737.406,61
A.II.2. Current Pre-Financing	16.059.953.559,51	5.626.213.793,23
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	689.190.202,40	525.523.613,38
ASSETS	32.068.034.677,81	27.301.082.801,08
P.I. NON CURRENT LIABILITIES		0,00
P.I.3. Non-Current Financial Liabilities		0,00
P.II. CURRENT LIABILITIES	-13.722.931.467,39	-16.732.995.898,05
P.II.4. Current Payables	-4.861.439.898,38	-4.680.614.983,04
P.II.5. Current Accrued Charges & Defrd Income	-8.861.491.569,01	-12.052.380.915,01
LIABILITIES	-13.722.931.467,39	-16.732.995.898,05
NET ASSETS (ASSETS less LIABILITIES)	18.345.103.210,42	10.568.086.903,03
P.III.2. Accumulated Surplus/Deficit	341.045.378.030,83	2,91985E+11

Non-allocated central (surplus)/deficit*	-359.390.481.241,25	-302.552.911.237,21
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TOTAL DG REGIO	0,00	0,00
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It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this DG. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various DG, it can be seen that the balance sheet presented here is not in equilibrium.

Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still subject to audit by the Court of Auditors. It is thus possible that amounts included in these tables may have to be adjusted following this audit.

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for DG REGIO

STATEMENT OF FINANCIAL PERFORMANCE	2022	2021
II.1 REVENUES	-502.627.687,77	-600.599.045,41
II.1.1. NON-EXCHANGE REVENUES	-507.711.139,17	-605.999.022,98
II.1.1.6. RECOVERY OF EXPENSES	-507.711.139,17	-605.999.022,98
II.1.2. EXCHANGE REVENUES	5.083.451,40	5.399.977,57
II.1.2.2. OTHER EXCHANGE REVENUE	5.083.451,40	5.399.977,57
II.2. EXPENSES	45.350.429.347,79	49.661.152.742,06
II.2. EXPENSES	45.350.429.347,79	49.661.152.742,06
II.2.10. OTHER EXPENSES	12.289.870,83	9.508.539,33
II.2.1. EXP IMPL BY MEMBER STATES (SHARED)	45.159.691.706,55	49.523.119.151,77
II.2.2. EXP IMPL BY COMMISS&EX.AGENC. (DM)	56.636.879,84	72.917.848,85
II.2.3. EXP IMPL BY OTH EU AGENC&BODIES (IM)	140.811,74	
II.2.4. EXP IMPL BY 3RD CNTR & INT ORG (IM)	17.919.388,75	3.895.388,11
II.2.5. EXP IMPL BY OTHER ENTITIES (IM)	103.876.290,08	52.120.642,77
II.2.6. STAFF AND PENSION COSTS	-125.600,00	-409.500,00
II.2.8. FINANCE COSTS	0,00	671,23
STATEMENT OF FINANCIAL PERFORMANCE	44.847.801.660,02	49.060.553.696,65

TABLE 5bis : OFF BALANCE SHEET for DG REGIO

OFF BALANCE	2022	2021
OB.1. Contingent Assets	0,00	0,00
GR for performance	0,00	0,00
GR for pre-financing	0,00	0,00
OB.2. Contingent Liabilities	0,00	-210.044.165,81
OB.2.5. CL legal cases COHESION	0,00	-210.044.165,81
OB.2.7. CL Legal cases OTHER	0,00	0,00
OB.3. Other Significant Disclosures	327.285.425.787,89	89.186.911.738,25
OB.3.2. Comm against app. not yet consumed	-93.664.111.760,91	-86.115.224.154,59
OB.3.3.1 Structural operations	-232.228.882.660,00	
OB.3.3.65. BAR	-1.304.693.939,98	-3.071.687.583,66
OB.3.3.66. EUSF	-87.737.427,00	
OB.4. Balancing Accounts	327.285.425.787,89	89.396.955.904,06
OB.4. Balancing Accounts	327.285.425.787,89	89.396.955.904,06
OFF BALANCE	0,00	0,00

TABLE 6 : PAYMENT TIMES

Legal Times									
Maximum Payment Time (Days)	Total Nbr of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)	Late Payments Amount	Percentage
30	1.022	988	96,67 %	15,01	34	3,33 %	38,12	291.746.086,55	11, %
60	1.855	1.811	97,63 %	25,41	44	2,37 %	88,66	1.770.624.325,53	4, %
90	26	26	100,00 %	54,15				0,00	0, %
180	1.305	1.305	100,00 %	26,52				0,00	0, %
198	1	1	100,00 %	8,00				0,00	0, %
212	1	1	100,00 %	22,00				0,00	0, %
214	1	1	100,00 %	24,00				0,00	0, %
226	1	1	100,00 %	36,00				0,00	0, %
239	1	1	100,00 %	41,00				0,00	0, %
283	3	3	100,00 %	13,00				0,00	0, %
297	2	2	100,00 %	27,00				0,00	0, %
344	1	1	100,00 %	67,00				0,00	0, %
353	4	4	100,00 %	10,50				0,00	0, %
354	4	4	100,00 %	13,00				0,00	0, %
365	1	1	100,00 %	46,00				0,00	0, %

Total Number of Payments	4.228	4.150	98,16 %		78	1,84 %		2062370412	4, %
Average Net Payment Time	24,24172185			23,45			66,63		

Average Gross Payment Time	48,90444655		47,624096		117,025641	
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Suspensions							
Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	61	1.713	40,52 %	4.228	39.685.607.921,84	75,12 %	52.827.323.784,27

DG	GL Account	Description	Amount (Eur)

[NB: Table 6 only contains payments relevant for the time statistics. Please consult its exact scope in the AAR Annex3 BO User Guide \(https://myintracomm.ec.europa.eu/budgweb/EN/abac/dwh/Pages/its-030-10-20_documentation.aspx\).](https://myintracomm.ec.europa.eu/budgweb/EN/abac/dwh/Pages/its-030-10-20_documentation.aspx)

TABLE 7 : SITUATION ON REVENUE AND INCOME in 2022 for DG REGIO								
Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	7=3-6
61	Cohesion, resilience and values	2.584.933.492,61	75.450,98	2.585.008.943,59	2.581.852.651,50	75.450,98	2.581.928.102,48	3.080.841,11
62	Natural resources and environment	4.313.159,61	0,00	4.313.159,61	4.313.159,61	0,00	4.313.159,61	0,00
65	Neighbourhood and the world	363.826,51	0,00	363.826,51	363.826,51	0,00	363.826,51	0,00
66	Other contributions and refunds	4.965.199,90	11.387.522,56	16.352.722,46	844.010,00	11.387.522,56	12.231.532,56	4.121.189,90
67	Completion for outstanding recovery orders prior to 2021	33.387,22	0,00	33.387,22	33.387,22	0,00	33.387,22	0,00
Total DG REGIO		2.594.609.065,85	11.462.973,54	2.606.072.039,39	2.587.407.034,84	11.462.973,54	2.598.870.008,38	7.202.031,01

TABLE 8 : FINANCIAL IMPACT OF EX-ANTE AND EX-POST CONTROLS in 2022 for DG REGIO

EX-ANTE CONTROLS	Irregularity	OLAF notified	Total undue payments recovered
NON ELIGIBLE IN COST CLAIMS	9.554.013,63		9.554.013,63
CREDIT NOTES			
RECOVERY ORDERS ON PRE-FINANCING			
Sub-Total	9.554.013,63		9.554.013,63

EX-POST CONTROLS	Irregularity	OLAF notified	Total undue payments recovered
INCOME LINES IN INVOICES			
RECOVERY ORDERS OTHER THAN ON PRE-FINANCING	59.538.129,52	3.135.958,13	62.674.087,65
Sub-Total	59.538.129,52	3.135.958,13	62.674.087,65
GRAND TOTAL (EX-ANTE + EX-POST)	69.092.143,15	3.135.958,13	72.228.101,28

Table 8 covers the amounts (recoveries and deductions due to irregularities or fraud) registered in the accounting system of the Commission and does not include information stemming from the Member States' systems or other methods of corrections (de-commitments).

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 12/31/2022 for DG REGIO

	Number at 12/31/2021	Number at 12/31/2022	Evolution	Open Amount (Eur) at 12/31/2021	Open Amount (Eur) at 12/31/2022	Evolution
2022		12			7.202.031,01	
		12			7.202.031,01	

TABLE 10 :Recovery Order Waivers >= 60 000 € in 2022 for DG REGIO

Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
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Total DG REGIO	
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Number of RO waivers	
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There are no waivers below 60 000 €

TABLE 12 : Summary of Procedures in 2022 for DG REGIO

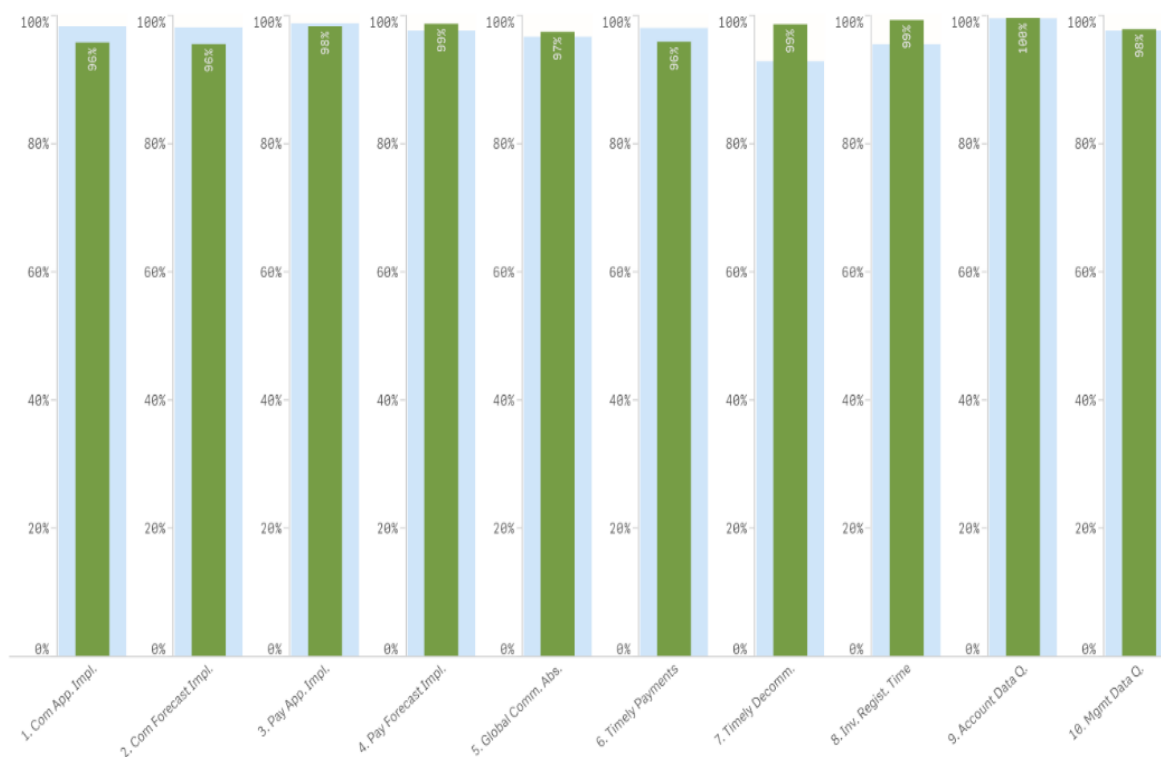
Internal Procedures > € 60,000

Procedure Legal base	Number of Procedures	Amount (€)
Negotiated procedure middle value contract (Annex 1 - 14.2)	2	233.935,00
Open procedure (FR 164 (1)(a))	25	23.844.193,52
Total	27	24.078.128,52

ANNEX 4: Financial scorecard

This Annex summarises the annual result of the standard financial indicators measurement. 10 indicators are presented below, each with its objective and result for REGIO and for the EC as a whole.

REGIO Indicator Scores for 2022 12



For each indicator the light blue bar denotes the EC Score.

Indicator	Objective	Comment	REGIO Score	EC Score
1. Commitment Appropriations Implementation	Ensure efficient use of commitment appropriations expiring at the end of Financial Year		96%	98%
2. Commitment Forecast Implementation	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year		97%	98%
3. Payment Appropriations Implementation	Ensure efficient use of payment appropriations expiring at the end of Financial Year		98%	99%
4. Payment Forecast Implementation	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year		99%	98%
5. Global Commitment Absorption ²¹	Ensure efficient use of already earmarked commitment appropriations (at L1 level)		97%	97%

²¹ Due to technical limitation, the indicator does not take into account the Com L1 Consumption between the FDC ILC date and the FA FDI allowed as an exception in the external actions for Com L1 of type GF, i.e. with Financing Agreement, under the FR2018 Article 114.2. As a result, the actual Indicator score may be slightly higher than the one reported for DGs using the GF commitments.

6. Timely Payments	Ensure efficient processing of payments within the legal deadlines	The rate of timely payments is at commission average (98%) if expressed in numbers. The relatively large amount of a small number of late payments explains a lower score when weighted by amount.	96%	98%
7. Timely Decommittments	Ensure efficient decommitment of outstanding RAL at the end of commitment life cycle		99%	93%
8. Invoice Registration Time	Monitor the accounting risk stemming from late registration of invoices in the central accounting system ABAC		99%	95%
9. Accounting Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the accounts		100%	100%
10. Management Data Quality	Ensure the good data quality of ABAC transactions with the focus on fields having a primary impact on the management decisions		98%	98%

ANNEX 5: Materiality criteria

For shared management (ERDF/CF/IPA-CBC/ENI-CBC)

Since 2019²², a corporate 'de minimis' threshold for financial reservations is in place. Quantified AAR reservations related to residual error rates above the 2% materiality threshold, are deemed not substantial for segments representing less than 5% of a DG's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed. The implementation of this 'de minimis' threshold applies at the level of the AAR reservations, i.e. not at all affecting the detailed reservations at the level of the operational programmes. Given the amounts involved, this threshold has no effect on the AAR reservations of the DG for 2022.

Assessment of management and control systems in the Member States for the 2007-13 period

➤ **The assessment at closure**

At closure, the Annual Control Reports (ACR) were submitted as part of the closure packages. For each programme, the DG carried out an in depth assessment of the information provided (in particular the audit opinion, the projected error rate covering the 2015 and 2016 expenditure and the residual risk rate).

As the audit authorities were required to disclose a residual risk rate calculated on the basis of the expenditure certified during the whole programming period, the residual risk rate is used, as this is the best estimate of the expenditure which is not in full conformity with contractual or regulatory provisions over the lifetime of the programme.

The assessment of the relevant reports, data and other information available requires the application of professional judgement, namely when weighting contradictory information or considering abnormal statistical results. When taking into account reported corrections, the authorising officer by delegation also assesses that they are reliable based on all audit information and in particular the validation made at closure by the audit authorities and that they effectively mitigate the risks identified and that they result in a reduction in the level of the error that remains uncorrected in the population.

➤ **Materiality criteria and reservations**

Final payments are made for the closure of the programme only when all issues are cleared.

Following the in-depth assessment of closure documents, a non-financial reservation is made for those programmes, where either additional audit work is requested or financial corrections may need to be applied exceeding the retention (5% or less for underspent

²² Agreement of the Corporate Management Board of 30/4/2019

programmes of the overall allocation made at programme level)²³.

Exceptions, if any, are clearly reported and explained in the body of the AAR. In some cases, reservations may be made at sub-programme level (priority axis or implementing bodies) when the systemic deficiencies only affect a specific component of the management and control system, not used for the other activities under the same programme.

To calculate the amount at risk for programmes under reservation, the residual risk rate is applied to the payments made during the year. For a reservation made at sub-programme level, a flat rate depending on the deficiencies identified is applied to the relevant expenditure²⁴. No financial corrections are taken into account for the quantification of the reservation, as the financial corrections already implemented are mainly linked to expenditure declared in previous years. In case of no payments were made during the year, the reservation will be non-financial.

➤ **Estimation of the amounts at risk at payment and at closure**

For the 2017 AAR and onwards, the risk "at payment" is estimated by applying the residual risk rate communicated by the audit authorities as part of the closure documents and validated by the Commission services to the "relevant expenditure" (i.e. payments and the cleared pre-financing made during the reporting year).

For the estimation of the amount at risk at closure, the estimated future corrections, if any, are deducted from the amount at risk at payment.

Assessment of management and control systems in the Member States for the 2014-2020 period

➤ **The assessment of each programme is based on the following elements:**

1. First, the **assessment of the effectiveness of management and control systems**, carried out by the Joint Audit Directorate for cohesion (DAC) based on all information available (i.e. opinion issued by the audit authority on the management and control systems, total error rate, results of national systems audits, results of Commission audit work and/or the European Court of Auditors, elements received from operational managers in their regular contacts with programme authorities).
2. Second, the **assessment of legality and regularity of expenditure**, as reflected in the residual total error rate reported by the audit authorities in their most recent ACR, adjusted as necessary when we consider that adjustments to previous years' error rates could impact the most recently reported rates. The residual total error rate is the best indicator of the corrective capacity of the programme's management and control system and represents the remaining risk present in the amounts certified in the accounts taking into account the already applied financial corrections.

²³ The decision on whether to issue a reservation will be made taking into account the cumulative residual risk.

²⁴ i.e. paid in the relevant year in relation to the concerned sub-programme

The DG assesses the reliability of the total error rate and the residual total error rate reported in two stages:

- Total Error Rates and Residual Total Error Rates for the accounting year 2020-2021 (for accounts accepted in 2022) are confirmed (including adjusted where considered necessary), taking into account all available information and audit results assessed through desk review and, where necessary and conclusions are already available, risk-based on the spot compliance audits. Following the 2014-2020 legal framework, the Commission can in subsequent years (during the documents retention period of at least three years after the accounts were accepted) continue to carry out on the spot audits to address specific risks or programmes.
- In relation to the Total Error Rates and Residual Total Error Rates for the accounting year 2021-2022 communicated by the audit authorities by 1 March 2023, a first preliminary consistency review is carried out to identify potential inconsistencies, clerical mistakes or adjustments considered necessary following audit-based adjustments to previous years' error rates that could impact the most recently reported rates. The resulting adjusted total error rates and residual total error rates are disclosed in Annex 7B of the AAR for information purposes and to identify the need to issue additional reservations. If no error rates are reported by the audit authorities or reported error rates are not considered reliable at this stage, the DG uses flat rates instead.

➤ **Materiality criteria and reservations**

The DG assesses **each programme** in order to identify the need for reservations and corrective measures to be applied. Programmes with common management and control systems can be grouped for the purpose of this assessment.

At programme level, reservations or partial reservations are made in case of significant weaknesses in the Member States' management and control systems leading to a material risk to the EU budget. In practice, this means that reservations or partial reservations are made for (parts of) programmes included in the categories 'limited assurance with medium risk' (when insufficient financial corrections are taken) and 'limited assurance with high risk' (see below).

As a general rule, a programme will be put under reservation if at least one of the following conditions applies, based on the 2021/2022²⁵ assurance packages received by 1 March 2023:

- a total error rate above 10%
- deficiencies in key elements of the systems (or part of the system), which could result in/lead to irregularities above 10% and for which no adequate corrective measures to

²⁵ No reservation is made for cases where the Residual Total Error Rate for the previous accounting year 2020-2021 is confirmed above 2% given that this expenditure does not concern the 'relevant expenditure' as defined for the corporate instructions for reporting under the current AAR. For such previous accounting year, additional financial corrections will be applied as necessary (see Annex 7H).

remedy the deficiencies have yet been implemented (programmes in category 4 below);

- a residual total error rate above 2%;
- material issues concerning the completeness, accuracy and veracity of the accounts.

Exceptions, if any, are clearly reported and explained in the body of the AAR. In some cases, reservations may be made at sub-programme level (priority axis or intermediate bodies) when the systemic deficiencies only affect a specific component of the management and control system, not applicable to the other activities under the same programme. However, when the concerned part of the programme concerns less than 2% of the expenditure included in the accounts under assessment (or of the programme allocation in case no payments were made in the year), this deficiency is considered not material and not deserving a reservation. Such cases are reported in the body of the AAR.

In case there is no financial impact for the reporting year (e.g. no expenditure paid) for a programme under reservation, a non-quantified (non-financial) reservation is made.

In addition, reputational reservations are made for deficiencies of a qualitative nature which have a significant impact on the reputation of the Commission.

As regards the functioning of the management and control system, the programmes are classified in four categories:

Programmes not in reservation:

- Programmes with management and control systems which work well and for which only minor improvements are needed (category 1²⁶). For these programmes, **reasonable assurance** means that there is no material deficiency affecting key elements of the systems (non-material risk of irregularities, below 2%) and residual total error rate well <2%) or the accounts;
- Programmes with management and control systems which work but for which some improvements are needed (category 2). For these programmes, **reasonable assurance with low risk** means that the deficiencies detected in key elements of the systems are with limited impact on the EU Budget (limited risk of irregularities, below 5%, therefore well covered by the payment retention of 10% and residual total error rate <or= 2%);
- Programmes with management and control systems which work only partially and for which substantial improvements are needed (category 3). For these programmes, **limited assurance with medium risk** means that the deficiencies detected in key elements of the systems have material risk for the EU budget (risk of irregularities between 5% and 10%, therefore well covered by the payment retention of 10%) but adequate financial corrections have been implemented (residual total error rate <or= 2%).

²⁶ Table 2 on the classification of key requirements for manage a control systems with regard to their functioning of Annex IV of Commission Delegated Regulation (EU) No 480/2014 of 3 March 2014. Please also see page 69.

Programmes in reservation:

- Programmes which essentially do not work (category 4). For these programmes **limited assurance with high risk** means that there are serious deficiencies in key elements of the systems with material risk for the EU budget (risk of irregularities above 10% therefore the risk is not covered by the payment retention of 10%), even if adequate financial corrections have been implemented (residual total error rate <or = 2%).

In addition are also put in reservation

- Programmes with management and control systems which work but for which some improvements are needed (category 2) or which work only partially and for which substantial improvements are needed (category 3), but insufficient financial correction were carried out (residual total error rate remaining > 2%);
- programmes with material issues concerning the completeness, accuracy and veracity of the accounts.

For the calculation of the amounts impacted by a reservation, the reportable residual error rate for the 2021/2022 accounts, adjusted as considered necessary, is applied to the 2022 relevant expenditure of the programmes concerned.

Where there is no financial impact for the reporting year in question (e.g. no expenditure paid) for a programme under reservation, a non-financial reservation is made. In addition, reputational reservations are made for issues that could have a significant impact on the reputation of the Commission (e.g. fraud suspicions).

➤ Estimation of the amounts at risk at payment and at closure

The **amount at risk at payment** is calculated by applying the KPI 5 (weighted residual total error rate of the accounting year 2020-2021 as confirmed by the Commission services²⁷) to the "relevant expenditure" of the Commission reporting year (i.e. payments made during 2022, after excluding new pre-financing and including the 10% retained, and including the cleared pre-financing minus the retentions released and any deductions applied in the accounts covering the expenditure of the period 1 July 2021 to 30 June 2022).

The **amount at risk at closure** indicates the remaining risk to the 2022 relevant expenditure once the Commission will apply the financial corrections that it considers necessary to bring the confirmed total residual error rates for all programmes down to 2%. The DG has been able to identify for which programmes additional financial corrections will be required upon finalisation of the ongoing audit contradictory procedures for the accounting year 2020-2021.

²⁷ After neutralising the impact of the advances paid into financial instruments and included in the sample of audit authorities based on declared expenditure (in line with Article 127 CPR)

KR	List of Key Requirements (KR) defined in the CPR (and Regulation 480/2014 as amended)	Authority
KR 01	Adequate separation of functions and adequate systems for reporting and monitoring in cases where the responsible authority entrusts execution of tasks to another body.	Managing authority
KR 02	Appropriate selection of operations.	Managing authority
KR 03	Adequate information to beneficiaries on applicable conditions for the selected operations.	Managing authority
KR 04	Adequate management verifications.	Managing authority
KR 05	Effective system in place to ensure that all documents regarding expenditure and audits are held to ensure an adequate audit trail.	Managing authority
KR 06	Reliable system for collecting, recording and storing data for monitoring, evaluation, financial management, verification and audit purposes, including links with electronic data exchange systems with beneficiaries.	Managing authority
KR 07	Effective implementation of proportionate anti-fraud measures.	Managing authority
KR 08	Appropriate procedures for drawing up the management declaration and annual summary of final audit reports and of controls carried out.	Managing authority
KR 09	Adequate separation of functions and adequate systems for reporting and monitoring in cases where the responsible authority entrusts execution of tasks to another body.	Certifying authority
KR 10	Appropriate procedures for drawing up and submitting payment applications.	Certifying authority
KR 11	Appropriate computerised records of expenditure declared and of the corresponding public contribution are maintained.	Certifying authority
KR 12	Appropriate and complete account of amounts recoverable, recovered and withdrawn.	Certifying authority
KR 13	Appropriate procedures for drawing up and certifying the completeness, accuracy and veracity of the annual accounts.	Certifying authority
KR 14	Adequate separation of functions and adequate systems for ensuring that any other body that carries out audits in accordance with the programme audit strategy has the necessary functional independence and takes account of internationally accepted audit standards.	Audit authority
KR 15	Adequate systems audits.	Audit authority
KR 16	Adequate audits of operations.	Audit authority
KR 17	Adequate audits of accounts.	Audit authority
KR 18	Adequate procedures for providing a reliable audit opinion and for preparing the annual control report.	Audit authority

For direct and indirect management

The qualitative factors are based on the detection of significant and/or repetitive weaknesses which would be identified through the internal control system within the framework of supervision.

Based on Commission agreed principles, a reservation is envisaged when the error rate resulting from the annual ex-post audit missions would account for more than 2% of the payments made for the selected files.

ANNEX 6: Relevant Control Systems for budget implementation (RCSs)

Shared Management

REGIO distinguishes three main stages in the implementation of its budget under shared/decentralised management modes: (1) Negotiation and assessment/approval of spending proposals; (2) Implementation of operations (Member States); and (3) Monitoring and supervision of the execution, including ex-post control.

REGIO estimates that the **annual overall Commission costs** amount to **approximately 0.18%** of total appropriations. This is made up of:

- The annual cost of audit work (internal team and outsourced contract) which covers the assessment by the Commission of management and control systems in Member States.
- The annual costs of Commission staff which carries out controls throughout the different design, implementation and monitoring phases.

The tables below elaborate, per stage, on the main risks identified and related benefits. This applies to the **2014-2020 and the 2021-2027 periods**, unless stated otherwise.

Stage 1 – Negotiation and assessment/approval of spending proposals:

Main control objectives: Ensuring that the Commission (COM) adopts the actions that contribute the most towards the achievement of the policy objectives (effectiveness);

Main risks	Mitigating controls	Coverage frequency and depth	Cost-Effectiveness indicators
The programmes financed do not adequately reflect the policy objectives or priorities.	Internal consultation, hierarchical validation at DG-level of each programme. Inter-service consultation (including all relevant DGs) Adoption by Commission Decision, where foreseen by EU law.	Coverage / Frequency: 100%. Depth: checklist, guidelines, lists of requirements in the relevant regulatory provisions and reflection of policy objectives and priorities in position papers and Country Specific Recommendations.	Effectiveness: - % of programmes adopted/approved Benefits: adopted programmes focus on challenges Member States and regions are facing (as identified in European Semester) and have a clear intervention logic, allowing the Commission to evaluate their impact [<i>non-quantifiable individually</i>] Efficiency: - average time to adopt/approve a programme ²⁸ Economy (costs): estimation of cost of staff involved in the validation of the programmes put forward by the Member States.

Stage 2 – Implementation of operations (Member States):

A. Setting up of the systems

Main control objectives: ensuring that the management and control systems are adequately designed

²⁸ Impacted by the time required by Member States to react

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators
The process of designation ²⁹ of national authorities in the Member States is not effective and, as a result, the management and control systems are not compliant with the applicable rules	Supervision by Commission (for 2014-2020): - Commission review (and audits) of a sample of national designations - submission of Member States' Audit Strategies to the Commission (on request)	Coverage / Frequency: fixed in sector-specific rules Depth: verification (desk review + audit missions where necessary) of description of management and control systems communicated by Member States. Designation audits are generally done on the spot.	Effectiveness: - % of authorities designated Benefits: (part of) the amounts associated with unreliable systems for which the Commission audit work revealed substantial compliance problems (for 2014-2020) [not quantifiable] Efficiency: - number of authorities for which serious weaknesses found by designation reviews/audits (% of total checked) Economy (costs): estimation of cost of COM staff involved in the audits of samples of national designations

B. Member States controls to prevent detect and correct errors within the declared certified expenditure

Main control objectives: ensuring that the periodic expenditure declarations submitted to the Commission for each action are legal and regular

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators
Periodic expenditure declarations submitted to the Commission include expenditure which is irregular or non-compliant with EU and/or national eligibility rules and legislation.	Management verifications: first level checks by Managing Authorities (MA). Certification (not applicable for 2021-2027), audit opinion and annual report by the relevant authorities designated/accredited.	Coverage: fixed in sector-specific rules Depth: - <u>management verifications</u> : performance of first-level checks (administrative and on the spot controls). - <u>certification (not applicable for 2021-2027)</u> : additional verification (desk checks & on the spot). - <u>audit opinion</u> : system audits on the checks already carried out, where necessary with re-performance of on-the-spot checks; where applicable, audits of operations (on a statistical basis) and additional substantive testing on expenditure.	Effectiveness: error rates as reported by the Member States., annual audit opinions (or certificate opinions) of the Member States, Member States' recoveries (if applicable) Efficiency: time to lift interruption of payments ³⁰

Stage 3 – Monitoring and supervision of the execution, including ex-post control

Main control objectives: ensuring that the expenditure reimbursed from the EU budget is eligible and regular

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators
The management verifications and subsequent audits/controls by the Member States have failed to detect and correct ineligible costs or calculation errors.	Commission checks of periodic Member States' expenditure declarations. Commission assessment of management and control systems in the Member States, in particular of work done and/or reported by the	Coverage: verification of information provided in the annual control reports and annual audit opinions. Depth: desk checks and/or on-the-spot	Effectiveness: - residual risk (EU and per Member State) - number of programmes with a reported error rate assessed as reliable (unchanged or re-calculated) - Number and amount of interruptions / suspensions of payments - corrections made resulting from Commission audit work (decided and implemented) - % of the expenditure for which the Commission can rely on

³⁰ Impacted by the complexity of the issues and the time required by MS to react.

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators
<p>The audit work carried out by the audit/certifying authorities is not sufficient to obtain adequate assurance on the submitted declarations.</p> <p>The Commission services have failed to take appropriate measures to safeguard EU funds, based on the information it received.</p>	<p>Audit Authorities, namely:</p> <ul style="list-style-type: none"> - assessment of Annual Control Reports / Annual Audit Opinion - calculation of projected error rate - estimation of a residual error rate (RER) - assessment of systems audits reports from AA - assessment of annual summaries (not applicable for 2021-2027) - own Commission audits - technical and bilateral meetings with Member States <p>Interruptions and suspensions of payments</p> <p>Financial corrections (implemented by MS resulting from Commission audit work)</p>	<p>audits based on risk assessment; verification of the quality and reliability of the information based on Commission's own audit work; 'validation' and where necessary adjusting of error rates reported by Member States to calculate a residual error risk (RER);</p> <p><i>[at closure: where applicable scrutiny of closure report and closure opinion, if needed with audits on sample of programmes]</i></p>	<p>the work of the AA (based on ACRs unchanged or adjusted exchange rates)</p> <ul style="list-style-type: none"> - weighted average error rate after Commission analysis (KPI5) <p>Benefits: errors prevented [<i>unquantifiable</i>], errors detected or corrected (amount of financial corrections); the impact of the Commission's adjustments made on the error rates reported by the Member States following its own audit work and the total amount of expenditure for which the Commission has assurance</p> <p>Efficiency:</p> <ul style="list-style-type: none"> - overall cost of control/financial management of the Commission checks and assessment (% of total appropriations) – stages 1 to 3 - % of Commission payments on time - % interruptions of payments notified to Member States within 2 months - % suspensions of payments notified to Member States within 6 months <p>Economy (costs): cost of Commission staff checking Member States expenditure (financial circuits); estimation of cost of Commission staff involved in the assessment of management and control systems in Member States, including analysis of Annual Control Reports / Annual Audit Opinion, own audit work, and drafting of interruption/suspension/financial correction letters</p>

ANNEX 7: Specific annexes related to "financial management"

Table Y on the estimated "cost of controls" at Commission level

- Overview of REGIO's estimated cost of controls at Commission (EC) level

EXPENDITURE

The absolute values are presented in EUR

REGIO	Ex ante controls***			Ex post controls			Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
Relevant Control System (RCS) / Other as defined in Annex 6 of the AAR*	EC total costs	related payments Made	Ratio (%)** (a)/(b)	EC total costs	total value verified and/or audited	Ratio (%) (d)/(e)	EC total estimated cost of controls (a)+(d)	Ratio (%)** (g)/(b)
Shared Management	- €	55.019.749.955,07 €	0,00%	92.424.146,40 €	- €	0,00%	92.424.146,40 €	0,17%
Indirect Management	- €	142.559.562,38 €	0,00%	2.088.820,00 €	- €	0,00%	2.088.820,00 €	1,47%
Direct Management	- €	59.866.308,53 €	0,00%	4.760.210,00 €	- €	0,00%	4.760.210,00 €	7,95%
OVERALL total estimated cost of control at EC level for expenditure	- €	55.222.175.825,98 €	0,00%	99.273.176,40 €	- €	0,00%	99.273.176,40 €	0,18%

ANNEX 7A: 2014-2020 ERDF / CF programmes: brief introduction to shared management and architecture for building assurance³¹

European Structural and Investment Funds are spent through a system of shared responsibility between the European Commission and national authorities:

- the Commission negotiates and approves programmes proposed by EU Member States, and allocates resources accordingly;
- the EU Member States / regions manage the programmes, implement them by selecting projects, follow their implementation and perform controls;
- the Commission is involved in programme monitoring, commits, pays out approved expenditure, and verifies the management and control systems and compliance with applicable law for underlying expenditure, based on all EU and national audit results.

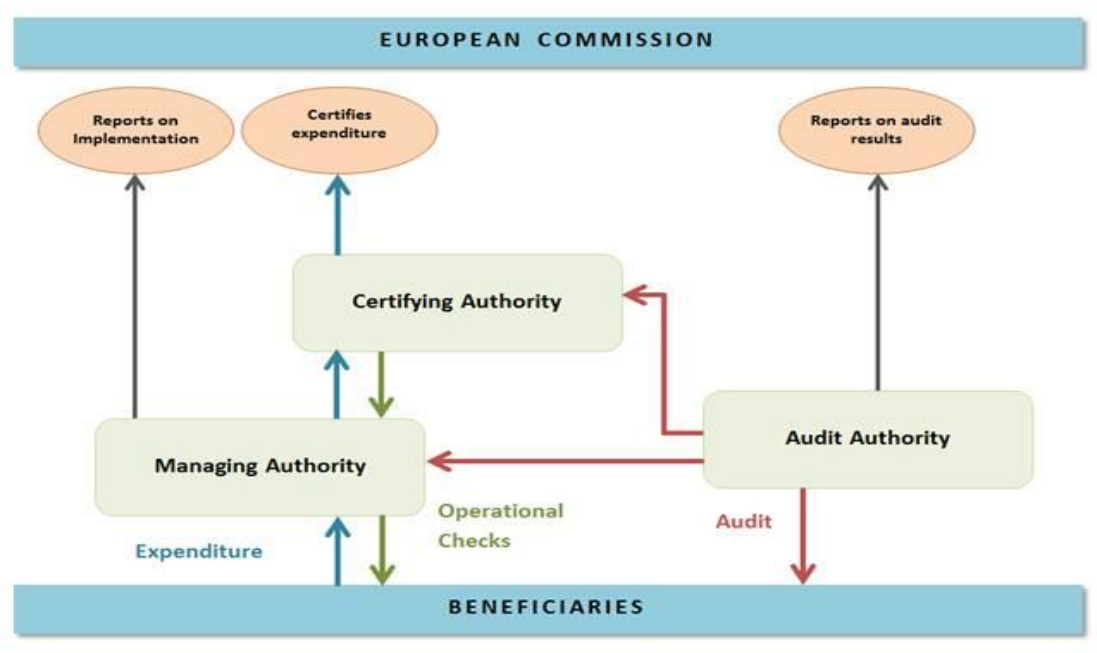
For each programme, the national authority appoints:

- a **managing authority** (national, regional or local public authority or public/private body to manage the programme) and **intermediate bodies**;
- a **certifying authority** (national, regional or local public authority or body to prepare payment applications and to certify the accounts to the Commission) and **intermediate bodies**;
- an **audit authority** (national, regional or local public authority or body to oversee the efficient functioning of the management and control system, to carry out sample-based audits of operations (possibly with the help of control bodies) and to provide yearly professional, independent audit opinions to the Commission).

The Commission plays a supervisory role, ensuring arrangements for the effective functioning of the management and control systems. The Commission further verifies the effective functioning of the systems and of the reliability of audit results reported, and if necessary, makes financial corrections and requires remedial actions from programmes to improve systems.

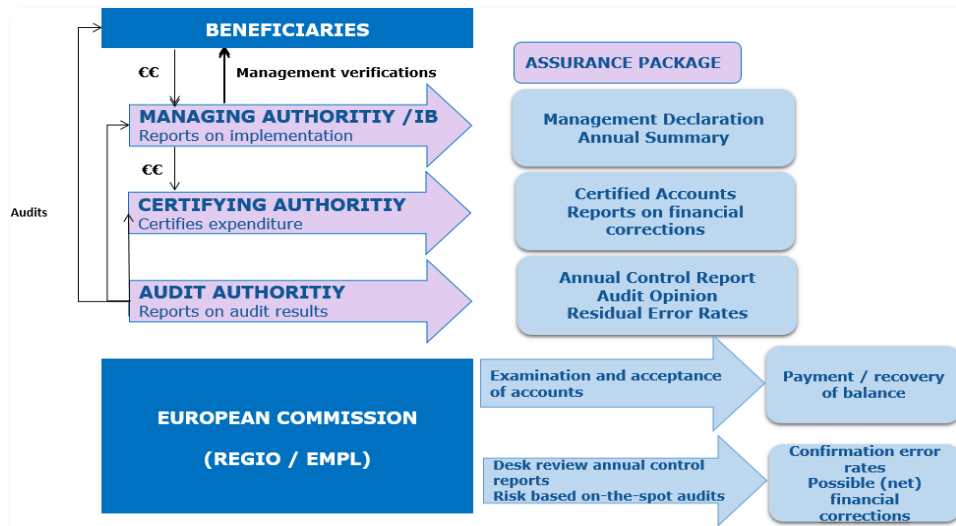
³¹ The below system description remains largely applicable to 2021-2027 programmes as well, since the co-legislator decided to ensure a carry-over of the 2014-2020 architecture as part of the simplification measures.

Graph 1: Assurance architecture for shared management



The control system is built on several levels. Each level may rely on previous controls performed by other bodies after having performed its own verifications that those controls are effective (single audit concept).

Graph 2: Control system



1. Member States are in the first instance responsible for putting in place robust management and control systems, which are capable of preventing and detecting irregularities (including fraud), and allowing for the reporting of a reliable residual total error rate for each programme each year, whilst also having made use of financial corrections where necessary.

For each accounting year the Management and Control System (MCS) performs the following tasks:
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- During the accounting year (1 July N-1 to 30 June N)

The **managing authority/intermediate body** carries out verifications until the submission of the programme accounts. It verifies that the co-financed products have been delivered, that the expenditure declared by the beneficiaries has been incurred and paid and that it complies with the applicable law, the programme and the conditions for support of the operation.

Before submitting interim payment applications, the **certifying authority** certifies that they result from reliable accounting systems, are based on verifiable supporting documents and have been subject to verifications by the managing authority. The last interim payment claim is submitted by the certifying authority to the Commission by 31 July following the end of the accounting year.

The **audit authority** carries out audits on the management and control systems (system audits), on the accounts, and of a representative sample of operations based on the declared expenditure to the Commission during the accounting year. It has to perform its system audits and audits of operations in order to deliver the audit opinion by 15 February following the end of the accounting year.

- At the moment of the assurance package (15 February N+1)

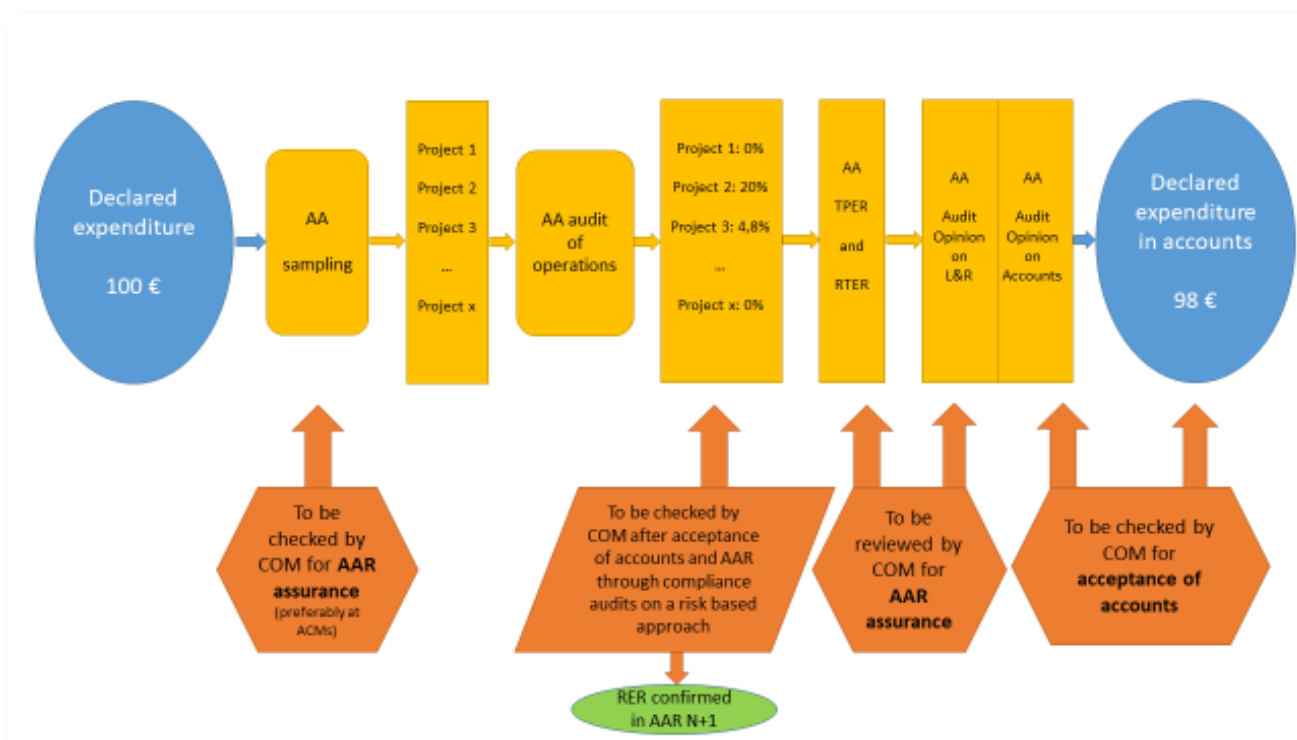
The managing authority finalises the verifications to ensure that the expenditure to be certified in the accounts is legal and regular. It takes account of findings of the audit authority and makes necessary financial corrections including flat rates corrections. It draws up the management declaration and annual summary.

