

2015

Annual Activity Report

Annexes

**Employment, Social
Affairs and Inclusion**



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ANNEX 1: Statement of the Resources Director

“I declare that in accordance with the Commission’s communication on clarification of the responsibilities of the key actors in the domain of internal audit and internal control in the Commission¹, I have reported my advice and recommendations to the Director-General on the overall state of internal control in the DG.

I hereby certify that the information provided in section of the present AAR and in its annexes is, to the best of my knowledge, accurate and exhaustive.”

Brussels, 14 April 2016

Hélène Clark

[Signed]

¹ SEC(2003)59 of 21.01.2003.

ANNEX 2: Human and Financial resources

Human Resources by ABB activity (Reference date 31/12/2015)				
Code ABB Activity	ABB Activity	Establishment Plan posts	External Personnel	Total
04 02	European Social Fund (ESF)	188	80	268
04 03	Employment, Social Affairs and Inclusion	292	73	365
04 04	European Globalisation Adjustment Fund (EGF)	8	0	8
04 05	Instrument for Pre-Accession Assistance - Employment, Social Policies and Human Resources Development	4		4
04 06	Fund for European Aid to the Most Deprived	9		9
04 AWBL-01	Management of the DG	101	40	141
04 AWBL-02	Policy strategy and coordination	47	10	57
Total		649	203	852

As per the instructions, the presentation of staff by ABB activity is maintained in order to correspond to the structure of the Management Plan 2015. As new planning documents (2016-2020) are now organised by policy objectives, this presentation should be revised in next year AAR.

Some explanations related to the above categories:

- 0402 – ESF: As mentioned in the MP 2015, it is to be noted that staff counted under the "European Social Fund" directly work on the DG's policy responsibilities related to the European Semester (approximately 26%);

- 0403 - Employment, Social Affairs and Inclusion: Following the reallocation of some activities by the new Commission, EMPL has integrated the "Union Programme for Education, Training, Youth and Sport" and the "Rights, Equality & Citizenship Programme" into its overarching activity "Employment, Social Affairs & Inclusion" and its underlying objectives.

- 04 AWBL-01 - "Policy Strategy and Coordination": This category includes the following functions: Policy strategy definition and coordination; Strategic planning and programming; Internal communication; External communication; Coordination of institutional affairs; Better regulation, including evaluation and impact assessment.

- 04 AWBL-02 - "Management of the DG": This category includes the following functions: Human resource management; Financial management; Management of information and communication technologies (ICT); Document management; Internal audit; Internal control and risk management; Anti-Fraud Strategy.

IMPLEMENTATION OF THE GLOBAL ENVELOPE

BUDGET LINES CONCERNED: 04 01 02 11 00 01 TO 04 01 02 11 00 06	BUDGET LINE DESCRIPTION	APPROPR 2015	COMMIT 2015	PAYMENTS 2015	APPROPR CARRIED OVER FROM 2014	% IMPLEMENT ON APPROPRIATIONS CARRIED OVER FROM 2014
04.010211.00		71997			27.691	0%
04.010211.00.01.10	Mission expenses	1.020.000	1.020.000	830.748	189.311	28%
04.010211.00.01.30	Representation expenses	5.000	5.000	114,98	4.256	0%
04.010211.00.02.20	Meeting costs	3.064.196	3.064.196	2.166.209	1.093.767	67%
04.010211.00.02.40	Conference costs	362.506	314.452	151.727	15.742	22%
04.010211.00.03	Meetings of committees	0	0		0	0%
04.010211.00.04	Studies and consultations	170000	169200	26090	0	0%
04.010211.00.05	Development of management and information systems	15000			0	0%
04.010211.00.06	Further training and management training	195.635	195.635	47.155	132.540	71%
	TOTAL	4.904.334	4.768.483	3.222.044	1.463.308	60%

ANNEX 3: Financial reports – DG EMPL

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Statement of Financial Performance

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 (excluding Building Contracts)

Table 12 : Summary of Procedures (excluding Building Contracts)

Table 13 : Building Contracts

Table 14 : Contracts declared Secret

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2015 (in Mio €)					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 04 Employment, social affairs and inclusion					
04	04 01	Administrative expenditure of the 'Employment, social affairs and inclusion' policy area	26,62	22,38	84,1 %
	04 02	European Social Fund	17.152,78	17.149,01	100,0 %
	04 03	Employment, Social Affairs and Inclusion	220,67	211,75	96,0 %
	04 04	European Globalisation Adjustment Fund	147,05	78,29	53,2 %
	04 06	Fund for European Aid to the Most Deprived	536,86	536,34	99,9 %
Total Title 04			18.083,98	17.997,77	99,5 %
Title 13 Regional and urban policy					
13	13 03	European Regional Development Fund and other regional operations	3	3	100,00 %
	13 04	Cohesion Fund (CF)	1,2	1,2	100,00 %
Total Title 13			4,2	4,2	100,00%
Title 15 Education and culture					
15	15 02	Erasmus+	39,95	37,37	93,5 %
Total Title 15			39,95	37,37	93,5 %
Title 33 Justice					
33	33 01	Administrative expenditure of the 'Justice' policy area	0,19947	0	0,00 %
	33 02	Rights, Equality and citizenship	4,87	4,45	91,5 %
Total Title 33			5,07	4,45	87,9 %
Total DG EMPL			18.133,19	18.043,79	99,5 %

* 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.