The certifying authority collates all interim claims in the accounts and excludes the irregular amounts (and those under ongoing assessment) detected in relation to expenditure included in interim payment claims. It takes account of findings of the audit authority and satisfies itself that necessary financial corrections including flat rates corrections have been made. It provides in the accounts explanations for the difference between the sum of interim payment claims and the accounts. It draws up the accounts certifying their completeness, accuracy and veracity and that the expenditure entered in the accounts complies with applicable law.

The audit authority finalises the system audits and audit of operations. It informs the MA/CA of the final audit results for their follow-up and corrective measures. It prepares the annual control opinion and annual audit opinion and calculates a total error rate and total residual error rate in the accounts, taking into account the financial corrections implemented by MA/CA as a result of audits. In addition, it carries out final audit work on the accounts and assesses the consistency of the management declaration.

The acceptance of accounts is a separate process from the assessment of legality and regularity, as foreseen in the Regulation (EC) 1303/2013. However, the national authorities should ensure that the block of expenditure certified in the accounts does not contain any remaining material level of irregularity. When a material level of irregularities is identified in the accounts, as reported by the audit authority (for ex. because of an annual residual total error rate above 2%), the Commission may decide to interrupt the payment of the final annual balance.

Graph 3: Annual assurance package and audits of operations



2. At Commission level, the way in which REGIO defines its assurance for the management and control systems for each programme is a process based on internal control and audit procedures carried out by audit (DAC), financial and operational units.

a) The following audit sources are used based on the single audit approach and in line with the single audit strategy and risk-assessment in place:

- Audit authorities' work and results on both systems and operations, reported to REGIO throughout the year (systems audit reports) or at year end (annual control reports and audit opinions);
- DAC's desk and on-the-spot review of the work of audit authorities;
- DAC's on-the-spot system audits including at the level of operations where necessary;
- Relevant audit information received from other DGs (EMPL, MARE and possibly AGRI, HOME or ECFIN);
- Audits from the European Court of Auditors;
- OLAF final case reports.

b) Any other source of information, formal or informal, acquired by the geographical units in the context of their day-to-day management of the programmes are also contributing to the assurance process, for example:

- Annual Implementation Reports from the Member States;
- Monitoring committees and annual meetings;
- Contacts with regional and national programme managers.

The Single Audit Strategy for the funds managed by REGIO, EMPL and MARE for the 2014-2020 period aims at focusing the Commission's audit activity on the review and re-performance of the work of the audit authorities. This single audit approach is complemented by capacity building actions and thematic/targeted audits to ensure that no serious deficiencies remain undetected or uncorrected by the Member States when submitting the accounts, and that the Commission can rely on the assurance packages. The overall objective of the Single Audit Strategy is to obtain reasonable assurance that the management and control systems of the Member States:

- comply with requirements of the relevant EU Regulations; and
- are functioning effectively to prevent and detect errors and irregularities and to ensure the legality and regularity of the expenditure declared to the Commission

so that no serious deficiency remains not detected, reported or corrected.

Through the **single audit approach**, each year the DAC assesses the audit work and opinions carried out by audit authorities for each programme, and complements the assurance process by its risk-based audits. The assessment of all available audit sources results in an Annual Audit Opinion of the DG for each programme. This forms the basis for management opinions by the Authorising Officers by Sub-Delegation.

Following the reception of the assurance packages, the Commission auditors perform:

1. first a **desk review for the acceptance of accounts** and **thorough assessment** including a consistency check **of the reported total error rates and audit opinions** for the assurance declaration in the AAR. Moreover, fact finding audits can be performed to clarify issues stemming from the assessment of assurance packages (on time for the AAR).
2. followed (after finalisation of the AAR) by a **thorough risk analysis taking into account also the Annual Control Reports**, audit opinions and error rates reported and,
3. as a consequence of the risk analysis, for a number of programmes / audit authorities for which specific risks have been identified, **on-the-spot compliance audits** to re-perform the work done by the audit authorities. Furthermore, thematic audits are performed in order to address specific identified risky areas. This audit work is carried out following the issuance of the AAR, and its results feed into the next AAR.

3. Calculation of the risk at payment and residual total error rates

The process for the confirmation of the residual total error rates and the calculation of the risk to the relevant expenditure in 2022 is performed as follows:

- The DG reports in this AAR its assessment of the reliability of residual total error rates reported for the **accounting year 2020-2021** (amounts certified and cleared in 2022). It confirms, where possible, individual rates per programme and the resulting average after the whole control process at national and Commission levels has been performed.
- This average residual total error rate for 2020-2021 accounts represents the most relevant key performance indicator of the overall residual risk for year 2022 to the underlying programmes expenditure. It is reported as **KPI 5 in the AAR**³².
- Reported total and residual error rates for individual programmes are confirmed considering all available audit information, following the two-stage audit process (desk review and assessment / on spot audits) described above. This process may lead to a confirmation or a re-calculation of the programme's residual total error rate for the accounting year at stake.
- Where contradictory procedures for compliance audits are still ongoing at the moment of the adoption of this AAR, a prudent approach is taken when re-calculating the residual total error rates, i.e. using the most conservative results at that stage of the audit process; in some cases a flat rate is used. For the concerned programmes REGIO may still further adjust downwards the residual total error rates upon completion of the contradictory procedure with the Member State (after signature of the AAR).
- A similar approach is taken for ECA's preliminary results on the 2020-2021 assurance packages, pending the results of the on-going contradictory procedure.
- As a complement to KPI 5, REGIO is also estimating **a prudent maximum residual error rate** to take into account potential additional risks for some programmes, estimated at flat rate³³.

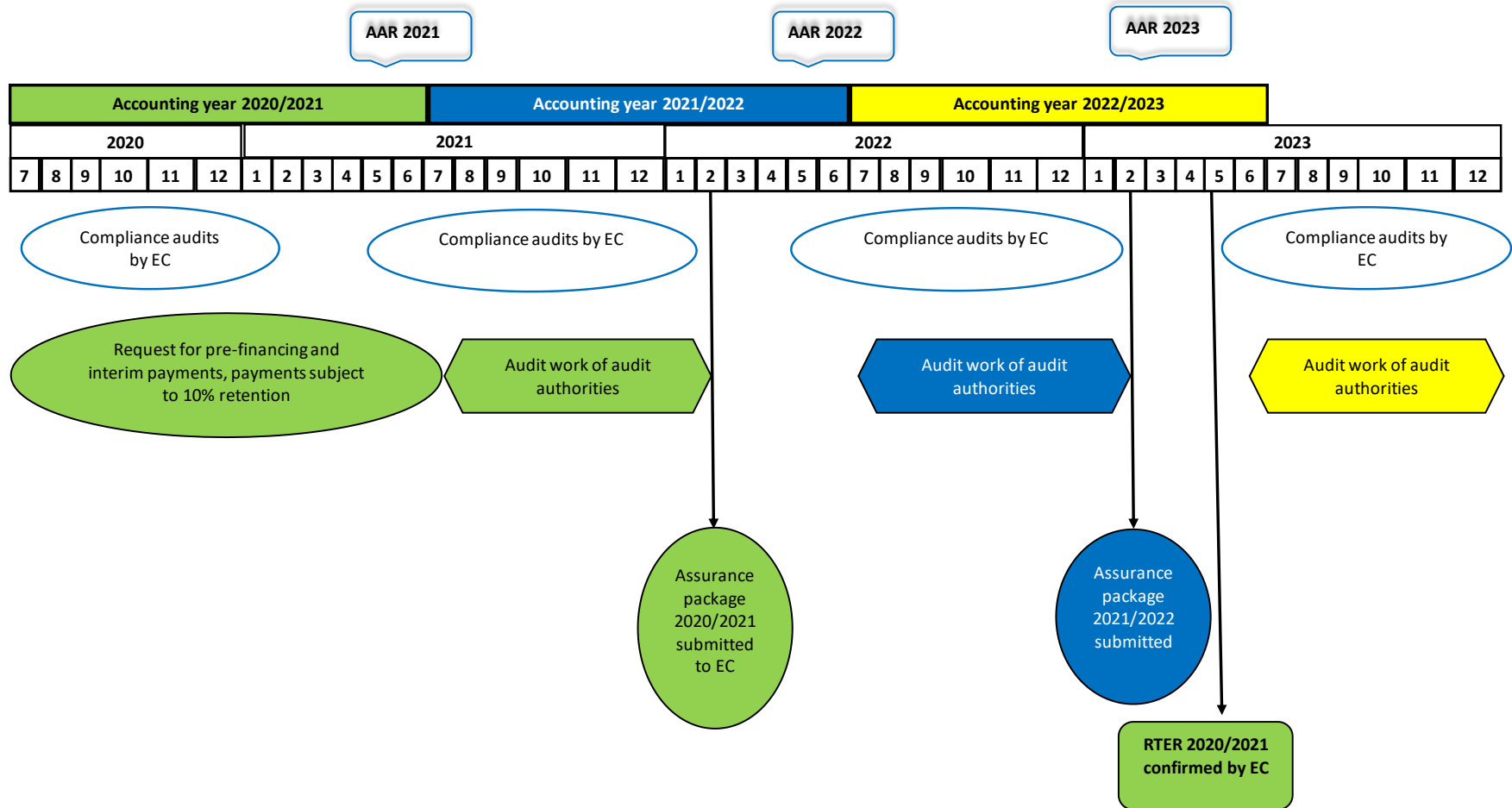
When the Commission, through its desk review and on-the-spot compliance audits, still identifies further irregularities in the accepted accounts, it launches a contradictory procedure that may end up in **financial correction procedures** (which shall be net if **serious deficiencies** in the management and control system of the Member State are identified by the Commission or the European Court of Auditors after the accounts were submitted, and which were not identified, reported and corrected by the Member State's authorities, if the strict conditions designed by the legislator under Article 145(7) of Regulation (EC) 1303/2013 are fulfilled).

The graph below illustrates how REGIO assesses the certified expenditure:

³² After neutralising the impact of advances paid into financial instruments included (in line with Article 127 CPR) in the samples of audit authorities based on declared expenditure, as per the ECA recommendation.

³³ Namely to consider additional risks that may be present in that part of the audit sample of the audit authority that was not covered by the Commission services' audits, as well as additional risks identified during the Commission services' desk reviews or during ECA audits but not yet communicated. In addition an average risk increase from previous audits, for the concerned audit authority or programme, is also added to the calculation of maximum risk, possibly at flat rate.

Graph 4: Assurance process covering different accounting years (July N to June N+1)



Note on 2021-2027

For the 2021-2027 period the above-mentioned described system remains **largely unchanged, but becomes further streamlined and simplified**:

1. Management verifications carried out by managing authorities are now risk-based and proportionate to the risks identified ex ante and in writing. The risk-assessment to be carried out should be fed back by the results from previous management verifications and audits.
2. Certifying Authorities are replaced by an accounting function (carried out either directly by the managing authority or by an appointed body) will be in charge of drawing up and submitting payment applications and accounts to the Commission. The accounting function shall not comprise verifications at the level of beneficiaries.
3. The accounts are not admissible if Member States have not undertaken the necessary corrections to reduce the residual total error rate of expenditure included in the accounts to 2 % or below.
4. For programmes which historically function well (conditions described in article 184 of CPR), Member States may apply enhanced proportionate arrangements which simplify the control and audit work and reduce the administrative burden at the level of beneficiaries.

ANNEX 7B: 2014-2020 ERDF / CF programmes: Audit opinion and error rates³⁴

MS	Ref	Title	(1) MCS functioning effectively AAR2021 (Y/N/NA*): Y=Cat. 1-2; N=Cat. 3-4	(1) MCS functioning effectively AAR 2022 (Y/N/NA*): Y=Cat. 1-2; N=Cat. 3-4	Accounting year 2019-2020	Accounting year 2020-2021			Accounting year 2021-2022			Issued Reservation for 2022 (Y/N)	Comments
					Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)	Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)			Reportable rates (reported by audit authorities and, where necessary, adjusted by EC following preliminary consistency checks)				
					(2) Total Error Rate	(3) Total Error Rate	(4) Residual Total Error Rate	(5) Residual Total Error Rate removing impact of advances to financial instruments	(6) Total Error Rate reportable by EC	(7) Residual Total Error Rate reportable by EC	(8) Relevant Expenditure (€)		
AT	2014AT16RFO P001	Investments in Growth and Employment Austria 2014-2020 - Operational Programme for the use of the ERDF funds	Y	N	4,72%	25,00%	25,00%	25,00%	25,00%	25,00%	168.743.011,72 €	Partial	Public Procurement expenditure affected. 25% flat rate to take into account the possible systemic irregularity related with cartel
BE	2014BE16RFO P001	OP Brussels Capital Region	Y	Y	0,90%	12,55%	11,50%	11,50%	0,60%	0,30%	15.186.676,46 €	Partial non-fin.	Measures related to financial instrument are still to be implemented (no FI

³⁴ Please see Annex 5 for description of the key requirements.

													expenditure was declared)
BE	2014BE16RFO P002	OP Flanders	Y	Y	6,86%	0,98%	0,71%	0,71%	1,32%	0,75%	23.422.660,51 €	N	
BE	2014BE16RFO P003	OP Wallonia	Y	Y	0,24%	0,27%	0,26%	0,34%	0,28%	0,09%	109.137.233,94 €	N	
BG	2014BG05M2 OP001	Operational Programme Science and Education for Smart Growth	Y	Y	0,61%	0,77%	0,37%	0,37%	1,37%	1,08%	24.094.830,62 €	N	
BG	2014BG16M1 OP001	Operational programme "Transport and transport infrastructure"	Y	Y	0,21%	1,01%	0,69%	0,69%	1,08%	0,54%	180.179.304,11 €	N	
BG	2014BG16M1 OP002	Operational programme "Environment"	Y	N	0,57%	4,72%	2,00%	2,00%	3,56%	2,00%	140.065.949,41 €	N	
BG	2014BG16RF OP001	Operational programme "Regions in Growth"	Y	Y	2,43%	1,58%	0,93%	0,93%	1,23%	0,68%	103.387.834,32 €	N	
BG	2014BG16RF OP002	Operational programme "Innovations and Competitiveness"	Y	Y	0,90%	2,19%	2,00%	2,00%	0,81%	0,52%	358.186.611,12 €	N	
BG	2015BG16RFS M001	Operational Programme under the SME Initiative	Y	Y	0,00%	0	0	0	0	0	0,00 €	N	
CY	2014CY16M1 OP001	Competitiveness and sustainable development	Y	Y	0,13%	0,86%	0,79%	0,79%	0,31%	0,01%	105.604.645,86 €	N	
CZ	2014CZ05M2 OP001	OP Research, Development and Education	Y	Y	0,23%	1,27%	1,27%	1,27%	0	0	230.622.389,82 €	N	
CZ	2014CZ16CFT A001	Technical assistance	Y	Y	0,00%	0	0	0	0,08%	0,05%	36.120.687,66 €	N	
CZ	2014CZ16M1 OP001	Transport	Y	Y	0,00%	0,02%	0,01%	0,01%	0,01%	0	604.839.827,43 €	N	
CZ	2014CZ16M1 OP002	Environment	Y	Y	1,77%	1,46%	1,43%	1,44%	3,16%	2,00%	470.227.801,97 €	N	
CZ	2014CZ16M2	OP Prague – Growth Pole	Y	Y	0,70%	2,19%	2,19%	2,19%	2,00%	2,00%	27.774.793,59 €	N	

	OP001												
CZ	2014CZ16RFO P001	Enterprise and Innovation for Competitiveness	N	N	4,11%	5,00%	5,00%	5,00%	5,00%	5,00%	553.924.567,25 €	full	Flat rate in view of ECA preliminary findings. Warning of corrective measures
CZ	2014CZ16RFO P002	Integrated Regional Operational Programme	Y	Y	0,60%	1,85%	1,73%	1,74%	0,42%	0,39%	781.882.260,47 €	N	
DE	2014DE16M2 OP001	OP Niedersachsen ERDF/ESF 2014-2020	Y	Y	1,62%	0,40%	0,39%	0,41%	1,40%	0,87%	131.404.306,03 €	N	
DE	2014DE16RF OP001	OP Baden-Württemberg ERDF 2014-2020	Y	Y	3,52%	0,54%	0,02%	0,02%	0,07%	0,08%	80.152.256,11 €	N	
DE	2014DE16RF OP002	OP Bayern ERDF 2014-2020	Y	Y	1,57%	1,47%	1,42%	1,51%	0,52%	0,45%	136.328.653,53 €	N	
DE	2014DE16RF OP003	OP Berlin ERDF 2014-2020	Y	Y	1,43%	1,46%	1,37%	1,48%	0,61%	0,49%	114.137.271,13 €	Partial non-fin.	Qualified Significant assessment for part of the OP (Technical assistance, Senatsverwaltung für Wirtschaft*). Warning of interruption
DE	2014DE16RF OP004	OP Brandenburg ERDF 2014-2020	Y	N	0,63%	2,88%	2,00%	2,16%	0,73%	0,69%	169.897.145,94 €	N	
DE	2014DE16RF OP005	OP Bremen ERDF 2014-2020	Y	Y	4,55%	1,80%	0,81%	0,88%	0,90%	0,29%	9.981.257,83 €	N	
DE	2014DE16RF OP006	OP Hamburg ERDF 2014-2020	Y	Y	0,47%	0,41%	0,30%	0,43%	0,12%	0,37%	6.430.087,36 €	N	
DE	2014DE16RF OP007	OP Hessen ERDF 2014-2020	Y	Y	0,93%	0,83%	0,81%	1,08%	2,51%	0,92%	39.483.871,07 €	N	
DE	2014DE16RF OP008	OP Mecklenburg-Vorpommern ERDF 2014-2020	Y	Y	1,41%	0,37%	0,23%	0,25%	0,07%	0,06%	130.293.571,51 €	N	
DE	2014DE16RF OP009	OP Nordrhein-Westfalen ERDF 2014-2020	Y	Y	0,67%	0,59%	0,55%	0,55%	1,01%	0,81%	232.263.395,54 €	N	

DE	2014DE16RF OP010	OP Rheinland-Pfalz ERDF 2014-2020	Y	Y	0,00%	0,29%	0,27%	0,29%	0,44%	0,41%	25.530.247,53 €	N	
DE	2014DE16RF OP011	OP Saarland ERDF 2014- 2020	Y	Y	0,52%	0,07%	0	0			23.629.962,40 €	N	
DE	2014DE16RF OP012	OP Sachsen ERDF 2014- 2020	Y	Y	1,60%	2,71%	2,00%	2,59%	3,40%	2,00%	264.410.480,17 €	Partia I non- fin	Systemic irregularity on public procurement. warning letter for interruption ongoing (no payment done)
DE	2014DE16RF OP013	OP Sachsen-Anhalt ERDF 2014-2020	Y	Y	4,96%	2,82%	1,99%	1,99%	0,26%	0,23%	275.463.548,85 €	N	
DE	2014DE16RF OP014	OP Schleswig-Holstein ERDF 2014-2020	Y	Y	0,74%	0,56%	0,56%	0,64%	0,56%	0,30%	64.790.487,44 €	N	
DE	2014DE16RF OP015	OP Thüringen ERDF 2014-2020	Y	Y	0,35%	2,99%	1,73%	1,76%	0,66%	0	154.267.813,26 €	N	
DE	2020DE16M2 RE017	OP Mecklenburg-Western Pomerania REACT-EU 2021-2022	-	Y	0	0	0	0	0	0	0,00 €	N	
DK	2014DK16RF OP001	Innovation and Sustainable Growth in Businesses. National Programme for the European Regional Fund – 2014-2020	Y	Y	2,00%	0,34%	0,32%	0,32%	1,15%	1,07%	41.045.727,45 €	N	
EE	2014EE16M3 OP001	Operational Programme for Cohesion Policy Funding 2014-2020	Y	Y	0,75%	1,67%	1,63%	1,63%	1,12%	1,06%	443.881.997,65 €	Partia I	Qualified Significant assessment for IB Environmental and Investment Centre. Warning of corrective measures
ES	2014ES16RFO P002	Multiregional OP for Spain ERDF 2014-20	Y	Y	2,32%	6,23%	3,59%	3,59%	2,50%	2,00%	2.582.472.597,36 €	N	
ES	2014ES16RFO P003	Andalucía ERDF 2014-20 OP	N	Y	15,36%	5,51%	1,58%	1,58%	7,78%	0,53%	745.920.005,00 €	N	

ES	2014ES16RFO P004	Aragón ERDF 2014-20 OP	Y	N	0,01%	0,32%	0,32%	0,32%	7,45%	1,93%	137.993.448,46 €	N	
ES	2014ES16RFO P005	Asturias ERDF 2014-20 OP	Y	Y	2,35%	0,59%	0,29%	0,29%	0	0	99.116.666,84 €	N	
ES	2014ES16RFO P006	Baleares ERDF 2014-20 OP	Y	N	0,98%	0,55%	0	0	17,53%	1,11%	43.334.107,75 €	Full	Reported Total error rate >10%
ES	2014ES16RFO P007	Canary Islands ERDF 2014-20 OP	Y	N	2,86%	2,87%	1,27%	1,27%	16,08%	2,00%	135.952.637,18 €	Full	Reported Total error rate >10% Payment of Balance interrupted
ES	2014ES16RFO P008	Cantabria ERDF 2014-20 OP	Y	Y	0,16%	0	0	0	0	0	35.368.602,17 €	N	
ES	2014ES16RFO P009	Castilla y León ERDF 2014-20 OP	Y	N	0,75%	0,68%	0,64%	0,72%	6,75%	0	76.308.572,04 €	N	
ES	2014ES16RFO P010	Castilla-La Mancha ERDF 2014-20 OP	Y	Y	1,34%	0	0	0	0,12%	0,07%	297.640.524,63 €	N	
ES	2014ES16RFO P011	Cataluña ERDF 2014-20 OP	Y	Y	4,46%	2,21%	1,44%	1,44%	1,06%	0,99%	291.916.480,18 €	N	
ES	2014ES16RFO P012	Ceuta ERDF 2014-20 OP	Y	Y	3,75%	0,50%	0	0	1,19%	1,08%	8.727.180,52 €	N	
ES	2014ES16RFO P013	Comunidad Valenciana ERDF 2014-20 OP	Y	Y	2,60%	5,03%	1,96%	1,96%	1,49%	0,66%	96.148.053,37 €	N	
ES	2014ES16RFO P014	Extremadura ERDF 2014-20 OP	N	N	0,75%	8,45%	0,14%	0,14%	12,65%	0,57%	105.164.897,88 €	Full	Reported TER above 10%. warning of interruption
ES	2014ES16RFO P015	Galicia ERDF 2014-20 OP	N	N	2,17%	7,56%	1,73%	1,73%	6,86%	1,90%	297.490.631,28 €	N	
ES	2014ES16RFO P016	La Rioja ERDF 2014-20 OP	Y	Y	0,34%	0,46%	0,33%	0,33%	0	0	9.814.591,88 €	N	
ES	2014ES16RFO P017	Madrid ERDF 2014-20 OP	Y	Y	2,40%	8,95%	8,43%	8,43%	1,36%	0,69%	33.652.068,40 €	N	
ES	2014ES16RFO	Melilla ERDF 2014-20 OP	Y	N	0,00%	1,71%	0,48%	0,48%	5,00%	5,00%	14.273.792,17 €	Full	Flat rate due to the

	P018													seriousness of the system deficiencies detected in the work carried out by AA warning of corrective measures
ES	2014ES16RFO P019	Murcia ERDF 2014-20 OP	Y	Y	4,61%	3,11%	1,93%	1,93%	0,87%	0,79%	140.659.386,63 €	N		
ES	2014ES16RFO P020	Navarra ERDF 2014-20 OP	Y	Y	0,00%	4,82%	0	0	0	0	2.035.130,46 €	N		
ES	2014ES16RFO P021	País Vasco ERDF 2014-20 OP	Y	N	1,96%	0,49%	0,41%	0,41%	25,00%	25,00%	233.506.861,66 €	Full	Flat rate to reflect the risk of irregular award of COVID contracts using emergency procedures. COVID contracts represent almost 70% of the amount declared	
ES	2014ES16RFS M001	SME Initiative ERDF 2014-20 OP	N	Y	0,00%	0	0	0	0	0	13.861.904,00 €	N		
FI	2014FI05M20 P001	Entrepreneurship and skills, Åland Structural Fund Programme 2014-2020	Y	Y	2,00%	0,03%	0	0	0,01%	0,01%	837.621,51 €	N		
FI	2014FI16M20 P001	Sustainable growth and jobs 2014-2020 - Structural Funds Programme of Finland	Y	Y	0,60%	2,00%	2,00%	2,00%	2,00%	2,00%	127.175.456,90 €	N		
FI	2016FI16RFS M001	SME Initiative: Finnish guarantee scheme to improve access to finance for high-growth firms	Y	Y	0,00%	0	0	0	0	0	0,00 €	N		
FR	2014FR05MO OPO01	Operational Programme ERDF-ESF ile-de-France et Seine 2014-2020	N	Y	5,28%	5,39%	2,00%	4,53%	3,89%	2,00%	45.325.683,17 €	N		

FR	2014FR05M2 OP001	Operational Programme ERDF-ESF Guadeloupe et St Martin Etat 2014- 2020	Y	N	0,63%	3,61%	2,00%	2,00%	35,74%	2,00%	3.898.319,90 €	Full	Reported Total Error Rate (TER) above 10% Warning of interruption
FR	2014FR16MO OP001	Regional programme Aquitaine 2014-2020	N	N	3,95%	5,99%	2,00%	2,03%	7,75%	2,00%	68.494.563,59 €	N	
FR	2014FR16MO OP002	Regional programme Auvergne 2014-2020	Y	Y	3,80%	3,11%	2,64%	2,82%	2,00%	2,00%	37.475.902,16 €	N	
FR	2014FR16MO OP003	Regional programme Centre 2014-2020	Y	Y	1,25%	1,84%	1,31%	1,31%	0,49%	0,31%	73.050.457,95 €	N	
FR	2014FR16MO OP004	Regional programme Champagne-Ardenne 2014-2020	Y	Y	0,52%	0,65%	0,54%	0,54%	1,09%	1,00%	21.781.926,60 €	N	
FR	2014FR16MO OP005	Regional programme Haute-Normandie 2014- 2020	Y	Y	0,14%	2,82%	1,31%		1,00%	0,79%	56.127.689,27 €	N	
FR	2014FR16MO OP006	Regional programme Languedoc-Roussillon 2014-2020	Y	Y	2,56%	3,62%	2,00%	2,18%	1,95%	1,62%	103.096.067,34 €	N	
FR	2014FR16MO OP007	Regional programme Midi-Pyrénées et Garonne 2014-2020	Y	Y	2,56%	3,62%	2,00%	2,18%	1,95%	1,62%	79.972.848,04 €	N	
FR	2014FR16MO OP008	Regional programme Picardie 2014-2020	Y	Y	2,46%	1,28%	0,97%	0,98%	1,34%	0,69%	47.976.095,42 €	N	
FR	2014FR16MO OP009	Regional programme Guadeloupe Conseil Régional 2014-2020	Y	N	10,28%	5,00%	5,00%	5,00%	14,25%	2,00%	79.826.417,45 €	Full	Reported Total Error Rate (TER) above 10% Warning of interruption
FR	2014FR16MO OP011	Regional programme Martinique Conseil Régional 2014-2020	N	Y	0,72%	0,03%	0,01%	0,01%	0,01%	0,01%	61.431.046,42 €	N	
FR	2014FR16MO OP012	Regional programme Nord-Pas de Calais 2014-2020	Y	Y	2,46%	1,28%	0,97%	0,98%	1,34%	0,69%	149.400.252,76 €	N	
FR	2014FR16MO	Regional programme	Y	Y	14,54%	2,91%	2,00%	2,32%	0,48%	0,44%	45.066.544,94 €	N	

	OP013	Provence Alpes Côte d'Azur 2014-2020											
FR	2014FR16M0 OP014	Regional programme Bourgogne 2014-2020	Y	Y	2,67%	2,00%	2,00%	2,00%	2,00%	2,00%	45.392.294,76 €	N	
FR	2014FR16M0 OP015	Regional programme Lorraine et Vosges 2014-2020	Y	Y	0,52%	0,65%	0,54%	0,54%	1,09%	1,00%	50.515.560,05 €	N	
FR	2014FR16M2 OP001	Regional programme Basse-Normandie 2014-2020	Y	Y	1,34%	3,48%	2,00%	2,22%	1,00%	0,79%	50.414.469,72 €	N	
FR	2014FR16M2 OP003	Regional programme Bretagne 2014-2020	Y	Y	1,29%	1,05%	0,91%	0,96%	2,80%	0,65%	70.705.975,69 €	N	
FR	2014FR16M2 OP004	Regional programme Corse 2014-2020	N	N	4,24%	15,26%	2,00%	2,00%	8,10%	2,00%	0884.938,53 €	N	
FR	2014FR16M2 OP005	Regional programme Franche-Comté et Jura 2014-2020	Y	Y	2,67%	2,00%	2,00%	2,00%	2,00%	2,00%	39.253.805,85 €	N	
FR	2014FR16M2 OP006	Regional programme Limousin 2014-2020	N	N	3,95%	5,99%	2,00%	2,03%	7,75%	2,00%	9.588.791,77 €	N	
FR	2014FR16M2 OP008	Regional programme Pays de la Loire 2014-2020	Y	Y	1,79%	1,18%	0,72%	0,72%	2,71%	2,00%	67.893.815,59 €	N	
FR	2014FR16M2 OP009	Regional programme Poitou Charentes 2014-2020	N	N	3,95%	5,99%	2,00%	2,03%	7,75%	2,00%	36.235.786,81 €	N	
FR	2014FR16M2 OP010	Regional programme Rhône Alpes 2014-2020	Y	Y	3,80%	3,11%	2,64%	2,82%	2,00%	2,00%	71.704.511,95 €	N	
FR	2014FR16M2 OP011	Regional programme Guyane Conseil Régional 2014-2020	Y	N	9,34%	7,01%	6,95%	7,26%	5,00%	5,00%	32.474.977,41 €	Full	Flat rate of 5% proposed due to deficiencies detected in work of AA (non detection of errors, under contradictory)
FR	2014FR16M2	Regional programme	N	Y	0,00%	0	0	0	2,00%	2,00%	0,00 €	N	

	OP012	Mayotte 2014-2020											
FR	2014FR16M2 TA001	National technical assistance programme 2014-2020	Y	Y	0,00%	0	0	0	0,15%	0,13%	5.987.757,32 €	N	
FR	2014FR16RFO P001	Interregional programme Alpes 2014-2020	Y	Y	3,15%	0,34%	0,28%	0,28%	2,30%	1,84%	3.499.852,64 €	N	
FR	2014FR16RFO P002	Interregional programme Loire 2014-2020	Y	Y	1,25%	1,84%	1,31%	1,31%	0,49%	0,31%	7.227.067,28 €	N	
FR	2014FR16RFO P003	Interregional programme Massif Central 2014- 2020	N	N	4,48%	6,34%	2,00%	2,00%	13,62%	2,00%	4.762.085,59 €	Full	Reported Total error rate > 10% warning of interruption
FR	2014FR16RFO P004	Interregional programme Pyrénées 2014-2020	Y	Y	2,56%	3,62%	2,00%	2,18%	1,95%	1,62%	2.721.011,39 €	N	
FR	2014FR16RFO P005	Interregional programme Rhône 2014-2020	Y	Y	3,80%	3,11%	2,64%	2,82%	2,00%	2,00%	5.128.561,02 €	N	
FR	2014FR16RFO P006	Interregional programme Alsace 2014-2020	Y	Y	0,52%	0,65%	0,54%	0,54%	1,09%	1,00%	5.089.839,87 €	N	
FR	2014FR16RFO P007	Interregional programme Réunion Conseil Régional 2014-2020	Y	Y	0,42%	0,81%	0,47%	0,47%	0,12%	0,10%	188.716.515,50 €	N	
EL	2014GR05M2 OP001	Reform of the Public Sector	Y	Y	8,39%	2,02%	1,56%	2,74%	3,64%	1,99%	28.822.678,33 €	N	
EL	2014GR16M1 OP001	TRANSPORT INFRASTRUCTURE, ENVIRONMENT AND SUSTAINABLE DEVELOPMENT OP	Y	Y	8,39%	2,02%	1,56%	2,74%	3,64%	1,99%	613.631.412,23 €	N	
EL	2014GR16M2 OP001	COMPETITIVENESS, ENTREPRENEURSHIP AND INNOVATION OP	Y	Y	8,39%	2,02%	1,56%	2,74%	3,64%	1,99%	921.912.626,84 €	N	
EL	2014GR16M2 OP002	CENTRAL MACEDONIA OP	Y	Y	8,39%	2,02%	1,56%	2,74%	3,64%	1,99%	29.767.843,86 €	N	
EL	2014GR16M2	THESSALY OP	Y	Y	8,39%	2,02%	1,56%	2,74%	3,64%	1,99%	54.153.415,70 €	N	

	OP003												
EL	2014GR16M2 OP004	EPIRUS OP	Y	Y	8,39%	2,02%	1,56%	2,74%	3,64%	1,99%	20.002.475,51 €	N	
EL	2014GR16M2 OP005	WESTERN GREECE OP	Y	Y	8,39%	2,02%	1,56%	2,74%	3,64%	1,99%	62.968.371,56 €	N	
EL	2014GR16M2 OP006	WESTERN MACEDONIA OP	Y	Y	8,39%	2,02%	1,56%	2,74%	3,64%	1,99%	25.734.392,47 €	N	
EL	2014GR16M2 OP007	CONTINENTAL GREECE OP	Y	Y	8,39%	2,02%	1,56%	2,74%	3,64%	1,99%	2.322.149,59 €	N	
EL	2014GR16M2 OP008	PELOPONNESUS OP	Y	Y	8,39%	2,02%	1,56%	2,74%	3,64%	1,99%	26.327.083,61 €	N	
EL	2014GR16M2 OP009	IONIAN ISLANDS OP	Y	Y	8,39%	2,02%	1,56%	2,74%	3,64%	1,99%	33.370.314,71 €	N	
EL	2014GR16M2 OP010	NORTH AEGEAN OP	Y	Y	8,39%	2,02%	1,56%	2,74%	3,64%	1,99%	38.237.774,57 €	N	
EL	2014GR16M2 OP011	CRETE OP	Y	Y	8,39%	2,02%	1,56%	2,74%	3,64%	1,99%	51.140.124,26 €	N	
EL	2014GR16M2 OP012	ATTICA OP	Y	Y	8,39%	2,02%	1,56%	2,74%	3,64%	1,99%	013.956.290,44 €	N	
EL	2014GR16M2 OP013	SOUTH AEGEAN OP	Y	Y	8,39%	2,02%	1,56%	2,74%	3,64%	1,99%	1.504.594,65 €	N	
EL	2014GR16M2 OP014	EASTERN MACEDONIA- THRACE OP	Y	Y	8,39%	2,02%	1,56%	2,74%	3,64%	1,99%	88.357.895,02 €	N	
EL	2014GR16M3 TA001	Technical Assistance Programme	Y	Y	8,39%	2,02%	1,56%	2,74%	3,64%	1,99%	9.701.552,95 €	N	
HR	2014HR16M1 OP001	Competitiveness and Cohesion OP	Y	Y	0,91%	0,06%	0,06%	0,08%	0,34%	0,25%	794.183.551,17 €		
HU	2014HU05M2 OP001	Human Resources Development Operational Programme	Y	N	2,22%	2,96%	1,99%	1,99%	8,17%	1,99%	144.458.113,43 €	Partia I	Significant deficiencies related to the corrective capacity of the Management and Control Systems in
HU	2014HU05M3 OP001	Public Administration and Civil Service Development	Y	Y	3,42%	1,32%	0,32%	0,32%	2,14%	1,02%	10.507.790,53 €	Partia I	

		OP																
HU	2014HU16M0 OP001	Economic Development and Innovation Operational Programme	Y	Y	3,50%	1,71%	1,66%	1,66%	4,11%	1,99%	630.249.628,88 €	Partia I	relation to public procurement (Commission audit under contradictory)					
HU	2014HU16M1 OP001	Environmental and Energy Efficiency OP	Y	Y	1,47%	1,29%	1,06%	1,06%	1,94%	1,72%	269.038.054,56 €	Partia I						
HU	2014HU16M1 OP003	Integrated Transport OP	Y	Y	1,51%	2,27%	0,65%	0,65%	1,98%	0	270.351.179,02 €	Partia I						
HU	2014HU16M2 OP001	Territorial and settlement development OP	Y	Y	2,36%	0,83%	0,72%	0,73%	3,47%	2,25%	615.732.636,40 €	Partia I						
HU	2014HU16M2 OP002	Competitive Central-Hungary OP	Y	Y	2,36%	0,83%	0,72%	0,73%	3,47%	2,25%	16.768.710,55 €	Partia I						
IE	2014IE16RFO P001	Border, Midland and Western Regional Operational Programme 2014-2020	Y	Y	6,50%	0	0	0	0,02%	0,01%	10.256.699,13 €	N						
IE	2014IE16RFO P002	Southern & Eastern Regional Operational Programme	Y	Y	6,50%	0	0	0	0,02%	0,01%	24.990.740,38 €	N						
IT	2014IT05M20 P001	National Operational Programme on Education	Y	Y	1,15%	1,12%	1,07%	1,07%	1,24%	1,19%	223.378.795,05 €	N						
IT	2014IT05M20 P002	National Operational Programme on Governance and Institutional Capacity	Y	Y	2,33%	0,96%	0,96%	0,96%	0,65%	0,65%	993.041.856,52 €	N						
IT	2014IT16M20 P001	ROP Molise ERDF ESF	N	Y	0,30%	23,80%	0	0	0,38%	0,38%	9.831.107,83 €	N						
IT	2014IT16M20 P002	ROP Puglia ERDF ESF	Y	Y	4,17%	5,00%	5,00%	5,00%	2,00%	2,00%	375.619.148,28 €	N						
IT	2014IT16M20 P003	National Operational Programme on Legality	Y	Y	1,29%	0,62%	0,47%	0,47%	1,00%	1,00%	37.166.956,54 €	N						
IT	2014IT16M20 P004	National Operational Programme on	Y	Y	8,80%	3,93%	3,81%	3,81%	0,98%	0,98%	75.051.426,21 €	N						

		Metropolitan Cities											
IT	2014IT16M20 P005	National Operational Programme on Research and Innovation	Y	N	0,15%	1,10%	1,08%	1,08%	2,00%	2,00%	148.266.733,41 €	N	
IT	2014IT16M20 P006	ROP Calabria ERDF ESF	Y	Y	7,40%	3,77%	2,31%	2,55%	3,25%	2,83%	145.651.470,73 €	Full	Recalculated residual error rate >2% due to mainly subcontracting issue
IT	2014IT16RFO P001	National Operational Programme on Culture	Y	Y	0,95%	2,00%	2,00%	2,00%	2,00%	2,00%	75.635.202,70 €	N	
IT	2014IT16RFO P002	National Operational Programme on Infrastructures and Networks	Y	Y	3,93%	0,46%	0,42%	0,42%	2,51%	1,59%	222.249.780,81 €	N	
IT	2014IT16RFO P003	National Operational Programme on Enterprises and Competitiveness	Y	Y	1,81%	2,00%	2,00%	2,00%	2,00%	2,00%	521.627.974,43 €	N	
IT	2014IT16RFO P004	ROP Abruzzo ERDF	Y	Y	0,66%	0,25%	0,25%	0,66%	0	0	19.200.592,79 €	N	
IT	2014IT16RFO P005	ROP PA Bolzano ERDF	Y	Y	0,30%	0,55%	0,50%	0,50%	0,40%	0,30%	20.211.195,80 €	N	
IT	2014IT16RFO P007	ROP Campania ERDF	Y	Y	2,00%	5,19%	5,18%	5,18%	1,31%	1,27%	477.169.985,23 €	N	
IT	2014IT16RFO P008	ROP Emilia Romagna ERDF	Y	Y	0,27%	1,38%	1,20%	1,77%	1,55%	1,53%	21.421.350,53 €	N	
IT	2014IT16RFO P009	ROP Friuli Venezia Giulia ERDF	Y	Y	2,64%	0,09%	0,09%	0,09%	0,01%	0,01%	21.759.610,43 €	N	
IT	2014IT16RFO P010	ROP Lazio ERDF	Y	Y	1,39%	6,50%	0	0	3,00%	3,00%	137.559.102,77 €	Full	3% flat-rate due to incorrect projection of errors in 3 subsampled operations
IT	2014IT16RFO P011	ROP Liguria ERDF	Y	Y	0,41%	0,14%	0,14%	0,16%	0,01%	0,01%	34.331.668,80 €	N	

IT	2014IT16RFO P012	ROP Lombardia ERDF	N	N	1,83%	13,95%	1,01%	1,04%	2,00%	2,00%	72.947.680,39 €	N	
IT	2014IT16RFO P013	ROP Marche ERDF	N	Y	0,20%	9,96%	0,16%	0,18%	0,21%	0,16%	55.055.711,67 €	N	
IT	2014IT16RFO P014	ROP Piemonte ERDF	Y	Y	1,12%	0,03%	0,03%	0,04%	0,02%	0,02%	116.114.601,58 €	N	
IT	2014IT16RFO P015	ROP Sardegna ERDF	Y	Y	2,98%	0,23%	0,22%	0,36%	2,00%	2,00%	128.153.075,32 €	N	
IT	2014IT16RFO P016	ROP Sicilia ERDF	N	Y	2,66%	8,96%	3,08%	3,48%	2,20%	1,57%	384.757.332,62 €	Partia I	Irregularities reported by AA in relation to group of projects under <i>see Sicily</i> measure Warning of interruption
IT	2014IT16RFO P017	ROP Toscana ERDF	Y	Y	1,67%	1,90%	1,87%	1,97%	0,19%	0,19%	55.859.136,30 €	N	
IT	2014IT16RFO P018	ROP PA Trento ERDF	Y	Y	0,55%	0	0	0	0	0	2.924.590,82 €	N	
IT	2014IT16RFO P019	ROP Umbria ERDF	Y	Y	1,84%	0,09%	0,08%	0,12%	0,13%	0,12%	44.077.066,39 €	N	
IT	2014IT16RFO P020	ROP Valle d'Aosta ERDF	Y	Y	0,92%	5,63%	0	0	1,11%	0	3.096.523,84 €	N	
IT	2014IT16RFO P021	ROP Veneto ERDF	Y	Y	0,36%	5,00%	5,00%	5,00%	0,61%	0,61%	56.503.157,05 €	N	
IT	2014IT16RFO P022	ROP Basilicata ERDF	N	N	5,00%	5,00%	5,00%	5,00%	5,00%	5,00%	6.731.403,79 €	Full	5% flat rate to cover the risk of additional irregular expenditure (last year's reservation ongoing)
IT	2015IT16RFS M001	National operational programme SME Initiative	Y	Y	0,00%	0	0	0	0	0	128.938.870,17 €	N	
LT	2014LT16MA OPO01	Operational Programme for EU Structural Funds	Y	Y	1,90%	2,33%	2,00%	2,02%	2,42%	2,00%	823.191.474,50 €	N	

		Investments for 2014-2020											
LU	2014LU16RFO P001	Operational Programme ERDF Luxembourg 2014-2020	Y	Y	0,00%	2,00%	2,00%	2,00%	2,00%	2,00%	26.706.824,46 €	N	
LV	2014LV16MA OP001	Growth and Employment	Y	Y	3,61%	2,33%	1,87%	1,94%	1,31%	1,25%	489.209.822,91 €	Partia I	Serious deficiency detected in selection procedures (conflicts of interest) for the Competence Centres Warning of interruption ongoing (no payment made)
MT	2014MT16M1 OP001	Fostering a competitive and sustainable economy to meet our challenges	Y	Y	0,03%	8,98%	8,93%	8,93%	2,00%	2,00%	74.485.944,24 €	N	
MT	2014MT16RF SMO01	Stimulate private sector investment for economic growth	Y	Y	0,00%	0	0	0	0	0	0,00 €	N	
NL	2014NL16RF OP001	OP North Netherlands ERDF 2014-2020	Y	Y	0,17%	0,19%	0,11%	0,11%	1,43%	1,42%	22.666.535,82 €	N	
NL	2014NL16RF OP002	OP West Netherlands ERDF 2014-2020	Y	Y	0,55%	0	0	0	0,12%	0,11%	50.107.485,69 €	N	
NL	2014NL16RF OP003	OP South Netherlands ERDF 2014-2020	Y	Y	0,23%	1,15%	1,08%	1,08%	0,01%	0,01%	20.162.438,67 €	N	
NL	2014NL16RF OP004	OP East Netherlands ERDF 2014-2020	Y	Y	0,01%	0,36%	0,34%	0,36%	0,31%	0,30%	13.038.718,89 €	N	
PL	2014PL16CFT A001	OP Technical Assistance	Y	Y	0,13%	0,02%	0	0	0	0	91.850.599,21 €	N	
PL	2014PL16M1 OP001	OP Infrastructure and Environment	Y	Y	0,02%	0,56%	0,55%	0,55%	0	0	4.380.856.853,95 €	N	
PL	2014PL16M2 OP001	ROP 1 Regional Operational Programme for Dolnośląskie Voivodeship 2014-2020	Y	Y	0,40%	1,00%	0,96%	1,07%	0,78%	0,78%	197.883.015,47 €	N	

PL	2014PL16M2 OP002	ROP 2 Regional Operational Programme for Kujawsko-Pomorskie Voivodeship 2014-2020	Y	Y	2,45%	0,65%	0,61%	0,69%	1,65%	1,48%	358.361.824,46 €	N	
PL	2014PL16M2 OP003	ROP 3 Regional Operational Programme for Lubelskie Voivodeship 2014-2020	Y	Y	0,16%	1,80%	1,65%	1,79%	0,83%	0,82%	151.147.791,59 €	N	
PL	2014PL16M2 OP004	ROP 4 Regional Operational Programme for Lubuskie Voivodeship 2014-2020	Y	Y	0,39%	4,95%	4,89%	4,89%	0,27%	0,19%	101.308.728,60 €	N	
PL	2014PL16M2 OP005	ROP 5 Regional Operational Programme for Łódzkie Voivodeship 2014-2020	Y	Y	1,71%	0,70%	0,62%	0,67%	1,61%	1,60%	276.830.962,08 €	N	
PL	2014PL16M2 OP006	ROP 6 Regional Operational Programme for Małopolskie Voivodeship 2014-2020	Y	Y	0,59%	1,52%	1,45%	1,50%	0,76%	0,73%	292.629.904,04 €	N	
PL	2014PL16M2 OP007	ROP 7 Regional Operational Programme for Mazowieckie Voivodeship 2014-2020	N	Y	0,34%	0,47%	0,45%	0,48%	2,01%	1,73%	62.892.437,37 €	N	
PL	2014PL16M2 OP008	ROP 8 Regional Operational Programme for Opolskie Voivodeship	Y	Y	0,97%	0,97%	0,90%	0,90%	2,89%	1,99%	56.566.486,03 €	N	
PL	2014PL16M2 OP009	ROP 9 Regional Operational Programme for Podkarpackie Voivodeship	Y	Y	0,37%	0,41%	0,35%	0,41%	0	0	190.001.451,63 €	N	
PL	2014PL16M2 OP010	ROP 10 Regional Operational Programme for Podlaskie Voivodeship	Y	Y	0,93%	2,44%	1,95%	1,96%	1,53%	1,50%	167.969.414,70 €	N	
PL	2014PL16M2	ROP 11 Regional Operational Programme	Y	N	0,86%	4,21%	1,66%	1,79%	2,14%	2,11%	211.118.001,91 €	Full	TER/RTER recalculated due to the incorrect

	OP011	for Pomorskie Voivodeship												treatment of an operation Warning of Interruption
PL	2014PL16M2 OP012	ROP 12 Regional Operational Programme for Śląskie Voivodeship	Y	Y	2,78%	2,15%	2,00%	2,12%	0,62%	0,61%	350.140.016,43 €	N		
PL	2014PL16M2 OP013	ROP 13 Regional Operational Programme for Świętokrzyskie Voivodeship	N	Y	0,13%	3,66%	2,00%	2,38%	0,41%	0,40%	133.916.023,38 €	N		
PL	2014PL16M2 OP014	ROP 14 Regional Operational Programme for Warmińsko-Mazurskie Voivodeship	Y	Y	3,63%	3,13%	3,09%	3,20%	2,00%	2,00%	178.893.942,33 €	N		
PL	2014PL16M2 OP015	ROP 15 Regional Operational Programme for Wielkopolskie Voivodeship	Y	N	5,00%	5,00%	5,00%	5,00%	5,00%	5,00%	189.976.007,28 €	Full	Flat rate of 5% due to risk of incorrect treatment of an error with serious impact	
PL	2014PL16M2 OP016	ROP 16 Regional Operational Programme for Zachodniopomorskie Voivodeship	Y	Y	1,32%	2,00%	2,00%	2,00%	0,05%	0,05%	184.171.026,56 €	N		
PL	2014PL16RFO P001	OP Smart growth	Y	Y	2,00%	2,00%	2,00%	2,00%	2,00%	2,00%	1.627.819.339,05 €	Partial non-financial	Serious deficiencies with IB NCBR (de minimis rule unchecked for SMEs) and diverse irregular projects. Warning of interruption in place (no payment made)	
PL	2014PL16RFO P002	OP Digital Poland	Y	Y	0,14%	2,00%	2,00%	2,00%	0,01%	0,01%	615.189.849,41 €	N		
PL	2014PL16RFO P003	OP Development of Eastern Poland	Y	Y	0,67%	0,42%	0,34%	0,34%	0,11%	0,10%	295.394.650,27 €	N		

PT	2014PT16CFO PO01	Sustainability and Resource Use Efficiency OP	Y	Y	10,00%	3,68%	2,50%	2,50%	5,00%	2,50%	416.137.388,37 €	Full	Prudent estimate of RTER at 2.5% flat rate due to prior year(s) undetected errors as identified in Commission and ECA audits (under contradictory)
PT	2014PT16M2 OP001	Regional OP Norte	Y	Y	10,00%	3,68%	2,50%	2,50%	5,00%	2,50%	527.987.963,97 €	Full	
PT	2014PT16M2 OP002	Regional OP Centro	Y	Y	10,00%	3,68%	2,50%	2,50%	5,00%	2,50%	214.216.713,82 €	Full	
PT	2014PT16M2 OP003	Regional OP Alentejo	Y	Y	10,00%	3,68%	2,50%	2,50%	5,00%	2,50%	191.567.888,19 €	Full	
PT	2014PT16M2 OP004	Regional OP Azores (Autonomous Region)	Y	Y	10,00%	3,68%	2,50%	2,50%	5,00%	2,50%	117.379.157,06 €	Full	
PT	2014PT16M2 OP005	Regional OP Lisboa	Y	Y	10,00%	3,68%	2,50%	2,50%	5,00%	2,50%	137.676.917,97 €	Full	
PT	2014PT16M2 OP006	Regional OP Madeira (Autonomous Region)	Y	Y	10,00%	3,68%	2,50%	2,50%	5,00%	2,50%	47.323.207,90 €	Full	
PT	2014PT16M2 OP007	Regional OP Algarve	Y	Y	10,00%	3,68%	2,50%	2,50%	5,00%	2,50%	61.410.547,30 €	Full	
PT	2014PT16M3 OP001	Competitiveness and Internationalisation OP	Y	Y	10,00%	3,68%	2,50%	2,50%	5,00%	2,50%	378.334.425,12 €	Full	
PT	2014PT16RFT A001	OP Technical Assistance	Y	Y	10,00%	3,68%	2,50%	2,50%	5,00%	2,50%	25.391.835,03 €	Full	
RO	2014RO16M1 OP001	Large Infrastructure Operational Programme	Y	Y	1,16%	1,27%	0,56%	0,56%	5,00%	5,00%	2.272.739.211,15 €	Partia l	5% flat rate due to serious irregularities detected under REACT EU operations in priority 10 Warning of Interruption Payment of balance interrupted
RO	2014RO16RF OP001	Competitiveness Operational Programme	Y	Y	1,91%	1,15%	0,49%	0,49%	2,61%	0	762.929.807,87 €	Repu tatio nal	Serious allegations of mismanagement and possible fraud/conflict of interest in the REACT-EU measures

RO	2014RO16RF OP002	Regional Operational Programme	Y	Y	5,28%	0,78%	0	0	1,58%	1,39%	1.052.342.805,37 €	Partia l non- fin.	Ongoing action plan on ITI Danube Delta (incl. fraud suspicions) and deficiencies identified for 3 calls under priority 2
RO	2014RO16RFT A001	Technical Assistance Operational Programme	Y	Y	0,19%	1,96%	1,88%	1,88%	0,05%	0,04%	35.102.050,38 €	N	
SE	2014SE16M2 OP001	Community-led local development programme with support from ERDF and ESF 2014-2020	Y	Y	2,41%	0,34%	0,28%	0,28%	0,34%	0,30%	995.454,80 €	N	
SE	2014SE16RFO P001	South Sweden	Y	Y	0,77%	1,91%	1,86%	2,94%	0,04%	0,04%	7.410.390,77 €	N	
SE	2014SE16RFO P002	Småland and islands	Y	Y	0,77%	1,91%	1,86%	2,34%	0,04%	0,04%	9.617.005,53 €	N	
SE	2014SE16RFO P003	West Sweden	Y	Y	0,77%	1,91%	1,86%	2,35%	0,04%	0,04%	8.330.576,98 €	N	
SE	2014SE16RFO P004	East-Central Sweden	Y	Y	0,77%	1,91%	1,86%	2,35%	0,04%	0,04%	7.804.328,71 €	N	
SE	2014SE16RFO P005	Stockholm	Y	Y	0,77%	1,91%	1,86%	3,33%	0,04%	0,04%	5.551.860,00 €	N	
SE	2014SE16RFO P006	North-Central Sweden	Y	Y	0,77%	1,91%	1,86%	2,13%	0,04%	0,04%	15.667.751,04 €	N	
SE	2014SE16RFO P007	Central Norrland	Y	Y	0,77%	1,91%	1,86%	1,92%	0,04%	0,04%	19.678.190,10 €	N	
SE	2014SE16RFO P008	Upper Norrland	Y	Y	0,77%	1,91%	1,86%	2,06%	0,04%	0,04%	29.874.361,54 €	N	
SE	2014SE16RFO P009	National regional fund programme for investments in growth and jobs 2014-2020	Y	Y	0,77%	1,91%	1,86%	1,92%	0,04%	0,04%	24.219.758,95 €	N	
SI	2014SI16MAO P001	Operational Programme for the Implementation	Y	Y	4,29%	1,00%	0,98%	1,04%	1,45%	1,44%	382.145.707,09 €	N	

		of the EU Cohesion Policy in the period 2014 – 2020											
SK	2014SK05M0 OP001	Operational Programme Human Resources	N	Y	2,54%	7,06%	3,79%	3,79%	0,43%	0,42%	19.094.990,11 €	N	
SK	2014SK16M1 OP001	Integrated Infrastructure	N	Y	10,26%	7,21%	1,57%	1,82%	1,81%	0,40%	1.062.650.406,23 €	N	
SK	2014SK16M1 OP002	Quality of Environment	Y	Y	1,22%	1,69%	1,37%	1,37%	0,31%	0,23%	381.039.073,41 €	N	
SK	2014SK16RFO P002	Integrated Regional Operational Programme	Y	Y	3,53%	4,99%	2,00%	2,00%	1,74%	1,53%	270.612.590,77 €	N	
SK	2014SK16RFT A001	Technical Assistance	Y	Y	0,00%	0,01%	0	0	0,14%	0	21.177.309,12 €	N	
TC	2014TC16M4 TN001	Mediterranean	Y	Y	0,07%	1,11%	1,09%	1,09%	0,32%	0,31%	39.053.939,46 €	N	
TC	2014TC16M4 TN002	Adriatic-Ionian	Y	Y	1,21%	0,26%	0,25%	0,25%	0,51%	0,48%	20.441.577,14 €	N	
TC	2014TC16M4 TN003	Balkan-Mediterranean	Y	N	1,70%	1,97%	1,89%	1,89%	7,10%	2,00%	4.860.368,53 €	N	
TC	2014TC16M5 TN001	Baltic Sea	Y	Y	2,55%	0	0	0	0	0	30.470.425,70 €	N	
TC	2014TC16M6 TN001	Danube	Y	Y	0,66%	0,28%	0,26%	0,26%	0,75%	0,59%	36.441.775,98 €	N	
TC	2014TC16RFC B001	Interreg V-A - Belgium- Germany-The Netherlands (Euregio Meuse-Rhin/Euregio Maas-Rijn/Euregio Maas- Rhein)	Y	N	0,50%	0,28%	0,16%	0,16%	6,51%	5,71%	17.732.170,27 €	Full	Systemic insufficient verifications of double funding
TC	2014TC16RFC B002	Interreg V-A - Austria- Czech Republic	Y	Y	0,18%	10,00%	10,00%	10,00%	10,00%	10,00%	19.394.399,93 €	Partia l	Risk of non-detected cartel on public procurement expenditure (AT part).
TC	2014TC16RFC B003	Interreg V-A - Slovakia- Austria	Y	N	0,55%	25,00%	25,00%	25,00%	25,00%	25,00%	11.928.223,46 €	Partia l	

TC	2014TC16RFC B004	Interreg V-A - Austria- Germany/Bavaria (Bayern-Österreich)	Y	Y	0,29%	10,00%	10,00%	10,00%	5,00%	5,00%	11.004.654,70 €	Partia I	(partial) Warning of interruption or Corrective measures
TC	2014TC16RFC B005	Interreg V-A - Spain- Portugal (POCTEP)	Y	Y	0,63%	1,16%	1,07%	1,07%	0,56%	0,50%	76.494.703,37 €	N	
TC	2014TC16RFC B006	Interreg V-A - Spain- France-Andorra (POCTEFA)	Y	Y	2,16%	2,49%	2,00%	2,00%	0,49%	0,44%	32.090.490,07 €	N	
TC	2014TC16RFC B007	Interreg V-A - Spain- Portugal (Madeira- Açores-Canarias (MAC))	Y	Y	0,66%	0,97%	0,95%	0,95%	0,40%	0,39%	15.867.768,77 €	N	
TC	2014TC16RFC B008	Interreg V-A - Hungary- Croatia	Y	Y	0,24%	0,81%	0,01%	0,01%	0,55%	0,46%	13.622.813,43 €	N	
TC	2014TC16RFC B009	Interreg V-A - Germany/Bavaria-Czech Republic	Y	Y	0,27%	2,58%	2,00%	2,00%	2,12%	1,86%	15.562.535,34 €	N	
TC	2014TC16RFC B010	Interreg V-A - Austria- Hungary	Y	N	1,48%	25,00%	25,00%	25,00%	25,00%	25,00%	13.728.462,85 €	Partia I	Non-detected cartel on public procurement expenditure affecting the audited sample (AT part). (partial) Warning of interruption (AT/cartel part
TC	2014TC16RFC B011	Interreg V-A - Germany/Brandenburg- Poland	Y	Y	0,21%	0,74%	0,63%	0,63%	0,46%	0,45%	15.641.794,00 €	N	
TC	2014TC16RFC B012	Interreg V-A - Poland- Slovakia	Y	Y	1,10%	0	0	0	0,12%	0,09%	29.042.251,66 €	N	
TC	2014TC16RFC B013	Interreg V-A - Poland- Denmark-Germany- Lithuania-Sweden (South Baltic)	Y	Y	0,91%	0,38%	0,34%	0,34%	2,56%	2,00%	14.852.073,86 €	N	
TC	2014TC16RFC B014	Interreg V-A - Finland- Estonia-Latvia-Sweden	Y	Y	0,88%	1,47%	1,34%	1,34%	0,59%	0,59%	15.096.744,56 €	N	

		(Central Baltic)											
TC	2014TC16RFC B015	Interreg V-A - Slovakia- Hungary	Y	Y	0,24%	0,62%	0,27%	0,27%	0,16%	0	30.075.503,78 €	N	
TC	2014TC16RFC B016	Interreg V-A - Sweden- Norway	Y	Y	0,91%	0,13%	0,12%	0,12%	0,35%	0,31%	4.855.763,96 €	N	
TC	2014TC16RFC B017	Interreg V-A - Germany/Saxony-Czech Republic	N	Y	5,47%	7,15%	2,00%	2,00%	1,88%	0,91%	19.369.963,12 €	N	
TC	2014TC16RFC B018	Interreg V-A - Poland- Germany/Saxony	Y	Y	2,78%	3,13%	2,00%	2,00%	2,37%	2,00%	7.664.458,14 €	N	
TC	2014TC16RFC B019	Interreg V-A - Germany/Mecklenburg- Vorpommern- Brandenburg-Poland	Y	Y	0,18%	0,34%	0,27%	0,27%	1,32%	1,27%	35.403.882,36 €	N	
TC	2014TC16RFC B020	Interreg V-A - Greece- Italy	Y	Y	0,05%	0	0	0	10,48%	0,13%	23.113.098,48 €	N	
TC	2014TC16RFC B021	Interreg V-A - Romania- Bulgaria	Y	Y	3,08%	1,74%	1,37%	1,37%	2,29%	0	20.308.874,20 €	N	
TC	2014TC16RFC B022	Interreg V-A - Greece- Bulgaria	Y	Y	0,01%	1,10%	1,02%	1,02%	3,97%	2,00%	17.527.845,81 €	N	
TC	2014TC16RFC B023	Interreg V-A - Germany- The Netherlands (Deutschland-Nederland)	Y	Y	0,22%	0,56%	0,54%	0,54%	0,46%	0,41%	35.748.920,41 €	N	
TC	2014TC16RFC B024	Interreg V-A - Germany- Austria-Switzerland- Liechtenstein (Alpenrhein-Bodensee- Hochrhein)	Y	Y	1,59%	10,00%	10,00%	10,00%	5,00%	5,00%	10.528.914,45 €	Partia I	Risk of non-detected cartel on public procurement expenditure (AT part). (partial) Warning of corrective measures
TC	2014TC16RFC B025	Interreg V-A - Czech Republic-Poland	Y	Y	5,96%	1,03%	0,80%	0,80%	3,43%	2,00%	32.060.174,44 €	N	
TC	2014TC16RFC B026	Interreg V-A - Sweden- Denmark-Norway (Öresund-Kattegat-	Y	Y	0,24%	0,26%	0,23%	0,23%	3,90%	2,00%	31.360.662,01 €	N	

		Skagerrak)											
TC	2014TC16RFC B027	Interreg V-A - Latvia- Lithuania	Y	Y	0,64%	0	0	0	0	0	10.057.512,74 €	N	
TC	2014TC16RFC B028	Interreg V-A - Sweden- Finland-Norway (Botnia- Atlantica)	Y	Y	0,01%	0,94%	0,82%	0,82%	0,03%	0,03%	5.801.390,15 €	N	
TC	2014TC16RFC B029	Interreg V-A - Slovenia- Croatia	Y	Y	0,07%	0,30%	0,24%	0,24%	0,54%	0,18%	7.468.762,94 €	N	
TC	2014TC16RFC B030	Interreg V-A - Slovakia- Czech Republic	N	Y	3,65%	7,04%	0,39%	0,39%	2,23%	1,27%	17.800.255,12 €	N	
TC	2014TC16RFC B031	Interreg V-A - Lithuania- Poland	Y	Y	0,00%	0,09%	0	0	0	0	16.732.392,15 €	N	
TC	2014TC16RFC B032	Interreg V-A - Sweden- Finland-Norway (Nord)	Y	Y	1,40%	0,43%	0,39%	0,39%	0,86%	0,77%	12.746.680,94 €	N	
TC	2014TC16RFC B033	Interreg V-A - Italy- France (Maritime)	Y	Y	0,00%	0	0	0	0	0	26.060.016,08 €	N	
TC	2014TC16RFC B034	Interreg V-A - France- Italy (ALCOTRA)	Y	Y	0,05%	1,60%	1,57%	1,57%	0,41%	0,41%	40.194.050,22 €	N	
TC	2014TC16RFC B035	Interreg V-A - Italy- Switzerland	Y	Y	0,43%	0,46%	0,45%	0,45%	0,12%	0,10%	9.727.454,04 €	N	
TC	2014TC16RFC B036	Interreg V-A - Italy- Slovenia	Y	Y	0,53%	0,07%	0,07%	0,07%	0,80%	0,75%	16.327.701,25 €	N	
TC	2014TC16RFC B037	Interreg V-A - Italy-Malta	Y	Y	1,84%	1,44%	1,29%	1,29%	0	0	6.384.030,25 €	N	
TC	2014TC16RFC B038	Interreg V-A - France- Belgium-The Netherlands-United Kingdom (Les Deux Mers/Two seas/Twee Zeeën)	Y	Y	0,01%	0,06%	0,05%	0,05%	0,05%	0,05%	69.209.087,67 €	N	
TC	2014TC16RFC B039	Interreg V-A - France- Germany-Switzerland (Rhin	Y	Y	0,00%	0,51%	0,50%	0,50%	3,91%	2,00%	16.449.795,25 €	N	

		supérieur/Oberrhein)											
TC	2014TC16RFC B040	Interreg V-A - France- United Kingdom (Manche/Channel)	Y	Y	0,44%	2,04%	1,77%	1,77%	0,60%	0,49%	46.919.244,88 €	N	
TC	2014TC16RFC B041	Interreg V-A - France- Switzerland	Y	Y	0,15%	1,87%	1,28%	1,28%	1,20%	0,60%	10.596.958,19 €	N	
TC	2014TC16RFC B042	Interreg V-A - Italy- Croatia	Y	Y	1,52%	1,69%	1,56%	1,56%	1,64%	1,53%	37.459.070,59 €	N	
TC	2014TC16RFC B043	Interreg V-A - France (Saint Martin-Sint Maarten)	N	N	0,00%	100,00%	0	0	0	0	0,00 €	Full non- finan- cial	Zero accounts, ongoing suspension procedure
TC	2014TC16RFC B044	Interreg V-A - Belgium- France (France-Wallonie- Vlaanderen)	Y	Y	2,37%	2,86%	2,00%	2,00%	0,61%	0,54%	40.340.228,08 €	N	
TC	2014TC16RFC B045	Interreg V-A - France- Belgium-Germany- Luxembourg (Grande Région/Großregion)	Y	Y	0,00%	0,16%	0,14%	0,14%	2,00%	2,00%	31.261.482,86 €	N	
TC	2014TC16RFC B046	Interreg V-A - Belgium- The Netherlands (Vlaanderen-Nederland)	Y	Y	0,76%	0,12%	0,11%	0,11%	0,13%	0,12%	21.333.819,09 €	N	
TC	2014TC16RFC B047	Interreg V-A - United Kingdom-Ireland (Ireland- Northern Ireland- Scotland)	Y	Y	1,38%	3,22%	2,00%	2,00%	0,53%	0,52%	29.248.091,84 €	N	
TC	2014TC16RFC B048	Interreg V-A - United Kingdom-Ireland (Ireland- Wales)	Y	Y	0,64%	0,23%	0,22%	0,22%	0,70%	0,67%	12.769.252,16 €	N	
TC	2014TC16RFC B049	Interreg V-A - Romania- Hungary	Y	Y	0,95%	0,88%	0,50%	0,50%	0,31%	0,31%	38.246.902,97 €	N	
TC	2014TC16RFC B050	Interreg V-A - Estonia- Latvia	N	Y	0,00%	9,44%	1,91%	1,91%	0,09%	0,08%	5.655.897,92 €	N	
TC	2014TC16RFC	Interreg V-A - France	N	N	0,00%	0	0	0	0	0	0,00 €	Full	Interruption ongoing,

	B051	(Mayotte-Comores-Madagascar)										non-fin.	zero accounts submitted
TC	2014TC16RFC B052	Interreg V-A - Italy-Austria	Y	Y	0,17%	5,00%	5,00%	5,00%	5,00%	5,00%	17.445.277,45 €	Partia I	Risk of non-detected cartel on public procurement expenditure (AT part). (partial) Warning of corrective measures
TC	2014TC16RFC B053	Interreg V-A - Slovenia-Hungary	Y	Y	0,02%	0,97%	0,85%	0,85%	0,80%	0,68%	2.036.799,42 €	N	
TC	2014TC16RFC B054	Interreg V-A - Slovenia-Austria	Y	Y	0,22%	5,00%	5,00%	5,00%	5,00%	5,00%	7.527.497,92 €	Partia I	Risk of non-detected cartel on public procurement expenditure (AT part). (partial) Warning of corrective measures
TC	2014TC16RFC B055	Interreg V-A - Greece-Cyprus	Y	Y	0,00%	0	0	0	1,88%	1,77%	10.465.875,84 €	N	
TC	2014TC16RFC B056	Interreg V-A - Germany-Denmark	Y	Y	0,84%	1,29%	1,11%	1,11%	0,05%	0	14.802.645,87 €	N	
TC	2014TC16RFI R001	INTERREG EUROPE	Y	Y	0,10%	0,22%	0,21%	0,21%	0,01%	0,01%	58.955.712,77 €	N	
TC	2014TC16RFI R002	INTERACT	Y	Y	0,00%	0	0	0	0,09%	0,06%	6.831.386,96 €	N	
TC	2014TC16RFI R003	URBACT	Y	Y	1,01%	0,05%	0,04%	0,04%	1,41%	1,35%	12.870.391,75 €	N	
TC	2014TC16RFI R004	ESPON	Y	Y	0,00%	0	0	0	0	0	6.379.098,84 €	N	
TC	2014TC16RFP C001	Ireland-United Kingdom (PEACE)	Y	Y	1,38%	3,22%	2,00%	2,00%	0,53%	0,52%	37.714.202,81 €	N	
TC	2014TC16RFT N001	Alpine Space	Y	Y	0,29%	1,75%	1,71%	1,71%	0,94%	0,92%	18.929.947,59 €	N	
TC	2014TC16RFT N002	Atlantic Area	Y	Y	1,07%	0,79%	0,75%	0,75%	0,16%	0,14%	25.962.873,16 €	N	

TC	2014TC16RFT N003	Central Europe	Y	Y	0,03%	0,21%	0,20%	0,20%	2,00%	2,00%	38.608.980,98 €	N	
TC	2014TC16RFT N004	Northern Periphery and Arctic	Y	Y	0,00%	0,27%	0,24%	0,24%	0,36%	0,32%	6.501.852,73 €	N	
TC	2014TC16RFT N005	North Sea	Y	Y	0,39%	2,47%	2,32%	2,32%	1,56%	1,47%	30.992.067,25 €	N	
TC	2014TC16RFT N006	North West Europe	Y	Y	0,16%	0,63%	0,61%	0,61%	3,09%	2,00%	81.891.343,65 €	N	
TC	2014TC16RFT N007	South West Europe	Y	Y	0,58%	1,53%	1,50%	1,50%	0,86%	0,84%	16.391.662,13 €	N	
TC	2014TC16RFT N008	Caribbean Area	N	N	5,25%	43,38%	2,00%	2,00%	31,59%	2,00%	3.781.902,03 €	Full	Reported error rate above 10% Ongoing interruption and pre-suspension
TC	2014TC16RFT N009	Indian Ocean Area	Y	Y	0,44%	1,39%	1,21%	1,21%	0	0	10.574.244,77 €	N	
TC	2014TC16RFT N010	Amazonia	Y	N	0,02%	0,10%	0,04%	0,04%	6,13%	2,00%	3.111.748,01 €	N	
TC	2014TC1615C B001	IPA CBC Hungary - Serbia	Y	Y	0,09%	1,10%	0,69%	0,69%	0	0	4.633.947,96 €	N	
TC	2014TC1615C B002	IPA CBC Romania - Serbia	Y	Y	2,00%	1,09%	1,00%	1,00%	2,33%	0,66%	10.119.965,92 €	N	
TC	2014TC1615C B003	IPA CBC Croatia - Serbia	Y	Y	0,74%	1,29%	0,43%	0,43%	0	0	6.632.070,78 €	N	
TC	2014TC1615C B004	IPA CBC Croatia – Bosnia and Herzegovina - Montenegro	Y	Y	0,37%	0,09%	0	0	0,24%	0,02%	11.273.352,17 €	N	
TC	2014TC1615C B005	IPA CBC Bulgaria - Turkey	Y	Y	1,43%	1,16%	0,82%	0,82%	2,77%	0,71%	5.151.581,26 €	N	
TC	2014TC1615C B006	IPA CBC Bulgaria – The former Yugoslav Republic of Macedonia	Y	Y	1,43%	1,16%	0,82%	0,82%	2,77%	0,71%	1.929.815,78 €	N	
TC	2014TC1615C	IPA CBC Bulgaria - Serbia	Y	Y	1,43%	1,16%	0,82%	0,82%	2,77%	0,71%	3.969.884,12 €	N	

	B007												
TC	2014TC1615C B008	IPA CBC Italy – Albania - Montenegro	Y	Y	2,82%	3,84%	2,00%	2,00%	1,00%	0,89%	10.685.305,03 €	N	
TC	2014TC1615C B009	IPA CBC Greece – The former Yugoslav Republic of Macedonia	Y	Y	0,80%	0,63%	0,56%	0,56%	5,48%	2,00%	7.287.876,22 €	N	
TC	2014TC1615C B010	IPA CBC Greece - Albania	Y	Y	0,01%	0	0	0	0,35%	0,34%	9.228.253,44 €	N	
TC	2014TC16M5 CB001	Kolarctic	Y	Y	1,78%	0,55%	0,52%	0,52%	1,72%	1,47%	1.577.739,42 €	N	
TC	2014TC16M5 CB002	Karelia	Y	Y	1,79%	0,44%	0,39%	0,39%	0,27%	0,23%	2.863.702,07 €	N	
TC	2014TC16M5 CB003	South-East Finland - Russia	Y	Y	0,08%	1,82%	1,73%	1,73%	2,09%	1,59%	2.449.338,06 €	N	Russian / Belarus parts of programmes are suspended (no payments) since February 2022 due to the war in Ukraine
TC	2014TC16M5 CB004	Estonia - Russia	Y	Y	0,00%	0,30%	0,28%	0,28%	0	0	4.761.945,59 €	N	
TC	2014TC16M5 CB005	Latvia - Russia	Y	Y	0,00%	0	0	0	0	0	2.972.021,20 €	N	
TC	2014TC16M5 CB006	Lithuania - Russia	Y	Y	0,00%	0	0	0	0	0	2.852.817,84 €	N	
TC	2014TC16M5 CB007	Poland - Russia	Y	Y	0,00%	0	0	0	0	0	0,00 €	N	
TC	2014TC16M5 CB008	Latvia - Lithuania - Belarus	Y	Y	0,03%	0	0	0	0	0	7.881.691,46 €	N	
TC	2014TC16M5 CB009	Poland - Belarus - Ukraine	Y	Y	0,00%	0,13%	0,12%	0,12%	0,14%	0,12%	36.820.263,85 €	N	
TC	2014TC16M5 CB010	Hungary - Slovakia - Romania - Ukraine	Y	Y	0,00%	0	0	0	0	0	3.644.806,26 €	N	
TC	2014TC16M5 CB011	Romania –Moldova	Y	Y	0,00%	0,08%	0,08%	0,08%	0	0	1.026.943,89 €	N	
TC	2014TC16M5 CB012	Romania - Ukraine	Y	Y	0,00%	0,82%	0,76%	0,76%	0	0	2.340.202,98 €	N	

TC	2014TC16M5 CB013	Italy - Tunisia	Y	Y	0,00%	0	0	0	0	0	95.537,69 €	N	
TC	2014TC16M5 CB015	Mediterranean Sea Basin	Y	N	0,00%	2,28%	2,00%	2,00%	1,57%	1,52%	11.307.610,83 €	Full non-fin.	Serious deficiency in KR 13 - preparation of accounts and KR 6 - data reliability
TC	2014TC16M6 CB001	Black Sea Basin	Y	Y	1,69%	4,39%	2,00%	2,00%	0,12%	0,09%	1.924.843,69 €	N	
UK	2014UK16RF OP001	United Kingdom - ERDF England	Y	Y	1,19%	1,35%	1,08%	1,63%	1,47%	1,45%	621.239.444,04 €	N	
UK	2014UK16RF OP002	United Kingdom - ERDF Gibraltar	N	N	5,00%	0	0	0	0	0	0,00 €	Full non-fin.	Zero accounts; ongoing interruption due to deficiencies in management verifications
UK	2014UK16RF OP003	United Kingdom - ERDF Northern Ireland	Y	Y	0,06%	0,60%	0,48%	0,48%	0,33%	0,25%	30.596.586,06 €	N	
UK	2014UK16RF OP004	United Kingdom - ERDF Scotland	Y	Y	3,23%	4,06%	1,99%	1,99%	3,83%	1,99%	46.748.465,53 €	N	
UK	2014UK16RF OP005	United Kingdom - ERDF West Wales and The Valleys	Y	Y	0,03%	0,28%	0,16%	0,17%	0,05%	0,05%	157.955.185,25 €	N	
UK	2014UK16RF OP006	United Kingdom - ERDF East Wales	Y	Y	0,03%	0,28%	0,16%	0,17%	0,05%	0,05%	22.264.802,52 €	N	

KPI 5 confirmed for accounting year 2020-2021	1.89%
Amount at risk at closure (where all RTERs 2020-2021 >2 % are brought down to 2%)	1.32%

ANNEX 7C: 2014-2020: List of programmes with deficiencies in the functioning of the management and control systems (MCS)³⁵

#	MS	CCI	Programme Title	Part of the MCS for which deficiencies were identified (KR)	Authority concerned	Reserva tion Y/N	Programme expenditure in 2021-2022 accounts (million EUR)	% of total expenditure in 2021-2022 accounts
1	AT	2014AT16RFOP001	Investments in Growth and Employment Austria 2014-2020 - Operational Programme for the use of the ERDF funds	Reported Total error rate (TER) >10% reflecting risk of non-detected cartel issues in public procurement expenditure (KR 4,)	Managing Authority	Partial	321	0,64%
2	BG	2014BG16M1OP002	Operational programme "Environment"	Deficiencies in management verifications related to public procurement expenditure), risk below 5%	Managing Authority	N	166	0,33%
3	CZ	2014CZ16RFOP001	Enterprise and Innovation for Competitiveness	Serious deficiencies in KR2 and KR8; ongoing suspension (conflict of interest)	Managing Authority	Full	1.017	2,04%
4	DE	2014DE16RFOP004	OP Brandenburg ERDF 2014-2020	Deficiencies in management verifications	Managing Authority	N	148	0,30%
5	ES	2014ES16RFOP004	Aragón ERDF 2014-20 OP	TER >5% showing deficiencies in management verifications	Managing Authority	N	73	0,15%
6	ES	2014ES16RFOP006	Baleares ERDF 2014-20 OP	TER >10% showing serious deficiencies in KR4 concerning mostly non-compliance with public procurement rules and accounting & calculation errors at project level	Managing Authority	Full	58	0,12%
7	ES	2014ES16RFOP007	Canary Islands ERDF 2014-20 OP	TER >10% showing serious deficiencies in KR4, in particular non-compliance with Public procurement rules and ineligible expenditure. The Payment of Balance is interrupted	Managing Authority	Full	146	0,29%
8	ES	2014ES16RFOP009	Castilla y León ERDF 2014-20 OP	TER >5% showing deficiencies in KR4	Managing Authority	N	52	0,11%

³⁵ Key requirements (KR) refer to the CPR obligations that must fulfil any management and control system for ERDF/CF or ESF/YEI programmes, as defined in Annex IV, Table 1 of Regulation (EU) No 480/2014 as amended (see annex 5). The Table concerns only those systems entirely assessed as not functioning (and not programmes functioning overall well except for some part(s) of it).

#	MS	CCI	Programme Title	Part of the MCS for which deficiencies were identified (KR)	Authority concerned	Reservation Y/N	Programme expenditure in 2021-2022 accounts (million EUR)	% of total expenditure in 2021-2022 accounts
9	ES	2014ES16RFOP014	Extremadura ERDF 2014-20 OP	TER >10% showing serious deficiencies in KR4 (lack of audit trail in public procurement procedures)	Managing Authority	Full	110	0,22%
10	ES	2014ES16RFOP015	Galicia ERDF 2014-20 OP	TER >5% showing deficiencies in KR4	Managing Authority	N	202	0,41%
11	ES	2014ES16RFOP018	Melilla ERDF 2014-20 OP	Seriousness deficiencies detected in the work of the Intervención General de Melilla (KR 15-18). However these deficiencies did not lead to material errors in the accounts	Audit Authority	Full	11	0,02%
12	ES	2014ES16RFOP021	País Vasco ERDF 2014-20 OP	TER>10% (KR4, material risk of irregular direct award of contracts under COVID emergency procedures (70% of expenditure in 2021-2022 accounts)	Managing Authority	Full	42	0,09%
13	FR	2014FR05M20P001	Operational Programme ERDF-ESF Guadeloupe et St Martin Etat 2014-2020	TER>10% (significant deficiencies identified related to irregularities in expenditure incurred before or after the eligibility period	Managing Authority	Full	1	0,00%
14	FR	2014FR16M00P001	Regional programme Aquitaine 2014-2020	TER>5% showing serious deficiencies in KR4 (audit trail/ eligible expenditure/public procurement)	Managing Authority	N	124	0,25%
15	FR	2014FR16M00P009	Regional programme Guadeloupe Conseil Régional 2014-2020	TER>10% showing serious deficiencies in KR4&7	Managing Authority	Full	64	0,13%
16	FR	2014FR16M20P004	Regional programme Corse 2014-2020	TER>5% showing deficiencies in KR4 (irregularities related to missing documentation, expenses not related to the operation and public procurement issues)	Managing Authority	N	23	0,05%
17	FR	2014FR16M20P006	Regional programme Limousin 2014-2020	TER>5% showing deficiencies in KR4	Managing Authority	N	44	0,09%
18	FR	2014FR16M20P009	Regional programme Poitou Charentes 2014-2020	TER>5% showing deficiencies in KR4	Managing Authority	N	82	0,16%
19	FR	2014FR16M20P011	Regional programme Guyane Conseil Régional 2014-2020	Deficiencies in the audit work (KR 16) that led to undetected serious irregularities indicating weaknesses also in KR4.	Audit Authority	Full	59	0,12%

#	MS	CCI	Programme Title	Part of the MCS for which deficiencies were identified (KR)	Authority concerned	Reservation Y/N	Programme expenditure in 2021-2022 accounts (million EUR)	% of total expenditure in 2021-2022 accounts
20	FR	2014FR16RFOP003	Interregional programme Massif Central 2014-2020	TER>10% showing serious deficiencies in KR4	Managing Authority	Full	8	0,02%
21	HU ³⁶	2014HU05M2OP001	Human Resources Development Operational Programme	TER>5% showing deficiencies in KR4 and no appropriate treatment of suspicions of public procurements irregularities	Managing Authority	Partial	370	0,74%
22	IT	2014IT16M2OP005	National Operational Programme on Research and Innovation	Managing authority did not complete a significant part of its planned on the spot management verifications by the submission of the assurance package (KR 4)	Managing Authority	N	143	0,29%
23	IT	2014IT16RFOP012	ROP Lombardia ERDF	Managing authority did not complete a significant part of its planned on the spot management verifications by the submission of the assurance package (KR 4)	Managing Authority	N	82	0,16%
24	IT	2014IT16RFOP022	ROP Basilicata ERDF	The audit of one operation not finalised on time for the assurance package, questioning the reported error rate; no information provided on the impact on the subcontracting issue. (KR16, KR18). System audit report on MA reported deficiencies in management verifications (KR4)	Managing Authority, Audit Authority	Full	35	0,07%
25	PL	2014PL16M2OP011	ROP 11 Regional Operational Programme for Pomorskie Voivodeship	Deficiencies in management verifications; annual control plan not implemented in full for second year (KR4); recertification of amounts rejected by AA (KR13)	Managing Authority, Certifying Authority	Full	214	0,43%

³⁶ Other Hungarian programmes are partially affected.

#	MS	CCI	Programme Title	Part of the MCS for which deficiencies were identified (KR)	Authority concerned	Reserva tion Y/N	Programme expenditure in 2021- 2022 accounts (million EUR)	% of total expenditure in 2021- 2022 accounts
26	PL	2014PL16M20P015	ROP 15 Regional Operational Programme for Wielkopolskie Voivodeship	KR4, KR16 - disagreement on the methodology to quantify errors found irregular by the managing authority after the audit sample was drawn; impact on the recalculated TER/RTER	Managing Authority, Audit Authority	Full	176	0,35%
27	TC	2014TC16M4TN003	Balkan-Mediterranean	TER>5% showing deficiencies in KR4	Managing Authority	N	4	0,01%
28	TC	2014TC16RFCB001	Interreg V-A - Belgium-Germany-The Netherlands (Euregio Meuse-Rhin/Euregio Maas-Rijn/Euregio Maas-Rhein)	Deficiencies identified in KR1 and 4 (systemic insufficient verifications of double funding)	Managing Authority	Full	31	0,06%
29	TC	2014TC16RFCB003	Interreg V-A - Slovakia-Austria	TER>10% showing serious deficiencies in KR4 (risk of non-detected cartel issues in public procurement expenditure)	Managing Authority	Partial	19	0,04%
30	TC	2014TC16RFCB010	Interreg V-A - Austria-Hungary	TER>10% showing deficiencies in KR4 (non detected cartel issues in public procurement expenditure, KR 16)	Managing Authority, Audit Authority	Partial	15	0,03%
31	TC	2014TC16RFCB043	Interreg V-A - France (Saint Martin-Sint Maarten)	Programme pre-suspended, serious deficiencies in KR 4	Managing Authority	Y(non-financial)	0	0%
32	TC	2014TC16RFCB051	Interreg V-A - France (Mayotte-Comores-Madagascar)	Serious deficiencies in KR4	Managing Authority	Y(non-financial)	0	0%
33	TC	2014TC16RFTN008	Caribbean Area	TER>10% showing serious deficiencies in KR 2, 4, 7	Managing Authority	Full	6	0,01%
34	TC	2014TC16RFTN010	Amazonia	TER>5% showing serious deficiencies in KR4	Managing Authority	N	5	0,01%
35	TC	2014TC16M5CB015	Mediterranean Sea Basin	Serious deficiencies in KR 13&6	Managing Authority	Full non-fin	23	0,04%
36	UK	2014UK16RFOP002	United Kingdom - ERDF Gibraltar	Serious deficiencies in management verifications (KR4)	Managing Authority	Full non-fin.	-	0,00%
						TOTAL	3.689 out of 49.978	6,61%

ANNEX 7D: 2014-2020: Audit authorities with weaknesses and requested improvements³⁷

#	MS	Audit authority (AA) or control body concerned	Reasons	Reservation Y/N	Share of total ERDF/CF expenditure audited by AA/ control body
1	AT	AA Austria	Non detection of risk of systemic deficiency related to insufficient verification of cartel investigations in relation to public procurements (cartel investigations/decisions leading to exclusion of bidders); reported TER/RTER replaced by flat rate of 25% (at this stage of the contradictory procedure on the DAC audit report)	Y	0.47%
2	DE	AA Brandenburg	Non-detected errors above materiality that may lead to a TER/RTER above 2%. The report is still under drafting	N	0.39%
3	ES	Regional control body Melilla	Deficiencies detected in the work of the regional control body following a Commission audit: <ul style="list-style-type: none"> - Absence of updated strategies and of documented audit procedures, written audit manual and guidelines; - Insufficient formalisation of the verifications carried out on all the aspects of the audited operations and errors, inconsistencies and insufficient information in working papers, checklists and audit reports; - Inadequate controls over the externalised audit work; - Incomplete system audits and insufficient evidence supporting the assurance level obtained. However these deficiencies did not lead to material errors in the accounts 	Y	0.04%

³⁷ Please see Annex 5 for description of the key requirements.