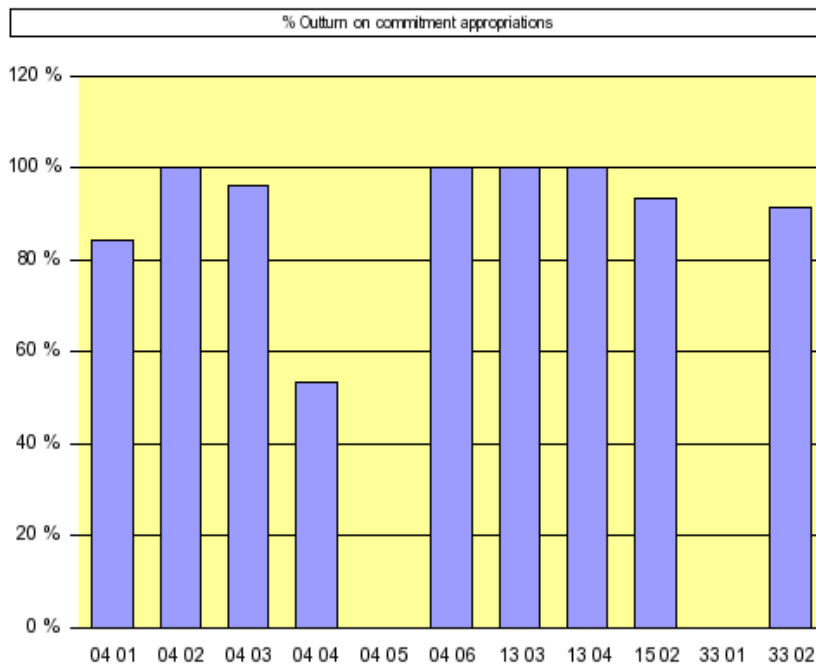


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2015 (in Mio €)					
Chapter			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 04 Employment, social affairs and inclusion					
04	04 01	Administrative expenditure of the 'Employment, social affairs and inclusion' policy area	37,98	19,61	51,6%
	04 02	European Social Fund	10.338,31	10.264,24	99,3%
	04 03	Employment, Social Affairs and Inclusion	173,49	165,32	95,3%
	04 04	European Globalisation Adjustment Fund	111,66	78,29	70,1%
	04 05	Instrument for Pre-Accession Assistance - Employment, Social Policies and Human Resources Development	64,55	64,55	100,0%
	04 06	Fund for European Aid to the Most Deprived	45,60	45,44	99,7%
Total Title 04			10.771,60	10.637,45	98,8%
Title 13 Regional and urban policy					
13	13 03	European Regional Development Fund and other regional operations	0,01	0,01	100,0 %
	13 04	Cohesion Fund (CF)	0,40	0,40	100,0 %
Total Title 13			0,41	0,41	100,0 %
Title 15 Education and culture					
15	15 02	Erasmus+	38,92	37,14	95,4%
Total Title 15			38,92	37,14	95,4%
Title 33 Justice					
33	33 01	Administrative expenditure of the 'Justice' policy area	0,20	-	0,0 %
	33 02	Rights, Equality and citizenship	4,50	4,35	96,8 %
Total Title 33			4,70	4,35	92,7 %
Total DG EMPL			10.815,62	10.679,36	98,7 %

* 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).

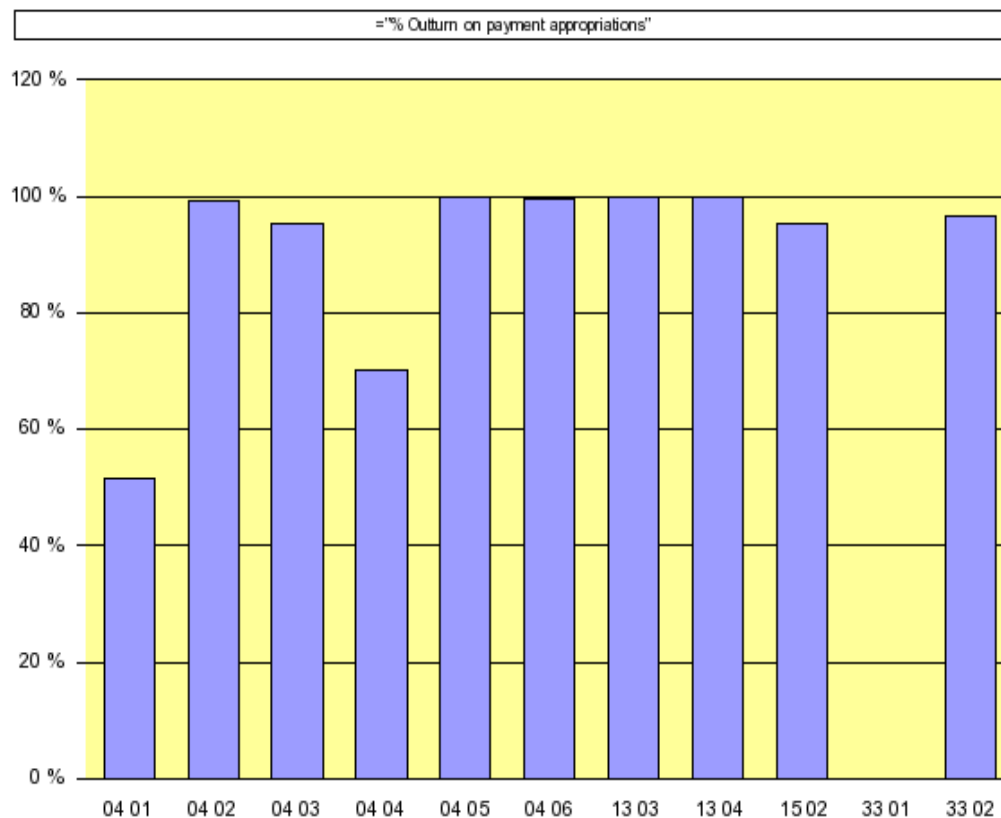


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2015 (in Mio €)									
Chapter			2015 Commitments to be settled				Commitments to be settled from financial years previous to 2015	Total of commitments to be settled at end of financial year 2015 (incl corrections)	Total of commitments to be settled at end of financial year 2014 (incl. corrections)
			Commitments 2015	Payments 2015	RAL 2015	% to be settled			
			1	2	3=12	4=12/1	5	6=3+5	7
Title 04 : Employment, social affairs and inclusion									
04	04 01	Administrative expenditure of the 'Employment, social affairs and inclusion' policy area	22,16	11,62	10,55	47,6%	0,20	10,74	11,36
	04 02	European Social Fund	17.149,01	822,70	16.326,31	95,2%	15.886,70	32.213,01	25.486,21
	04 03	Employment, Social Affairs and Inclusion	211,75	63,02	148,73	70,2%	129,41	278,14	249,81
	04 04	European Globalisation Adjustment Fund	78,29	78,29	-	0,0%	-	-	-
	04 05	Instrument for Pre-Accession Assistance - Employment, Social Policies and Human Resources Development	-	-	-	#DIV/0	178,16	178,16	277,80
	04 06	Fund for European Aid to the Most Deprived	536,34	32,00	504,34	94,0%	79,06	583,40	92,50
Total Title 04			17.997,55	1.007,62	16.989,93	94,4%	16.273,52	33.263,45	26.117,68
Title 13 : Regional and urban policy									
13	13 03	European Regional Development Fund and other regional operations	3,00	0,01	2,99	99,7%	8,11	11,10	8,11
	13 04	Cohesion Fund (CF)	1,20	-	1,20	100,0%	2,82	4,02	3,22
Total Title 13			4,20	0,01	4,19	99,8%	10,93	15,12	11,33
Title 15 : Education and culture									
15	15 02	Erasmus+	37,37	37,14	0,22	0,6 %	7,81	8,04	7,81
Total Title 15			37,37	37,14	0,22	0,6 %	7,81	8,04	7,81
Title 33 : Justice									
33	33 02	Rights, Equality and citizenship	4,45	0,37	4,08	91,7 %	3,55	7,63	7,53
Total Title 33			4,45	0,37	4,08	91,7 %	3,55	7,63	7,53
Total DG EMPL			18.043,57	1.045,14	16.998,43	94,2 %	16.295,81	33.294,24	26.144,36