4	FR	Regional control body Guyane	Deficiencies detected in the work of the regional control body following a Commission audit: Lack of supervision of outsourced audits, lack of audit trail, lack of quality control, weakness in verifications related to Public Procurement and State aid. (TER of last year recalculated by the DAC to 7%, from 0.7%)	Y	0.30%
5	LU	AA Luxembourg	Insufficient supervision over outsourced audits by the AA leading to potential irregularities (Public Procurement)	N	0.22%
6	PL	Regional control body Wielkopolskie	Risk of incorrect treatment of errors with serious impact. ECA audit and DAC follow-up audits identified State aid undetected issues (RTER recalculated above 2%).	Y	0.71%
7	UK	AA Gibraltar	Unreliable audit of operations (inadequate check of State aid, public procurement and eligibility of expenditures certified and durability of operations)	Y	0.002%
				Total allocation concerned	2.13%

ANNEX 7E: Actions to improve further the effectiveness of management and control systems and to boost the prevention, detection and correction of errors

Capacity building is an ongoing challenge requiring permanently to refocus and update the action. In the continuity of achievements made, and in order to address weaknesses still identified for some programmes, REGIO will further amplify its efforts towards the target to ensure compliance and a residual risk below materiality for all programmes.

REGIO offers tailored preventive actions to address the risk of non-detection of errors by the first and second control layers of programmes (managing authorities / audit authorities) and under-reporting of their financial impact, thereby improving the quality of assurance offered by programme authorities:

- Organising dedicated information sessions, workshop discussions, training material and best practice guidance for managing and audit authorities on the basis of an analysis of the recurrent errors identified for the concerned programmes;
- Sharing with programme authorities detailed analysis of the errors found in REGIO/EMPL and ECA audits and divergence against the applicable legal framework;
- Providing an overall analysis comparing the main error types identified by the audit authorities and by REGIO auditors, based on the joint typology of errors;
- Lending assistance and supervision to audit authorities in need of support to arrive at reliable assurance results, providing support for the analysis of specific systemic or recurrent findings;
- Consistently imposing remedial action plans to managing and/or audit authorities in case of deficiencies identified.

REGIO takes targeted actions to safeguard the reliability of the assurance results presented by audit authorities and addresses high error rates

- Reviewing thoroughly all error rates reported and re-calculating them in case errors are not detected and/or not sufficiently quantified;
- Providing as the case may be preventive advice and support to audit authorities (before the annual control report is issued), should the nature and difficulties of the findings so require;
- Analysing the frequency and seriousness of errors found, including cases of systematic low error rates, auditing itself relevant expenditure if its risk assessment reveals the need to perform additional work in order to obtain direct assurance for a programme;
- In case of systemic deficiencies identified, re-calculating the residual error rates and monitoring how the authorities/management and control systems evolve over time;

- Adopting a strict approach to sampling parameters used by audit authorities, however in line with the flexibility offered by existing rules, and to the reporting of possible anomalous errors not extrapolated towards the total error rate.
- Systematically assessing under its compliance audits, when the Commission identifies additional errors in its re-performed samples, whether such errors can re-occur in the rest of the audit authority's sample and requesting additional audit work where necessary.
- Assessing the reliability of audit authorities not only on the basis of the recalculated error rates (which can be influenced by single errors having an important statistical impact) but on the basis of a number of criteria which, if not satisfactorily assessed, reflect the presence of systemic weaknesses in their work and in the control systems.
- Focussing the audit work on those audit authorities on which REGIO was not yet able to place an adequate level of reliance, for which limited review was performed so far or for which new risks emerged, bearing in mind that a certain level of audit work is to be done for other audit authorities as well, which will ensure the coverage of the main audit authorities over time.

REGIO takes initiatives to curb the root causes of errors, in particular by:

- Reinforcing efforts for administrative capacity building through up-dated action plans on public procurement and State aid, peer-to-peer exchanges (open to managing as well as audit authorities) and technical assistance support;
- Facilitating the uptake of simplified cost options (SCO) and financing not linked to costs (FNLC)– radical game-changers for programme error rates - by providing assistance and support to the programme authorities to prepare, implement and assess the SCO schemes for 2021 – 2027 programmes;
- Contributing to predictability based on methodologies approved and agreed with all actors, including with the ECA, taking account of recommendations issued by the ECA;
- Communicating, increasing trust and dialogue between programme authorities and with the Commission services and promoting simplification at all levels and fight against gold-plating at national / programme level.

ANNEX 7F: 2014-2020: On-the-spot audit work carried out by REGIO in 2022

The majority of the audits (**78%** in 2022 against **40%** in 2021) took place either **fully on the spot** or **partly** on the spot complemented with desk review (i.e. **hybrid mode** audits with parts of the audit work carried out via videoconferences and desk reviews complemented by on the spot visits), whereas the remaining audits took place on a fully remote basis. This combination of on-the-spot and remote audit work, as per the new approach designed in 2022, contributes to the greening efforts of the Commission to reduce the carbon emissions of missions whilst it contributed to the efficiency of DAC missions. The DAC auditors also resumed visits to some of the selected beneficiaries on the spot, by ensuring nevertheless that there was no duplication of audits or increased control burden to beneficiaries.

The DAC carried out **54 audits** related to ERDF/CF programmes in 21 Member States³⁸ and the UK. Out of these, audit work to review the work of audit authorities covered: **24 compliance audits** in 14 Member States³⁹ and the UK covering 30 assurance packages (65 programmes) and **ten fact-finding missions**:

- **two pre-ACR** (Annual Control Report) fact finding missions in FR and SK, to preventively review the preliminary audit results to be reported in the ACRs;
- **six post-ACR** fact finding missions (including a desk review of audit reports in one case and two cases on review of REACT and CRII+ measures) covering eight assurance packages with a view to clarifying audit information reported in the concerned ACRs;
- **one** fact finding missions to IT jointly with IGRUE on their review / reperformance of the audit work carried out by one Italian regional audit authority (Molise), and
- **one** fact finding to ES to verify the subcontracting figures of corrections in view of the accuracy of the reported RTER.

As a result of **its compliance audits**, out of the **30 assurance packages audited** for ERDF/CF, the DAC identified further irregularities to the ones detected by audit authorities **in 13 assurance**

Thematic audit on measures to prevent conflicts of interests (Col); examples in Malta and Poland

The DAC auditors examined the lists of beneficiaries (both public bodies and private firms), focusing on the top 50 beneficiaries and riskiest cases. They carried out thematic audits on the measures in place to mitigate the risk of conflict of interest (COI) in a number of Member States, and took account of the COI risks in the scope of other audits. For example, in relation to the **Maltese management and control system**, the DAC recommended improvements to ensure alignment with Article 61 of the Financial Regulation. In particular:

- Put in place a systematic Risk Analysis on the overall control environment dedicated to the issue of Col at the level of the MA and ensure a more holistic review of Col;
- Enrich Col prevention and detection mechanism and streamline procedures on reporting Col;
- Ensure protection of whistle blowers.

Following a 2021 thematic audit on Col carried out by the DAC, the managing authorities for 2 **Polish programmes** reviewed and seriously strengthened their systems to ensure that their procedures, at selection and management verification stages, cover all aspects of Col as well as all persons involved in decision-making related to EU budget implementation. The new procedures aim at preventing and properly mitigating the risk of Col. The Commission services find the new set of implemented measures fit for purpose and now an example of good practice.

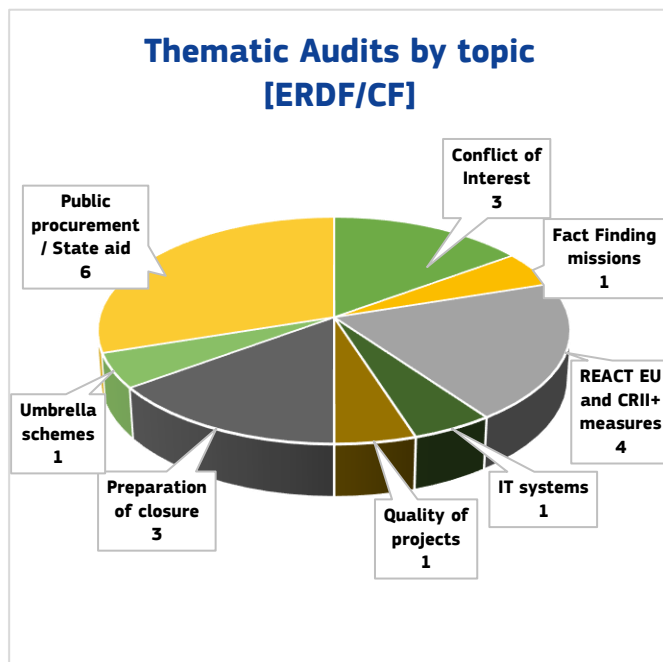
³⁸ 1 AT, 2 BG, 2 CZ, 3 DE, 1 EE, 2 EL, 7 ES, 1 FI, 6 FR, 1 HR, 3 HU, 1 IE, 7 IT, 1 LU, 1 PT, 1 NL, 5 PL, 1 PT, 4 RO, 1 SI, 2 SK, 1 UK

³⁹ CZ, DE, EE, EL, ES, FI, FR, IE, IT, LU, NL, PL, PT, SK, UK.

packages covering 15 programmes (50% of the ACRs reviewed or 25% of the OPs covered) which led to a re-calculated residual risk. In **eight cases (1 CZ, 2ES, 1 IT, 1 SK, 2FR, 1PL)** the DAC recalculated the **RTER above 2%**.

The DAC also carried out **20 thematic audits** in 13 Member States⁴⁰ covering 88 programmes (with EL and ES covering all OPs) to cover the following areas:

- **Three** audits to assess measures taken to avoid conflicts of interest (1 RO, 1 MT, 1 BG);
- **One** Fact Finding mission with in RO covering the ITI Danube Delta case (monitoring of corrective measures on-going following a fraud suspicion; the audit also covered issues related to conflicts of interests);
- **Four** audits to assess the measured on REACT EU and CRII+ (1 SI,1 IT,1 RO,1 ES);
- **One** audit on the management and quality of the IT system (EL);
- **Three** audits on the preparation of closure (1IT, 1 HU, 1 ES);
- **One** audit on assessing the quality of projects (BG)
- **Six** audits on KR2 (quality of the selection process) and KR4 (quality of management verifications, mostly on public procurement, State aid and eligible expenditure) and on following up warnings of corrective measures (1 AT, 1 CZ, 1 DE, 2 FR, 1 HU);
- **One** audit in PL to assess the umbrella schemes set up in place and the robustness of management verifications performed at all levels.



⁴⁰ AT, BG, CZ, DE, EL, ES, FR, HU, IT, MT, PL, RO, SI

ANNEX 7G: Preventive measures under Articles 83 and 142 of the Common Provisions Regulation

The measures under Article 83 (interruption of the payment deadline) and 142 (suspension of payments) of CPR aim to remedy to deficiencies in the setup and functioning of management and control systems with the aim to prevent these systems from generating irregular expenditure in future. Thus, these measures are called “preventive”.

Payments are interrupted when serious deficiencies / irregularities are found

REGIO follows a balanced approach regarding interruption of payments that protects the EU budget. REGIO applies a common approach to interruptions of payments with EMPL which is strict but proportionate, taking into account the annual acceptance of accounts and the 10% retention on reimbursement of interim payments until accounts are accepted (Articles 130 and 139 of the CPR). This means that as soon as serious deficiencies in the management and control system are reported, or irregularities are alerted, payments are interrupted (stopped) where the deficiency would require a correction higher than the 10% retention, or where the individual irregularity would have serious financial consequences⁴¹. This proportionate approach, to take account of the protection inbuilt within the system of annual accounts until the latter are accepted, leads, overall, to less interruptions than in the previous programming period (6 programmes in 2022). If no payment claim was submitted to REGIO by the time the serious deficiency / irregularity was detected, a warning letter of possible interruption of payment deadlines (in case a payment claim would be introduced) is sent to the Member State (17 new cases in 2022).

In 2022, payments were interrupted for six programmes (five new ones and one carried over from 2021), together eight payment applications (including one payment of balance after acceptance of accounts). The total interrupted volume amounted to some EUR 331 million (around EUR 8 million carried over from 2021). By the end of 2022, remedial actions implemented by the concerned programmes or additional verifications allowed to lift interruptions for two programmes, leaving interrupted 4 payment applications (including one payment of balance after acceptance of accounts) amounting to slightly more than EUR 13 million.

For 2021-2027 the co-legislators reduced the retention by the Commission for interim payments from 10% to 5%. This will have as a consequence an increase in the number of interruptions and thus an increased incentive for Member States to timely follow-up system deficiencies that are detected.

⁴¹ Article 83 (1)(a) and (b) of Common Provisions Regulation 1303/2013.

Warning of preventive and/or corrective measures letters are also sent when risks linked to serious deficiencies are covered by the 10% retention

When system deficiencies are identified with an estimated risk to the EU budget above 5% but less than the 10% retention, REGIO still sends a warning letter requesting preventive and corrective measures to the concerned programmes. In such cases, the Member State is requested to take the necessary preventive and/or corrective measures to make financial corrections and improve the system, so that sufficient assurance is provided that expenditure included in the next accounts is not materially misstated. Overall in 2022, 24 programmes received a letter requesting the implementation of preventive and/or corrective measures. The effective implementation of the required remedial actions by the programme authorities allowed the Commission services during the same period to close such warnings from the preceding year(s) for 11 programmes. In case the deficiency still persists at the moment of settling the accounts, and in case the balance would be positive, the warning may be transformed in a formal interruption of payments to speed up the implementation of the requested measures. There were no such cases for ERDF/CF in 2022 (only for the ESF/YEI).

Warning letter improves system in Poland

The Commission auditors identified in a thematic audit for on the Polish regional operational programme Opolskie serious deficiencies related to the set-up of the financial instruments and the evaluation and selection of the audited operation, irregular loans, irregular application for interim payment included in the annual accounts due not reaching the threshold for the second tranche of the financial instrument, and weaknesses in the supervisory and control role of the Managing Authority.

At the request of the Commission (warning letter of interruption) the national authorities took the necessary measures to improve the system. The measures have significantly contributed to the administrative capacity of all bodies involved in the implementation, control and audit of financial instruments. Two seminars on implementation and control of financial instruments were organised by DAC and REGIO for all Polish programmes.

Suspension procedures are opened when required based on the CPR requirements (Article 142): legality and regularity issues; ex ante conditionalities not fulfilled; or insufficient quality or reliability of performance data indicators

The Commission needs to take a decision to suspend payments to a programme when a serious system deficiency or irregularity are confirmed or was not solved within 6 months (possibly extended by 3 months at the request of the Member State) following an interruption of payments.

In 2022, a suspension decision was adopted on 26 January for the Czech OP Enterprise and Innovation for Competitiveness, linked to a payment claim (of less than EUR 30,000) submitted in June 2021 by the Czech authorities for one operation falling under the conflict of interest of the then Prime Minister (the Member State requested to have a Commission actionable act which it could possibly contest in the European Court of Justice, to present its legal arguments). REGIO interrupted the payment claim in August 2021.

In addition, on 18 November 2022, a suspension decision was adopted for the French OP Mayotte due the insufficient assurance that declaration of irregular expenditure is prevented, as identified during a REGIO compliance audit on the work of the audit authority. The identified serious deficiencies were linked to audits of operations, procedures for the production of a reliable audit opinion and the preparation of the annual control report and management verifications.

Ex ante conditionalities for the 2014-2020 period were fulfilled by all programmes in the Members States. The last two pending cases affecting Cyprus and Italy were assessed as fulfilled (for Cyprus in 2022 and for Italy in first quarter 2023).

With respect to the reliability of the monitoring system or of the data on common or specific indicators, a reason quoted under Article 142 CPR to enter into suspensions, no suspension decision needed to be adopted in 2022.

The table below shows the number of warnings of corrective measures, warning of possible interruption, interruptions and pre-suspension letters issued by the Commission in 2022 and early 2023.

	Warning letter of corrective measures (5%≤risk≤10%)	Warning of possible interruption of payment (risk >10% but no pending payment claim)	Interruption of payment (risk >10% and pending payment claim)	Pre-suspension letters	Suspensions
2022	24	17	5	1	2
Until end of Q1 2023	7	0	3	2	0
Lifting of previous years' cases	11	13	2	N/A	0

Details on individual cases are presented below.

Number of Decisions taken in 2022 by REGIO to initiate preventive measures

	Warning letters of preventive and/or corrective measures	Warning letters of possible interruption	Interruptions of payment	Pre-suspension letters	Suspension decisions
AT	1				
BE		1			
CZ	1				1
DE	1	2			
EE	1				
ES	3	1	1		
FI	1				
FR	5	2	1	1	1
GR		1	1		
HU	5				
IT	1	1			
LV		1			
PL		3			
RO		1			
SK	1	1			

TC (including ENI-CBC)	4	3	2		
Total	24	17	5	1	2

Number of Decisions in Q1 2023

	Warning letters of corrective measures	Warning letters of interruption	Interruptions of payment	Pre-suspension letters	Suspension decisions
FR			1		
HR	1				
HU	5				
TC	1		2	2	
Total	7	0	3	2	0

Interruptions decided in 2022

	MS	Region/ Operational programme	CCI N°	DATE	AMOUNT (EUR)	DATE of LIFTING	Main weaknesses identified
1	ES	OP Plurirregional de España FEDER	2014ES16RFOP002	7/9/2022	309 870 137	26/12/2022	National fraud investigations concerning construction and civil works in Spain, therefore additional verifications necessary due to alerting information that expenditure in the request for payment of 12 July 2022 may be linked to irregularities having serious financial consequences within the meaning of Article 83(1)(b)
2	FR	Mayotte	2014FR16M20P012	18/2/2022	8 128 022	suspended	— findings concerned both ERDF and ESF — significant deficiencies in the functioning of the management and control system of the programme; deficiencies related to: key requirement 4: Appropriate management verifications; key requirement 16: Adequate audits of operations and key requirement 18: Adequate procedures for providing a reliable audit opinion and for preparing the annual control report.
3	GR	Competitiveness, Entrepreneurship And Innovation	2014GR16M20P001	9/6/2022	2 746 265	7/2/2023	- significant deficiencies limited to the intermediate body (IB) "General Secretariat of Research and Innovation" linked to key requirement 2 (appropriate selection of operations)- certain proposals have not been properly evaluated ; key requirement 4 (adequate management verifications); key requirement 5 (effective system in place to ensure that all documents regarding expenditure and audits are held to ensure an adequate audit trail), the audit authority detected problems in the audit trail relating to issues referred in the cases for key requirements 2 and 4

	MS	Region/ Operational programme	CCI N°	DATE	AMOUNT (EUR)	DATE of LIFTING	Main weaknesses identified
4	TC	Germany/Saxony- Czech Republic	2014TC16RFCB017	16/5/2022 17/8/2022	7 667 883	15/11/2022	significant deficiency linked to key requirement 4 relating to the managing authority and the intermediate body "Sächsische Aufbaubank Förderbank, IK50": inadequacy of the management verifications of public procurement procedures, namely on the Saxon side of the programme, and of the verifications made by SAB, but the whole programme concerned
5	TC	Caribbean Area	2014TC16RFTN008	20/9/2022	2 479 241	N/A	– serious deficiency related to key requirement 4 (adequate management verifications), total error rate of 43,38% In addition, a national audit with a qualified opinion on the managing authority management and control system, key requirements 2, 4 and 7 in category 4, key requirement 5 in category 3

Interruptions decided in Q1 2023

	MS	CCI N°	Region/ Operational programme	DATE	AMOUNT (EUR)	DATE of LIFTING	Main weaknesses identified
1	FR	2014FR16M20P004	Corse	8/2/2023	14 844 213,56	N/A	– significant deficiencies related to key requirement 4 (adequate management verifications); total error rate of 15,26%
2	TC	2014TC16RFCB043	Saint Martin-Sint Maarten	18/1/2023	3 506 116,18	N/A	– Significant system malfunction related to Key Requirement 2: Appropriate selection of operations, No 4: Appropriate management verifications, No 5: Effective system in place so that all documents relating to expenditure and audits are kept in order to ensure an adequate audit trail; total error rate of 100 %; significant deficiency in the management and control system related to key requirements 2 (appropriate selection of operations), 4 (adequate management verifications) and 5 (adequate audit trail). In addition, national audit with a qualified opinion on MA MCS, KR 1, 4 and 8 in Cat 3
3	TC	2014TC16RFTN008	Caribbean Area	10/2/2023	3 983 644,08	N/A	– serious deficiency related to key requirement 4 (adequate management verifications), total error rate of 43,38% In addition, a national audit with a qualified opinion on the managing authority management and control system, key requirements 2, 4 and 7 in category 4, key requirement 5 in category 3

Warning letters of possible interruption sent in 2022

	MS	CCI N°	Title	Date of letter	Lifting letter	Main weaknesses identified
1	BE	2014BE16RFOP001	Brussels Capital Region	15/7/2022	N/A	– significant deficiencies related to key requirement 4 (adequate management verifications), total error rate of 12.55 % related to the production of a reliable audit opinion and preparation of the annual control report
2	DE	2014DE16RFOP003	Berlin	29/7/2022	N/A	National system audit report - deficiencies linked to key requirement 4 (adequate management verifications) in relation to public procurement; total error rate 23,54%
3	DE	2014DE16RFOP012	Sachsen	29/11/2022	N/A	significant deficiencies found in public procurement for one major project
4	ES	2014ES16RFOP002	OP Plurirregional de España FEDER	24/5/2022	N/A	– significant deficiencies in the functioning of the management and control systems of the intermediate body “Secretaría General de Innovación” linked to: key requirement 1: Adequate separation of functions; key requirement 4: Adequate management verifications; key requirement 6: Reliable system for collecting, recording and storing data for monitoring, evaluation, financial management, verification and audit purposes, including links with electronic data exchange systems with beneficiaries
5	FR	2014FR16M0OP011	Martinique	02/05/2022	04/01/2023	– Significant system deficiency related to Key Requirement 16: adequate audits of operations and 18: adequate procedures for the production of a reliable audit opinion and the preparation of the annual control report; failure to complete the audit campaign for the accounting year 2020-2021; 16 out of 30 operations audits to be carried out were not finalised; the extent of the existing irregularities in the expenditure declared for 2018-2019 is not known
6	FR	2014FR16M2OP004	Corse	10/05/2022	N/A	– Significant system deficiency linked to Key Requirement 4: Appropriate management checks; the total error rate of 15.26 %
7	GR	2014GR16M2OP004	Epirus	07/07/2022	N/A	national system audit revealed deficiencies (category 3) on key requirements 2, 4 and 5: for selection of operations, the audit authority detected a conflict of interest in the composition of a committee; for management verifications, the IB did not verify correctly the physical and financial aspect of one operation having significant impact

	MS	CCI N°	Title	Date of letter	Lifting letter	Main weaknesses identified
8	IT	2014IT16RFOP022	Basilicata	25/08/2022	13/1/2023	<ul style="list-style-type: none"> - deficiencies are linked to Key requirement 14 –Adequate separation of functions and adequate systems for ensuring audits (weaknesses in AA structure, including the position of the head of AA with frequent personnel changes and still filled on ad interim basis, lack of procedures to avoid and manage possible conflict of interest at the level of head of AA, insufficient staff and staff not sufficiently trained/skilled) - Key requirement 16 –Adequate audits of operations (audit authority’s work did not ensure the appropriate and effective verification of the legality and regularity of the expenditure declared to the Commission, with particular weaknesses in the areas of selection process and eligibility of beneficiary/operation, eligibility of expenditure, operations generating revenues, State aid and small and medium enterprise’s status) - Key requirement 18 –Adequate procedures for providing reliable audit opinion <p>The Commission services estimated provisionally a revised total error rate and residual total error rate at a flat rate of 10%.</p>
9	LV	2014LV16MAOP001	Growth And Employment	31/03/2022	N/A	Deficiencies identified linked to: Key requirement 2 - Appropriate selection of operations, 5 - Effective system in place to ensure an adequate audit trail
10	PL	2014PL16M2OP007	Mazowieckie Voivodeship	09/06/2022	N/A	category 3 for Key Requirement 2 and Key Requirement 4. The procedures to mitigate conflicts of interest cover both ERDF and ESF expenditure.
11	PL	2014PL16M2OP008	Opolskie	20/06/2022	N/A	- serious deficiencies related to both ERDF and ESF financial instruments with regard to key requirement 4 – adequate management verifications
12	PL	2014PL16M2OP013	Świętokrzyskie Voivodeship	22/06/2022	N/A	Article 83(1)(b) conflict of interest based on press articles (possible irregularities in calls for working capital in the programme in subject. Two calls were organised as a response to difficulties in SMEs caused by the COVID-19 pandemic
13	RO	2014RO16RFOP002	Regional operational programme	15/11/2022	N/A	Article 83(1)(b) - following press articles on integrated territorial investments in the Danube region, some expenditure linked to ITI Danube may be linked to irregularities having serious financial consequences

	MS	CCI N°	Title	Date of letter	Lifting letter	Main weaknesses identified
14	SK	2014SK16M10P001	Integrated Infrastructure	15/02/2022 (updated 20/5/2022)	Decided to lift on 30/1/2023 (letter still to be sent out)	significant deficiencies linked to audit authority (key requirement 16 – adequate audits of operations and key requirement 18 – Deficiencies in procedures for providing a reliable audit opinion and for preparing the annual control report) and to MA (key requirement 4 – management verifications) preliminary results: TER 10,26% (limited to the three calls from the former programme “Research and Development”, now part of the Integrated Infrastructure programme impacted by the State aid systemic irregularity)
15	TC	2014TC16RFCB021	Romania-Bulgaria	30/08/2022	N/A	- deficiencies linked to key requirement 4 (“adequate management verifications”); frequency of errors of 33% (= 5/15), and a risk rate on the expenditure declared to the Commission services of 16,3%
16	TC	2014TC16RFCB043	Saint Martin-Sint Maarten	27/04/2022	N/A	- Significant system deficiencies related to Key Requirement 2: Appropriate selection of operations, No 4: Appropriate management verifications, No 5: Effective system in place so that all documents relating to expenditure and audits are kept in order to ensure an adequate audit trail; total error rate of 100 %; significant deficiency in the management and control system related to key requirements 2 (appropriate selection of operations), 4 (adequate management verifications) and 5 (adequate audit trail). In addition, qualified opinion on MA MCS, KR 1, 4 and 8 in Cat 3
17	TC	2014TC16RFTN008	Caribbean Area	27/04/2022	N/A	- Significant system malfunction related to Key Requirement 4: Appropriate management checks, total error rate 43.38 % In addition, a national audit with a qualified opinion on the MA MCS, KR2, 4 and 7 in Cat 4, KR 5

Pre-suspension letters issued in 2022

MS	CCI Nr	Title	DATE	AMOUNT	DATE of LIFTING	Main weaknesses identified
FR	2014FR16M20P012	Mayotte	5/4/2022	8 128 022	suspended on 18/11/2022	See section on interruptions above for details.

Pre-suspension letters issued in Q1 2023

MS	CCI Nr	Title	DATE	AMOUNT	DATE of LIFTING	Main weaknesses identified
TC	2014TC16RFCB043	Saint Martin-Sint Maarten	9/3/2023	3 506 116,18	N/A	– Significant system malfunction related to Key Requirement 2: Appropriate selection of operations, No 4: Appropriate management verifications, No 5: Effective system in place so that all documents relating to expenditure and audits are kept in order to ensure an adequate audit trail; total error rate of 100 %; significant deficiency in the management and control system related to key requirements 2 (appropriate selection of operations), 4 (adequate management verifications) and 5 (adequate audit trail). In addition, qualified opinion on MA MCS, KR 1, 4 and 8 in Cat 3
TC	Caribbean Area	2014TC16RFTN008	23/2/2023	6 462 884,89	N/A	– serious deficiency related to key requirement 4 (adequate management verifications), total error rate of 43,38% In addition, a national audit with a qualified opinion on the managing authority management and control system, key requirements 2, 4 and 7 in category 4, key requirement 5 in category 3

Suspension decisions adopted in 2022

MS	CCI Nr	Title	DATE	DATE of LIFTING	Main weaknesses identified
CZ	2014CZ16RFOP001	Enterprise and Innovation for Competitiveness	26/1/2022	N/A	The Commission audit identified three projects involving grants awarded in apparent breach of Article 4c of the Conflict of Interest Act. The interim payments are suspended because the Czech authorities have declared irregular expenditure related to those identified projects.
FR	2014FR16M2OP012	Mayotte	18/11/2022	NA	See section on interruptions above for details.

ANNEX 7H: 2014-2020 ERDF / CF Programmes: Financial corrections applied by the Member States, including at the request of the Commission

In shared management, programme managing authorities are required to prevent irregularities by not declaring expenditure found to be irregular in interim payment claims submitted to the Commission. For this purpose, appropriate management verifications need to be carried out before validating expenditure submitted by beneficiaries. Management verifications however continue even after declaring expenditure to the Commission during the accounting year (for ex. risk-based on the spot visits to operations) and up to the preparation of the programme annual accounts to be submitted to the Commission by 1 March at the latest, when the programme certifying authority formally certifies to the Commission that expenditure entered in the accounts is legal and regular.

The programme audit authorities audit a statistical sample of operations declared during the accounting year to the Commission. The errors found are withdrawn by programme authorities before submitting the accounts.

Taking into account the multi-annual programming in Cohesion and the fact that irregularities or other clerical errors are corrected before the legality and regularity of expenditure is formally certified to the Commission in the accounts, these financial corrections can be considered as **preventive measures safeguarding the EU budget**. Corrections intervening after accounts are submitted, identified by the Member States or at the request of the Commission, constitute **corrective measures** and are implemented in interim payment claims of subsequent accounting years.

Financial corrections reported by the programme authorities in the annual accounts

For safeguarding the EU budget, Member States implement during the year and at the latest in the accounts financial corrections following verifications, audits and investigations which take place throughout the accounting year. These financial corrections are implemented in interim payment claims (column A in the table below) or at the latest in the accounts (column B in the table below), where they are reported in appendices 2 and 8 respectively. These implemented corrections result mainly from management verifications and audits carried out at national level, but also from the Commission's own audits and its follow-up to ECA audits or OLAF investigations. According to the CPR Article 137(2), programme authorities can also temporarily withdraw from the accounts expenditure that is subject to an ongoing assessment, so that only legal and regular expenditure is certified. The CPR also foresees that corrections resulting from audits from the programmes' audit authorities are indicated separately in the accounts appendices, while all other amounts of corrections and temporary withdrawals are reported together.

The table below lists the total deductions (**financial corrections⁴² and temporary deductions reported** by the Member States **in the 2021-2022 programme accounts** (column C), and the

⁴² Withdrawn from interim payment claims or deducted from accounts.

amounts of financial corrections stemming from the irregularities detected during the audits of operations by audit authorities (column D). Amounts are in EU contribution.

ERDF/CF contributions withdrawn / deducted from accounts (accounting year 2021-2022)				
MS	Withdrawals and recoveries from interim claims ("corrective")	Deductions from accounts ("preventive")	Total deductions included in the accounts	Out of which financial corrections resulting from audits of operations (by audit authorities)
	A	B	C= (A+B)	D
AT	886.976	36.061.160	36.948.136	195.039
BE	1.259.149	515.298	1.774.448	385.881
BG	13.481.587	6.629.241	20.110.828	8.416.989
CY	43.364	322.796	366.160	258.019
CZ	38.926.190	32.463.471	71.389.660	1.503.147
DE	4.350.435	30.090.895	34.441.329	7.831.306
DK	4.621	55.235	59.855	0
EE	1.782.309	117.915.499	119.697.808	587.517
ES	40.650.144	414.439.809	455.089.953	118.367.031
FI	8.272.425	4.397.538	12.669.963	9.003
FR	13.048.202	26.470.217	39.518.419	26.167.712
GR	7.708.450	132.313.451	140.021.901	48.683.887
HR	10.225.082	1.527.010	11.752.093	354.081
HU	104.963.236	579.708.064	684.671.300	5.813.665
IE	0	83	83	83
IT	61.691.972	32.638.091	94.330.063	5.270.321
LT	106.804.864	18.549.248	125.354.112	2.088.489
LU	0	0	0	0
LV	13.224.162	45.577.515	58.801.676	2.371.580
MT	781.903	38.577	820.480	26.379
NL	130.606	253.057	383.662	5.570
PL	22.929.968	232.698.085	255.628.054	2.935.705
PT	21.637.750	50.573.923	72.211.674	45.455.952
RO	31.196.421	58.743.261	89.939.682	28.551.108
SE	110.050	113.773	223.823	505
SI	1.205.811	14.104.327	15.310.139	2.233.476
SK	14.115.858	22.108.749	36.224.606	13.658.203
TC	2.530.292	17.075.352	19.605.644	8.138.321
UK	1.564.935	4.749.003	6.313.938	984.262
Total	523.526.760	1.880.132.730	2.403.659.490	330.293.231

For the accounting year 2021-2022, the total expenditure, certified in the accounts is EUR 49.9 billion. The **programme authorities directly** deducted EUR 3 billion in total cost (**EUR 2.4 billion EU contribution**) from payment claims and in the accounts. These deductions protect the EU budget as they result from

(a) continued management verifications after the end of the accounting year and until submission for the accounts;

(b) audits of operations by audit authorities (EUR 330.3 million EU contribution);

(c) financial corrections implemented at the request of the Commission (EUR 121 million EU contribution) as a follow-up to its own audits, ECA audits or OLAF investigations ;

(d) amounts previously declared during the accounting year and **temporarily withdrawn** in view of the **further assessment of their legality and regularity** in application of Article 137(2) CPR (estimated to be at least 50 % of the total withdrawn amounts)⁴³.

Such implemented financial corrections and temporary deductions under further confirmation of the legality and regularity of the concerned expenditure, deducted from the annual accounts, are therefore a powerful tool to protect the EU budget, year after year. Since the beginning of the programming period 2014-2020, Member States deducted cumulatively EUR 14 billion (**EUR 11 billion EU contribution**) of definitive corrections and temporary deductions in the accounts, including EUR 2.3 billion (**EUR 1.7 billion EU contribution**) of financial corrections implemented as a result of the audit authorities' work.

ERDF/CF contributions withdrawn / deducted from accounts (cumulatively up to the 2021-2022 accounting year)				
MS	Withdrawals and recoveries from interim claims ("corrective")	Deductions from accounts ("preventive")	Total deductions included in the accounts	Out of which financial corrections resulting from audits of operations (by audit authorities)
	A	B	C=(A+B)	D
AT	3.244.947	58.721.211	61.966.159	5.953.491
BE	7.184.561	12.221.658	19.406.219	3.766.901
BG	18.962.018	46.810.834	65.772.853	32.102.233
CY	558.250	943.576	1.501.826	603.059
CZ	46.971.209	204.544.899	251.516.108	28.270.742
DE	20.751.298	156.085.800	176.837.099	45.734.687
DK	4.621	7.894.052	7.898.673	0
EE	6.231.090	295.133.081	301.364.171	3.058.806
ES	64.456.581	1.516.103.825	1.580.560.406	355.001.135
FI	8.675.790	26.992.745	35.668.535	159.685
FR	23.857.574	144.558.221	168.415.795	101.221.306
GR	39.784.563	318.662.773	358.447.336	128.269.739
HR	70.922.636	59.564.445	130.487.082	11.963.949
HU	452.254.254	2.856.779.439	3.309.033.694	54.682.364
IE	15.995.265	4.470.625	20.465.890	2.783.880
IT	105.833.140	607.539.424	713.372.565	137.984.951
LT	114.339.919	324.684.742	439.024.661	18.643.279
LU	0	0	0	0
LV	14.302.471	198.729.193	213.031.664	6.860.966
MT	9.857.990	4.672.371	14.530.362	80.039
NL	296.647	792.421	1.089.068	139.229
PL	91.777.099	1.206.397.728	1.298.174.827	55.160.680
PT	169.336.120	361.604.823	530.940.943	286.831.835
RO	81.508.115	405.939.516	487.447.631	136.614.550
SE	508.108	3.205.697	3.713.804	312.089
SI	7.233.609	120.573.771	127.807.380	5.481.911
SK	102.345.902	567.635.223	669.981.125	167.887.465
TC	7.711.972	77.626.839	85.338.810	24.019.996
UK	10.301.194	88.997.356	99.298.551	37.336.415

⁴³ These amounts under ongoing assessment can be reintroduced only once the outstanding verifications have been completed and confirmed that the concerned expenditure is indeed legal and regular. Otherwise they are transformed in definitive financial corrections implemented in the accounts.

ERDF/CF contributions withdrawn / deducted from accounts (cumulatively up to the 2021-2022 accounting year)				
MS	Withdrawals and recoveries from interim claims ("corrective")	Deductions from accounts ("preventive")	Total deductions included in the accounts	Out of which financial corrections resulting from audits of operations (by audit authorities)
Total	1.495.206.943	9.677.886.291	11.173.093.234	1.650.925.382

Financial corrections imposed by REGIO to programmes and implemented by the Member States in the annual accounts

The corrective mechanism under Cohesion policy provides incentives for the Member States to carry out appropriate and timely financial correction before submitting accounts to the Commission, so that they can re-use the corresponding allocations. The Commission services have also provided clear guidance to ensure that expenditure is duly withdrawn before submitting accounts, when doubts are raised about its eligibility (under Article 137(2) CPR).

REGIO, through its audit and supervisory role, contributes to the above preventive and corrective mechanisms. In particular, EUR 468.1 million (in EU contribution) **financial corrections requested by REGIO since the beginning of the programming period through its audit activity and accepted by Member States** comprise corrections resulting from:

- (i) its own audits: EUR 411 million (EU contribution);
- (ii) the Commission's follow-up to ECA audit: EUR 10.1 million (EU contribution);
- (iii) the Commission's follow-up to OLAF investigations: EUR 47 million (EU contribution);
- (iv) corrections required to ensure a risk at closure below 2% for all programmes: EUR 247,9 million EU contribution⁴⁴ (see details in the table in the next page below).

This represents **REGIO's corrective capacity due to the Commission and the ECA's audit work** (which is included in the total deductions from the accounts, column C in the above cumulative table).

The CPR requires REGIO to launch financial correction procedures each time it concludes that the national authorities failed to apply corrections in first instance, for example when it has concluded that **the confirmed residual total error rate for a programme remains material**.

In relation to **previous accounting years** and with respect to remaining residual error rates above 2% reported in previous AARs, the below table shows the **additional financial corrections that were carried out by REGIO, allowing to reach an overall "risk at closure" below 2% for each accounting year** (even if not for each individual programme yet, pending on-going contradictory procedures). **REGIO's complementary multiannual corrective capacity is effectively**

⁴⁴ This amount cannot be added to the amounts of corrections following EC and ECA audits as they might have the same source and would therefore be counted twice.

bringing the risk at closure below 2% over time (although taking some time due to the requirements to apply strict contradictory procedures), as indicated in previous AARs⁴⁵.

The table shows the evolution of KPI5 towards the estimated risk at closure in a given year taking into account the contradictory procedures for those programmes with a confirmed residual total error rate above 2%. It shows that **for all previous accounting years the risk at closure is, at this moment of the contradictory procedure with Member States, already below materiality**.

In order to get an exact risk at closure, the calculation of the KPI5 is performed by updating for the programmes with a confirmed AAR above 2% the RTER without the impact of financial instrument advances. For example, if a programme at the moment of publication of the AAR 2020 had a RTER of 3% and now has implemented the required financial corrections to bring the RTER to 2%, the updated RTER (without impact of FIs) is fed into the calculation. The RTER is not updated systematically for all programmes, only for those mentioned in column C of the below table. The recalculated risk at closure, taking into account the final error rate after contradictory procedure is compared to the risk at closure estimated in previous AARs.

Follow-up of programmes with RTER above 2% and updated risk at closure from previous AARs:

AAR	Acc. year	Number of programmes concerned	Additional audit work proving RTER<2% (no extrapolated correction needed beyond possible individual ones)	Financial corrections applied with RTER<2% after corrections	Financial corrections on-going to ensure a RTER<2%	Estimated RTER (KPI)	Additional corrections applied at this stage of the contradictory procedures ⁴⁶	Risk at closure at this stage of the planned contradictory procedures ⁴⁷
2017	2015-2016	1	-	1 multi-fund OP (PL, ESF exp.)	-	0.6% ⁴⁸	EUR 56,675	0.6% (est. 1.05%)
2018	2016-2017	29 (6 MS +UK)	3 (2 FR,UK)	26 (BG, 17 EL, 3 FR, IT, LT, 2 SK, UK)	-	1.96%	EUR 66 million	1.2% (est. 1.2%)
2019	2017-2018	46 (1 MS + UK)	13 (1 BE, 4 DE, 1 ES, 2 FR, 2 PL, LT, RO, UK)	7 (1 DE, 3 ES, 2 IE, SK)	26 ⁽⁴⁹⁾	2.7%	EUR 83.7 million	1.5% (est. 1.1%)
2020	2018-2019	63 (12 MS + UK + ETC)	7 (2 ES, FR, 2 IT, 2 ETC)	31 (2 DE, 17 EL, 6 ES, 2 HU, PL, 1 RO, 2 SK)	26 ⁽⁵⁰⁾	2.1%	EUR 120.3 million	1.53% (est. 1.2%)
2021	2019-2020	50 (10 MS + UK)	3 (2 FR, 1 RO)	6 (1 CZ, 5 ES)	41 ⁽⁵¹⁾	1.9%	EUR 59.3 million	1.63% (est. 1.2%)
2022	2020-2021	41 (10MS + ETC)	-	N/A	41 ⁵²	1.9%	-	est. 1.3%

⁴⁵ The table refers only to those programmes which were reported with a RTER above 2% in previous AARs and which are taken into account for the calculation of the KPI5 following the complete audit cycle. All other cases are followed-up on a case by case basis to ensure that at closure no operational programme remains with a material residual total error rate.

⁴⁶ Amounts in total expenditure for comparison purposes over the years

⁴⁷ Recalculated risk at closure for AARs of previous years, after additional verifications and financial corrections were implemented

⁴⁸ In the AAR 2017 the KPI did not exist. It was weighted average of the RTER without financial instruments advances.