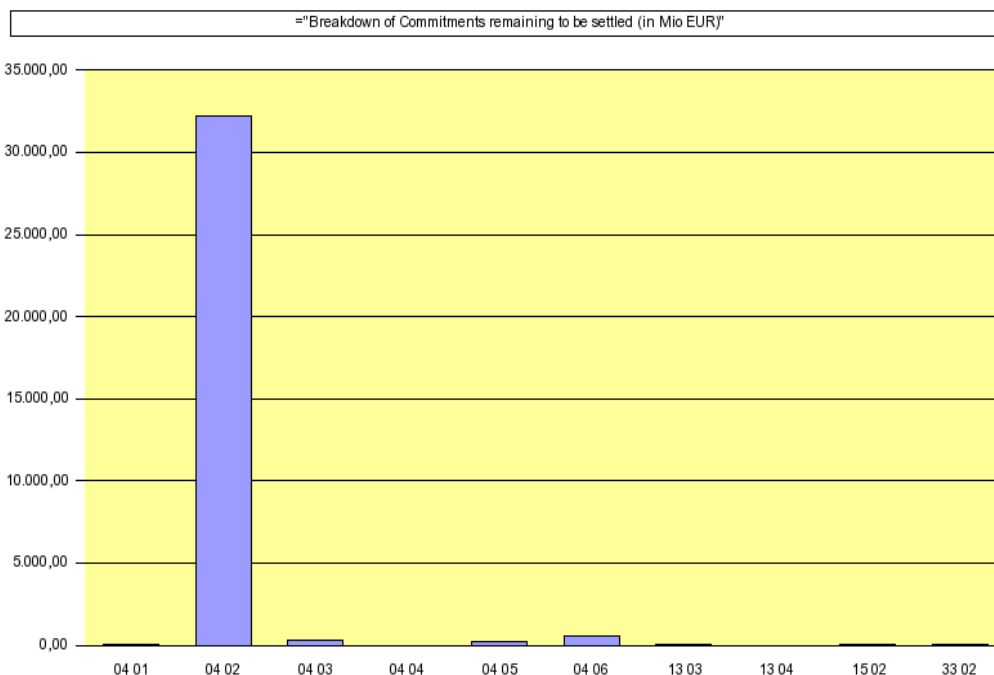


TABLE 4 : BALANCE SHEET

BALANCE SHEET	2015	2014
A.I. NON CURRENT ASSETS	4.707.861.964,27	2.906.130.718,95
A.I.6. Non-Current Pre-Financing	4.707.861.964,27	2.906.130.718,95
A.I.7. OLD LT Pre-Financing		-
A.II. CURRENT ASSETS	1.981.087.943,98	3.988.927.263,79
A.II.2. Current Pre-Financing	1.921.397.721,49	3.904.090.764,41
A.II.4. Exchange Receivables	1.494.275,70	1.274.594,03
A.II.5. Non-Exchange Receivables	48.345.923,79	83.561.905,35
A.II.7. Cash and Cash Equivalents	9.850.023,00	
ASSETS	6.688.949.908,25	6.895.057.982,74
P.II. NON CURRENT LIABILITIES	-271.997,00	
P.II.2. Long-term provisions	-271.997,00	
P.III. CURRENT LIABILITIES	-5.495.245.718,07	-6.699.890.271,36
P.III.2. Short-term provisions	-254.788,00	
P.III.4. Accounts Payable	-3.418.371.710,46	-5.672.314.146,71
P.III.5. Accrued charges and deferred income	-2.076.619.219,61	-1.027.576.124,65
LIABILITIES	-5.495.517.715,07	-6.699.890.271,36
NET ASSETS (ASSETS less LIABILITIES)	1.193.432.193,18	195.167.711,38
P.I.2. Accumulated Surplus / Deficit	24.821.128.317,79	12.144.800.982,41
Non-allocated central (surplus)/deficit*	-26.014.832.507,97	-12.339.968.693,79
TOTAL	0,00	0,00

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 Directorate General. 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 Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE

STATEMENT OF FINANCIAL PERFORMANCE	2015	2014
II.1 REVENUES	-37.055.169,03	-242.360.121,11
II.1.1. NON-EXCHANGE REVENUES	-38.735.421,74	-244.000.275,22
II.1.1.5. RECOVERY OF EXPENSES	-38.085.421,74	-244.000.275,22
II.1.1.6. OTHER NON-EXCHANGE REVENUES	-650.000,00	
II.1.2. EXCHANGE REVENUES	1.680.252,71	1.640.154,11
II.1.2.1. FINANCIAL INCOME	-6.514,94	-5.965,39
II.1.2.2. OTHER EXCHANGE REVENUE	1.686.767,65	1.646.119,50
II.2. EXPENSES	9.583.575.121,07	12.918.687.456,49
II.2. EXPENSES	9.583.575.121,07	12.918.687.456,49
II.2.10. OTHER EXPENSES	10.089.376,38	9.574.833,78
II.2.1. EXP IMPL BY MEMBER STATES (SHARED)	9.328.410.252,83	12.679.088.708,37
II.2.2. EXP IMPL BY COMMISS&EX.AGENC. (DM)	109.215.767,92	133.274.796,27
II.2.3. EXP IMPL BY OTH EU AGENC&BODIES (IM)	71.494.726,45	35.775.274,91
II.2.4. EXP IMPL BY 3RD CNTR & INT ORG (IM)	65.696.994,33	60.246.834,72
II.2.5. EXP IMPL BY OTHER ENTITIES (IM)	113.129,06	1.881.842,69
II.2.6. STAFF AND PENSION COSTS	-1.459.126,00	-1.266.569,00
II.2.8. FINANCE COSTS	14.000,10	111.734,75
STATEMENT OF FINANCIAL PERFORMANCE	9.546.519.952,04	12.676.327.335,38

TABLE 6: AVERAGE PAYMENT TIMES FOR 2015 - DG EMPL

Legal Times							
Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
15	20	4	20,00 %	14	16	80,00 %	31
30	1950	1710	87,69 %	17	240	12,31 %	42
45	65	44	67,69 %	25	21	32,31 %	64
50	5	2	40,00 %	12	3	60,00 %	62
60	503	438	87,08 %	27	65	12,92 %	88
90	350	258	73,71 %	63	92	26,29 %	108
105	1	1	100,00 %	79			
191	3	3	100,00 %	7			
193	8	8	100,00 %	3			
198	1	1	100,00 %	7			
200	1	1	100,00 %	4			
203	1	1	100,00 %	5			
217	1	1	100,00 %	6			
219	1	1	100,00 %	19			
221	1	1	100,00 %	8			
233	1	1	100,00 %	6			
246	1	1	100,00 %	16			
261	17	17	100,00 %	14			
289	2	2	100,00 %	7			
297	2	2	100,00 %	14			
305	3	3	100,00 %	4			
317	1	1	100,00 %	6			
323	1	1	100,00 %	8			
337	1	1	100,00 %	6			
339	1	1	100,00 %	6			
340	3	3	100,00 %	11			
365	225	225	100,00 %	44,6			
Total Number of Payments	3169	2732	86,21 %		437	13,79 %	
Average Payment Time	30,7			25,4			63,5

Target Times							
Target Payment Time (Days)	Total Number of Payments	Nbr of Payments within Target Time	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
15	5	2	40,00 %	12	3	60,00 %	31
20	208	172	82,69 %	11,4	36	17,31 %	34,7
30	1117	835	74,75 %	19,0	282	25,25 %	52,5
90	1	1	100,00 %	79			

Total Number of Payments	1331	1010	75,88 %		321	24,12 %	
Average Payment Time	25,63561232			17,7960396			50,30218069

Suspensions							
Average Report Approval Suspension	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
1	76	465	14,67 %	3169	4.545.419.586,84	42,98 %	10.575.481.051,29

Late Interest paid in 2015			
DG	GL Account	Description	Amount (Eur)
EMPL	65010000	Interest expense on late payment of charges	0,00
EMPL	65010100	Interest on late payment of charges New FR	14 000,10
			14 000,10

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2015

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	
52	REVENUE FROM INVESTMENTS OR LOANS GRANTED, BANK AND OTHER INTEREST	1.829,94	-	1.829,94	1.829,94	-	1.829,94	-
57	OTHER CONTRIBUTIONS AND REFUNDS IN CONNECTION WITH THE ADMINISTRATIVE OPERATION OF THE INSTITUTION	482.287,16	-	482.287,16	482.287,16	-	482.287,16	-
60	CONTRIBUTIONS TO UNION PROGRAMMES	650.000,00	-	650.000,00	450.000,00	-	450.000,00	200.000,00
61	REPAYMENT OF MISCELLANEOUS EXPENDITURE	928.253,20	93.069,80	1.021.323,00	556.860,47	1.439,54	558.300,01	463.022,99
65	FINANCIAL CORRECTIONS	72.941.688,04	370.048,44	73.311.736,48	72.601.589,94	-	72.601.589,94	710.146,54
66	OTHER CONTRIBUTIONS AND REFUNDS	37.081.793,67	9.765.553,86	46.847.347,53	26.787.332,71	9.456.053,06	36.243.385,77	10.603.961,76
Total DG EMPL		112.085.852,01	10.228.672,10	122.314.524,11	100.879.900,22	9.457.492,60	110.337.392,82	11.977.131,29

TABLE 8 : RECOVERY OF PAYMENTS
(Number of Recovery Contexts and corresponding Transaction Amount)

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2015	Error		Irregularity		Total undue payments recovered		Total transactions in recovery context(incl. non-qualified)		% Qualified/Total RC	
	Year of Origin (commitment)	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr
2005			1	3.999.949,83	1	3.999.949,83	1	3.999.949,83	100,0%	100,0%
2006			2	3.944.546,56	2	3.944.546,56	2	3.944.546,56	100,0%	100,0%
2008							1	30.877,62		
2010	3	35.680,20	4	223.956,46	7	259.636,66	10	286.688,47	70,0%	90,6%
2011	1	38.426,79	5	34.406,20	6	72.832,99	16	877.295,30	37,5%	8,3%
2012	1	829,24	3	181.540,77	4	182.370,01	17	9.886.352,22	23,5%	1,8%
2013			2	28.521,69	2	28.521,69	22	9.691.966,73	9,1%	0,3%
2014							23	16.194.879,55		
2015	1	3.714,00			1	3.714,00	4	1.237.036,02	25,0%	0,3%
No Link			9	65.451.682,38	9	65.451.682,38	11	66.156.755,22	81,8%	98,9%
Sub-Total	6	78.650,23	26	73.864.603,89	32	73.943.254,12	107	112.306.347,52	29,9%	65,8%

EXPENSES BUDGET	Error		Irregularity		OLAF Notified		Total undue payments recovered		Total transactions in recovery context(incl. non-qualified)		% Qualified/Total RC	
	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount	Nbr	Amount
INCOME LINES IN INVOICES												
NON ELIGIBLE IN COST CLAIMS	67	450.188,94	14	121.450,18			81	571.639,12	176	5.775.929,04	46,0%	9,9%
CREDIT NOTES	14	698.595,38	2	6.439,66			16	705.035,04	40	1.543.155,03	40,0%	45,7%
Sub-Total	81	1.148.784,32	16	127.889,84			97	1.276.674,16	216	7.319.084,07	44,9%	17,4%

GRAND TOTAL	87	1.227.434,55	42	73.992.493,73			129	75.219.928,28	323	119.625.431,59	39,9%	1,1%
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TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2015 FOR EMPL

	Number at 01/01/2015	Number at 31/12/2015	Evolution	Open Amount (Eur) at 01/01/2015	Open Amount (Eur) at 31/12/2015	Evolution
2004	1	1	0,00 %	209.994,07	209.994,07	0,00 %
2006	1	1	0,00 %	160.054,37	160.054,37	0,00 %
2008	2	1	-50,00 %	208.247,20	91.630,26	-56,00 %
2013	1	1	0,00 %	146.358,80	146.358,80	0,00 %
2014	12	1	-91,67 %	9.504.017,66	163.142,00	-98,28 %
2015		16			11.205.951,79	
	17	21	23,53 %	10.228.672,10	11.977.131,29	17,09 %

TABLE 10 : RECOVERY ORDER WAIVERS IN 2015 >= EUR 100.000

	Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
1	3233150023	3230800686	-115.177,40	Private Companies		

Total DG	-115.177,40
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Number of RO waivers	1
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TABLE 11 : CENSUS OF NEGOTIATED PROCEDURES - DG EMPL - 2015

Procurement > EUR 60,000

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Art. 134.1(e)	1	780.000,00
Total	1,	780.000,00

EMPL used a negotiated procedure to make a contract with a specific company because it was the only one able to implement further development of the IT application ARACHNE (tool helping the Member States to mitigate the risks of errors and fraud in ESF funds), due to its ownership of source codes and algorithms developed to extract information from a specific database.

TABLE 12 : SUMMARY OF PROCEDURES OF DG EMPL EXCLUDING BUILDING CONTRACTS

Internal Procedures > € 60,000		
Procedure Type	Count	Amount (€)
Exceptional Negotiated Procedure without publication of a contract notice (Art. 134 RAP)	1	780.000,00
Open Procedure (Art. 127.2 RAP)	10	37.552.363,20
TOTAL	11	38.332.363,20

Table 13 & 14: NA

ANNEX 4: Materiality criteria

For centralised management

Detective and corrective controls are implemented at initial and at final phases. Preventive and corrective controls take place through the verification of all transactions (grants and public procurement) by financial agents.