⁴⁹ 2 ES, 1 HR, 9 IT, 3 PL, 10 PT (covered under one single ACR), 1 UK

⁵⁰ 1 AT, 1 DE, 1 FR, 8 IT, 1 LV, 1 PL, 10 PT, (covered under one single ACR), 1 SK, 1 ETC, 1 UK

⁵¹ 1 FR, 17 GR (covered under one single ACR), 7 IT, 1 LV, 2 PL, 10 PT (covered under one single ACR), 2 SK, 1 UK

⁵² 1 AT, 1 BE, 2 CZ, 2 ES, 5 FR, 7 IT, 1MT, 3 PL, 10 PT, 1 SK, 8 ETC

AAR	Acc. year	Number of programmes concerned	Additional audit work proving RTER<2% (no extrapolated correction needed beyond possible individual ones)	Financial corrections applied with RTER<2% after corrections	Financial corrections on-going to ensure a RTER<2%	Estimated RTER (KPI)	Additional corrections applied at this stage of the contradictory procedures ⁴⁶	Risk at closure at this stage of the planned contradictory procedures ⁴⁷
TOTAL AARs 2017 – 2022:							EUR 329.3 (total cost) EUR 247.9 million (EU Contribution)	

Financial corrections procedure by the Commission

Financial correction Decisions adopted by the Commission reduce the Funds' contribution to the programmes, i.e., they are always net. Such financial correction procedures incorporate steps providing the concerned Member State with ample possibilities to defend itself. During the procedure, the Commission may therefore take account of additional facts / arguments presented by the Member State and drop some findings or the Member State may accept to perform corrections. In the latter case, these corrections would in principle not be net and the Member State will be able to replace them with eligible expenditure. In addition, any formal Commission decision on financial correction would mean a net correction for the programme (loss of corresponding allocations). No need for such decisions occurred in 2022, since Member States appropriately carried out all corrections requested by the Commission.

Furthermore, the CPR provides that the Commission shall apply **net financial corrections**, should **serious deficiencies** in the management and control system of the Member State be identified by the DAC or the European Court of Auditors after the accounts were submitted, and which were not identified, reported, and corrected by the Member State's authorities.

In this case, even if the Member State accepts the proposed corrections during the financial correction procedure, these corrections reduce the Funds allocations to the concerned programme, i.e. they are net. It should be noted, however, that the provisions for net financial corrections adopted by the co-legislators in the Common Provisions Regulation are subject to strict cumulative requirements, considerably limiting their scope of application and in practice leading to considerable challenges in applying net financial corrections. In a first step, the Commission auditors shall find evidence of irregularities demonstrating a serious deficiency in the functioning of the management and control system. Then the Commission auditors must establish that the serious deficiency has not already been a) detected, b) reported, and c) been made subject to appropriate measures by the Member State prior to the date of detection by the Commission or the European Court of Auditors.

REGIO has not applied any net financial corrections till end 2022, the Commission's assessment being that the conditions to impose such net financial corrections were not met.

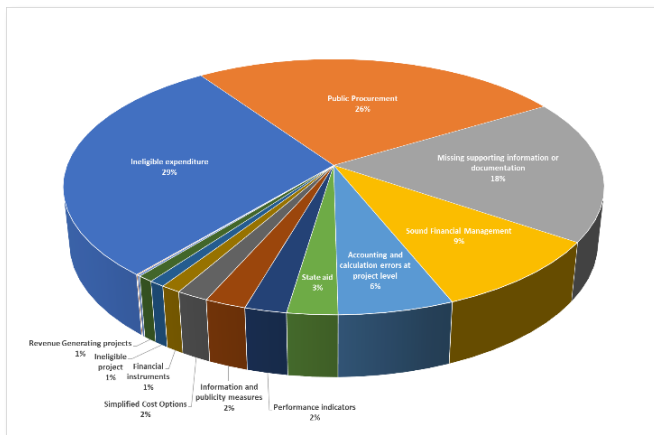
ANNEX 7I: 2014-2020 ERDF / CF programmes: Typologies of irregularities reported by Member States with the 2020-2021 assurance packages and by REGIO auditors

1) Typologies of irregularities reported by Member States in their 2021 annual control reports related to the 2020-2021 assurance packages

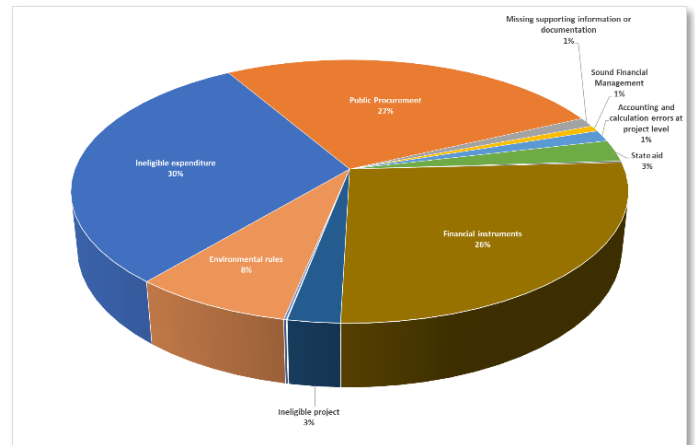
Category	Frequency		Amount of the reported irregularities (total costs, in million EUR)
	number of cases	percentage of cases	
Ineligible expenditure	1,093	29.28%	58.42
Public Procurement	971	26.01%	50.78
Missing supporting information or documentation	676	18.11%	2.22
Sound Financial Management	350	9.38%	1.40
Accounting and calculation errors at project level	220	5.89%	2.69
State aid	96	2.57%	5.12
Performance indicators	80	2.14%	0.00
Information and publicity measures	79	2.12%	0.00
Simplified Cost Options	61	1.63%	0.34
Financial instruments	38	1.02%	50.39
Ineligible project	30	0.80%	4.99
Revenue Generating projects	30	0.80%	0.07
Sub TOTAL	3,724	99.76%	176.43
Other non-quantifiable irregularities reported			
Equal Opportunities / Non discrimination	6	0.16%	0.25
Environmental rules	3	0.08%	15.17
Sub TOTAL	9	0.24%	15.42
Grand total (quantifiable and non quantifiable)	3,733		191.84

Audit authorities' results (% of total)

Frequency of cases

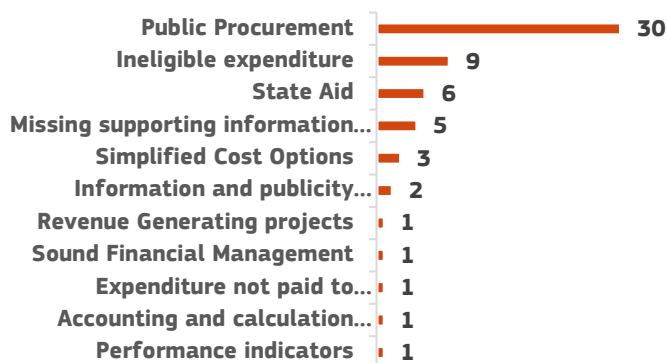


Amounts



2) Typologies of irregularities reported in REGIO audits in 2022)

Categories of project findings detected by DAC audits in 2022 |ERDF/CF|



The different types of DAC audits carried out in 2022 for ERDF/CF programmes (excluding the fact-finding missions), led to the identification of **142 system findings** and **60 project findings** in relation to the **334 ERDF/CF operations audited** mostly at the level of managing or audit authorities to avoid duplication of audits and control burden to beneficiaries, or on the spot at the

level of beneficiaries.

In line with the joint typology of errors shared with audit authorities, most of the ERDF/CF project findings, relate to **public procurement (50%), ineligible expenditure (15%), State aid (10%) and missing documentation rendering the expenditure irregular (8%)**. These irregularities were not detected or not sufficiently quantified by the programme authorities (managing authorities in the first instance, and also audit authorities in some cases).

ERDF/CF audits in 2022:

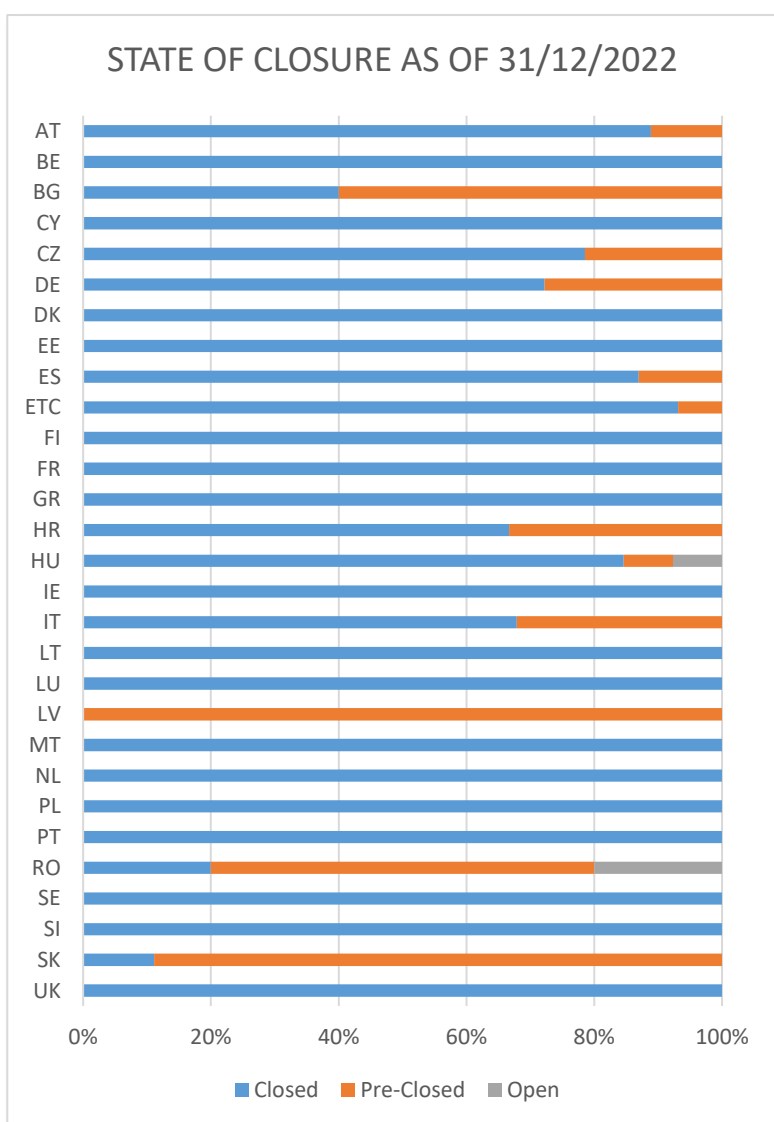
334 operations audited
142 System findings
60 Project findings

ANNEX 7J: 2007-2013 and 2000-2006 ERDF/CF programmes: Assurance at closure

2007-2013 ERDF / CF programmes

A. Overview closure and residual error rates

Closure is a threefold process involving different parts of the DG (implementation, audit, financial part) which results in the financial settlement of outstanding Union commitments through payment of the final balance to the appointed authority or issue of a debit note and/or decommitment, as appropriate. The closure of programmes does not prejudice the Commission's right to impose financial corrections.



If there are no pending issues identified in the programme or all pending issues have been resolved, the final balance can be determined and paid. Consequently, a **closure letter** can be sent accepting the closure documents. However, if there are pending issues (such as on-going OLAF/national investigations, open audit findings, pending recoveries, etc.) identified in the programme, the final balance cannot yet be determined, the Commission pays only the uncontested amount to the Member State. A **pre-closure letter** shall be sent. Once the pending issues are resolved, a closure letter can be sent to the Member State.

At closure, the control objective is to ensure that the residual risk of each programme does not exceed 2% on a cumulative basis and that, where this is the case, the necessary additional financial corrections are applied. Therefore, this ultimate filter ensures that no material level of error exists in the co-funded expenditure.

By end December 2022, 322 programmes were fully closed (276 or 85.7%) or pre-closed (44 OR 13.7%) so far, representing **99.4% of the total 322 programmes**. Only two programmes (**0.6%**) remain fully open due to pending issues, as shown in

the pie chart.

For the 44 pre-closed programmes, the Commission agreed to make a partial closure payment covering only the uncontested amounts, and withheld any expenditure affected by potential irregularities or on-going investigations at national (pending recoveries, fraud investigations, administrative/court proceedings) or EU level. Most of these pre-closed programmes are affected by on-going procedures at national level for which it is difficult to predict the date of full closure.

Closure declarations and final control reports contain a synthesis of all EU and national audit work carried out during the programming period to monitor and mitigate irregularities and risks identified throughout implementation. On its side, during the 2007-2013 period, REGIO's audit directorate has built up significant knowledge of the effective functioning of management and control systems at national/regional level both from monitoring and analysing the work carried out by the audit authorities, and from its over 580 audits in the Member States under different audit enquiries, in line with its audit strategy:

Enquiry planning memorandum	Number of audits
Review of the work of audit authorities	243
Monitoring of Article 73	21
Fact finding audits on annual control reports and final control reports	72
Bridging the assurance gap	156
Reliability of reporting of withdrawals and recoveries	36
Financial instruments	15
Audit of the management verifications in ETC programmes	20
Audits to estimate an error rate at the beginning of the programming period (2009)	14
Performance audits (pilot exercise)	9
TOTAL	586

Indicator (programming period 2007-2013)	2021
Reviewed audit authorities by REGIO	52 ⁵³ in charge of >98% of ERDF/CF allocations ⁵⁴
Reliance on reviewed audit authorities by REGIO	100% of reviewed audit authorities (after action plans, where necessary)

⁵³ The on the spot audits by Directorate General of Regional and Urban Policy covered the following ERDF/CF audit authorities responsible for audit of mainstream programmes: (1 AT, 2 BE (out of 3 AAs), 1 BG, 1 CY, 1 CZ, 11 DE (out of 17 AAs), 1 DK, 1 EE, 1 ES, 1 FI (out of 2 AAs), 1 FR, 1 EL, 1 HR, 1 HU, 1 IE, 12 IT (out of 25 AAs), 1 LT, 1 LV, 1 MT, 1 NL, 1 PL, 1 PT, 1 RO, 1 SE, 1 SI, 1 SK and 4 UK (out of 5 AAs). LU was the only Member States without on-the-spot audit by REGIO. In addition, 7 audit authorities responsible for ETC programmes only were indirectly covered by the specific ETC audits as well (the latter representing 0.36% of total ERDF allocation).

⁵⁴ ERDF/CF allocation for both mainstream and ETC programmes under the audit responsibility of 75 ERDF/CF audit authorities.

The 2007-2013 ERDF / CF programmes Error Rates are presented below:

MS	Ref	Title	Reservation AAR 2022	Closure status at end 2022	Relevant expenditure 2022 (in mln Eur)	Residual error rate reported at closure	Residual error rate validated by REGIO	Rate of risk on payment
AT	2007AT161PO001	Burgenland		Closed		0.00%	0.00%	
AT	2007AT162PO001	Niederösterreich		Closed		0.00%	0.00%	
AT	2007AT162PO002	Oberösterreich		Closed		0.00%	0.00%	
AT	2007AT162PO003	Vorarlberg		Closed		0.00%	0.00%	
AT	2007AT162PO004	Wien		Closed		0.00%	0.00%	
AT	2007AT162PO005	Kärnten		Pre-Closed		0.00%	0.00%	
AT	2007AT162PO006	Salzburg		Closed		0.00%	0.00%	
AT	2007AT162PO007	Steiermark		Closed		0.00%	0.00%	
AT	2007AT162PO008	Tirol		Closed		0.00%	0.00%	
BE	2007BE161PO001	Hainaut		Closed		0.40%	0.36%	
BE	2007BE162PO001	Région de Bruxelles-Capitale		Closed		0.90%	1.41%	
BE	2007BE162PO002	Vlaanderen		Closed		0.63%	0.63%	
BE	2007BE162PO003	Wallonie (hors Hainaut)		Closed		0.40%	0.36%	
BG	2007BG161PO001	Regional Development		Pre-Closed		0.19%	0.19%	
BG	2007BG161PO002	Technical Assistance		Closed		0.12%	0.12%	
BG	2007BG161PO003	Bulgarian Economy		Pre-Closed	1.09	0.39%	0.39%	0.39%
BG	2007BG161PO004	Transport		Closed		0.00%	0.00%	
BG	2007BG161PO005	Environment		Pre-Closed		0.00%	0.00%	
CY	2007CY16UPO001	Sustainable Development and Competitiveness		Closed		0.10%	0.00%	
CZ	2007CZ161PO001	South East		Closed		0.00%	0.00%	
CZ	2007CZ161PO002	Central Moravia		Closed		0.30%	0.28%	
CZ	2007CZ161PO004	Enterprise and Innovation		Closed		0.21%	0.21%	
CZ	2007CZ161PO005	North East		Closed		0.00%	0.00%	

MS	Ref	Title	Reservation AAR 2022	Closure status at end 2022	Relevant expenditure 2022 (in mln Eur)	Residual error rate reported at closure	Residual error rate validated by REGIO	Rate of risk on payment
CZ	2007CZ161PO006	Environment		Closed		1.34%	1.34%	
CZ	2007CZ161PO007	Transport		Closed		0.00%	0.00%	
CZ	2007CZ161PO008	North-West		Pre-Closed		1.85%	1.85%	
CZ	2007CZ161PO009	Central Bohemia		Closed		0.24%	0.24%	
CZ	2007CZ161PO010	Moravia Silesia		Closed		0.00%	0.00%	
CZ	2007CZ161PO012	Research and Development for Innovation		Pre-Closed		0.00%	0.00%	
CZ	2007CZ161PO013	South West		Closed		0.00%	0.00%	
CZ	2007CZ162PO001	Prague		Closed		0.00%	0.00%	
CZ	2007CZ16UPO001	Technical Assistance		Closed		0.55%	15.91%	
CZ	2007CZ16UPO002	Integrated OP		Pre-Closed		0.00%	0.00%	
DE	2007DE161PO001	Thüringen		Closed		0.00%	0.00%	
DE	2007DE161PO002	Brandenburg		Pre-Closed		0.00%	0.00%	
DE	2007DE161PO003	Mecklenburg - Vorpommern		Closed		0.00%	0.00%	
DE	2007DE161PO004	Sachsen		Pre-Closed		0.00%	0.00%	
DE	2007DE161PO005	Verkehr		Closed		0.00%	0.00%	
DE	2007DE161PO006	Niedersachsen - Region Lüneburg		Closed		0.00%	0.00%	
DE	2007DE161PO007	Sachsen - Anhalt		Pre-Closed		1.60%	0.70%	
DE	2007DE162PO001	Bayern		Closed		0.15%	0.15%	
DE	2007DE162PO002	Saarland		Closed		0.00%	0.00%	
DE	2007DE162PO003	Schleswig - Holstein		Pre-Closed		0.00%	0.00%	
DE	2007DE162PO004	Berlin		Pre-Closed		0.00%	0.00%	
DE	2007DE162PO005	Hessen		Closed		0.00%	0.04%	
DE	2007DE162PO006	Bremen		Closed		0.00%	0.00%	
DE	2007DE162PO007	Nordrhein - Westfalen		Closed		1.63%	1.60%	

MS	Ref	Title	Reservation AAR 2022	Closure status at end 2022	Relevant expenditure 2022 (in mln Eur)	Residual error rate reported at closure	Residual error rate validated by REGIO	Rate of risk on payment
DE	2007DE162PO008	Baden - Württemberg		Closed		0.00%	0.00%	
DE	2007DE162PO009	Hamburg		Closed		0.00%	0.00%	
DE	2007DE162PO010	Niedersachsen (ohne Region Lüneburg)		Closed		0.00%	0.00%	
DE	2007DE162PO011	Rheinland - Pfalz		Closed		0.00%	0.00%	
DK	2007DK162PO001	Innovation og Viden		Closed		0.39%	0.39%	
EE	2007EE161PO001	Economic Environment		Closed		0.00%	0.00%	
EE	2007EE161PO002	Living Environment		Closed		0.00%	0.00%	
ES	2007ES161PO001	Región de Murcia		Closed		0.45%	0.45%	
ES	2007ES161PO002	Melilla		Closed		1.96%	1.97%	
ES	2007ES161PO003	Ceuta		Closed		0.00%	0.01%	
ES	2007ES161PO004	Asturias		Closed		0.77%	0.76%	
ES	2007ES161PO005	Galicia		Closed		0.00%	2.00%	
ES	2007ES161PO006	Extremadura		Closed		0.00%	0.00%	
ES	2007ES161PO007	Castilla La Mancha		Closed		0.38%	0.21%	
ES	2007ES161PO008	Andalucía		Closed		0.00%	0.50%	
ES	2007ES161PO009	Fondo de Cohesión - FEDER		Pre-Closed		0.00%	0.00%	
ES	2007ES162PO001	Cantabria		Closed		0.00%	0.00%	
ES	2007ES162PO002	País Vasco		Closed		1.67%	1.67%	
ES	2007ES162PO003	Navarra		Closed		1.35%	1.35%	
ES	2007ES162PO004	Madrid		Closed		0.00%	0.00%	
ES	2007ES162PO005	La Rioja		Closed		0.00%	0.00%	
ES	2007ES162PO006	Cataluña		Closed		0.00%	0.00%	
ES	2007ES162PO007	Baleares		Closed		0.00%	0.00%	
ES	2007ES162PO008	Aragón		Closed		0.70%	0.64%	
ES	2007ES162PO009	Castilla y León		Closed		0.00%	0.00%	

MS	Ref	Title	Reservation AAR 2022	Closure status at end 2022	Relevant expenditure 2022 (in mln Eur)	Residual error rate reported at closure	Residual error rate validated by REGIO	Rate of risk on payment
ES	2007ES162PO010	Comunidad Valenciana		Pre-Closed		0.00%	0.00%	
ES	2007ES162PO011	Canarias		Closed		0.35%	0.29%	
ES	2007ES16UPO001	Investigación, Desarrollo e innovación		Pre-Closed		0.32%	0.80%	
ES	2007ES16UPO002	Asistencia Técnica y Gobernanza		Closed		0.32%	0.80%	
ES	2007ES16UPO003	Economía basada en el Conocimiento		Closed		0.32%	0.80%	
ETC	2008CB163PO001	España - Fronteras Exteriores		Closed		0.62%	0.56%	
ETC	2013CB163PO001	Slovenia-Croatia		Closed		0.00%	0.37%	
ETC	2013CB163PO002	Hungary Croatia		Closed		0.00%	0.00%	
ETC	2007CB163PO001	EUREGIO Maas Rijn		Closed		0.10%	0.85%	
ETC	2007CB163PO002	Austria-Czech Republic		Closed		0.48%	0.48%	
ETC	2007CB163PO003	Slovakia-Austria		Closed		0.06%	0.10%	
ETC	2007CB163PO004	Austria-Bavaria		Closed		0.26%	0.27%	
ETC	2007CB163PO005	España - Portugal		Closed		0.17%	0.13%	
ETC	2007CB163PO006	España - Francia		Closed		1.59%	1.77%	
ETC	2007CB163PO007	Madeira - Azores - Canarias		Closed		0.32%	0.32%	
ETC	2007CB163PO008	South West Europe		Closed		0.75%	0.75%	
ETC	2007CB163PO009	Bavaria - Czech Republic		Closed		0.30%	0.30%	
ETC	2007CB163PO010	Austria - Hungary		Closed		0.33%	0.33%	
ETC	2007CB163PO011	Lubuskie - Branderburg		Pre-Closed		0.04%	0.04%	
ETC	2007CB163PO012	Poland-Slovakia		Pre-Closed		0.01%	0.01%	
ETC	2007CB163PO013	South Baltic		Pre-Closed	-0.31	0.00%	0.00%	0.00%
ETC	2007CB163PO014	Alpine Space		Closed		0.87%	0.87%	
ETC	2007CB163PO015	INTERACT		Closed		0.05%	0.05%	
ETC	2007CB163PO016	Sweden - Norway		Closed		1.18%	1.18%	
ETC	2007CB163PO017	Saxony-CZ Republic		Closed		0.83%	1.21%	

MS	Ref	Title	Reservation AAR 2022	Closure status at end 2022	Relevant expenditure 2022 (in mln Eur)	Residual error rate reported at closure	Residual error rate validated by REGIO	Rate of risk on payment
ETC	2007CB163PO018	Sachsen - Polen		Closed		0.61%	0.61%	
ETC	2007CB163PO019	MV/BB - Polen		Closed		0.00%	0.00%	
ETC	2007CB163PO020	Baltic Sea Region		Closed		0.53%	0.53%	
ETC	2007CB163PO021	Romania - Bulgaria		Pre-Closed		0.52%	0.60%	
ETC	2007CB163PO022	ESPO 2013		Closed		0.15%	0.15%	
ETC	2007CB163PO023	Deutschland-Niederlande		Closed		0.62%	0.62%	
ETC	2007CB163PO024	Alpenrhein-Bodensee-Hochrhein		Closed		0.42%	0.42%	
ETC	2007CB163PO025	Ceská republika - Polsko		Closed		0.83%	0.83%	
ETC	2007CB163PO026	Öresund - Kattegatt - Skagerrak		Closed		0.00%	0.00%	
ETC	2007CB163PO027	Northern Periphery		Closed		0.70%	0.70%	
ETC	2007CB163PO028	Botnia-Atlantica		Closed		0.90%	0.90%	
ETC	2007CB163PO029	Atlantic Area		Closed		0.44%	0.52%	
ETC	2007CB163PO030	Slowacja - Česká Republika		Closed		0.00%	0.00%	
ETC	2007CB163PO031	Lithuania - Poland		Closed		0.00%	0.00%	
ETC	2007CB163PO032	Nord Interreg		Closed		0.85%	0.85%	
ETC	2007CB163PO033	Italia - Francia frontiera marittima		Closed		0.46%	0.45%	
ETC	2007CB163PO034	Italia - Francia Alpi		Closed		0.78%	0.71%	
ETC	2007CB163PO035	Italia - Svizzera		Closed		0.12%	0.00%	
ETC	2007CB163PO036	Italia - Slovenia		Closed		0.88%	1.25%	
ETC	2007CB163PO037	Italia - Malta		Closed		0.33%	0.33%	
ETC	2007CB163PO038	Les 2 mers		Closed		0.82%	0.82%	
ETC	2007CB163PO039	Rhin supérieur		Closed		0.36%	0.36%	
ETC	2007CB163PO040	Manche		Closed		0.47%	0.47%	
ETC	2007CB163PO041	France - Suisse		Closed		1.87%	1.84%	
ETC	2007CB163PO042	Réunion		Closed		1.17%	1.17%	

MS	Ref	Title	Reservation AAR 2022	Closure status at end 2022	Relevant expenditure 2022 (in mln Eur)	Residual error rate reported at closure	Residual error rate validated by REGIO	Rate of risk on payment
ETC	2007CB163PO043	Caraïbes		Closed		1.32%	1.32%	
ETC	2007CB163PO044	Nord Ouest Européen		Closed		0.48%	0.48%	
ETC	2007CB163PO045	Méditerranée		Closed		0.81%	0.81%	
ETC	2007CB163PO046	Interreg IV C		Closed		0.49%	0.49%	
ETC	2007CB163PO047	Ireland - Northern Ireland - Scotland		Closed		0.00%	0.00%	
ETC	2007CB163PO048	URBACT		Closed		0.19%	0.19%	
ETC	2007CB163PO049	Peace III		Closed		0.00%	0.00%	
ETC	2007CB163PO050	Estonia - Latvia		Closed		0.09%	0.09%	
ETC	2007CB163PO051	Amazonie		Closed		1.13%	1.13%	
ETC	2007CB163PO052	Italia - Austria		Closed		0.77%	0.79%	
ETC	2007CB163PO053	Slovenia - Hungary		Closed		1.29%	1.21%	
ETC	2007CB163PO054	Slovenia - Austria		Closed		0.00%	0.00%	
ETC	2007CB163PO055	North Sea		Closed		1.08%	1.08%	
ETC	2007CB163PO056	Syddanmark-Schleswig		Closed		0.40%	0.40%	
ETC	2007CB163PO057	Fehmarnbeltregion		Closed		1.09%	1.09%	
ETC	2007CB163PO058	Greece - Cyprus		Closed		0.38%	0.38%	
ETC	2007CB163PO059	Greece - Bulgaria		Closed		1.10%	1.10%	
ETC	2007CB163PO060	Greece - Italy		Closed		0.37%	0.21%	
ETC	2007CB163PO061	Central Europe		Closed		0.84%	0.84%	
ETC	2007CB163PO062	Ireland Wales		Closed		0.18%	0.36%	
ETC	2007CB163PO063	France - Wallonie - Vlaanderen		Closed		0.46%	0.50%	
ETC	2007CB163PO064	Grande Région		Closed		2.00%	2.00%	
ETC	2007CB163PO065	Vlaanderen - Nederland		Closed		0.99%	0.99%	
ETC	2007CB163PO066	Central Baltic		Closed		0.60%	0.60%	
ETC	2007CB163PO067	Hungary - Romania		Pre-Closed		0.50%	0.50%	

MS	Ref	Title	Reservation AAR 2022	Closure status at end 2022	Relevant expenditure 2022 (in mln Eur)	Residual error rate reported at closure	Residual error rate validated by REGIO	Rate of risk on payment
ETC	2007CB163PO068	Hungary - Slovakia		Closed		0.34%	0.34%	
ETC	2007CB163PO069	South East Europe		Closed	-0.15	0.15%	0.15%	0.15%
ETC	2007CB163PO070	Latvia - Lithuania		Closed		0.00%	0.00%	
FI	2007FI162PO001	Itä		Closed		0.00%	0.00%	
FI	2007FI162PO002	Pohjois		Closed		0.00%	0.00%	
FI	2007FI162PO003	Länsi		Closed		0.00%	0.00%	
FI	2007FI162PO004	Etelä		Closed		0.00%	0.00%	
FI	2007FI162PO005	Åland		Closed		1.87%	1.87%	
FR	2007FR161PO001	Guyane		Closed		1.84%	1.84%	
FR	2007FR161PO002	Guadeloupe		Closed		1.84%	1.84%	
FR	2007FR161PO003	Martinique		Closed		1.84%	1.84%	
FR	2007FR161PO004	Réunion		Closed		1.84%	1.84%	
FR	2007FR162PO001	Aquitaine		Closed		1.84%	1.84%	
FR	2007FR162PO002	Centre		Closed		1.84%	1.84%	
FR	2007FR162PO003	Alsace		Closed		1.84%	1.84%	
FR	2007FR162PO004	Auvergne		Closed		1.84%	1.84%	
FR	2007FR162PO005	Basse-Normandie		Closed		1.84%	1.84%	
FR	2007FR162PO006	Bourgogne		Closed		1.84%	1.84%	
FR	2007FR162PO007	Bretagne		Closed		1.84%	1.84%	
FR	2007FR162PO008	Champagne-Ardenne		Closed		1.84%	1.84%	
FR	2007FR162PO009	Corse		Closed		1.84%	1.84%	
FR	2007FR162PO010	Franche-Comté		Closed		1.84%	1.84%	
FR	2007FR162PO011	Haute-Normandie		Closed		1.84%	1.84%	
FR	2007FR162PO012	Ile-De-France		Closed		1.84%	1.84%	
FR	2007FR162PO013	Languedoc-Roussillon		Closed		1.84%	1.84%	

MS	Ref	Title	Reservation AAR 2022	Closure status at end 2022	Relevant expenditure 2022 (in mln Eur)	Residual error rate reported at closure	Residual error rate validated by REGIO	Rate of risk on payment
FR	2007FR162PO014	Limousin		Closed		1.84%	1.84%	
FR	2007FR162PO015	Lorraine		Closed		1.84%	1.84%	
FR	2007FR162PO016	Pays De La Loire		Closed		1.84%	1.84%	
FR	2007FR162PO017	Nord Pas-De-Calais		Closed		1.84%	1.84%	
FR	2007FR162PO018	Picardie		Closed		1.84%	1.84%	
FR	2007FR162PO019	Poitou-Charentes		Closed		1.84%	1.84%	
FR	2007FR162PO020	PACA		Closed		1.84%	1.84%	
FR	2007FR162PO021	Midi-Pyrénées		Closed		1.84%	1.84%	
FR	2007FR162PO022	Rhône-Alpes		Closed		1.84%	1.84%	
FR	2007FR162PO023	Alpes		Closed		1.84%	1.84%	
FR	2007FR162PO024	Loire		Closed		1.84%	1.84%	
FR	2007FR162PO025	Massif Central		Closed		1.84%	1.84%	
FR	2007FR162PO026	Rhône		Closed		1.84%	1.84%	
FR	2007FR16UPO001	Europact		Closed		1.84%	1.84%	
GR	2007GR161PO001	Competitiveness		Closed		0.00%	0.00%	
GR	2007GR161PO002	Digital convergence		Closed		0.00%	0.00%	
GR	2007GR161PO003	Technical assistance		Closed		0.00%	0.00%	
GR	2007GR161PO004	Accessibility		Closed		0.00%	0.00%	
GR	2007GR161PO005	Environment - sustainable development		Closed		0.00%	0.00%	
GR	2007GR161PO006	Attica		Closed		0.00%	0.00%	
GR	2007GR161PO007	Western Greece - Peloponese - Ionian islands		Closed		0.00%	0.00%	
GR	2007GR161PO008	Macedonia - Thrace		Closed		0.00%	0.00%	
GR	2007GR16UPO001	Thessaly - Continental Greece - Epirus		Closed		0.00%	0.00%	
GR	2007GR16UPO002	Crete & Aegean islands		Closed		0.00%	0.00%	

MS	Ref	Title	Reservation AAR 2022	Closure status at end 2022	Relevant expenditure 2022 (in mln Eur)	Residual error rate reported at closure	Residual error rate validated by REGIO	Rate of risk on payment
HR	2007HR161PO001	Environment		Closed		1.90%	1.91%	
HR	2007HR161PO002	Transport	Full non- financial reservation	Pre-Closed		not reported	0.45%	
HR	2007HR161PO003	Regional Competitiveness		Closed		0.00%	0.04%	
HU	2007HU161PO001	Economic Competitiveness		Closed		0.44%	0.44%	
HU	2007HU161UPO002	Environment and Energy		Closed		17.00%	0.17%	
HU	2007HU161UPO003	West Pannon		Closed		0.00%	0.00%	
HU	2007HU161UPO004	South Great Plain		Closed		0.00%	0.00%	
HU	2007HU161UPO005	Central Transdanubia		Closed		0.00%	0.00%	
HU	2007HU161UPO006	North Hungary		Closed		0.00%	0.00%	
HU	2007HU161PO007	Transport		Pre-Closed		0.32%	0.32%	
HU	2007HU161UPO008	Social Infrastructure		Closed		1.04%	1.04%	
HU	2007HU161UPO009	North Great Plain		Closed		0.00%	0.00%	
HU	2007HU161PO010	Implementation		Closed		0.95%	0.95%	
HU	2007HU161UPO011	South Transdanubia		Closed		0.00%	0.00%	
HU	2007HU162UPO001	Central Hungary		Closed		0.09%	0.09%	
HU	2007HU16UPO001	Electronic Public Administration		Open		0.98%	5.00%	
IE	2007IE162PO001	Border, Midland and Western Operational Programme		Closed		1.29%	0.00%	
IE	2007IE162PO002	Southern and Eastern		Closed		1.39%	0.00%	
IT	2007IT161PO001	Attrattori Culturali		Closed		0.00%	0.00%	
IT	2007IT161PO002	Renewable Energy		Closed		0.00%	0.00%	
IT	2007IT161PO003	Governance e AT		Pre-Closed		0.00%	0.00%	
IT	2007IT161PO004	Ambienti per l'apprendimento		Pre-Closed		0.62%	0.67%	
IT	2007IT161PO005	Reti e mobilita	Full non-financial reservation	Pre-Closed		0.00%	0.00%	
IT	2007IT161PO006	Ricerca e competitivita	Full non-financial reservation	Pre-Closed	603.41	0.00%	10.00%	0.00%

MS	Ref	Title	Reservation AAR 2022	Closure status at end 2022	Relevant expenditure 2022 (in mln Eur)	Residual error rate reported at closure	Residual error rate validated by REGIO	Rate of risk on payment
IT	2007IT161PO007	Sicurezza per lo Sviluppo		Closed		0.00%	0.00%	
IT	2007IT161PO008	Calabria		Pre-Closed		0.88%	1.82%	
IT	2007IT161PO009	Campania		Pre-Closed		0.00%	1.00%	
IT	2007IT161PO010	Puglia		Closed		0.85%	0.85%	
IT	2007IT161PO011	Sicilia		Pre-Closed	-52.59	0.49%	0.76%	0.49%
IT	2007IT161PO012	Basilicata		Closed		0.79%	0.71%	
IT	2007IT162PO001	Abruzzo		Closed		0.00%	0.00%	
IT	2007IT162PO002	Emilia Romagna		Closed		0.00%	0.00%	
IT	2007IT162PO003	Friuli Venezia Giulia		Closed		0.00%	0.00%	
IT	2007IT162PO004	Lazio		Closed		1.99%	1.01%	
IT	2007IT162PO005	Liguria		Closed		0.00%	0.00%	
IT	2007IT162PO006	Lombardia		Closed		0.13%	0.00%	
IT	2007IT162PO007	Marche		Closed		0.41%	0.41%	
IT	2007IT162PO008	Molise		Closed		0.00%	0.00%	
IT	2007IT162PO009	Provincia Autonoma di Bolzano		Closed		0.12%	0.03%	
IT	2007IT162PO010	Trento		Pre-Closed		0.00%	0.00%	
IT	2007IT162PO011	Piemonte		Closed		0.00%	0.00%	
IT	2007IT162PO012	Toscana		Closed		0.26%	0.00%	
IT	2007IT162PO013	Umbria		Closed		0.28%	0.28%	
IT	2007IT162PO014	Valle d'Aosta		Closed		0.01%	0.00%	
IT	2007IT162PO015	Veneto		Closed		0.69%	1.00%	
IT	2007IT162PO016	Sardegna		Pre-Closed		1.43%	1.30%	
LT	2007LT161PO001	Promotion of Cohesion		Closed		0.37%	0.00%	
LT	2007LT161PO002	Economic Growth		Closed		0.37%	0.00%	
LU	2007LU162PO001	Compétitivité & emploi		Closed		0.00%	0.00%	

MS	Ref	Title	Reservation AAR 2022	Closure status at end 2022	Relevant expenditure 2022 (in mln Eur)	Residual error rate reported at closure	Residual error rate validated by REGIO	Rate of risk on payment
LV	2007LV161PO001	Entrepreneurship and Innovations		Pre-Closed		0.00%	0.00%	
LV	2007LV161PO002	Infrastructure and Services		Pre-Closed		0.00%	0.00%	
MT	2007MT161PO001	Competitiveness		Closed		0.05%	0.05%	
NL	2007NL162PO001	Noord		Closed		0.38%	0.38%	
NL	2007NL162PO002	West		Closed		0.00%	0.00%	
NL	2007NL162PO003	Zuid		Closed		0.00%	0.00%	
NL	2007NL162PO004	Oost		Closed		0.36%	0.36%	
PL	2007PL161PO001	Innovative Economy		Closed		0.00%	0.00%	
PL	2007PL161PO002	Infrastructure & Environment		Closed		0.00%	0.00%	
PL	2007PL161PO003	Eastern Poland		Closed		0.00%	0.00%	
PL	2007PL161PO004	Technical Assistance		Closed		0.15%	0.15%	
PL	2007PL161PO005	Dolnoslaskie		Closed		0.00%	0.29%	
PL	2007PL161PO006	Kujawsko-Pomorskie		Closed		0.00%	0.00%	
PL	2007PL161PO007	Lubelskiego		Closed		0.00%	0.00%	
PL	2007PL161PO008	Lubuskie		Closed		0.00%	0.00%	
PL	2007PL161PO009	Lódzkie		Closed		0.00%	0.00%	
PL	2007PL161PO010	Malopolskie		Closed		0.00%	0.88%	
PL	2007PL161PO011	Mazowieckie		Closed		0.00%	0.00%	
PL	2007PL161PO012	Opolskie		Closed		1.10%	1.07%	
PL	2007PL161PO013	Podkarpackie		Closed		0.00%	0.35%	
PL	2007PL161PO014	Podlaskie		Closed		0.00%	0.00%	
PL	2007PL161PO015	Pomorskie		Closed		0.00%	0.00%	
PL	2007PL161PO016	Zachodniopomorskie		Closed		0.00%	0.00%	
PL	2007PL161PO017	Wielkopolskie		Closed		0.00%	0.00%	
PL	2007PL161PO018	Swietokrzyskie		Closed		0.00%	0.00%	

MS	Ref	Title	Reservation AAR 2022	Closure status at end 2022	Relevant expenditure 2022 (in mln Eur)	Residual error rate reported at closure	Residual error rate validated by REGIO	Rate of risk on payment
PL	2007PL161PO019	Slaskie		Closed		0.00%	0.00%	
PL	2007PL161PO020	Warminsko-Mazurskie		Closed		0.00%	0.00%	
PT	2007PT161PO001	Factores de Competitividade		Closed		0.01%	0.01%	
PT	2007PT161PO002	Norte		Closed		0.01%	0.01%	
PT	2007PT161PO003	Centro		Closed		0.01%	0.01%	
PT	2007PT161PO004	Alentejo		Closed		0.01%	0.01%	
PT	2007PT161PO005	Algarve		Closed		0.01%	0.01%	
PT	2007PT161PO006	Açores		Closed		0.01%	0.01%	
PT	2007PT162PO001	Lisboa		Closed		0.01%	0.01%	
PT	2007PT162PO002	Madeira		Closed		0.01%	0.01%	
PT	2007PT16UPO001	Valorização do Território		Closed		0.00%	0.00%	
PT	2007PT16UPO002	Assistência Técnica		Closed		0.00%	0.00%	
RO	2007RO161PO001	Regional Operational Programme	Full non-financial reservation	Pre-Closed		0.00%	0.00%	
RO	2007RO161PO002	Increase of Economic Competitiveness		Open		0.00%	0.25%	
RO	2007RO161PO003	Transport	Full non-financial reservation	Pre-Closed		0.00%	0.00%	
RO	2007RO161PO004	Environment	Full non-financial reservation	Pre-Closed		0.00%	0.00%	
RO	2007RO161PO005	Technical Assistance		Closed		0.38%	0.43%	
SE	2007SE162PO001	Skåne-Blekinge		Closed		0.15%	0.15%	
SE	2007SE162PO002	Småland och Öarna		Closed		0.15%	0.15%	
SE	2007SE162PO003	Västsverige		Closed		0.15%	0.15%	
SE	2007SE162PO004	Östra Mellansverige		Closed		0.15%	0.15%	
SE	2007SE162PO005	Stockholm		Closed		0.15%	0.15%	
SE	2007SE162PO006	Norra Mellansverige		Closed		0.15%	0.15%	
SE	2007SE162PO007	Mellersta Norrland		Closed		0.15%	0.15%	
SE	2007SE162PO008	Övre Norrland		Closed		0.15%	0.15%	

MS	Ref	Title	Reservation AAR 2022	Closure status at end 2022	Relevant expenditure 2022 (in mln Eur)	Residual error rate reported at closure	Residual error rate validated by REGIO	Rate of risk on payment
SI	2007SI161PO001	Regional Potentials		Closed		0.00%	0.00%	
SI	2007SI161PO002	Environment & Transport Infrastructure		Closed		0.00%	0.00%	
SK	2007SK161PO001	Information Society		Pre-Closed		0.20%	0.20%	
SK	2007SK161PO002	Environment		Pre-Closed		1.10%	1.18%	
SK	2007SK161PO003	Regional OP		Pre-Closed		0.98%	0.98%	
SK	2007SK161PO004	Transport		Pre-Closed		0.00%	0.00%	
SK	2007SK161PO005	Health		Pre-Closed		0.00%	2.00%	
SK	2007SK161PO006	Competitiveness		Pre-Closed		0.44%	0.44%	
SK	2007SK161PO007	Technical Assistance		Closed		0.61%	20.51%	
SK	2007SK162PO001	Bratislava		Pre-Closed		0.00%	0.00%	
SK	2007SK16UPO001	Research and Development		Pre-Closed		0.00%	0.00%	
UK	2007UK161PO001	Highlands and Islands		Closed		0.80%	0.00%	
UK	2007UK161PO002	West Wales and the Valleys		Closed		0.05%	0.11%	
UK	2007UK161PO003	Cornwall and the Isles of Scilly		Closed		0.92%	0.92%	
UK	2007UK162PO001	Lowlands and Uplands		Closed		1.33%	0.39%	
UK	2007UK162PO002	South East England		Closed		0.92%	0.92%	
UK	2007UK162PO003	Northern Ireland		Closed		0.00%	0.00%	
UK	2007UK162PO004	East of England		Closed		0.92%	0.92%	
UK	2007UK162PO005	North East England		Closed		0.92%	0.92%	
UK	2007UK162PO006	London		Closed		0.92%	0.92%	
UK	2007UK162PO007	West Midlands		Closed		0.92%	0.92%	
UK	2007UK162PO008	North West England		Closed		0.92%	0.92%	
UK	2007UK162PO009	Yorkshire and Humberside		Closed		0.92%	0.92%	
UK	2007UK162PO010	East Midlands		Closed		0.92%	0.92%	
UK	2007UK162PO011	South West England		Closed		0.92%	0.92%	

MS	Ref	Title	Reservation AAR 2022	Closure status at end 2022	Relevant expenditure 2022 (in mln Eur)	Residual error rate reported at closure	Residual error rate validated by REGIO	Rate of risk on payment
UK	2007UK162PO012	East Wales		Closed		0.05%	0.11%	
UK	2007UK162PO013	Gibraltar		Closed		0.00%	0.00%	

Total					550.36			
Weighted average residual risk based on the expenditure declared at closure							0.28%	
Average residual risk at payment								0%

B. Safeguarding the EU budget by corrective actions

The purpose of financial corrections is to ensure that the risk on the legality and regularity of the expenditure declared for co-financing at programme level is below materiality, either through corrections of individual irregularities detected or through extrapolated corrections in case of material representative error rates. These must be based on evidence. The Commission bears the (initial) burden of proof for system deficiencies, irregularities and breaches of the obligations under Articles 98 and 15(4)⁵⁵ of Regulation (EC) No 1083/2006.