Commission staff and outsourcing company carry out on the spot audits for grants following a risk-analysis approach.

As regards transactions contracted through public procurement, thanks to the thorough ex-ante control, the average risk of error is therefore considered to be below the materiality threshold of 2%. Given the underlying nature of the transactions (delivery of goods or services), there is no added value in performing ex-post audit.

As regards grants, for selecting the sample of transactions to be controlled on the spot, DG EMPL applies a risk based approach rather than a statistical random method that would comply with the criteria of samples' representativeness. The risk based approach is considered more cost-effective given the heterogeneity and relatively small size of DG EMPL's audit population.

When measuring against the 2% materiality level, DG EMPL calculates the weighted average error rate from the audited sample (grants) and complements the information by a qualitative analysis of the origin, nature, impact and coverage of the errors found before issuing any reservation.

In order to enlarge the basis on which the assurance can be built, DG EMPL also considers the grant error rates detected in the last 5 years.

For EGF

The assurance is built on a comprehensive assessment by all parties involved in the management and control of every case. Member States report, for each EGF case, information as regards the type of actions and main outcomes, the names of the bodies delivering the package of measures; the characteristics of the targeted workers and their employment status and a statement justifying the expenditure. Commission staff carries out on the spot visits, both for monitoring and for auditing purposes.

When measuring against the 2% materiality level, DG EMPL calculates the weighted arithmetic average error rate from the audited sample and complements the information by a qualitative analysis of the origin, nature, impact and coverage of the errors found before issuing any reservation .

In order to enlarge the basis on which the assurance can be built, DG EMPL also considers the error rates detected in the last 5 years.

For ESF and IPA

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

All programmes are assessed against audit opinions at national and Commission level based on audits carried out on systems and representative samples of operations. In addition, operational line managers and authorising officers by sub-delegation also assess the level of assurance. The assessment is based on three elements as follows:

1. The first element is the **assessment of the functioning of management and control systems** carried out by the audit directorate. This assessment may take into account results of corrective actions implemented by the Member State in the reporting year. This assessment is complemented at the Directorate General level taking into account elements received by the operational managers and the regular contacts with regional and national programme authorities.
2. The second element is the projected **error rate reported by programme audit authorities** in the Annual Control Reports (ACR), based on expenditure for the year preceding the reporting year. The Directorate General assesses the reliability of the projected error rates for each programme, on the basis of all available information and

audit results, including on-the-spot missions, and uses this information as the best estimate of the possible risk for expenditure in the reporting year. In case the projected error rates are not available, not accurate or found not to be reliable, the audit directorate either recalculates them when it has sufficient information to do so or, alternatively, replaces them by flat rates in line with the results of the assessment of the functioning of management and control systems. This results in an **error rate validated by management** for each programme for the reporting year. This is the best estimate expressed as a percentage of the value of the interim payments made in the reporting year of expenditure which is not in full conformity with contractual or regulatory provisions.

3. The third element is the consideration of the multi-annual impact of the validated error rates calculated since the beginning of the programming period, on the corresponding interim payments made during that same period, after deduction of the **recoveries and withdrawals** reported each year resulting from both MS and COM audit work, as well as pending recoveries at the end of the reporting year and withdrawals accepted by Certifying Authorities and recorded in their accounts prior to the date of signature of the AAR.

The application of this third element results in a **cumulative residual risk/error rate** for each programme or where appropriate group of programmes covered by a common management and control system, expressed as a percentage of the value of the cumulative interim payments made for the programming period, up to the date of signature of the AAR. This is the DG's best estimate of expenditure which is not in full conformity with contractual or regulatory provisions and which have not been corrected at the date the report is signed.

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 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

- As management and controls are considered to be specific to each operational programme, materiality is not assessed and reservations are not decided upon at the level of the ABB activity (or grouping of ABB activities), but rather at the level of operational programmes. For disclosure purposes in the AAR, overall reservations grouping the reservations at programme level are made by programming period.

The Directorate-General therefore assesses **each operational programme** in order to identify reservations and corrective measures to be applied. Where operational programmes have management and control systems in common, they can be grouped for this assessment. At operational programme level, reservations or partial reservations are made in respect of significant weaknesses in the management and control systems in the Member States where the resulting risk to the Community budget is material independently at this stage from any calculation of the cumulative residual risk/error rate. In practice, this means that reservations or partial reservations are made in any case for programmes included in the categories 'limited assurance with medium risk' and 'limited assurance with high risk' (see below).

Following the approach set out, reservations are made as a general rule for all programmes for which the validated error rate exceeds or equals 5%² and also for all programmes for which the cumulative residual risk/error rate exceeds 2%. Exceptions, if any, are clearly reported and explained in annex 10. In some cases, reservations may be made at a **sub-programme level** (priority axis or implementing bodies) when the systemic deficiencies only affect a specific management and control system, not used for the other activities under the same programme.

² When the validated error rate is above 5% and the CRR is below 2%, case by case analysis is needed to decide on a reservation

- In addition, in the event that the monitoring and supervisory controls reveal deficiencies of a qualitative nature (e.g. significant systemic deficiencies or major control failures) which have a significant impact on the reputation of the Commission, a reservation is made on a reputational basis.

Estimation of the amount at risk

The overall amount at risk is calculated by applying the **validated error rate** to the amount of interim payments made during the reporting year for each programme.

The amount at risk for programmes under reservation is calculated on the same basis but only for those programmes under reservation. However for reservation made at sub-programme level, a flat rate depending of the deficiencies identified is applied to the part of payments made on this specific sub-programme during the year. In all cases, 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 no payments have been made in the year concerned for a programme under reservation, the reservation could still apply, but on a reputational/qualitative basis, rather than on a quantitative one.

For transparency purposes, the estimation of the overall amount at risk is presented by Member State classifying the programmes in four categories levels of assurance in accordance with the assurance they provide as to the legality and regularity of interim payments made during the reporting year:

- **Reasonable assurance** means that there is no material deficiency in key elements of the systems (only minor improvements may be needed in some cases) and the validated error rate and the cumulative residual risk are below 2%;
- **Reasonable assurance with low risk** of irregularities covers
 - programmes with the existence of some deficiencies in key elements of the systems and/or with a validated error rate below 5% but with a cumulative residual risk below 2%;
 - programmes with a validated error rate above 5 % and a cumulative residual risk below 2 % as a result of implemented financial corrections and if on the basis of professional judgment, the implementation of the action plan has been assessed as satisfactory ;
- **Limited assurance with medium risk³** of irregularities covers
 - programmes with the existence of some deficiencies in key elements of the systems and/or with a validated error rate below 5% and a cumulative residual risk above 2%;
 - programmes with a validated error rate above 5 % and a cumulative residual risk remaining above 2% or below 2 % as a result of implemented financial corrections but on the basis of professional judgment, the implementation of the action plan has not been assessed as satisfactory yet.
- **Limited assurance with high risk³** of irregularities covers
 - programmes with material deficiencies in several key elements of the systems and/or with a validated error rate above 5% and a cumulative residual risk above 2%.

³ Exceptions duly justified are disclosed in the AAR

Assessment of management and control systems in the Member States and for the programming period 2014-20

The Regulation for the 2014-2020 programming period introduces some major changes compared to the previous one:

- the Commission shall reimburse as interim payments 90 % of the amount resulting from applying the co-financing rate to the eligible expenditure included in a payment application;
- in addition to the initial pre-financing, an annual pre-financing is paid before 1 July in the years 2016 to 2023;
- annual accounts have to be set up by the certifying authorities for each operational programme covering the period from 1 July to 30 June;
- an assurance package must be provided each year by 15 February by the national/regional authorities from 2016 until and including 2025:
 - Management Declaration and Annual Summary, prepared by the Managing Authority;
 - Certified Accounts, prepared by the Certifying Authority, which according to Art 137(1) of the CPR must include: a) the total amount of eligible expenditure for the accounting year concerned, the total amount of corresponding public expenditure incurred and the total amount of corresponding payments made to beneficiaries; b) the amounts withdrawn and recovered during the accounting year, the amounts to be recovered as at the end of the accounting year and the irrecoverable amounts; c) the amounts of programme contributions paid to financial instruments under Article 41(1) and the advances of State aid under Article 131(4); d) for each priority, a reconciliation between the expenditure stated in the accounts and the expenditure declared in the same accounting year, with an explanation of any differences;
 - Annual Control Report and Audit Opinion, prepared by the Audit Authority, based on the main findings of the system audits carried out on the functioning of the management and control system and on an appropriate sample of operations on the basis of the declared expenditure, as well as on the accounts prepared by the certifying authority.
- the Commission shall carry out an examination of the assurance package and shall accept the accounts where it is able to conclude that the accounts are complete, accurate and true by the 31 May. If the accounts are accepted, the Commission shall pay/recover the balance within 30 days taking into account the amount declared in the annual accounts, the interim payments made during the reference period and clearing of the annual pre-financing.

When preparing the annual accounts, the certifying authorities should exclude from the accounts established irregularities resulting from the audit work and/or from adjustments made by the managing and/or the certifying authority related to declared expenditure during the accounting year as well as expenditure still subject to an ongoing assessment of its legality and regularity.

Based on the above the assessment of each operational programme is based on the following elements:

1. The first element is the **assessment of the effectiveness of management and control systems** carried out by the audit directorate based on all information available (i.e. the opinion issued by the audit authority on the management and control systems, the projected error rate, results of Commission audit work, elements received from operational managers in their regular contacts with regional and national programme authorities)
2. The second element is the **assessment of legality and regularity of expenditure**, which is fed, among others, by the analysis of the "annual residual error rate" (RER) which is calculated for the accounting year by deducting from the "annual reviewed projected

error rate" the financial corrections applied until the submission of the annual accounts.

Programme audit authorities report an "annual projected error rate" in the Annual Control Reports (ACR), based on expenditure for the accounting year (from 1 July N-1 to 30 June N).

The Directorate General assesses the reliability of the submitted "annual error rate" for each programme, on the basis of all available information and audit results, including on-the-spot missions,. In case the projected error rates are not available, inaccurate or found to be unreliable, the audit directorate either recalculates them when it has sufficient information to do so or, alternatively, replaces them by flat rates in line with the results of their assessment of the functioning of management and control systems, determining the "annual reviewed projected error rate" representing the error rate validated by the Commission on the basis of the information available at the date of the ACRs.

At the same time, the Directorate General assesses the **corrective actions** implemented by the programme authorities. These actions include when relevant systemic corrective measures which should guarantee that the Management and Control System does not reproduce in the following years the errors previously detected and financial corrections made on past declared expenditure.

3. The third element is the **results of the audit work made on the accounts** accepted during the reporting year. These audit work should allow confirming if the payment/recovery of the balance was free of material error or if additional corrections are necessary.