Financial corrections as a result of the Commission supervisory role (2007-2013)

Indicator	2022 (EUR million)	Cumulative since 2007 (EUR million)
Financial corrections as a result of the Commission supervisory role (Decided/Confirmed) ⁵⁶	172.3	4,709.9
Financial corrections as a result of the Commission supervisory role (implemented)	108.4	4,533.3
Rate of implementation of financial corrections 2007-2013		96.3%

The amount of financial corrections reported above does not reflect the total amount of corrections accepted by Member States as a result of the Commission's supervisory role. Remedial action plans are requested by the Commission from Member States when deficiencies are identified. These also have a **preventive effect** on expenditure already incurred by beneficiaries and registered at national level in the certifying authority's accounts, but not yet declared to the Commission. For such expenditure, the certifying authority applies the financial correction requested by the Commission prior to declaring expenditure ('ex ante' or 'at source'). Expenditure declared to the Commission is therefore **net** from irregular amounts.

The detailed table of financial corrections 2007-2013 by Member State is presented below:

2007-2013 ERDF / CF programmes: Financial Corrections, Withdrawals and Recoveries

1. Commission supervisory role - Financial corrections confirmed/decided in 2022 (excluded at source corrections) by programming period, in EUR million (adjustments/corrections to reporting of previous years are directly reflected in the cumulative amounts)

Member State	1994-99	2000-06	2007-13			Cumulative (ERDF + CF) end of 2022	Total Cumulative (ERDF + CF) end of 2022
	Cumulative (ERDF + CF) end of 2022	Cumulative (ERDF + CF) end of 2022	2022				
			ERDF	CF	Total 2022		
Austria	0.2	0.7	0.1		0.1	16.3	17.2
Belgium	9.1	8.2				13.3	30.6
Bulgaria		25.7				132.8	158.5
Croatia		1				0.9	1.9
Cyprus							
Czech Republic		45	0.3		0.3	389.1	434.1
Denmark	1.8	0.5					2.3
Estonia		2.2				16.3	18.5

⁵⁵ The Communications on the protection of the EU Budget is integrated in the Annual Management and Performance report (AMPR).

⁵⁶ Excluding financial corrections at source

Member State	1994-99	2000-06	2007-13			Total	
	Cumulative (ERDF + CF) end of 2022	Cumulative (ERDF + CF) end of 2022	2022			Cumulative (ERDF + CF) end of 2022	Cumulative (ERDF + CF) end of 2022
			ERDF	CF	Total 2022		
ETC	1.8	69.1				12.1	83.0
Finland	0.5						0.5
France	32.7	112.3				21.2	166.2
Germany	48.6	26.6				161.5	236.7
Greece	519.6	1,243.3				412.6	2,175.5
Hungary		64.9	-0.66		-0.66	821.9	886.8
Ireland	11.2	64.9				2.4	78.5
Italy	345.8	1,312.6	99.0		99.0	631.0	2,289.4
Latvia		17.9				61.1	79.0
Lithuania		9.5					8.4
Luxembourg	0.3						0.3
Malta						11.0	11.0
Netherlands	8.2	0.2					8.4
Poland		303.5				585.8	889.3
Portugal	85	240.3				81.1	406.4
Romania		27.4	66.7	7.73	74.43	148.5	175.9
Slovakia		119.8	16.8	56.0	72.9	459.2	579.0
Spain	227.9	2,918.4				561.2	3,707.5
Slovenia		2.9				49.4	52.3
Sweden	0.5	0.1				0.7	1.3
United Kingdom	126.9	159.9	36.42		36.42	120.5	407.3
TOTAL	1,420.1	6,776.8	116.3	56.0	172.3	4,709.9	12,906.9
Implemented	1,418.2	6,774.4				4,533.3	12,724.0
%	99.9%	99.96%				96.2%	98.6%

2. Commission supervisory role - Financial corrections implemented in 2022 (excluded at source corrections) by programming period, in EUR million (adjustments/corrections to reporting of previous years are directly reflected in the cumulative amounts)

Member State	1994-99	2000-06	2007-13			Total			Cumulative (ERDF + CF) end of 2022
	Cumulative (ERDF + CF) end of 2022	Cumulative (ERDF + CF) end of 2022	2022			Cumulative (ERDF + CF) end of 2022	2022		
			ERDF	CF	Total 2022		ERDF	CF	
Austria	0.2	0.7	0.1		0.1	16.3	0.1	0.1	17.2
Belgium	9.1	8.2				13.3			30.6
Bulgaria		25.7		8.1	8.1	128.7	8.1	8.1	154.4
Croatia		1.0				1.0			2
Cyprus									0
Czech Republic		45.0	0.3		0.3	456.0	0.3	0.3	501.0
Denmark	1.8	0.5							2.3
Estonia		2.2				16.3			18.5
ETC	1.8	69.1				12.1			83
Finland	0.5								0.5
France	32.7	112.3				21.2			166.2
Germany	48.6	26.6				161.5	0.0	0.0	236.74
Greece	517.7	1,245.7				412.6	7.9	7.9	2,176.0
Hungary		64.9	0.1		0.1	740.8	0.1	0.1	805.7
Ireland	11.2	64.9				2.4			78.5
Italy	345.8	1,312.7	99.0		99.0	622.0	100.2	100.2	2,280.5
Latvia		17.9				61.1			79
Lithuania		9.5					1.1	1.1	9.5
Luxembourg	0.3								0.3
Malta						11.0			11
Netherlands	8.2	0.2							8.4
Poland		303.5				585.8			889.3
Portugal	85	240.3				85.7			411
Romania		27.4				71.6			99
Slovakia		119.8	0.8	0.8	0.8	386.6	0.8	0.8	506.4
Slovenia		2.9				46.8			49.7
Spain	227.9	2,913.5				559.2	2.0	2.0	3,700.6
Sweden	0.5	0.1				0.7			1.3
United Kingdom	126.9	159.9				120.6			407.4

Member State	1994-99	2000-06	2007-13			Total				
	Cumulative	Cumulative	2022		Cumulative	2022			Cumulative (ERDF)	
TOTAL	1,418.2	6,774.4	99.5	8.9	108.4	4,533.3	100.7	17.8	118.5	12,726.0
ERDF	1,152.0	5,916.0				3,844.5				10,912.5
CF	266.2	858.4				688.8				1,813.4

IPA-CBC 2007-2013

In 2022, there were no payments made. REGIO recovered EUR 0.15 million for IPA-CBC 2007-2013.

Indicator	2022
Residual risk rate at closure (average IPA-CBC programmes)	0.38%
Number of IPA-CBC programmes from the 2007-2013 period in reservation	0

IPA Cross Border programmes are ETC programmes involving at least one candidate country. In terms of management and control system, the assurance model does not differ from the mainstream programmes, as both the requirements and the control objective are identical to those for ERDF/CF.

The review carried out confirms that reasonable assurance can be obtained at this stage on all the programmes which report a residual risk rate at closure well below 2%.

2000-2006 ERDF / CF programmes: State of play of closures

In 2022, REGIO has made the following financial transactions for the 2000-2006 ERDF programmes and for the Cohesion Fund projects:

Fund	Payments (EUR)	Recoveries (EUR)
CF 2000-2006 / ISPA	2,099,334	11,069,753
ERDF 2000-2006	747,119	1,383,499
TOTAL	2,846,453	12,453,252

ERDF: In 2022, the only payment made related to one of the open DE programmes following a partial closure letter. Currently, out of 379 programmes of the 2000-2006 period, 19 remain partially closed. In 16 programmes there are projects subject to national administrative and/or legal procedures (including court cases). Depending on the decision of national authorities, they may result in the recovery of financial amounts or a decision to charge the amounts to the EU budget. Final closure of these programmes is not possible as long as no court decision is taken at national level. The 3 remaining programmes will be closed (and final payment made) only once the irregularities reported for them are appropriately addressed by the concerned Member States / programmes. Therefore there is no risk on EU payments.

Cohesion Fund: In 2022, two Cohesion Fund projects out of the remaining four were closed: 1 LT with a payment and 1 EL with a recovery. There were still two projects open at the end of 2022. Of these, 1 (ES) is blocked by national proceedings, and for the other (EL) the financial correction procedure is ongoing and shall be completed this year. The DG can conclude that it has reasonable assurance on the Cohesion Fund 2000-2006 payments it has made in 2022.

ANNEX 7K: Assurance for ENI CBC

These programmes cover territorial cooperation between EU regions on external borders with the Southern and Eastern Neighbourhood countries. Following the Russian military aggression against Ukraine and in line with the Commission's decision to fully implement all EU restrictive measures, the Commission has suspended the cooperation with Russia and its ally Belarus in the European Neighbourhood Instrument cross-border cooperation programmes (ENI CBC 2014-2020) as well as in the Interreg Baltic Sea region 2014-2020 programme. This means, among others, that no further payments to Russia or Belarus can be made until further notice. The suspension has immediate effect for the nine ENI CBC programmes involving Russia and Belarus and for the transnational programme Interreg Baltic Sea region under the programming period 2014-2020. The Commission proposed a regulation creating targeted provisions for the implementation of all cooperation programmes facing disruption. It was adopted on 9 November 2022 (Regulation 2022/2192). It allows for: a flexible approach when it comes to implementation of programmes and projects in Ukraine and Moldova and implementation of projects only in Member States without Russian and Belarussian partners.

Total EU funding for ENI CBC 2014-2020 programmes amounts to approximately EUR 1 billion. As a general rule, 50% comes from ERDF and 50% from ENI funds. IPA funds are also included in the Black Sea Basin programme (participation of Turkiye). These programmes contribute to both EU external (Neighbourhood) policy and EU regional policy.

The ENI CBC are implemented under shared management. However, they have a different legal basis than Interreg programmes. The applicable legal rules are ENI (Council) Regulation, ENI CBC Implementing Regulation No 897/2014 and ENI CBC multiannual strategic programming document. They combine elements of shared management, with some elements coming from EU external policy aspects.

ENI CBC programmes 2014-2020 also have a different financial management system than other Interreg programmes. In particular, payments from the Commission to the programmes are done only as pre-financing paid at the request of the Managing Authorities (MA) and as a payment of a final balance at closure. There are no interim payment claims. Payment of the pre-financing is not directly linked to the expenditure incurred and paid in the programme. The annual accounts are part of the annual report assessment package submitted by the managing authority every year by 15 February. The Commission receives the information about the certified expenditure incurred and paid by the ENI CBC programmes only once a year in the annual accounts which are part of the annual reports submitted on 15 February. The reports cover the preceding accounting year which covers July-June period. There, the MA reports the expenditure incurred and paid as certified by the audit authority. The Commission then clears the pre-financing on this basis (annual clearance until closure).

REGIO has completed its desk review of the assurance packages received in February 2022 covering the expenditure declared during the accounting year 2020-2021 and completed it in 2022 by an on-the-spot compliance audit covering the Mediterranean-Sea Basin programme. Serious deficiencies were detected at the level of the managing authority but the recalculated residual total error rate remains below 2%.

The residual total error rates reported in the assurance packages received in February 2023 (accounting period 2021-2022) are all below 2%. For the Mediterranean-Sea Basin, the audit authority has reported serious deficiencies in the functioning of the management and control system at the level of the managing authority. Following the weakness identified by the audits and by the audit authority, REGIO has issued a full non-financial reservation.

The table below summarises the main weaknesses:

Audit authority (AA) or control body concerned	Identified deficiencies	Reservation Y/N
Mediterranean Sea Basin	The Commission has carried out a compliance audit and identified serious deficiencies in the functioning of the managing authority (KR 13). Serious deficiencies were also detected by the audit authority in the work of the managing authority (KR 6 and KR 13). The MCS is assessed in category 3.	Yes – Full non-financial

For the accounting year 2021-2022, **EUR 95.4 million** was reported as expenditure paid for ENI CBC operations and **EUR 12.2 million** was reported for technical assistance. However, the accuracy of the amounts submitted for clearing by individual programmes still needs to be verified during the quality assessment of the Annual report/Accounts.

At the same time, overall **EUR 748.7 million⁵⁷** was paid to the ENI CBC programmes as pre-financing up to date.

⁵⁷ Incl. Two payments on 2014TC16M5CB001 Kolarctic stopped in July 2022

ANNEX 7L: Assurance for EU Solidarity Fund

In 2022, the Commission finalised the assessment of seven applications related to the natural disasters that occurred in 2021: the applications from Austria, Belgium, Germany, Luxembourg, and the Netherlands related to the floods of July 2021; the application from Spain in relation to the volcanic eruption in La Palma in September 2021 and the application from Greece in relation to the earthquake that hit Crete in September 2021.

In early October 2021, the Commission received applications from five Member States from the EU Solidarity Fund in relation to the floods of July 2021. In order to guarantee equal treatment, the Commission handled the applications as a single package. Following the original application in October 2021, several Member States updated their damage assessments in July 2022. None of the five Member States requested an advance payment and the reported total damages in the affected five countries reached the amount of EUR 35.5 billion.

The Commission granted Spain an advance payment of EUR 5 391 796. The advance payment was executed on 2 May 2022. The Commission awarded an advance of EUR 896 375 to Greece and the payment was executed on 19 May 2022.

The Commission finalised its assessment of five flood related applications and the applications from Spain and Greece in October 2022. As total aid amounts, calculated according to the methodology set out in the EUSF 2002-2003 Annual Report, exceeded the available budget resources for the EUSF in 2022 considerably, the amounts per country were reduced on a pro rata basis. As a result, the mobilised aid amounts to Austria, Belgium, Germany, Greece, Luxembourg, the Netherlands and Spain constitute only 37.7% compared to the total potential aid amount resulting from the methodology. On the basis of the Commission's proposal, over EUR 718 million of the EUSF assistance were mobilised and awarded in 2022 to 7 above mentioned Member States.

In terms of payments, over EUR 18 million from the awarded amount were paid out in 2022 to five Member States: Austria, Luxembourg, the Netherlands, Spain and Greece. It is expected that in early 2023 the Commission will be able to pay out the EUSF assistance to Germany and Belgium relating to the disastrous floods of 2021. The money have already been mobilised in December 2022 by the Budgetary Authority; therefore, Germany will receive over EUR 612 million and Belgium EUR over 87 million.

NEW APPLICATIONS RECEIVED IN 2022:

In 2022, the Commission received two new natural disaster applications: a 'major disaster' application from Romania relating to drought in 2022 and a 'regional disaster' application from Italy regarding the floods in the Marche Region in September 2022. The assessments started in the second half of 2022 and will continue in 2023.

EXCEPTIONAL PROLONGATION OF THE EUSF IMPLEMENTATION DEADLINE:

Two series of earthquakes hit Croatia, first in March 2020 and second in December 2020, and caused more than EUR 17 billion damage. The Croatian authorities applied twice for the assistance from the EUSF. The total EUSF funding granted for the two series of earthquakes amounts to more than EUR 1 billion. The full assistance regarding the Zagreb earthquake (March 2020, total damage

estimated at around EUR 11.5bn) was disbursed to Croatia on 17 December 2020, thus reaching a total amount of EUR 683.7 million of EUSF support. The full balance for the second earthquake in the Petrinja region (end December 2020, total damage estimated at EUR 5.5bn) was paid on 30 December 2021, thus reaching a total amount of EUR 319 million.

On 15 February 2022, Croatia requested to extend the deadline for the use of the financial contribution regarding the Zagreb earthquake. Croatia justified the request with two unprecedented consecutive natural disasters that coincided with the exceptional circumstances due to COVID-19 pandemic. On the basis of the justification and explanation by Croatia and after a careful assessment, the Commission concluded that the circumstances fulfilled the criteria for force majeure and granted exceptionally a prolongation of the implementation deadline for the EUSF assistance regarding the Zagreb earthquake until 30 June 2023 (to align implementation deadlines for both earthquakes).

The absorption levels of the funds are still relatively low, but Croatian authorities assured the Commission that absorption levels will intensify until the final deadline.

EUSF FILE AUDITS BY THE COMMISSION IN 2022

At the level of the Commission, assurance on the legality and regularity of EUSF spending is mainly obtained through the desk review of the validity statements (audit opinions) provided by independent audit bodies, which may be audit authorities in charge of ERDF/CF programmes as well. These desk reviews are complemented by on the spot audits carried out on a risk basis by the DAC. The weighted average error rate reported in the validity statements (audit opinions) accepted in 2022 is 0.46%.

In 2022, the Commission finalised one audit in Slovenia–(Ice storm 2014) and one audit in Italy (Earthquakes 2016 and 2017).

For the Slovenian case, the Commission auditors identified a case of irregular expenditure and issues in the projection of the errors by the audit authority. The error rate calculated by the Commission auditors is 1.81% but no amount had to be recovered because there was sufficient eligible expenditure declared.

For the Italian case, based on preliminary findings, the Commission auditors identified ineligible expenditure on public procurement expenses and issues in the projection of the errors by the audit authorities. The preliminary error rate for the total declared expenditure (EUR 1.51 billion) after the Commission audit is estimated at 5.27%. However, no recovery would be necessary as there is sufficient eligible expenditure declared.

Based on the received audit opinions and audit work carried out so far, the DG can conclude that it has reasonable assurance on the compliance of EUSF expenditure that was accepted.

In 2022, no reservation is made.

ANNEX 7M: Assurance for direct and indirect management

Indirect management: Urban Innovative Actions

2014-2020

The Urban Innovative Actions (UIA) is an instrument allowing the Commission to directly support cities to test new solutions to address their future challenges. The initiative has a budget of around EUR 372 million for the 2014-2020 period and is implemented via indirect management. The management of the instrument is delegated to the Hauts-de-France Region in France, which has set up a Secretariat to manage it.

Themes of calls for proposals are defined by the Commission services. The evaluation of proposals is carried out by an expert panel, set up in agreement with the Commission, and evaluation results are checked by Commission services. Grants are selected and awarded by the entrusted entity and Commission's services using defined rules and procedures in accordance with the set of principles defined in the Delegation Agreement (including equal treatment, non-discrimination, adequate publication, prevention of conflict of interest, non-cumulative and non-retrospective award of grants, existence of transparent and effective review procedures, etc.).

The entrusted entity is monitoring the operations and payments to beneficiaries. Ex-ante controls are performed before the selection of each operation. Administrative controls for interim payments and on-the-spot visits are performed by the first level controller under the supervision of the entrusted entity for each operation. An annual implementation report is provided by the entrusted entity each year by 15 February.

The certifying authority (Province of east Flanders) is preparing payment applications and submitting accounts by 15 February each year.

The independent external auditor, who carries out audits on systems and operations by way of sampling, provides the Commission every year by 15 February with their annual control report and audit opinion on the legality & regularity of the payments included in the accounts. Audits are carried out according to a multiannual audit strategy sent to and approved by the Commission services, which is reviewed annually.

The Commission supervises throughout the budget implementation cycle. In addition, the Commission has the possibility to suspend payments, apply financial corrections or suspend the entrusted tasks in case of detected irregularities.

Based on the work of the independent external auditor and the preliminary conclusions of the REGIO on-the-spot audit carried out in February 2023, the error rate (related to expenditure certified from 1/7/2021 to 30/6/2022) is assessed to 0.28%.

2021-2027

For the 2021-2027 period, the initiative has a budget of around EUR 400 million and continues to be implemented via indirect management. Innovative solutions and knowledge acquired in 2014-2020 period are capitalised and are being shared with urban authorities throughout the 2021-2027

European Urban Initiative (EUI).

The Pillar Assessment on the adequacy of the EUI management and control system, required to finalise the signature of the Contribution Agreement between the Entrusted Entity (Conseil Régional des Hauts-de-France, selected again further to an open call for applications) and the Commission, was carried out in 2022. No major weaknesses or deficiencies were detected and the Pillar Assessment was completed in June 2022 with a positive audit opinion. The external auditors did not spot any material weakness or deficiency in the entity's control system, rules and procedures but provided some non-critical recommendations.

The Entrusted Entity has already committed to implement the proposed recommendations in time for the new programming period 2021-2027. Based on the preliminary conclusions of the EC on-the-spot audit carried out in February 2023 with regards to the follow-up of the EUI Pillar Assessment, some minor recommendations are still being in implementation stage, the vast majority of the recommendations were already fully implemented.

The accounting year 2021-2022 marks the start-up phase of the European Urban Initiative. As such, no expenses have been certified, and therefore there is no error rate to report.

Decentralised management with ex-ante controls: Instrument for Pre-Accession (IPA)

The five IPA component III programmes for 2007-13 in Turkey, North Macedonia and Montenegro were managed under decentralised management, with the EU delegations carrying-out ex-ante controls on the tendering of contracts, launch of calls for proposals and the award of contracts and grants. This represented an important mitigating element in the overall assessment of the functioning of management and control systems in these candidate countries. The control systems were built on multiannual and multilevel controls whereby one level of control might rely on the work of previous controls performed by other bodies.

Indicator	2022
Weighted average error rate on 2018 payments as reported by the audit authorities	0.01% ⁵⁸

REGIO assessed for all three countries the National Authorising Officer (NAO)'s statements of assurance, the system audit reports, the annual audit work plans, the annual audit opinions and the annual audit activity reports, which were submitted at the end of 2018. On this basis, REGIO could conclude that the management and control systems were functioning effectively and obtained reasonable assurance on the legality and regularity of underlying transactions for all five programmes. However, in the same period of time, all these programmes applied the flexibility included in the IPA closure guideline (i.e. possibility under certain conditions to complete a selected number of non-functioning projects by 31 December 2019). The five programmes therefore started their closure process only in 2020. The closure processes were then slowed down due to the COVID-19 outbreak, in particular in Montenegro and North Macedonia which requested the possibility to use the remaining funds on the IPA I Component III Euro account to implement mitigation measures to

⁵⁸ Latest available data from 2018

fight the consequences of the COVID-19 crisis. In these two specific cases, as the closure of these two programmes were postponed until the refund of the total amount, some additional verifications by the audit authorities and the NAOs have been requested and must still be provided to REGIO for North Macedonia.

Regarding the Turkish programmes, some financial corrections might be required at closure, e.g. due to the possible non-completions of major projects. For this purpose, REGIO will contract audit services to assess these projects. Moreover, for the Turkish OP Regional Competitiveness, a dispute relating to a termination of a contract resulted in the lodging of a Court case against the Commission in January 2021 [case (T-22/21) Equinoccio-Compañía de Comercio Exterior, SL (contractor) v European Commission]. For this case, there was also one request before the President of the Commercial Court of Brussels and one more action for annulment before the European General Court. On 20 February 2023, the Legal Service informed REGIO that the legal case was definitively closed.

All these programmes are expected to be pre-closed by 2023 end.

Direct management

The assurance model for direct management transactions is embedded in REGIO's internal control system: all transactions are processed according to the Financial Regulation and REGIO's financial circuits, which follow a partly decentralised model.

The assurance system for direct management comprises the following blocks:

Programming: overall and individual action

For technical assistance, assurance that operations cover the needs of the DG and are carried out according to priorities is derived from the programming exercise. The main objectives and priorities for technical assistance interventions are spelled out in the TA strategy. Specific actions implementing the TA strategy are identified by REGIO services and are consolidated and assessed against the overall strategy through the preparation of the annual Financing decision and its mid-year modification. Reporting on the implementation of the TA strategy (financial execution of the yearly Financing Decision and annual progress in implementing the TA strategy) gives additional assurance that TA funds were used for their intended purpose.

Tendering and contracting

For the award of contracts and grants, REGIO has put in place partly decentralised financial circuits. In addition to these standard circuits, all administrative, financial and procedural tasks were centralised in the central financial unit (TA Cell).

Following the centralisation of the administrative, procedural and financial tasks in the TA Cell, the 4 eyes principle is applied within the TA Cell. Therefore, the role of the former Committee on Public Procurement and Grants (CIMS), checking the legality and regularity of the public procurement processes according its internal procedural rules became redundant.

To provide assurance to the AO(S)D the 4-eyes principle is applied for all procedures in the TA Cell,

and an additional ex-ante verification is performed by the Legal Unit before awarding contracts above the Directive ceiling.

Monitoring of implementation and payments

In accordance with the partly decentralised financial circuit, payments are approved following the 4-eye principle (each file is double-checked both on operational and financial aspects). Operational monitoring is carried out along the life of the contracts by the implementing services; generally through verifications of deliverables (e.g. interim, final reports).

Ex-post controls

Additional assurance is provided through the performance of ex-post controls on a sample of payments (including both mainstream and direct payments), to ensure that these were duly authorised, paid to the right beneficiaries, properly accounted for and materially correct. There were no critical or very important findings identified for 2022 payments.

Indicator	2022
Ex-post review of payments	14 largest direct payments 6 largest mainstream ⁵⁹ payments

In 2022, REGIO made about EUR 190 million in direct payments. The budget under direct management was used mainly for operational and administrative technical assistance for the ERDF and Cohesion Fund.

Based on the results of the substantive testing on a sample of payments for the year 2022, it can be concluded that, apart from minor risks linked to the replacement of WFS and Sysfin/Sysregio by an ABAC workflow system using Ares, there is reasonable assurance that the payment operations in REGIO are in general properly designed and working as planned.

In 2022, two direct grants were audited. They represent 9% of the total paid amount referring to auditable direct grants closed in 2021. Based on the draft reports issued, no financial findings were detected for the two direct grants. This resulted in an error rate of 0.00%. On this basis, REGIO can conclude that it obtained reasonable assurance about the legality and regularity of the expenditure related to direct grants.

Budget implementation tasks entrusted to/by other services and entities

This section reports and assesses the elements that support the assurance on the achievement of the internal control objectives as regards the results of the DG's supervisory controls on the budget implementation tasks carried out by other Commission services and entrusted entities distinct from the Commission.

REGIO also **received cross-sub-delegations** from other DGs and services (commitments –

⁵⁹ Payments made to Member States under adopted programmes

rounded figures):

- RTD (EUR 0.04 m) for additional staff financed with the research budget from the participation of associated countries in the Horizon Europe Programme;
- AGRI (EUR 0.25 m) for the participation in the SFC project (SFC2014 and SFC2021) and in particular the module on Data Warehouse and reporting;
- NEAR (EUR 0.31 m) for the EU Integration Facility, including EU support for the participation of IPA III beneficiaries in EU Agencies and Technical Assistance and Information Exchange (TAIEX)/ activity – New European Bauhaus prizes.

ANNEX 7N: Fraud prevention and detection

Ongoing OLAF cases

On 31/12/2022, 154 OLAF cases were open for REGIO, at different stages of the procedure. More in detail:

- 71 cases were under investigation by OLAF before issuing the Final Case Report;
- 83 cases were in their "monitoring phase": OLAF issued a Final Case Report and REGIO was working on the related follow-up.

Closed OLAF cases

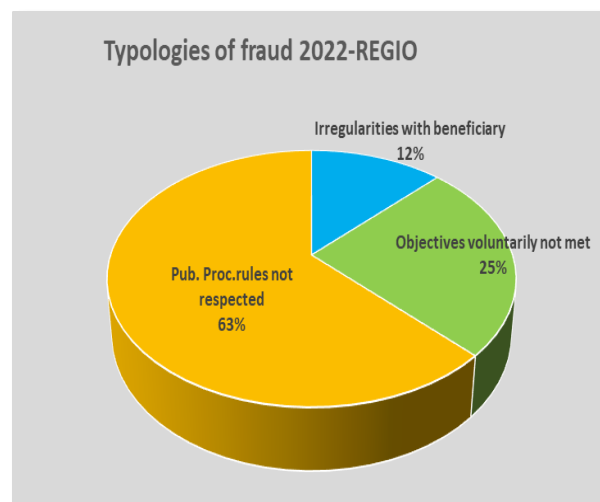
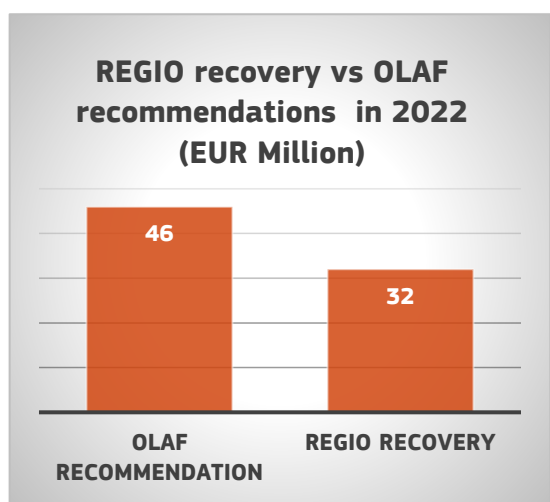
During 2022, REGIO closed 9 OLAF cases with financial follow up. The Final Case Reports were cumulatively recommending recoveries totalling EUR 46 million. In accordance with the regulatory basis and the applicable Guidelines for determining financial corrections, REGIO recovered EUR 32 million. One of the cases closed in 2022 was opened by OLAF following the findings of a DAC audit.

The recovery rate is 70%, slightly below the target of 75%.

OLAF cases, REGIO recovery rate

The review of the OLAF cases closed in 2022 indicates that the most significant types of detected fraud were "Public Procurement rules not respected" representing 63% of the cases.

Regarding the domains of fraud, the field "Infrastructure" is relevant in 37% of the cases closed in 2022.



List of OLAF case reports including financial recommendations for which the follow-up was completed by REGIO in 2022:

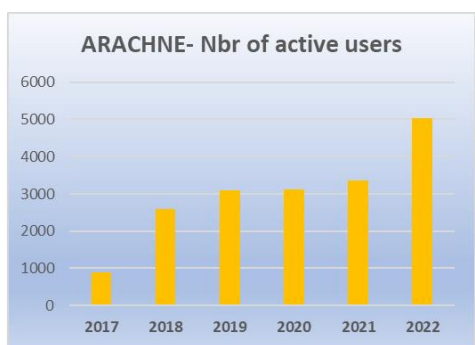
OLAF number	REGIO Status	Period	Fund	Country	Programme	Financial Recommendation from OLAF (Final Case Report)	Amount recovered	Amount prevented from being unduly spent	Type of recovery (Withdrawal at closure, De-certification by MS, Financial correction)	Reason for not following OLAF Financial Recommendation	Date of closure of the case
OC/2018/xxxx	Closed without financial follow-up	2007-2013/ 2014-2020	ERDF/ ESF	PL	OP Innovative Economy 2007 – 2013 2007PL161PO001 ROP Warmia & Mazury 2014 – 2020	74.152	0	0	N/A	No breach of EU or national law is demonstrated in the factual elements described by OLAF and no irregularity was demonstrated. REGIO considers the clarifications and arguments provided by the Polish authorities sufficient to close the follow-up without recovery.	13-04-22
OC/2019/xxxx	Closed with financial follow-up	2014-2020	ERDF/ CF/ ESF	BG	2014BG16M1OP001 Transport OP	16.188.328	16.188.328	10.629.341	Decertification by MS	N/A	08-03-22
OC/2019/xxxx	Closed with financial follow-up	2014-2020	ERDF/ ESF	HU	Közép-Magyarországi Operatív Program 2014HU16M2OP002	114.142	126.367	0	Decertification by MS	N/A	12-05-22
OC/2018/xxxx	Closed without financial follow-up	2007-2013 2014-2020	ERDF	PL	OP Innovative Economy 2007-2013 and OP Smart Growth 2014- 2020. 2014PL16RFOP001	1.176.477	0	0	No Recovery	Following an analysis of the OLAF report and the Managing Authority response, and having consulted with DG REGIO audit and legal unit, it is the view of the geographical unit that the alleged irregularities cannot be established. REGIO therefore decides to close the case, as there are no grounds to propose financial corrections in this case.	21-12-22
OF/2012/1354	Closed with financial follow-up	2007-2013	ERDF	IT	2007IT161PO006 Ricerca e competitivita	14.928.465	14.928.465	0	Decertification by MS	N/A	18-11-2022
OF/2016/xxxx	Closed without financial follow-up	2007-2013	ERDF/ ESF	PT	OPCENTRO (2007PT161PO003); OPCOMPETE (2007PT161PO001); OPALENTEJO (2007PT161PO004) "CAPITAL HUMANO" (2007PT05UP0001) COMPETE 2014PT16M3OP001 ALENTEJO: 2014PT16M2OP003 2007PT05OP0001	12.209.822	0	0	No recovery	SFC of both REGIO and EMPL decided that there was no basis to launch a 100% correction as recommended by OLAF. Additionally, without the demonstration and quantification of the irregularity by OLAF there was no basis to launch a financial correction procedure.	06-04-22
OC/2019/xxxx	Closed without financial follow-up	2014-2020	ERDF	Interreg GR BG	Cooperation OP INTERREG V-A Greece- Bulgaria 2014TC16RFCB022	549.829	0	0	No Recovery	REGIO agreed with the information provided by the Greek authority. The Ministry of Culture stated that the old building had not cultural or historical value. The costs of the reconstructions was the same as the renovation costs would have been.	12-09-22
OC/2018/xxxx	Closed with financial follow-up	2007-2013	ERDF	UK	various Ops 2007UK161PO010	210.461	168.977	0	Withdrawal at closure	REGIO accepted the arguments of the Managing Authority shared their observations on the report findings and concluded that the proposed flat rate correction suggested by OLAF is disproportionate, but could accept a correction based on average output costs per participant in the trainings provided by the project.	23-03-22
OC/2021/xxxx	Closed with financial follow-up	2014-2020	ERDF	IT	OP Campania	379.294	374.384	0	Decertification by MS	N/A	15-11-22

ARACHNE

Arachne is a datamining and risk-scoring tool made available to all Member States' authorities that can help them to identify, among others, the presence of situations of conflict of interests and the risks of fraud. Currently Arachne is used by at least one Cohesion programme in 19 Member States and UK. In addition, in 2022, following the live demonstration sessions organised by EMPL/DAC, SE decided to start implementing pilot actions for all Swedish programmes.

The last years show that the number of connections as well as the number of active users is gradually increasing. The trend was confirmed in 2022.

At the end of 2022, the number of connections as well as the number of active users increased. There are currently 6 377 named users in Arachne and 3 455 of them connected at least once in 2022.



The Arachne team provided 91 presentations, trainings, and workshops in 2022. They were split into 4 workshops, 30 Arachne presentations (internal to others DG's or to Member States), 7 participations in financial Management and audit seminars, 25 training sessions for Member States, 5 training sessions for EC auditors.

Arachne is currently a voluntary support tool for Member States, but the Commission tabled in the revision of the Financial Regulation a proposal to make the use of ARACHNE mandatory after 2027. Legislative negotiations are on-

going. Moreover, in 2022, developments were introduced into the tool to create additional fields linked to the data related to beneficial owners of beneficiaries and of contractors, in line with the 2021-2027 CPR requirements.

ANNEX 70: European Court of Auditors: Audit observations and recommendations

ECA Annual report for 2021

The main sources of errors in the ECA annual report for 2021 relate to ineligible projects and costs, infringements of internal market rules (in particular non-compliance with State aid rules) and the absence of essential supporting documents contributed most to the ECA's estimated level of error. In particular, the ECA found ineligible expenditure in 19 of the transactions they examined, and these cases accounted for 63% of the number of quantifiable errors they found. The main causes of ineligible expenditure were project participants or cost items that did not meet the eligibility rules.

In particular, a significant part of the error rate was due to the Youth Employment Initiative (YEI/ESF) programme in Spain, where the ECA detected eligibility issues and considered that the financed actions to support young people did not respect the conditions set in the programme. The ECA also questioned the approach followed in some countries to check the status of the NEET (Neither in Employment, Education nor Training) under such programmes, as well as the method used for reimbursing beneficiaries and declaring expenditure to the EU budget under Simplified Cost Options schemes. The Commission provided further clarifications in its replies, highlighting that not all errors identified and quantified by the ECA could meet the legal requirements to impose financial corrections. This is the case for two ERDF transactions from the 2007-13 programme.

The ECA issued six recommendations in chapter 5 dedicated to 'Economic, social and territorial Cohesion' of its 2021 Annual Report, of which five concern cohesion policy funds only. The Commission accepted four of them and will make the necessary follow-up.

1 - Method used for reimbursing beneficiaries when SCOs are applied to determine the EU contribution to the programme

Reiterate to managing authorities the requirements attached to reimbursing beneficiaries using a methodology that differs from the simplified cost options (SCOs) used for calculating payments to Member States from the EU budget, taking particular account of the situation detected this year in Irish ESF operational programme.

The Commission has accepted this recommendation, in the specific context of the Irish programme audited by the ECA.

2 - Contribution of national schemes to ESF objectives

Ensure that, when operational programmes are based on existing national schemes, the operation implemented contribute effectively to programme objectives, taking particular account of the situation detected this year in relation to NEET participants in Spanish ESF/YEI operational programmes.

The Commission has accepted this recommendation but considers that the operations audited by the ECA contributed to the programme objectives, notwithstanding the fact that some ineligible participants were identified. The Commission will consider with the Member State alternative ways

to deliver the audited YEI scheme under the ESF for the upcoming programming period.

3 – Verification of NEET status by programme authorities

Reiterate to programme authorities that they must confirm the NEET status of participants before submitting expenditure declarations for ESF/YEI programmes from the 2014-2020 period. These eligibility checks should be made on the basis of reliable and verified sources, taking particular account of the situation detected this year in French and Irish ESF/YEI OPs.

The Commission has accepted this recommendation, but highlighted that the NEET status of young participants should be checked on the basis of reliable and verified sources, as much as possible and feasible, taking into account the fact that Article 16 of the ESF Regulation does not set out a definition of a person not in employment, education or training. The Commission is also aware of the difficulty encountered by many ESF/YEI implementing bodies or beneficiaries to access confidential data linked, for example, to the absence of employment of participants. For this reason, the 2021-2027 CPR does not refer any longer to NEETs as an eligibility criterion, but as a target group, and therefore only refers to “youth”, without determining any rules on the definition of the target group that is left to the discretion of the Member States.

4 - Audit trail for sampling by audit authorities

Reiterate to audit authorities that the legal framework requires them to keep an audit trail, with which the Commission can verify that their sampling procedures are independent, objective and without bias.

The Commission has accepted the recommendation. It will remind audit authorities about the need to provide appropriate explanations on their sampling procedures, and to ensure an appropriate audit trail.

5 – Rule of law

Provide information in its annual activity reports about ongoing rule of law procedures against Member States and how these may affect the assurance that the Commission can obtain about regularity of expenditure from the assurance and control systems of the countries concerned.

The Commission has not accepted the recommendation. It considers that the general regime of conditionality or the protection of the Union budget concerns the entire EU budget, and not just specific programmes or policy areas, and therefore is an issue to be reflected in corporate reporting. This is the reason why it will continue to refer to general conditionality procedures only in the AMPR and the AAR of DG BUDG. Moreover, the Commission and its Authorising Officer by Delegation cannot pre-empt future decisions by the Council which is the responsible institution for the adoption of the relevant measures.

Follow-up of previous recommendations

REGIO systematically follows up the recommendations issued by the ECA in its Annual Reports and accepted by the Commission. In its 2021 Annual Report, the ECA assessed that the recommendations issued in 2017, 2018 and 2019 with an expired expected implementation date

have been implemented, either fully or in most/some respects.

The following table gives an overview of the status of implementation of the recommendations for which REGIO/EMPL are responsible for Cohesion policy, as registered by the Commission in the RAD database.

Annual Report	Number of recommendations issued	DONE/CLOSED	OPEN
2017	6	6	0
2018	3	3	0
2019	2	2	0
2020	3	3	0

Summary of the results of the most strategic ECA's performance audits and Special Reports finalised in 2022 involving Cohesion policy and its funding

In 2022, the ECA published the following six Special Reports where REGIO, involved as lead or associated DG, will have to play a role in the implementation of the related recommendations. The ECA also finalised the adversarial process with the Commission for the special report on cohesion policy's use to respond to COVID-19, which was published in February 2023.

SR 01/2022: Energy Efficiency in Enterprises: Some energy savings but weaknesses in planning and project selection

The ECA assessed whether the ERDF and CF Fund have contributed to co-financing of energy efficiency in enterprises in the 2014-2020 programming period. The audit considered whether there had been an appropriate assessment of appropriate use of EU funds on energy efficiency objectives, whether the Member States promoted the selection of efficient projects and whether the results of the funding were demonstrated.

The ECA concluded that the investments were generally efficient and the procedures by the authorities, in particular the project selection, had often encouraged efficiency. However, at the programme level, the ECA observed that the planning of funds was not aligned with the national energy efficiency priorities and did not justify the choice of funding instruments. Moreover, according to the ECA, the indicators measuring energy efficiency improvements in enterprises were programme-specific and could not be aggregated at EU level. The ECA also mentioned several shortcomings in payback times for several projects. Finally, the ECA estimated that energy savings generated by the co-funded projects have a limited contribution, of about 0.3 %, to the energy saving needs towards 2030.

In its replies, the Commission stressed that energy efficiency is one of the sectors facing the largest investment gap in the EU, and that EU funding, including Cohesion Policy Funds, represents a key driving force to scale up and leverage investments in energy efficiency. Despite the lack of explicit link to planning documents in some programmes, the projects selected by national authorities contributed to those priorities. Justification for the choice of funding instruments was not required under the 2014-2020 rules but will be required in the new period. For the 2021-2027 financing

period there are two specific objectives with distinct common output and result indicators. The cohesion policy monitoring system will allow filtering indicators according to specific objectives. The Commission considers that primary energy intensity is also a relevant indicator for measuring energy efficiency measures.

The ECA issued two recommendations, firstly on the need to assess the potential and actual contribution of cohesion policy funds to energy efficiency, and secondly on verification of the justification for the choice of the funding instrument. The Commission partially accepted the first recommendation, noting that it already provides for a robust assessment of the programmes, including the objectives of the investments and the related indicators and the coherence with the information provided in the National Energy and Climate Plans. The Commission fully accepted the second recommendation, stating that the 2021-2027 regulatory framework will provide such provisions that will require Member States to provide justification of the forms of support in the draft programmes, and the Commission will verify them to ensure grants are not used where the financial instruments would be more effective.

The report was published on 17 January 2022.

SR 08/2022: SMEs competitiveness “SMEs start-up and scale-up”

The ECA assessed whether the ERDF contributed to improve SME competitiveness for the 2014-2020 period, by appraising how the needs of SME were addressed by ERDF programmes, the programme calls and selection procedures ensuring that beneficiary SMEs increased their competitiveness.

This special report underlined a number of weaknesses, but it did not identify any critical issue, neither on the side of the European Commission, nor at the level of managing authorities. The ECA concluded, that “ERDF support stimulated the SMEs’ willingness to invest but was only partially effective in increasing their competitiveness”. This was due to deficiencies in the funding approach taken by Member States’ managing authorities. In particular, the ECA observed that:

- most calls for project submission did not comprehensively tackle the obstacles to increasing competitiveness, but they just co-financed specific productive investments, e.g. the purchase of new machinery;
- the ERDF project funding mostly took place through non-competitive selection procedures where all the projects that met the minimum eligibility criteria received the funding requested;
- ERDF financing took the form of grants rather than financial instruments, i.e. repayable forms of support such as loans, guarantees or equity and this did not allow to increase the number of beneficiaries, and;
- several beneficiaries showed no improvement of their competitiveness, but they just made investments that they would have made also without the EU support. In some other cases, the funding negatively affected the economic prospects of non-beneficiary SMEs competing in the same regional or national markets.

The ECA recommend that for the next generation ERDF programmes 2021-2027 ‘the Commission should work with the Member States’ to:

- review the design of the ERDF calls to better support the overall increase of competitiveness of SMEs;

- review the ERDF selection procedures for grant awards to always ensure a competitive selection, and;
- prioritize the use of repayable aids (loans, guarantees or equity) instead of grants, restrict the use of grants and, when possible, provide grants in conjunction with financial instruments.

The Commission agreed to promote the findings and recommendations of this report and it committed to work with relevant Member States authorities towards the successful implementation of these recommendations. The Commission fully accepted the ECA's recommendations, except one which does not fully reflect the provisions of the applicable legislation. At this purpose, the Commission agreed that selection criteria should be appropriately ambitious, but it did not agree that competitive calls are always the appropriate default option for SMEs support. The legal basis leaves Management Authorities free to choose whatever selection procedure they consider most appropriate to maximise the contribution of Union funding in relation to each situation, programme or their customary administrative practices. Managing Authorities can choose between competitive and non-competitive calls (cf. recital 60 of Regulation (EU) 2021/1060), taking into account the advantages and disadvantages of each method on a case-by-case basis.

The report was published on 1 June 2022.

SR 11/2022: Protecting the EU budget – better use of Blacklisting needed

The EU and the Member States are jointly responsible for protecting the EU's financial interests with respect to EU funds. "Blacklisting" (or exclusion) is a key tool that international bodies and national authorities use to protect their public finances. The objective is to avoid entering into financial agreements with untrustworthy counterparties, such as those involved in fraud, corruption, professional misconduct, money laundering, or non-payment of taxes. In 2020, the EU paid out around €150 billion under financial agreements. Since 2016, the Commission has been responsible for operating the Early Detection and Exclusion System (EDES) for the quarter of EU spending (€39 billion) that it manages directly or indirectly through implementing partners in line with the EU's financial rules. For the three quarters of EU spending involving national authorities (€111 billion), Member States have to follow exclusion-related obligations, but they are not required to set up exclusion systems or databases per se. The aim of this audit was to assess whether exclusion is being used effectively to protect EU funds from untrustworthy counterparties. The ECA focused primarily on assessing whether the EDES has been operating effectively in direct and indirect management. In particular, they examined the effectiveness of EDES' exclusion situations, exclusion procedures, blacklist of excluded counterparties, and arrangements for identifying counterparties in exclusion situations. As regards shared management, the ECA selected four Member States to review their exclusion arrangements and to identify good practices. They carried out the audit with a view to contributing to the Commission's proposals for revising the EU's financial rules and its plans for enhancing the use of digital tools and data to protect the EU's financial interests.

The ECA concluded that exclusion is not being used effectively to protect EU funds from untrustworthy counterparties. Although the EDES has a broad range of exclusion situations and robust decision-making procedures, the Commission services have recorded few exclusions in the system due to shortcomings in the arrangements for identifying counterparties in exclusion

situations. In shared management, where EDES does not apply, Member States' differing approaches undermine the overall effectiveness of using exclusion to protect the EU budget.

As regards indirect management, the ECA found that implementing partners have made a small contribution to the number of exclusion cases registered in EDES. This is largely explained by the same factors that apply in direct management.

As regards direct management, the found that the EDES has a broad scope of application and a robust exclusion procedure, based on a central assessment of cases by an independent panel that ensures consistent and fair treatment of counterparties.

As regards shared management, which mostly covers agricultural and cohesion spending and is not covered by the EDES, the ECA visits to four Member States highlighted considerable differences of approach to exclusion, which contribute to an unevenness in the protection of EU funds. The ECA also found that some Member States could make better use of EU level data and tools, including data on fraud and irregularities, and the data-mining and risk-scoring tool, Arachne. Finally, the ECA found that the Commission lacks the overview of Member States' exclusion systems and available data necessary to develop a strategy for improving its own ability, and that of implementing partners and Member State authorities, to identify counterparties in – or at risk of being in – an exclusion situation.

The ECA recommended the Commission to:

- o extend further the range of exclusion;
- o strengthen the implementation of the EDES;
- o improve the monitoring of the EDES under indirect management;
- o extend the EDES to shared management;
- o make better use of data and digital tools for exclusion purposes.

The report was published on 23 May 2022.

SR 22/2022: EU support to coal regions: Limited focus on socio-economic and energy transition

The ECA examined whether EU support had contributed effectively to the socio-economic and energy transition in EU regions where the coal industry has been in decline. The audit focused on whether i) appropriate training and assistance had been provided to laid-off workers in coal-related industries; ii) Member States, together with the Commission, had identified socio-economic development needs and targeted funds accordingly; and iii) greenhouse gas emissions from thermal coal had been decreasing in line with the fall in EU thermal coal production.

The ECA observed that the EU support to coal regions had limited impact on job creation and the energy transition. It further noted that regional authorities were able to access both national and EU funds to provide training to laid-off coal workers but the data on participation were lacking. Moreover, in the audited regions, the funds were used for specific local needs with a weak focus on socio-economic and energy transition. The number of jobs created directly in these regions through

investments under the ERDF, was relatively low and the funded projects did not have a significant impact on energy savings or on the renewable energy production capacity. Finally, ECA observed that despite a significant reduction in CO² emissions from coal combustion, the domestic coal production was sometimes replaced by imports or other fossil fuels and reporting on methane emissions from closed or abandoned mines has not been sufficiently reliable. The ECA issued two recommendations: firstly to check that the Just Transition Fund is used effectively and efficiently to alleviate the socio-economic impact of the transition to climate-neutrality in coal and carbon-intensive regions, and secondly to share good practices for measuring and managing methane emissions. The Commission could accept both recommendations.

The Commission highlighted in its replies that cohesion policy plays an important role in contributing to the EU's climate and energy goals, with the objective of reducing disparities in Europe and fostering economic, social and territorial cohesion. The Commission underlined that "socio-economic and energy transition" of coal regions was not a specific goal of the legal framework underpinning the 2014-2020 cohesion policy funds. It is in fact the Just Transition Fund, introduced as part of the 2021-2027 cohesion policy funds, which is dedicated specifically to supporting the regions and people facing the biggest social, employment and economic environmental impacts of the transition to a climate-neutral economy of the Union by 2050. The Commission furthermore stressed that whilst it is the ERDF's role to create jobs, the ESF is the main EU instrument to support people's employment opportunities and skills. On methane emissions, the associated DG ENER stressed that in the Commission proposal for a Regulation on methane emissions reduction, which was presented in December 2021, it was foreseen for better monitoring, measuring and reporting procedures.

The report was published on 9 November 2022.

SR 23/2022: Synergies between Horizon 2020 and European Structural and Investment Funds - not yet used to full potential

In this performance audit, the ECA examined if the Horizon 2020 widening measures managed to unlock R&I excellence and whether the Commission and the Member States took appropriate measures to foster synergies between Horizon 2020 and ESI Funds. The following Member States were in the ECA's sample: Croatia, Poland, Portugal, Romania and Slovenia.

In substance, the ECA concluded that some factors instrumental in creating synergies between Horizon 2020 and ESI Funds are not yet fully in place and that the implementation varies depending on the type of synergy. For example, apart from differences in the legal frameworks which the Commission has already addressed for the 2021-2027 period, cooperation between the respective R&I stakeholders was according to the ECA still limited. The absence of an integrated database for ESIF projects that is interoperable with the Horizon 2020 database made it difficult for the Commission and national/regional authorities to identify and explore possible synergies. In addition, as there was no system for monitoring synergies, the Commission was unable to identify and promote examples of good practice. The ECA found that the ESIFs' strategic documents, i.e. smart specialisation strategies and operational programmes, included limited references to Horizon 2020 priorities. Moreover, the priorities set out in these documents were rather broad, which – in ECA's opinion – limited the possibility for creating synergies. The ESIF managing authorities did not implement all the synergy-promoting measures envisaged in the strategic documents. In particular,

measures to create downstream synergies to further exploit the results of Horizon 2020 projects were implemented only to a very limited extent. One of the main reasons for this was that managing authorities did not know how to establish downstream synergies or how to find Horizon 2020 project results. Furthermore, managing authorities' participation in the Commission's capacity-building actions was limited, and they did not sufficiently promote synergies. Lastly, only a limited number of project proposals which had received the Seal of Excellence ultimately received ESI funding.

The ECA recommended ways in which the Commission can improve cooperation between stakeholders active in research and innovation; exploit the potential of databases to foster synergies; increase the use of downstream synergies; and improve information flows about projects awarded the Seal of Excellence. All four recommendations of this special report were accepted by the Commission.

The report was published on 21 November 2022.

SR 27/2022: EU support to cross-border cooperation with neighbouring countries – Valuable support, but implementation started very late and problems with coordination need to be addressed

In this audit, the ECA examined whether ENI CBC programmes have been effective in enhancing territorial cooperation across the EU's external borders. The ECA assessed the largest 2014-2020 programmes in the north, east and south regions, accounting for about 44 % of the total ENI CBC funding planned for the 2014-2020 period: South-East Finland–Russia, Poland–Belarus–Ukraine, and Mediterranean Sea Basin.

The ECA concluded that the programmes targeted relevant needs, but their complementarity with other EU-funded programmes was insufficient and the involvement of EU Delegations to neighbouring countries could be further improved. While projects were overall selected and implemented efficiently and effectively, the ECA identified weaknesses in the monitoring framework of the programmes, regarding aggregation of results and reporting on sustainability of benefits after project closure. The programmes have managed to achieve a balanced distribution of project participants from EU and neighbouring countries. Safeguards are in place to mitigate the risk of fraud; however, the programmes cannot effectively use a fraud-reporting IT tool recommended by the Commission, due to lack of access to IMS by the participating non-EU countries.

The ECA also concluded that the 2014-2020 programmes have provided relevant and valuable support to the regions on both sides of the EU's external border. However, the programmes suffered from significant delays to the start of their implementation and were still ongoing during our audit. Therefore, it was too early to assess their overall effectiveness. The legal framework for the 2021-2027 programmes draws upon lessons learned. The changes introduced have the potential to facilitate the start to the programmes' implementation. However, according to the ECA they carry additional risks and reduce the Commission's supervision of large infrastructure projects that can be of strategic importance in relations with partner countries. The auditors recommended that the

Commission should improve inter-programme coordination, enhance the involvement of EU Delegations, adapt a fraud-reporting IT tool, provide guidance on monitoring sustainability after project closure, consult all relevant services on large infrastructure projects and enhance use of common indicators.

The Commission accepted all recommendations and recognised some of the issues that have faced ENI CBC implementation in the past, such as the late start of the programmes, some weaknesses in results monitoring or insufficient access to anti-fraud reporting tools. The Commission underlined in its reply to the special report that it has addressed these issues through the integration of ENI CBC into the overall Interreg framework within cohesion policy. "Interreg NEXT programmes", as they are now known, will benefit in 2021-2027 from a simplified legal framework, new procedures and a continuous high level of commitment, despite the unprecedented challenges that have been created by Russia's military aggression against Ukraine. Interreg NEXT will be at the heart of the EU's support to Ukraine and its people on their European path, building capacities and fostering cooperation links with the EU in its border regions.

The report was published on 12 December 2022.

SR 02/2023: Adapting cohesion policy rules to respond to COVID-19: Funds used more flexibly, but reflection needed on cohesion policy as a crisis response tool

The Court's audit examined whether the Commission adapted well the 2014-2020 cohesion policy rules through CRII/CRII+ and REACT-EU to provide greater flexibility to Member States in using cohesion policy funds in response to the COVID-19 pandemic.

It concluded that in general, the Commission adapted well the 2014-2020 cohesion policy rules so that Member States could make use of cohesion funds more flexibly. The EU reacted promptly after the major outbreak of the pandemic in Europe in March 2020, adopting legislative measures in less than two months to mobilise unspent funds through CRII/CRII+ and in less than a year to provide additional resources via REACT-EU.

In allowing the redirection of resources and 100 % EU co-financing, CRII/CRII+ kept 2014-2020 cohesion policy spending on track at a time when the pandemic was seriously affecting regular economic activity. The significant new resources brought in by REACT-EU allowed Member States to fund additional investments. However, the Court also finds that the changes in the legal framework led to additional programming work for the managing authorities, which contributed to the delays to the start of the 2021-2027 period.

The Court finds that the Commission's monitoring system allows for separate tracking of REACT-EU measures. The Commission can also draw on non-mandatory COVID-19 indicators to assess the achievements of its crisis response measures. However, as there are no common definitions, there is a risk that the Commission will face difficulties in interpreting the aggregated data reported by Member States.

Lastly, the Court finds that cohesion policy has been used as a crisis response tool often in the past, but that there have been no formal assessments of the long-term impact of this use. Furthermore, the rules for the 2021-2027 period, which draw on the flexibilities introduced by CRII/CRII+, will make it easier to use cohesion policy funds to respond to unexpected events. This may lead to a risk that the repeated use of cohesion policy to address crises may impact its primary strategic goal to strengthen economic and social cohesion between regions.

The Court recommends that the Commission:

- analyse the impact of the use of cohesion policy funds to respond to crises on the long-term objectives of the policy;
- Monitor closely REACT-EU absorption and, where necessary, provide targeted support with a focus on results.

The Commission has accepted both recommendations. It has replied that whilst cohesion policy demonstrated its adaptability and flexibility during a time of crisis, this did not lead to cohesion policy becoming a crisis response tool. The flexibilities introduced were well circumscribed in the legal framework and were limited in time. Cohesion policy continues to deliver on its primary objective of strengthening the economic, social, and territorial cohesion and delivering the Union's political priorities, such as the green and digital transition, and will continue doing so particularly under the 2021-2027 generation of programmes.

As regards the second recommendation, the Commission will continue to monitor and to provide support to the Managing Authorities in relation to the implementation of REACT-EU priorities. In that context, the Commission will identify programmes encountering spending difficulties and work with the programme authorities to maximise the potential of the REACT-EU resources.

As regards monitoring and reporting, the Commission has published a set of 32 non-mandatory COVID-19 indicators. They have been widely taken up by the Member States, helping the authorities and Commission to monitor and to assess how cohesion policy funding, including from REACT-EU resources, was used, in the context of the pandemic. The Commission has also set up three interactive dashboards under the Open Data Platform on the Member States' use of cohesion policy funding during the crisis. The dashboard contains information on Member States' expenditure, in particular in the main fields – health, business and direct support to people.

Other reports

REGIO was further associated in other ECA performance audits published in 2022 which covered a broad range of topics, and where it contributed with its expertise to other DGs in the lead for these audits.

Finally, the following special reports and review-based documents were in the pipeline at the end of 2022 for REGIO:

- Conflict of interest in shared management
- ESI-funds and the RRF
- EU financial landscape
- Circular economy
- EU battery value chain
- Intermodal freight transport
- Digitalisation of schools
- Digitalisation of EU funds management
- Blue Energy

Follow-up to previous ECA recommendations:

The Court conducted in 2022 a follow-up of two Special Reports published in 2019 and involving directly or indirectly REGIO:

- SR 06/2019 on Tackling Fraud in EU Cohesion spending: managing authorities need to strengthen detection, response and coordination
- SR 08/2019 on Wind and Solar Power for Electricity Generation: significant action needed if EU targets to be met

The Commission considers that all recommendations issued in those special reports and accepted have been implemented, except for two which have an expected implementation date not yet reached. The Court's assessment on the implementation of these recommendations will be reported in its next Annual Report on Performance.

Impact of the ECA findings on REGIO's assurance

REGIO notes that the ECA's conclusions and recommendations in its 2021 annual and special reports support the achievement of the internal control objectives. All recommendations stemming from these reports are given appropriate follow-up.

REGIO will continue to provide support to programme authorities to improve their administrative capacities, particularly in the fields addressed by the ECA audits (eligibility checks, detection and correction capacity, sampling procedures, audit trail, use of simplified cost options and financing not linked to costs). It will continue to focus its audits and actions on the most risky programmes/Member States and implement corrective measures when needed through a strict policy of interruptions and suspensions of payments up to closure.

REGIO's annual activity report will continue to provide detailed information on the assessment of management and control systems and the reported error rates by audit authorities, as well as on all general and specific actions taken to remedy the deficiencies identified, where relevant. This year, it also refers to the specific measures requested to protect the Union budget against breaches of the principle of the rule of law and provides information on the respect of the enabling conditions for the 2021-27 period.

ANNEX 7P: Internal Audit Service: Audit observations and recommendations

At the end of January 2023, the following IAS recommendations considered as 'very important' were pending. The actions identified in the respective action plans are in the course of being implemented by REGIO.

Audit title	Very important recommendations	Status / Deadline
Audit on interruptions, suspensions and financial corrections for ESIF 2014-2020 by DGs REGIO, EMPL and MARE	Key criteria for preventive measures (rec. n°1):	Pending 30/04/2023
	Warning letters as additional preventive measures (rec. n°3)	Pending 30/04/2023
	Financial corrections (rec. n°6):	Pending 31/03/2023
	Monitoring of and reporting on ISFC processes (rec. n°12)	Pending 31/12/2023
Limited review on the reporting of the Commission's preventive and corrective measures ('corrective capacity')	Availability of quantitative data and qualitative information to substantiate the 'corrective capacity' (rec. n°1)	Pending 30/04/2023
	Reporting on the corrections in the AARs (rec. n°4)	Pending 30/04/2023

ANNEX 7Q: Glossary of terms

Accounting year: a period of 1 July year N until 30 June year N+1

Annual Accounts: They are submitted by Member States every year as part of the assurance package (15 February or 1 March if an extension is requested). The annual accounts present the expenditure that was incurred during the relevant reference period and are submitted to the Commission for reimbursement. According to Article 126(b) CPR, it is the programme's Certifying Authority (CA) who is responsible for drawing up the accounts. The CA is also responsible for certifying the completeness, accuracy and veracity of the accounts and that the expenditure entered in the accounts complies with applicable law and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the programme. Accounts are submitted by 15 February in the year following the end of the accounting year, per Fund and programme. Following the submission of the accounts, the Commission proceeds with the examination of the accounts and provides its conclusion as for their acceptance by 31 May at the latest.

Annual activity report (AAR): An internal management report submitted to the Commissioners by the Director-General of each Commission DG. Each AAR covers the relevant DG's management and internal control, and its performance in relation to the key objectives and activities identified in its management plan. The AAR includes a declaration by the relevant Director-General or head of department on the financial information provided in the AAR.

Assurance package: Set of documents which each Member State submits to the Commission yearly in respect of the ESI funds, comprising the annual accounts, annual summary, annual control report, management declaration and audit opinion.

Audit authority: It is a national or regional public authority or body designated for each operational programme and responsible for verifying the effective functioning of the management and control system. It also monitors project compliance with national and European regulations. The Member State designates an audit authority for each operational programme (along with a managing authority and certifying authority).

Authorising Officer by (Sub-) Delegation (AO(S)D): Person responsible for implementing revenue and expenditure in accordance with the Financial Regulation and the principles of sound financial management, and for ensuring compliance with legality and regularity requirements.

Beneficiary: A natural or legal person receiving a subsidy from the EU budget.

Certifying authority: It is responsible for guaranteeing the accuracy and probity of statements of expenditure and requests for payments before they are sent to the European Commission.

Closure of programmes: It refers to the settlement of EU budgetary commitments of the programming period for each OP. This closure is done through the payment of the final balance to the competent national authority of the OP. It also refers to the period until which all the EC and Member State rights and obligations remain valid in respect of assistance to operations. Till the period 2007-2013, the closure was done at the end of the multi-annual financial period. Since the period 2014-2020 the closure is done annually, based on the closure (payment or recovery) of the annual accounts.

Confirmed RTER: Residual total error rate of the accounting year N-1 confirmed by the Commission after having carried out the audit cycle, i.e. thorough desk verifications of all annual control reports and on-the-spot compliance audits by the Commission and the European Court of Auditors for a sample of programmes, in particular when risks were identified.

Cumulative residual risk: The expenditure which remains irregular at the end of the 2007-2013 programming period, once all corrective measures have been taken on the cumulative expenditure declared over the programming period. For the period 2014-2020, annual accounts were introduced and the residual risk is therefore the annual confirmed RTER. See also the explanation about the closure of 2007-2013 programmes.

Declaration of assurance: Declaration by a Commission Director-General, in their annual activity report, on the completeness and accuracy of the accounts, the legality and regularity of the transactions underlying them, the functioning of internal control systems, and adherence to the principles of sound financial management.

Deductions from the accounts: The deduction can be definitive and in line with Art. 137*2 CPR (due to ongoing assessment of the legality and regularity of the concerned expenditure). 1) Definitive implemented deductions are the result of management verifications, audits by audit authorities or follow-up to accepted findings from Commission and ECA audits or OLAF investigations performed with regard to expenditure already declared to the Commission in an interim payment claim. 2) Deductions in line with Art. 137(2) CPR involve further controls regarding the legality and regularity of expenditure. Once these controls are finalised, only the expenditure deemed legal and regular is re-introduced in an interim payment claim.

Direct management: The EC implements the budget directly through its services (including through its staff in the EU Delegations or Executive Agencies).

Error: An error is a quantifiable overstatement of the expenditure declared to the EC by Member States. Errors can be due to clerical mistakes, irregularities, fraud, etc.

Estimated future corrections: These are the amounts to be corrected in order to reduce the confirmed RTER without the impact of financial instruments advances to at least 2% for each single programme. As the Commission uses the confirmed RTER without the

impact of financial instruments advances, the estimated future corrections are considered a conservative estimate⁶⁰.

Financial corrections: Financial corrections are withdrawals of funding that take place after the expenditure was declared to the Commission in an interim payment claim. The Commission is committed to recovering funds that have been obtained or used wrongly or fraudulently, and will use the full force of the law to track down such payments. Financial corrections can be net (see below “net financial corrections”). The Commission has a range of controls available to ensure that EU funding is spent properly.

Fraud: The term fraud is commonly used to describe a wide range of misconducts including theft, corruption, embezzlement, bribery, forgery, misrepresentation, collusion, money laundering, conflict of interest and concealment of material facts. It often involves the use of deception to make a personal gain for oneself, a connected person or a third party, or a loss for another. The EU Treaty defines fraud, in respect of expenditure, as an intentional act or omission related to:

- The use or presentation of false, incorrect or incomplete statements or documents, which has as its effect the misappropriation or wrongful retention of funds from the EU;
- Non-disclosure of information in violation of a specific obligation, with the same effect;
- The misapplication of such funds for purposes other than those for which they were originally granted.

Indirect management: The EC delegates the budget implementation to several actors (e.g. third countries, MS, international organisations, decentralised agencies, etc.).

Irregularity: Any breach of applicable law, resulting from an act or omission by an economic operator, which has or would have, the effect of prejudicing the budget of the Union by charging unjustified expenditure to that budget.

Key Performance Indicator (KPI): This is the main error rate reported in the AAR as a regularity indicator. It is the confirmed RTER aggregated and weighted for all programmes, removing the impact of financial instrument advances (see explanation in footnote 75).

Management and Control system (MCS): Set of bodies, procedures, relationships, processes. According to legal provisions - Art. 72 of Common Provision Regulation (CPR) -, the MCS shall provide for a description of functions of the bodies involved in management and control, allocation of functions, separation of functions, procedures (for ensuring correctness and regularity of expenditure declared), computerised systems (for accounting, storage and transmission of data, monitoring and reporting), arrangement for auditing,

⁶⁰ The CPR requires a confirmation about the eligibility of the expenditure declared to the Commission, i.e. including financial instrument advances. As those advances are less prone to error, the RTER calculated by excluding them is considered conservative.

systems and procedures for adequate audit trail, procedures for prevention, detection and correction of irregularities, including fraud.

Managing authority: A designated managing authority is responsible for the efficient management and implementation of an operational programme, in particular selection of operations and monitoring their implementation. A managing authority may be a national ministry, a regional authority, a local council, or another public or private body that has been nominated and approved by a Member State. Managing authorities are expected to conduct their work in line with the principles of sound financial management.

Net financial correction: a Commission decision that reduces the amount of the total allocation to an operational programme. A correction can be net because the Member State does not agree to deduct the irregular amount or because the Commission considers that there is a serious deficiency in the effective functioning of the management and control system (under strict regulatory conditions set out in Article 145.7 CPR).

Programmes: The funds are implemented through programmes that contain the objectives to be achieved, the EU and Member State's means put at the disposal for this purpose and the applicable performance framework. Programmes are agreed between Member States and the EC and adopted by the EC.

Recoveries: The Member State withdraws the irregular expenditure from the programme only when the beneficiary corrects the irregular amount vis-à-vis the OP authorities. Till this is the case, the irregular expenditure remains in the EU budget. One of the ways to implement a financial correction.

Reportable RTER: Residual total error rate of the latest accounting year N as reported by the audit authority and adjusted by the Commission following a desk review of the data provided in the annual control reports, just before finalisation the annual activity report (end April). In view of its confirmation in the following annual activity report, the reportable RTER can be further adjusted as a result of on the spot audits that are performed by the Commission and/or the European Court of Auditors. Such error rates are therefore 'reportable' in the annual activity report that is signed immediately after such rates are communicated to the Commission, pending the required complete audit work to confirm these rates in the subsequent annual activity.

Risk "at closure": It indicates the remaining risk to the 2021 relevant expenditure once the Commission will have applied the necessary additional financial corrections to bring the total residual error rates down to 2% for all programmes, as this is found to be needed as a result of the Commission's assessment of the reported error rates for each programme. See also estimated future corrections.

Risk "at payment": For shared management, the risk "at payment" is calculated by applying the residual total error rate of the previous accounting year after neutralising the effect of financial instruments advances (2019-2020 in this AAR) as confirmed by the

Commission once the control cycle was completed (KPI5), to the “relevant expenditure” of the Commission reporting year.

Shared management: The EC implements the EU budget together with the Member States. Under shared management, the European Commission remains the ultimate responsible for the execution of the EU budget. However, Member States are responsible for selecting the projects through which the funds are implemented, and for their day-to-day management. Therefore, to ensure that the funds are used respecting the principles of sound financial management – Article 317 of the Treaty on the Functioning of the European Union (TFEU) –, the European Commission carries out audits and performs various other audit and control activities as well as capacity building activities.

Statistical sampling: A statistically based sampling technique selecting a random sample from the expenditure declared to the Commission and used in audit testing to provide representative results.

Suspension: The Commission may suspend all or part of an interim payment if a significant deficiency exists in the functioning of the management and control system of the Member State or uncorrected irregular expenditure have been certified in a statement of expenditure or a serious breach by the Member State of its management and control obligations occurred.

Warning of interruption letter: with this type of administrative letter Member States are ‘warned’ that the payment deadline of any future payment claim will be interrupted (i.e. interruption procedure Article 83(1)(a) or (b) CPR) if actions to correct deficiencies in MCS or/and irregularities are not implemented.

Warning letter of corrective measures: If deficiencies are detected in a management and control system, and in case the risk to the EU budget is estimated below 10% the submitted interim payments are not interrupted as the risk to the EU budget is covered by 10% retained. However, the letter requests programme authorities to implement the necessary corrective measures before submission of the next accounts.

Withdrawals: The Member State withdraws the irregular expenditure from the programme immediately when the irregularity is detected, by deducting it from the next interim payment claim and thereby releases EU funds for other operations. One of the ways to implement a financial correction.

ANNEX 8: Specific annexes related to "assessment of the effectiveness of the internal control systems"

NOT APPLICABLE

ANNEX 9: Specific annexes related to "Control results" and "Assurance: Reservations"

Annex related to "Control results" - Table X: Estimated risk at payment and at closure

- Estimated risk at payment and at closure

DG REGIO	Payments made (2022;MEUR)	minus new prefinancing [plus retentions made] (in 2022;MEUR)	plus cleared prefinancing [minus retentions released and deductions of expenditure made by MS] (in 2022;MEUR)	Relevant expenditure (for 2022;MEUR)	Detected error rate or equivalent estimates	Estimated risk at payment (2022;MEUR)	Adjusted Average Recoveries and Corrections (adjusted ARC, %)	Estimated future corrections [and deductions] (for 2022;MEUR)	Estimated risk at Closure (2022;MEUR)
-1	-2	-3	-4	-5	-6	-7	-8	-9	-10
2021-2027 (shared)	4 213,01	-4 213,01	0,00	0,00	0,50% - 0,50%	0,00 - 0,00	0,00% - 0,00%	0,00 - 0,00	0,00 - 0,00
2014-2020 (shared)	47 634,59	-3 735,07	1 658,19	45 557,70	1,89% - 2,73%	861,68 - 1 245,52	0,58% - 1,42%	262,26 - 646,11	599,41 - 599,41
2007-2013 (shared)	607,23	0,00	232,85	840,08	0,28% - 0,28%	2,35 - 2,35	0,00% - 0,00%	0,00 - 0,00	2,35 - 2,35
pre-2006 (shared)	2,85	0,00	32,20	35,04	0,50% - 0,50%	0,18 - 0,18	0,00% - 0,00%	0,00 - 0,00	0,18 - 0,18
European Solidarity Fund (shared)	18,13	- 18,13	347,83	347,83	0,46% - 0,46%	1,60 - 1,60	0,00% - 0,00%	0,00 - 0,00	1,60 - 1,60
European Solidarity Fund (indirect)	11,97	- 11,97	6,22	6,22	0,50% - 0,50%	0,03 - 0,03	0,00% - 0,00%	0,00 - 0,00	0,03 - 0,03
Brexit Adjustment Reserve (shared)	2 543,94	-2 543,94	0,00	0,00	0,50% - 0,50%	0,00 - 0,00	0,00% - 0,00%	0,00 - 0,00	0,00 - 0,00
European Urban Initiative (indirect)	36,75	- 36,75	0,00	0,00	0,28% - 0,28%	0,00 - 0,00	0,00% - 0,00%	0,00 - 0,00	0,00 - 0,00
Urban Innovative Actions (indirect)	52,07	- 52,07	81,04	81,04	0,28% - 0,28%	0,23 - 0,23	0,00% - 0,00%	0,00 - 0,00	0,23 - 0,23
PP / PA (direct)	1,26	- 0,16	0,66	1,76	0,50% - 0,50%	0,01 - 0,01	0,00% - 0,00%	0,00 - 0,00	0,01 - 0,01
PP / PA (indirect)	0,82	- 0,82	0,00	0,00	0,50% - 0,50%	0,00 - 0,00	0,00% - 0,00%	0,00 - 0,00	0,00 - 0,00
Administrative and technical assistance (direct)	58,61	- 7,40	31,50	82,71	0,00% - 0,00%	0,00 - 0,00	0,00% - 0,00%	0,00 - 0,00	0,00 - 0,00
Administrative and technical assistance (indirect)	40,96	- 39,46	0,82	2,32	0,50% - 0,50%	0,01 - 0,01	0,00% - 0,00%	0,00 - 0,00	0,01 - 0,01
DG total	55 222,18	-10 658,77	2 391,31	46 954,72		866,08 - 1 249,93	0,56% - 1,38%	262,26 - 646,11	603,82 - 603,82
					Overall risk at payment in %	1,84% - 2,66% (7) / (5)		Overall risk at closure in %	1,29% - 1,29% (10) / (5)

Notes to the table X

(1) Relevant Control Systems differentiated per relevant portfolio segments and at a level which is lower than the total.

(2) Payments made or equivalent, e.g. expenditure registered in the Commission's accounting system, accepted expenditure or cleared pre-financing. In any case, this means after the preventive (ex-ante) control measures have already been implemented earlier in the cycle.

In all cases of Co-Delegations (Internal Rules Article 3), "payments made" are reported by the Delegated departments. For Cross-SubDelegations (Internal Rules Article 12), the reporting remains with the Delegating departments.

(3) New pre-financing actually paid by out by the department itself during the financial year (i.e. excluding any pre-financing received as a transfer from another department) as per note 2.5.1 to the Commission annual accounts thus excluding "Other advances to Member States" which are covered on a purely payment-made basis (note 2.5.2). Pre-financing paid/cleared" are always covered by the Delegated departments, even for Cross-SubDelegations.

Retentions: in Cohesion, the 10% retention applied during the year.

(4) Pre-financing actually cleared during the financial year (i.e. their 'delta' in the Financial Year 'actuals', not their 'cut-off' based estimated 'consumption').

Retentions: in Cohesion, the retentions released during the year by the Commission.

(5) For the purpose of equivalence with the ECA's scope of the EC funds with potential exposure to legality & regularity errors (see the ECA's Annual Report methodological annex 1.1), the concept of "relevant expenditure" includes the payments made, subtracts the new pre-financing paid out [& adds the retentions made], and adds the pre-financing actually cleared [& subtracts the retentions released; and any deductions of *expenditure made by MS*] during the FY. This is a separate and 'hybrid' concept, intentionally combining elements from the budgetary accounting and from the general ledger accounting.

(6) In this column, we disclose the detected error rates or equivalent estimates. The equivalent for REGIO is the "residual total error rate".

(7) For low-risk types of expenditure, where there are indications that the equivalent error rate might be close to 'zero' (e.g. *administrative expenditure, operating contributions to agencies*), the rate which is used is 0.5% as a conservative estimate, unless the department has a more precise estimate based on evidence.

(8) The estimated future corrections are estimated using the most conservative calculation of the corrections to be implemented by the programme authorities to bring the risk at closure to 2% for all programmes individually.

(9) For some programmes with no set *closure* point (e.g. EAGF) and for some multiannual programmes for which corrections are still possible afterwards (e.g. EAFRD and ESIF), all corrections that remain possible are considered for this estimate.

Reservations

A. Reservation fiche

2007-2013

DG	Directorate-General Regional and Urban Policy
Title of the reservation, including its scope	Reservation concerning ERDF/CF management and control systems for six programmes of the 2007-2013 period in HR, IT and RO .
Domain	Shared management – Structural and Cohesion Funds
Programme (or other relevant segment) in which the reservation is made and total (annual) amount of this programme	<u>05.029901 ERDF and 05.039901 Cohesion Fund</u> Payments made to ERDF/CF programmes affected by reservation: EUR 0.0
Reason for the reservation	Serious deficiencies in management and control systems for these programmes as detected by the programme audit authority and/or the Commission at closure which have significant financial impact (i.e. risk above the amount retained). In particular, these deficiencies concern one or several of the following key elements: <ul style="list-style-type: none"> - compliance with public procurement rules and directives /revenue generated project/eligibility rules, - high error rates following audit of operations, - audit work (incomplete, procurement irregularities not detected...), suspicion of fraud.
Materiality criterion/criteria	Following the in-depth assessment of closure documents, reservations are made for programmes with estimated financial corrections to be implemented exceeding the retention of the overall allocation made at programme level (5% or less for underspent programmes of the overall allocation made at programme level)
Quantification of the financial impact (amount at risk)	Total quantification of the reservation: EUR 0.0 (0%)
Impact on the assurance	The weakness affects the legality and regularity of the payments concerned and the effective functioning of the management and control systems in place. The Commission will not make the final payment until the Member States' authorities will have agreed all necessary additional financial corrections.
Responsibility for the weakness	The expenditure concerned is under shared management in which the Member State is primarily responsible for implementing the management and control systems. Therefore, the designated national and regional authorities of the programmes concerned are responsible for undertaking corrective measures. The Commission supervises the national authorities in this respect.
Responsibility for the corrective action	For each programme included in the reservation, with the aim to obtain assurance that the required corrective measures have been completed, the Commission has analysed the Final Control Reports received and when needed has requested Member

States to perform additional audit work and/or to apply additional financial corrections.

2014-2020

DG	Directorate-General Regional and Urban Policy
Title of the reservation, including its scope	Reservation concerning ERDF/CF management and control systems for 56 programmes of the 2014-2020 programming (in AT, BE, CZ, DE, EE, ES, FR, HU, IT, LV, PL, PT, RO and UK), out of which 11 ETC and 1 ENI-CBC.
Domain	Shared management – Structural and Cohesion Funds
Programme (or other relevant segment) in which the reservation is made and total (annual) amount of this programme	<u>05.029901 ERDF and 05.039901 Cohesion Fund</u> Payments made to ERDF/CF programmes affected by reservation: EUR 15,166.7 million <u>14.029901 ENI-CBC</u> Payments (pre-financing) made to programmes affected by reservations: EUR 18.5 million ⁶¹
Reason for the reservation	<ul style="list-style-type: none"> - systems deficiencies leading potentially to risk above the 10% retention - total error rates above 10% - residual total error rate above 2% - non-acceptance of accounts
Materiality criterion/criteria	Significant deficiencies at the level of the key elements of the management and control systems with a material risk to the EU Budget, Residual error rate >2%, material issues on the completeness, accuracy and veracity of the accounts
Quantification of the financial impact (amount at risk)	Total quantification of the reservation: EUR 213.3 million (1.6% of relevant expenditure)
Impact on the assurance	<p>The weakness affects the legality and regularity of the expenditure concerned and the effective functioning of the management and control systems in place.</p> <p>Financial impact is mitigated through:</p> <ul style="list-style-type: none"> - interruption/suspension of payments pending the correction by the Member States concerned of the identified weaknesses; - financial corrections to be applied before accepting the next expenditure statement.
Responsibility for the weakness	<p>The weakness affects the legality and regularity of the expenditure concerned and the effective functioning of the management and control systems in place.</p> <p>Financial impact is mitigated through:</p> <ul style="list-style-type: none"> - interruption/suspension of payments pending the correction by the Member States concerned of the identified weaknesses; - financial corrections to be applied before accepting the next expenditure statement.
Responsibility for the corrective	<p>At Commission level</p> <ul style="list-style-type: none"> - warning letters / interruption of payment deadlines / launch of suspension and

⁶¹ One non-financial reservation for 2014TC16M5CB015 Mediterranean Sea Basin

action

financial correction procedures,

- audit work both desk, on the spot and/or remote to check the ability of programme managing and / or audit authorities to fulfil their obligations,

At Member State level

- implementation of remedial actions including when necessary financial corrections in order to remedy the deficiencies,
- audit by the audit authority of the effective implementation of remedial measures applied by managing authorities in management and control systems and of the basis for the application of financial corrections when required.

B. Operational Programmes / Paying Agencies under reservation and targeted actions

2007-2013

N°	Country code	Ref	Title	Type of Reservation	Reasons for Reservation	Financial impact (MEUR) in 2022	Structural weakness (Y/N)	Actions to be taken
HR - 1 Reservations (1 Full non-financial) - Quantification = EUR 0.0 million								
1	HR	2007HR161P0002	Transport	Full Non-Financial	The Programme did not reach the 95% of the allocation. As no retention in place the risk of a net correction is a potential scenario.	Not applicable	N	
IT - 2 Reservations (2 Full non-financial) - Quantification = EUR 0.0 million								
2	IT	2007IT161P0005	Reti e mobilita	Full Non-Financial	There is one correction procedure ongoing for ineligible projects linked to compliance issues with state aid for a series of projects.	Not applicable	N	
3	IT	2007IT161P0006	Ricerca e competitivita	Full Non-Financial	Individual financial corrections by the Member State are ongoing.	Not applicable	N	
RO - 3 Reservations (3 Full non-financial) - Quantification = EUR 0.0 million								
4	RO	2007RO161P0001	Regional OP	Full Non-Financial	The Programme did not reach the 95% of the allocation. As no retention in place the risk of a net correction is a potential scenario.	Not applicable	N	
5	RO	2007RO161P0003	Transport	Full Non-Financial	The Programme did not reach the 95% of the allocation. As no retention in place the risk of a net correction is a potential scenario.	Not applicable	N	
6	RO	2007RO161P0004	Environment	Full Non-Financial	The Programme did not reach the 95% of the allocation. As no retention in place the risk of a net correction is a potential scenario.	Not applicable	N	

2014-2020

Total financial impact (quantification) is **EUR 213.3 million**.

N°	Country code	Ref	Title	Type of Reservation	Reasons for Reservation	Financial impact (MEUR) in 2022	Structural weakness (Y/N)	Actions to be taken	
AT - 1 Reservation (1 Partial) - Quantification = 18.4 million									
1	AT	2014AT16RFOP001	Investments in Growth and Employment Austria 2014-2020 - Operational Programme for the use of the ERDF funds	Partial	Public Procurement expenditure affected. 25% flat rate to take into account the possible systemic irregularity related with cartel	18.4	Y	REGIO takes proportional actions in relation to the type of reservation and the materiality criteria with the purpose of reducing the budgetary risk for the current year and incentivizing necessary corrections in the affected programmes. Actions to be taken may include among others: - (Warning of) corrective measures	
BE - 1 Reservation (1 Partial non-financial) - Quantification = EUR 0.0 million									
2	BE	2014BE16RFOP001	OP Brussels Capital Region	Partial non-financial	Measures related to financial instrument are still to be implemented (no FI expenditure was declared)	Not applicable	N		
CZ - 1 Reservation (1 Full) - Quantification = EUR 27.7 million									
3	CZ	2014CZ16RFOP001	Enterprise and Innovation for Competitiveness	Full	Flat rate in view of ECA preliminary findings. Warning of corrective measures	27.7	Y		
DE - 2 Reservations (2 Partial non-financial) - Quantification = EUR 0.0 million									
4	DE	2014DE16RFOP012	OP Sachsen ERDF 2014-2020	Partial non-financial	Systemic irregularity on public procurement. warning letter for interruption ongoing (no payment done)	Not applicable	N		
5	DE	2014DE16RFOP003	OP Berlin ERDF 2014-2020	Partial non-fin.	Qualified Significant assessment for part of the OP (Technical assistance, Senatsverwaltung für Wirtschaft". Warning of interruption	Not applicable	N		

N°	Country code	Ref	Title	Type of Reservation	Reasons for Reservation	Financial impact (MEUR) in 2022	Structural weakness (Y/N)	Actions to be taken	
EE - 1 Reservation (1 Partial) - Quantification = EUR 0.7 million									
6	EE	2014EE16M30P001	Operational Programme for Cohesion Policy Funding 2014-2020	Partial	Qualified Significant assessment for IB Environmental and Investment Centre. Warning of corrective measures	0.7	N	- (Warning of) interruption of interim payments - Pre-financial corrections	
ES - 5 Reservations (5 Full) - Quantification = EUR 62.9 million									
7	ES	2014ES16RFOP006	Baleares ERDF 2014-20 OP	Full	Reported Total error rate >10%	0.5	Y		
8	ES	2014ES16RFOP007	Canary Islands ERDF 2014-20 OP	Full	Reported Total error rate >10% Payment of Balance interrupted	2.7	Y		
9	ES	2014ES16RFOP018	Melilla ERDF 2014-20 OP	Full	Flat rate to reflect the risk of irregular award of COVID contracts using emergency procedures. COVID contracts represent almost 70% of the amount declared	0.7	Y		
10	ES	2014ES16RFOP021	País Vasco ERDF 2014-20 OP	Full	Flat rate to cover the risk of irregular award of COVID contracts using emergency procedures.	58.4	Y		
11	ES	2014ES16RFOP014	Extremadura ERDF 2014-2020 OP	Full	Reported TER above 10% Warning of interruption	0.6	Y		
FR - 4 Reservations (4 Full) - Quantification = EUR 6.5 million									
12	FR	2014FR05M20P001	OP ERDF-ESF Guadeloupe et St Martin Etat 2014-2020	Full	Reported Total Error Rate (TER) above 10% Warning of interruption	0.08	Y		
13	FR	2014FR16M00P009	Regional programme Guadeloupe Conseil Régional 2014-2020	Full	Reported Total Error Rate (TER) above 10% Warning of interruption	4.0	Y		
14	FR	2014FR16RFOP003	Interregional programme	Full	Reported Total error rate > 10%	0.1	Y		

N°	Country code	Ref	Title	Type of Reservation	Reasons for Reservation	Financial impact (MEUR) in 2022	Structural weakness (Y/N)	Actions to be taken
			Massif Central 2014-2020		warning of interruption			
15	FR	2014FR16M20P011	Regional programme Guyane Conseil Regional 2014-2020	Full	Flat rate of 5% proposed due to deficiencies detected in work of AA (non detection of errors, under contradictory)	2.3	Y	
HU - 7 Reservations (7 Partial) - Quantification = EUR 8.6 million								
16	HU	2014HU05M20P001	Human Resources Development Operational Programme	Partial	Significant deficiencies related to the corrective capacity of the Management and Control Systems in relation to public procurement (Commission audit under contradictory)	0.7	Y	
17	HU	2014HU05M30P001	Public Administration and Civil Service Development OP	Partial		0.03	Y	
18	HU	2014HU16M00P001	Economic Development and Innovation Operational Programme	Partial		3.1	Y	
19	HU	2014HU16M10P001	Environmental and Energy Efficiency OP	Partial		1.2	Y	
20	HU	2014HU16M10P003	Integrated Transport OP	Partial		0.4	Y	
21	HU	2014HU16M20P001	Territorial and settlement development OP	Partial		3.1	Y	
22	HU	2014HU16M20P002	Competitive Central-Hungary OP	Partial		0.08	Y	
IT - 4 Reservations (3 Full and 1 Partial) - Quantification = EUR 8.8 million								
23	IT	2014IT16RFOP022	ROP Basilicata ERDF	Full	5% flat rate to cover the risk of additional irregular expenditure (last year's reservation ongoing)	0.3	Y	

N°	Country code	Ref	Title	Type of Reservation	Reasons for Reservation	Financial impact (MEUR) in 2022	Structural weakness (Y/N)	Actions to be taken
24	IT	2014IT16RFOP010	ROP Lazio ERDF	Full	3% flat-rate due to incorrect projection of errors in 3 subsampled operations	4.1	N	
25	IT	2014IT16M2OP006	ROP Calabria ERDF ESF	Full	Recalculated residual error rate >2% due to mainly subcontracting issue	4.1	N	
26	IT	2014IT16RFOP016	ROP Sicilia ERDF	Partial	Irregularities reported by AA in relation to group of projects under <i>see Sicily</i> measure Warning of interruption	0.2	N	
LV - 1 Reservation (1 Partial) - Quantification = EUR 0.9 million								
27	LV	2014LV16MAOP001	Growth and Employment	Partial	Serious deficiency detected in selection procedures (conflicts of interest) for the Competence Centres Warning of interruption ongoing (no payment made)	0.9	N	
PL - 3 Reservations (2 Full, 1 Partial non-financial) - Quantification = EUR 14 million								
28	PL	2014PL16M2OP011	ROP 11 Regional Operational Programme for Pomorskie Voivodeship	Full	TER/RTER recalculated due to the incorrect treatment of an operation Warning of Interruption	4.5	Y	
29	PL	2014PL16M2OP015	ROP 15 Regional Operational Programme for Wielkopolskie Voivodeship	Full	Flat rate of 5% due to risk of incorrect treatment of an error with serious impact	9.5	Y	
30	PL	2014PL16RFOP001	OP Smart growth	Partial non-financial	Serious deficiencies with IB NCBR (de minimis rule unchecked for SMEs) and diverse irregular projects. Warning of interruption in place (no payment made)	Not applicable	N	

N°	Country code	Ref	Title	Type of Reservation	Reasons for Reservation	Financial impact (MEUR) in 2022	Structural weakness (Y/N)	Actions to be taken
PT - 10 Reservations (10 Full) - Quantification = EUR 52.9 million								
31	PT	2014PT16CFOP001	Sustainability and Resource Use Efficiency OP	Full	Prudent estimate of RTER at 2.5% flat rate due to prior year(s) undetected errors as identified in Commission and ECA audits (under contradictory)	10.4	N	
32	PT	2014PT16M2OP001	Regional OP Norte	Full		13.2	N	
33	PT	2014PT16M2OP002	Regional OP Centro	Full		5.4	N	
34	PT	2014PT16M2OP003	Regional OP Alentejo	Full		4.8	N	
35	PT	2014PT16M2OP004	Regional OP Azores (Autonomous Region)	Full		2.9	N	
36	PT	2014PT16M2OP005	Regional OP Lisboa	Full		3.4	N	
37	PT	2014PT16M2OP006	Regional OP Madeira (Autonomous Region)	Full		1.2	N	
38	PT	2014PT16M2OP007	Regional OP Algarve	Full		1.5	N	
39	PT	2014PT16M3OP001	Competitiveness and Internationalisation OP	Full		9.5	N	
40	PT	2014PT16RFTA001	OP Technical Assistance	Full		0.6	N	
RO - 3 Reservation (1 Partial non-financial, 1 Partial and 1 Reputational) - Quantification = EUR 8.5 million								
41	RO	2014RO16RFOP002	Regional Operational Programme	Partial non-financial	Ongoing action plan on ITI Danube Delta (incl. fraud suspicions) and deficiencies identified for 3 calls under priority 2	Not applicable	N	
42	RO	2014RO16M1OP001	Large Infrastructure Operational Programme	Partial	5% flat rate due to serious irregularities detected under REACT EU operations in	8.5	N	

N°	Country code	Ref	Title	Type of Reservation	Reasons for Reservation	Financial impact (MEUR) in 2022	Structural weakness (Y/N)	Actions to be taken
					priority 10 Warning of Interruption Payment of balance interrupted			
43	RO	2014RO16RFOP001	Competitiveness Operational Programme	Reputational	Serious allegations of mismanagement and possible fraud/conflict of interest in the REACT-EU measures	0	N	
TC - 12 Reservations (2 Full, 3 Full non-financial and 7 Partial) - Quantification = EUR 3.4 million								
44	TC	2014TC16M5CB015	ENI-CBC Mediterranean Sea Basin	Full non-financial	Full non-fin. Serious deficiency in KR 13 - preparation of accounts and KR 6 - data reliability	Not applicable	N	
45	TC	2014TC16RFTN008	Caribbean Area	Full	Reported error rate above 10% Ongoing interruption and pre-suspension	0.08	Y	
46	TC	2014TC16RFCB043	Interreg V-A - France (Saint Martin-Sint Maarten)	Full non-financial	Zero accounts, ongoing suspension procedure	Not applicable	Y	
47	TC	2014TC16RFCB051	Interreg V-A - France (Mayotte-Comores-Madagascar)	Full non-financial	Interruption ongoing, zero accounts submitted	Not applicable	Y	
48	TC	2014TC16RFCB003	Interreg V-A - Slovakia-Austria	Partial	Risk of non detected cartel on public procurement expenditure (AT part). (partial) Warning of interruption or Corrective measures	0.8	Y	
49	TC	2014TC16RFCB002	Interreg V-A - Austria-Czech Republic	Partial		0.2	N	
50	TC	2014TC16RFCB004	Interreg V-A - Austria-Germany/Bavaria (Bayern-Österreich)	Partial		0.4	N	
51	TC	2014TC16RFCB024	Interreg V-A - Germany-Austria-Switzerland-	Partial		0.4	N	

N°	Country code	Ref	Title	Type of Reservation	Reasons for Reservation	Financial impact (MEUR) in 2022	Structural weakness (Y/N)	Actions to be taken
			Liechtenstein (Alpenrhein-Bodensee-Hochrhein)					
52	TC	2014TC16RFCB052	Interreg V-A - Italy-Austria	Partial		0.3	N	
53	TC	2014TC16RFCB054	Interreg V-A - Slovenia-Austria	Partial		0.2	N	
54	TC	2014TC16RFCB001	Interreg V-A - Belgium-Germany-The Netherlands (Euregio Meuse-Rhin/Euregio Maas-Rijn/Euregio Maas-Rhein)	Full	Systemic insufficient verifications of double funding	0.3	Y	
55	TC	2014TC16RFCB010	Interreg V-A - Austria-Hungary	Partial	Non detected cartel on public procurement expenditure affecting the audited sample (AT part). (partial) Warning of interruption (AT/cartel part)	0.7	Y	
UK - 1 Reservation (1 Full non-financial) - Quantification = EUR 0.0 million								
56	UK	2014UK16RFOP002	United Kingdom - ERDF Gibraltar	Full non-financial	Zero accounts; ongoing interruption due to deficiencies in management verifications	Not applicable	Y	

C. Reservations issued for Operational Programme or Paying Agency in last year's annual activity report and lifted in 2022

In total, 21 out of 46 reservations were lifted.

N°	Country code	Ref	Title	Type	Reasons for Reservation	Financial impact (MEUR) in 2020	Reason for lifting the reservation
1	CZ	2014CZ16RFOP001	Enterprise and Innovation for Competitiveness	Full	The programme authorities did not apply the extrapolated correction to bring the RTER to below 2%. The MCS is assess in category 3 for KR 2 (findings linked to conflict of interest, project innovativeness and cost effectiveness of budget).	22.4	In May 2022, the programme authorities applied the extrapolated correction to bring the RTER to 2% in reply to EC letter with observations.
2	EL	2014GR16M20P001	Competitiveness, entrepreneurship and innovation OP	Partial	Inappropriate evaluation of proposals in one specific call with significant impact for IB "General Secretariat of Research and Innovation"	11.2	The AA confirmed in December 2022 that all necessary corrective measures have been taken to ensure that the management and control system of the General Secretariat of Research and Innovation complies with the requirements arising from the national and EU framework.

N°	Country code	Ref	Title	Type	Reasons for Reservation	Financial impact (MEUR) in 2020	Reason for lifting the reservation
3	EL	2014GR16M2OP004	Epirus OP	Partial	Inappropriate selection of operations, namely conflict of interest in composition of an evaluation committee in charge of the evaluation of applications in state aid calls.	0.9	The AA confirmed in December 2022 that all necessary corrective measures have been taken to ensure that the management and control system of the Directorate for development programming in Epirus prefecture complies with the requirements arising from the national and EU framework.
4	ES	2014ES16RFSM001	SME Initiative ERDF	Reputational	The AA did not carry out any audits of operations or system audits in relation to the SME Initiative. No good progress in the execution of the Action Plan by EIF	0	The action plan was fully implemented.
5	FR	2014FR05M0OP001	Operational Programme ERDF-ESF Ile-de-France et Seine 2014-2020	Partial	TER between 5% and 10% and significant legality and regularity issues on all OP expenditure except on FIS.	0.4	The AA confirmed in February 2023 that measures to bring TER below 5% were implemented.
6	FR	014FR16M0OP011	Regional programme Martinique Conseil Régional 2014-2020	Full	TER > 10% demonstrating serious deficiencies in MCS (KR4)	43.3	National authorities took appropriate measure to reinforce the regional audit team
7	FR	2014FR16M2OP004	Regional programme Corse 2014-2020	Full	RTER Z2% and adverse opinion on management and control systems	0.5	Measures leading to reservation last year were implemented as reported in the ACR received in February 2023

N°	Country code	Ref	Title	Type	Reasons for Reservation	Financial impact (MEUR) in 2020	Reason for lifting the reservation
8	FR	2014FR16M20P012	Regional Programme Mayotte 2014-2020	Partial non-financial	Significant deficiencies in management and control systems. No payments were made to the programme in 2021.	0	The measures were implemented. The error rate reported in the ACR is below materiality. As a result, the ISFCC decided to lift the suspension and resume payments.
9	HU	2014HU16M20P001	Territorial and settlement development OP	Partial non-financial	Four calls under priority 3 and 6 are currently under a warning of interruption due to an ongoing OLAF investigation. No payments were made in 2021 for these concerned calls.	0	In their letter of 15/09/2022 (Ares(2022)6386778), the Managing Authority confirmed their agreement with the financial correction and administrative recommendations proposed by OLAF. Subsequently the warning of corrective measures was lifted on 03/10/2022 by ISFCC. (Ares(2022)6792140)
10	IT	014IT16M20P001	ROP Molise ERDF ESF	Partial	The partial reservation is specifically linked to expenditure linked to Covid supplies (lots of masks not compliant with the EU standards and cases of suspicion of fraud) under investigation at national level.	0.02	The programme authorities confirmed that no expenditure affected by the National Investigation on the Covid masks is declared to the Commission. The ISFCC agreed by written procedure of 12/10/2022 not to issue a warning letter. (Ares(2022)7050684)

N°	Country code	Ref	Title	Type	Reasons for Reservation	Financial impact (MEUR) in 2020	Reason for lifting the reservation
11	IT	2014IT16RFOP002	National Operational Programme on Infrastructures and Networks	Full	Reportable error rates by the audit authority have been recalculated by the Commission auditors leading to an RTER>2% due to unjustified limitation of subcontracting.	5.2	The Commission revised the TER/RTER based on the additional information provided by the MS in relation to the contracts in question in reply to the ACR assessment letter. The revised error rates are below materiality.
12	IT	2014IT16RFOP012	ROP Lombardia ERDF	Partial	The partial reservation is specifically linked to expenditure linked to Covid supplies (lots of masks not compliant with the EU standards and cases of suspicion of fraud) under investigation at national level.	0.5	The programme authorities confirmed that no expenditure affected by the National Investigation on the Covid masks is declared to the Commission. The ISFCC agreed by written procedure of 12/10/2022 not to issue a warning letter. (Ares(2022)7050684)
13	IT	2014IT16RFOP013	ROP Marche ERDF	Partial	The partial reservation is specifically linked to expenditure linked to Covid supplies (lots of masks not compliant with the EU standards and cases of suspicion of fraud) under investigation at national level	0.9	The programme authorities confirmed that no expenditure affected by the National Investigation on the Covid masks is declared to the Commission. The ISFCC agreed by written procedure of 12/10/2022 not to issue a warning letter. (Ares(2022)7050684).

N°	Country code	Ref	Title	Type	Reasons for Reservation	Financial impact (MEUR) in 2020	Reason for lifting the reservation
14		2014IT16RFOP015	ROP Sardegna ERDF	Partial	TER/RTER provisionally recalculated on a flat rate basis due to the lack of information in the ACR regarding the audit authority work on the Covid expenditure	0.4	The AA provided additional information and assurance on the work done to ensure the eligibility of the Covid expenditure.
15	PL	2014PL16M2OP007	ROP 7 Regional Operational Programme for Mazowieckie Voivodeship 2014-2020	Partial	The TER and RTER were recalculated >2% taking into consideration the result of the Commission audit on conflict of interest with issues detected in 3 priorities of the programme.	8.5	Preventive and corrective measures of the warning letters have been fully implemented
16	PL	2014PL16M2OP008	ROP 8 Regional Operational Programme for Opolskie Voivodeship	Partial non-financial	The partial non-financial reservation is linked to issues detected following a Commission thematic audit on financial instruments of the programme. No payments were made in 2021 for these financial instruments	0	Preventive and corrective measures of the warning letters have been fully implemented
17	PL	2014PL16M2OP013	ROP 13 Regional Operational Programme for Świętokrzyskie Voivodeship	Partial	The TER and RTER were recalculated >2% taking into consideration the result of the Commission audit on conflict of interest with issues detected in 2 priorities of the programme	2.1	Programme authorities confirmed that adequate corrective measures were taken by the region (system improved to mitigate conflicts of interest, expenditure withdrawn).

N°	Country code	Ref	Title	Type	Reasons for Reservation	Financial impact (MEUR) in 2020	Reason for lifting the reservation
18	ENI-CBC	2014TC16M6CB001	Black Sea Basin	Full	The programme authorities did not apply the extrapolated correction to bring the RTER to below 2%.	0.1	The programme authorities submitted the corrected assurance package. The correction to bring the RTER to below 2% has been implemented in the accounts. The accounts can be accepted.
19	ENI-CBC	2014TC16M5CB015	Mediterranean Sea Basin	Full	The programme authorities did not apply the extrapolated correction to bring the RTER to below 2%.	0.7	The programme authorities implemented the extrapolated correction to bring the RTER to below 2%.
20	ENI-CBC	2014TC16M5CB007	Poland - Russia	Partial	The audit of operations sampled by the audit authority for the Russian part of the programme were not carried out. The partial reservation thereby limited to the Russian part of the programme.	1.8	The programme authorities submitted the corrected assurance package. The Russian expenditure was withdrawn from the accounts. The final TER and RTER are 0.00% and 0.00%. The accounts can be accepted.
21	ETC	2014TC16RFCB050	Interreg V-A EE-LV - Estonia-Latvia	Full	RTER>2%	0.1	AA performed additional audit work which resulted in RTER below 2%.

ANNEX 10: Reporting – Human resources, digital transformation and information management and sound environmental management

Human resources management

Objective: REGIO employs a competent and engaged workforce and contributes to gender equality at all levels of management to effectively deliver on the Commission's priorities and core business

Indicator 1: Number and percentage of first female appointments to middle management positions

Source of the data: SEC(2020) 146

Baseline (female representation in management) (2019)	Target (2022) + (2024) ⁶²	Latest known results (2022)
33%	First female appointments target: 3 out of 6 (50%) new appointments to middle management between 2020-2022 1 out of 4 (25%) new appointments to middle management in the years 2023 and 2024	Achieved In April 2020, the Commission adopted targets for first female appointments to middle management for the period 2020-2022. DG REGIO reached its target of three female colleagues appointed for the first time as middle managers in 2020 and continued to encourage female candidates to apply for vacant management positions. Coaching programmes are offered for female team leaders and deputies to help them advance in their career.

Indicator 2: REGIO staff engagement index

Source of the data: Commission staff surveys 2018 and 2021

Baseline (2018)	Target (2024)	Latest known results (2022)
72 % (EC average 69 %)	Further increase the index results	72% - in line with the Commission's average

Main outputs in 2022:

Output	Indicator	Target	Latest known results (2022)
HR local strategy of REGIO	Action plan to be developed and partially implemented	End-2022	Achieved
Follow-up of Commission Staff Satisfaction Survey	Update of the HR local strategy/Action Plan taking	End-2022	Achieved

⁶² The target was revised and extended for the period 2023-2024 in early 2023.

2021	into account the results of the Staff Satisfaction Survey carried out in Q4 2021		
Gender equality in middle management	First female appointments to middle management (3 new appointments in the period 2020-2022)	100% (already achieved)	Achieved
Monitoring of the workforce allocation to the priority area	Review of the staff allocation	End-2022	Achieved
REGIO Training plan	Approval of the training plan (based on learning needs identified by the end 2021)	Q1 2022	Achieved
	Implementation / Rolling out of the training plan 2022	Q4 2022	Achieved
	Share of e-trainings prepared for REGIO staff based on collected learning needs	10%	Achieved
	Career development trainings developed at REGIO level with particular focus on female team leaders and deputy heads of units	2 sessions during 2022 (target: 16 female AD colleagues/year)	Achieved
2nd REGIO Equality Work Plan	Design, consult and adopt a new Equality Workplan starting 2022 building on the achievements of the 2020-21 WP	Q1 2022	Achieved
	Share of completed or ongoing actions of internal dimension of the Workplan	100% by end-2022	Most actions were implemented. Only a few actions were delayed to 2023.
Update REGIO Equal Opportunities Charter	Consultation with staff and adoption by the Management Board of a new Charter to reflect the changing working environment	Q2 2022	Achieved

Sound financial management

Objective: The authorising officer by delegation has reasonable assurance that resources have been used in accordance with the principles of sound financial management, and that cost-effective controls are in place which give the necessary guarantees concerning the legality and regularity of underlying transactions

Indicator 1: Estimated

Source of the data: Member States'/programmes' Annual Control Reports, EC audits, ECA audits and the conclusions presented in the AAR (table 10 B of REGIO AAR annexes)

Baseline (2019)	Target (2024)	Latest known results (31/12/2022)
1.1%	<2% of relevant expenditure	1.2% Provisional figure as we need to wait for the reservations to calculate the risk

Indicator 2: Reliance on the management and control systems (systems which are functioning adequately)

Source of the data: Member States'/programmes' Annual Control Reports, EC audits, ECA audits and the conclusions presented in the AAR (table 10 B of REGIO AAR annexes)

Baseline (2019)	Target (2024)	Latest known results (31/12/2022)
77%	80%	85%

Main outputs in 2022:

Output	Indicator	Target	Latest known results (2022)
Effective controls: legal and regular transactions	Risk at payment or Residual total error rate	becomes <2% of relevant expenditure	Achieved
	Estimated risk at closure	remains <2% of relevant expenditure	Achieved
Efficient controls	Budget execution	remains 100 % of payment appropriations (not including assigned revenue)	Achieved
	Share of payments made within the applicable deadline (subject to budget availabilities)	remains 98%	Achieved

	Control system able to monitor programme compliance with the objective of a risk at payment below 2%, and to apply as may be necessary financial corrections to bring the programmes below 2%	100% of programmes	Achieved
Economical controls	Total overall estimated cost of controls (shared, indirect and direct management)	Remains below 0.5% of funds managed	Achieved
Reliance on the management and control systems	Share of all programmes assessed as functioning well or functioning with only some improvements needed	80%	Achieved

Fraud risk management

Objective: The risk of fraud is minimised through the application of effective anti-fraud measures and the implementation of the Commission Anti-Fraud Strategy aimed at the prevention, detection and correction of fraud

Indicator: Implementation of the actions included in REGIO's anti-fraud strategy over the whole strategic plan lifecycle (2020-2024)

Source of the data: REGIO's annual activity report, REGIO's anti-fraud strategy, OLAF reporting

Baseline (2019)	Target (2024)	Latest known results (31/12/2022)
100% action points of the 2015 Joint Anti-Fraud Strategy implemented	100% of action points implemented in time	Achieved

Main outputs in 2022:

Output	Indicator	Target	Latest known results (2022)
Support capacity building and dissemination of information to Member States on fraud prevention and detection	Number of plenary presentations and trainings given	2	Achieved
	Number of bilateral presentations and trainings offered	27 (1 per MS, during annual coordination meetings)	Achieved

Increase digitalisation of cohesion fund management through the systematic use of ARACHNE or alternative data-mining tools available at national level	Number of active users	2,000	Achieved
	Share of all programmes using Arachne	60%	Achieved
Enhance anti-fraud knowledge and cooperation with counterparts from selection, policy and investigative units in OLAF	Number of meetings per year	At least 5	Achieved
Financial corrections implemented as a follow-up of financial recommendations in OLAF final reports	Share of financial corrections implemented	75%	<p>Likely to be achieved but with tolerable delays / shortfalls</p> <p>REGIO recovered 70% of the amounts requested to be recovered by OLAF. This is due to the fact that in 4 cases REGIO did not agree with OLAF recommendations and closed the cases without applying a financial correction.</p> <p>Moreover, in one case an amount of EUR 10,629,341 was prevented from being unduly spent. This amount was not taken into account for the calculation of the recovery %.</p>

Digital transformation and information management

Objective: REGIO is using innovative, trusted digital solutions for better policy-shaping, information management and administrative processes to forge a truly digitally transformed, user-focused and data-driven Commission

Indicator 1: Degree of implementation of the digital strategy principles by the most important IT solutions

Source of the data: Compass Corporate Steering board, SFC IT Steering Committee

Baseline (2018-2019)	Interim milestone (2020-2022)	Target (2024)	Latest known results (31/12/2022)
<p>Compass Corporate: Formal validation by ITCB of Compass Corporate, as the corporate reusable workflow solution enabling the Shared management DGs to operate the next programming period (2021-2027) processes - Business case document eventually approved in April 2018</p>	<p>Make Compass Corporate ready for the start-up of the 2021-2027 period</p>	<p>Compass Corporate stable and implement with all expected features and processes according to the Business Processes Team (BPT) roadmap</p>	<p>Under the umbrella of the Compass Corporate program, MyWorkplace is the information system used by REGIO and MARE for the management 2021-2027 period.</p> <p>In line with the IT work plan 2022, all planned business processes and features relevant to REGIO's contribution and implementation of 2021-2027 programming period were delivered and became fully operational.</p> <p>MyWorkplace is continuously evolving especially regarding its quality and stability level, aspects which represent the highest priority for REGIO, together with all participating DGs.</p>
<p>SFC2021: ITCB green light for a solution encompassing a system supporting financial management (Back-office), covering all official exchanges of information between Managing Authorities and the Shared management DGs (Front-office) and providing Business reporting (Data warehouse), for the programming period 2021-2027 Business case document approved in October 2019</p>	<p>Make SFC2021 ready for the start-up of the programming period 2021-2027</p> <ul style="list-style-type: none"> - Make reports available for the start-up of the programming period 2021-2027 - Provide reports with real-time data - Improve user interface and set up new full-fledge dashboards for 2021-2027 programming period - Deliver impact study on the usage of Data analytics' new 	<p>Get SFC2021 stable and filled with required features and processes in alignment with the business processes roadmap</p> <p>Adapt Business reporting to the new programming period needs in alignment with the EC data strategy</p>	<p>The SFC2021 development team managed to deliver the timely required main financial transactions and features (among others: Pre-financing, Interim payment, Annual commitments...). Furthermore, preliminary work with BUDG has started regarding the transition from ABAC to SUMMA, which will be a critical milestone to ensure REGIO business continuity in 2023.</p>

	technologies (AI data prediction and Block chain)		
			<p>REGIO remains the centralised provider of a common reporting service to all ESIF DGs, HOME and BUDG for shared management.</p> <p>In the context of the new programming period, the business reporting system (Launchpad reports and underlying data warehouse) has provided improved reporting services to the shared management DGs, BUDG and the ESIF Open Data Portal, in alignment with the EC data strategy and EC data governance.</p> <p>In addition to this, other important achievements were realised like a Proof of Concept using Artificial Intelligence for specific units/needs and a Self-Service Dashboarding & Analytics Microsoft Power BI trial environment as well as a revision of REGIO's data governance, data catalogue & assets and an initiative for REGIO's data strategy.</p>
<p>Average score on the implementation of the 11 core principles⁶³ defined by the EC Digital Strategy:</p> <ul style="list-style-type: none"> - Compass Corporate: 1.8 - SFC2021: 1.9 - Business reporting: 1.6 	<p>Average score of implementation:</p> <ul style="list-style-type: none"> - Compass Corporate: 1.8 - SFC2021: 1.9 - Business reporting: 1.8 	<p>Average score of implementation:</p> <ul style="list-style-type: none"> - Compass Corporate: 2 - SFC2021: 2 - Business reporting: 2 	<p>As a result of the continuous evolution of MyWorkplace, SFC2021 and the Business Reporting platform, the average score of implementations of the EC Digital Strategy's core principles progressed and are considered on track towards both the 2022 interim milestones as well as the final targets set for 2024:</p> <ul style="list-style-type: none"> - Compass Corporate: 2 - SFC2021: 1.9

⁶³ From 2021, services are required to provide a state-of-play on the implementation of the 11 core principles defined by the EC Digital Strategy for the top 3 most expensive IT solutions that they own. For each of these solutions, this will be expressed as an average of the scores reflecting the degree of implementation of each of the 11 principles ("2-well"/"1-partially"/"0-not implemented"). The assessment will be performed by the IT Investments Team, in close collaboration with the supplier unit on the basis of a dedicated handbook and, if necessary, complementary interviews with the IT unit.

			- Business reporting: 1.9
Open Data: All relevant data for the periods 2007-2013 and 2014-2020 is published in the ESIF Open Data platform	The Open Data platform is extended to cover the 2021-2027 period from the very beginning	The platform contains all relevant data related to shared management	That data included programmes on additional EU funding sources including for the first time the Just Transition Fund and DG Home funds. The Cohesion Open Data platform will continue to be adapted with 2021-2027 programmes.
RegioWiki: A single platform is available	Extended to cover 2021-2027	Maintained or integrated with corporate initiatives	<ul style="list-style-type: none"> - GEO pillar has been updated in order to integrate PP21-27 (Country pages and Country Briefing fiches). - Programmes pages for 21-27 have been deployed. - Overview of all programmes pages have been updated to integrate PP21-27. - Metadata have been updated to integrate for 21-27 - Regional Briefing fiches have been deployed; specific structure for 21-27 still need to be agreed upon
Kohesio: Pilot project for linking and using project related data from 2014-2020 is initiated	Technical and organisational issues are successfully solved on the basis of the pilot with six member states	All project related data from 2014-2020 and 2021-2027 is available on the platform	Kohesio was officially launched in March 2022, during the 8 th Cohesion Forum. It contains project-level data from all programs financed by the ERDF, ESF and CF during the 2014-2020 period. Since January 2023, Kohesio is available in all 24 EU official languages. The platform will be gradually enriched with information on the projects supported during the 2021-2027 period by the abovementioned funds plus the JTF.

Indicator 2: Percentage of REGIO key data assets for which corporate principles for data governance have been implemented

Source of the data: REGIO Evaluation Unit

Baseline (2019)	Interim milestone (2021-2022)	Target (2024)	Latest known results (31/12/2022)
<ul style="list-style-type: none"> - Set up of a network of local data correspondents - Delivery of specifications for corporate data roles and 	<ul style="list-style-type: none"> - Progress on implementing data governance rules and responsibilities in all DGs 	Support the Commission's transformation into a data-driven organisation by introducing roles and responsibilities, common	<ul style="list-style-type: none"> - The REGIO Data Governance Board has been established in line with the SG document on

<p>responsibilities, and a proposal for data policies</p> <ul style="list-style-type: none"> - Stocktake of ongoing data governance and data policy initiatives 	<p>and services</p> <ul style="list-style-type: none"> - Draw up practical guidelines for priority areas for data policies - Explore the relationship between data protection and transparency obligations - Make any necessary changes and updates to the IT systems used for storing, managing and disseminating data assets 	<p>principles, guidelines and working practices at corporate level</p>	<p>data governance and policies. The Board has started attributing roles and responsibilities at levels of data owners.</p> <ul style="list-style-type: none"> - REGIO local data correspondent participates to the LDC network meetings and is involved in the preparation of the IMSB meetings. - REGIO has contributed to the action plan of the DataStrategy@ED, notably by updating the inventory of its main data assets. A new approach to the REGIO data asset inventory has been proposed, moving from an IT-system-based inventory to a data catalogue. The advantage would be to have catalogue entries which are directly referring to data content. The approach would facilitate the sharing and reuse of data as well as the designation of roles and responsibilities such as data owners and data stewards, as requested by the corporate DataStrategy@EC. - Important steps have been taken regarding REGIO's use of AI. Several initiatives in form of Proof of Concepts and prototypes were put in place, mainly to demonstrate the potential of AI/ML to assist REGIO users in their work and to increase business' appetite in identifying more concrete cases where AI may help.
<p>50% of REGIO key data assets</p>	<p>60% of REGIO key data assets</p>	<p>80% of REGIO key data assets</p>	<p>79% of REGIO key data assets</p>

Indicator 3: Percentage of staff targeted by awareness raising activities on data protection compliance

Source of the data: REGIO Data Protection Coordinator (DPC)

Baseline (2019)	Interim milestone (2020-2022)	Target (2024)	Latest known results (2022)
100% of staff, according to the reply to the questionnaire of the DPO on the implementation of the Data Protection Action Plan of the Commission ⁶⁴ on November 2019	100% of staff, continue with regular awareness raising actions (newcomers, My Regio communications, reminders to all staff, updates of Regio Wiki)	100% of staff	25%

Main outputs in 2022:

Output	Indicator	Target	Latest known results (2022)
Business reporting system ensures continued provision of common and improved reporting and data services	<ul style="list-style-type: none"> - Provide requested reporting services, Advanced Data Analytics on the existing data and real-time reporting depending on the priorities set by the Business Managers - Define a common Business reporting system strategy for the ESIF DGs in order to provide a better usage of their data in alignment with the EC data strategy and EC data governance as well as EC Business Intelligence strategy. 	Q4 2022	Achieved
Data standardised and imported in Kohesio	Number of Member States for which data are standardised and ingested (2014-2020 period)	27 + Interreg /ETC	Achieved
IT Governance & Strategic Planning, monitoring and reporting duly followed and implemented	Continue to participate to the Corporate IT governance team by supporting Director A as member of the ITCB on behalf of the "Shared Management" family, and	Q4 2022	Achieved

⁶⁴ DG REGIO: reply to questionnaire on compliance with data protection action plan [Ares\(2019\)7248989](#)

	update and implement the IT modernisation plan		
Implementation of the corporate principles for data governance for REGIO's key data assets	Share of implementation	50% (interim milestone)	Achieved
Knowledge and information effectively shared and reused within REGIO, in alignment with related corporate policies	RegioWiki pillars transformed to take full account of the 2021-2027 period	4 out of 5 pillars	3 out of 5 pillars completed. The deployment of the country pages was finalised end of January 2023.
Phasing out of legacy systems (SysFin, SysCalc and WFS for managing pre-2007 closure) and defining alternative business solutions in close collaboration with the A3 and other related stakeholders	Define a roadmap and implement the phasing out of SysFin, SysCalc and WFS applications	by end-2022	Achieved
The financial transactions IT system (SFC Back Office) is efficiently supporting the implementation of 2021-2027 period in line with IT work plan	Deliver SFC 2021 Back-office - financial transactions and features, relevant to REGIO contribution and implementation, according to REGIO IT work plan 2022	100% of required financial transactions are operational, allowing their electronic handling	Achieved
The IT system running workflow processes is efficiently supporting the implementation of 2021-2027 period in alignment with BPT work plan	Deliver MyWorkplace processes and features relevant to REGIO contribution and implementation of 2021-2027 period and according to REGIO IT work plan 2022, aligned with BPT work plan and endorsed by the Board of Directors	100% of required processes are operational, allowing for electronic handling of processes	Achieved
The IT systems running processes and financial transactions are efficiently supporting the implementation of 2014-2020 period, in alignment with BPT work plan and the REACT-EU initiative	Deliver revised processes and features supporting the 2014-2020 period in the REGIO IT systems (REACT-EU and audit related)	100% of systems functional and operational, allowing for electronic handling of processes	Achieved
	Define the roadmap on the transfer of 2014-2020 processes from WAVE to MyWorkplace	by end-2022	Achieved
	Define the roadmap for implementing 2014-2020	by end-2022	Achieved

	closure in REGIO IT systems		
Raise awareness about data protection	Data protection module included in Newcomers' trainings. Targeted informative sessions for units and specific guidance for data breaches, data subject's requests, risk assessments and accountability	25% of REGIO staff covered by end-2022	Achieved

Sound environmental management

Objective: REGIO takes full account of its environmental impact in all its actions and actively promotes measures to reduce the related day-to-day impact of the administration and its work

Main outputs in 2022:

I. More efficient use of resources (energy, water, paper):

Output	Indicator	Target (2019 as baseline)	Latest known results (31/12/2022)
Reduction of the use of resources	Physical presence of participants to meetings	-30%	Achieved
Reducing office paper consumption	Number of printed documents, paper publications ordered	-25%	Achieved

II. Reducing CO2, equivalent CO2 and other atmospheric emissions

Output	Indicator	Target (2019 as baseline)	Latest known results (31/12/2022)
Reducing CO2 and atmospheric emissions	Missions budget	-20%	Achieved

III. Reducing and management of waste

Output	Indicator	Target (2019 as baseline)	Latest known results (31/12/2022)
Reducing and managing waste	Better sorting and less waste	-20%	Achieved

IV. Promoting green public procurement (GPP)

Output	Indicator	Target (2019 as baseline)	Latest known results (31/12/2022)
GPP inclusion in the award criteria for public procurement	Number of public procurement procedures in which GPP have been included in the award criteria	At least 1	GPP inclusion in the award criteria for public procurement

List of abbreviations

AA	Audit Authority
AAR	Annual Activity Report
ABAC	system of Accrual Based Accounting
ACB	Administrative Capacity Building
ACRs	Annual Control Reports
AD	Administrator
AFS	Anti-Fraud Strategy measures
AGRI	Directorate-General for Agriculture and Rural Development
AI	Artificial intelligence
AIR	Annual Implementation Reports
AMIF	Asylum, Migration, and Integration Fund
AMPR	Annual Management and Performance Report
AOD	Authorising Officer by Delegation
AOSD	The annual reports by Authorising Officers by Sub-Delegation
AOXDs	Authorising Officer by Cross-Delegation
AST	Assistant
BAR	Brexit Adjustment Reserve
BCO	European Broadband Competence Offices
BFP	Border Focal Point
BMVI	Border Management and Visa Instrument
BPT	Business Processes Team
BUDG	Directorate-General for Budget
CAFS	Commission Anti-Fraud Strategy
CARE	Cohesion's Action for Refugees in Europe
CBC	Cross Boarder Cooperation
CdF	Chef de file or in the lead
CEC	Cost-effectiveness of controls
CEF	Connecting Europe Facility
CF	Cohesion Fund
CINEA	European Climate, Infrastructure and Environment Executive Agency
CNECT	Directorate-General for Communications Networks, Content and Technology
COM	European Commission
CPR	Common Provisions Regulation
CRII	Coronavirus Response Investment Initiative
DAC	Joint Audit Directorate for Cohesion
DESI	Digital Economy and Society Index
DG	Directorate-General

DIGIT	Directorate-General for Informatics
DPC	Data Protection Coordinator
DPMS	Data Protection Management System
EA	Executive Agency
EAFRD	European Agricultural Fund for Rural Development
EAGF	European Agricultural Guarantee Fund
EC	European Commission
ECA	European Court of auditors
ECFIN	Directorate-General for Economic and Financial Affairs
EDPS	European Data Protection Supervisor
EEAS	European External Action Service
EIB	European Investment Bank
EIF	European Investment Fund
EIPA	European Institute for Public Administration
EMAS	EU Eco-Management and Audit Scheme
EMFAF	European Maritime, Fisheries and Aquaculture Fund
EMFF	European Maritime and Fisheries Fund
EMPL	Directorate-General for Employment, Social Affairs and Inclusion
ENI-CBC	European Neighbourhood Instrument
ERDF	European Regional Development Fund
ESF	European Social Fund
ESIF	European Structural and Investment Funds
ETC	European Territorial Co-operation
EU	European Union
EUI	European Urban Initiative
EUSAIR	EU Strategy for the Adriatic and Ionian Region
EUSDR	EU Strategy for the Danube Region
EUSF	European Union Solidarity Fund
FAST	Flexible Assistance to Territories
FEAD	Fund for European Aid to the Most Deprived
FI	Financial Instruments
FISM	Financial Instruments under Shared Management
FNLC	financing not linked to costs
FPDNet	Fraud Prevention and Detection Network
GDP	Gross domestic product
HR BC	Human resources Business Correspondent
HR	Human Resource
IAS	Commission Internal Audit Service
IB	Implementing Body

ICO	Internal Control Objectives
ICP	International City Partnerships
ICT	Information and Communications Technology
INTERREG	European Territorial Co-operation
INTPA	Directorate-General for International Partnerships
IPA	Instrument for Pre-accession Assistance
IRM	Information Resource Manager
ISF	Internal Security Fund
ISFC	International Sustainable Finance Centre
ITCB	Information Technology and Cybersecurity Board
IURC	International Urban and Regional Cooperation
I3	Interregional Innovation Investments
JAFS	Joint Anti-fraud Strategy
JASPERS	Joint Assistance to Support Projects in European Regions
JRC	Joint Research Centre
JTF	Just Transition Fund
JTM	Just Transition Mechanism
JU	Joint Undertaking
KPI	Key Performance Indicator
KR	Key Requirement
LTVRA	Long-term Vision for the EU's Rural Areas
L&R	Legality and Regularity
MA	Managing Authority
MARE	Directorate-General for Maritime Affairs and Fisheries
MCS	Management and Control system
MFF	Multi Annual Financial Framework
Mngt	Management
MP	Management Plan
MRS	Macro-Regional Strategies
MS	Member States
NA	National Agency
NDICI	Neighbourhood, Development and International Cooperation Instrument
NEAR	Directorate-General for Neighbourhood and Enlargement Negotiations
NEB	New European Bauhaus
NEI	Non-Expenditure Item(s)
NGEU	Next Generation EU
NUA	UN New Urban Agenda
OAD	Overseas Territories Association Decision
OBS	Off-Balance Sheet

OLAF	European Anti-Fraud Office
OP	Operational Programme
OR	Outermost Regions
PA	Partnership Agreements
PSLF	Public Sector Loan Facility
RAL	Reste à liquider or outstanding commitments
REACT-EU	Recovery Assistance for Cohesion and the Territories of Europe
REFORM	Directorate-General for Structural Reform Support
REGIO	Directorate-General Regional and Urban Policy
RER	Residual Error Rate
ROP	Regional Operative Programme
RRF	Recovery and Resilience Facility
RRP	Resilience and Recovery Plan
RTD	Research and Technological Development
RTER	Residual Total Error Rate (KPI5)
SAFE	Supporting Affordable Energy
SAI	Safeguarding Assets and Information
SCO	Simplified Cost Options
SFC	interface between Member States and the Commission for management of structural funds
SFM	Sound Financial Management
SG	Secretariat-General
SG Recover	Secretariat-General: Recovery & Resilience Task Force
SME	Small and Medium-Sized Enterprises
SWD	Commission Staff Working Document
TA	Technical Assistance
TAIEX	Technical Assistance and Information Exchange
TER	Total Error Rate
TFEU	Treaties on the European Union and on the Functioning of the European Union
TFV	True and Fair View
TJTP	Territorial Just Transition Plans
TN	Transnational Network
TSI	Technical Support Instrument
UfM	Union for the Mediterranean
UIA	Urban Innovative Actions
UNCRPD	United Nations Convention on the Rights of Persons with Disabilities'
URBELAC	Urban European and Latin American and Caribbean cities network
WAVE	workflow system designed by REGIO to support all decisional, financial and audit procedures
WGI	Worldwide Governance Indicators
YEI	Youth Employment Initiative