Materiality criteria and reservations

The Directorate-General assesses **each operational programme** in order to identify reservations and corrective measures to be applied. Where operational programmes have management and control systems in common, they can be grouped for this assessment.

The operational programmes are classified in four categories:

- Operational programmes not in reservation:
 - **Reasonable assurance** means that there is no material deficiency in key elements of the systems (only minor improvements may be needed in some cases) and there are no material issue with conformity of expenditures and on the accounts;
 - **Reasonable assurance with low risk** of irregularities covers
 - programmes with the existence of some non-material deficiencies in key elements of the systems; and/or
 - programmes with some legality and regularity issues but with satisfactory corrective actions (as illustrated by the fact that the "annual residual error rate" is below 2 % and if applicable the implementation of the corrective action plans has been assessed as satisfactory)
 - programmes for which no material corrective actions need to be undertaken on the accepted accounts.
- Operational programmes in reservation:
 - **Limited assurance with medium risk** of irregularities covers
 - programmes with the existence of material deficiencies in some key elements of the systems (including non-acceptance of accounts); and/or
 - programmes with some legality and regularity issues and insufficient corrective actions implemented (e.g. programmes with an "annual reviewed projected error rate" above 5 % and an "annual residual error rate" above 2% or below 2 % but for which, if applicable , the implementation of the corrective action plans has not been assessed as satisfactory yet); and/or

- programmes for which some corrective actions still need to be undertaken on the accepted accounts (through additional flat rate corrections).
- **Limited assurance with high risk** of irregularities covers
 - programmes with material deficiencies in several key elements of the systems (including non-acceptance of accounts);
 - programmes with significant legality and regularity issues and insufficient corrective actions implemented (e.g. programmes with an "annual reviewed projected error rate" above 5 % and an "annual residual error rate" above or below 2 %, but for which, if applicable, the implementation of corrective action plans has not been assessed as satisfactory yet); and/or
 - programmes for which significant corrective actions still need to be undertaken on the accepted accounts (through additional flat rate corrections).

Estimation of the amounts at risk on the payments

The overall amount at risk is calculated for each programme by applying the annual reviewed error rate to the interim payments and estimating the risk on the annual balance payment made during the reporting year.

The net amount at risk for the reporting year is calculated for each programme by type of payment:

- For interim payments, risk exceeding 10% of interim payments is included in the calculation⁴;
- For final payments: a residual risk is calculated.

The quantification of reservations is calculated as for the net amount at risk, except for programme for which a reservation is made at sub-programme level. In this latter case, an appropriate flat rate is applied to payments made on this specific sub-programme during the year.

Where there is no financial risk, the reservation is applied on a reputational/qualitative basis.

⁴ Risk below 10% does not put the EU budget at risk since the risk is covered by provisions of article 130.1 of the CPR (retention of 10%)

ANNEX 5: Internal Control Templates for budget implementation (ICTs)

ESF

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	Costs and benefits of controls	Control indicators
The Operational Programmes (OPs) financed do not adequately reflect the policy objectives or priorities.	Internal consultation, hierarchical validation at DG-level of each OP. 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 CSRs.	Overall COM cost: see AAR section 2.3.2. Benefits: adopted OPs focus on challenges MS 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>]	Effectiveness: - % of OPs adopted/ approved Efficiency: - average time to adopt/ approve an OP ⁵

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

Main risks	Mitigating controls	Coverage, frequency and depth	Costs/benefits of controls	Control indicators
The process of designation of national authorities in the Member States (MS) 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 MS 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 MS. Designation audits are generally done on-the-spot.	Overall COM cost: see AAR section 2.3.2. Benefits:(part of) the amounts associated with unreliable systems for which the Commission audit work revealed substantial compliance problems [not quantifiable]	Effectiveness: - % of authorities designated Efficiency: - number of authorities for which serious weaknesses found by designation reviews/audits (% of total checked)

⁵ Impacted by the time required by Member States to react

B. MS 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	Control 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 Management Authorities (MA). Certification, 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</u> : additional verification (desk checks and 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: - weighted average error rate as reported by the Member States. Efficiency: - time to lift interruption of payments ⁶

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	Costs/benefits of controls	Control indicators
<p>The management verifications and subsequent audits/controls by the Member States have failed to detect and correct ineligible costs or calculation errors.</p> <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>Commission checks of periodic MS expenditure declarations.</p> <p>Commission assessment of management and control systems in the Member States, in particular of work done and/or reported by the 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 - own Commission audits - technical and bilateral meetings with MS 	<p>Coverage: verification of information provided in the annual control reports and annual audit opinions.</p> <p>Depth: desk checks and/or on-the-spot 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 MS to calculate a cumulative 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 OPS]</i></p>	<p>Overall COM cost: see AAR section 2.3.2.</p> <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 MS following its own audit work and the total amount of expenditure for which the Commission has assurance</p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> - cumulative residual risk (EU and per MS) - number of programmes with a reported error rate assessed as reliable (unchanged or re-calculated) - Number 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 the work of the AA (based on ACRs unchanged or recalculated error rates) - weighted average error rate after Commission analysis - Commission assessment of reliance on Audit Authorities

⁶ impacted by the complexity of the issues and the time required by MS to react

Main risks	Mitigating controls	Coverage, frequency and depth	Costs/benefits of controls	Control indicators
	<p>Interruptions and suspensions of payments</p> <p>Financial corrections (implemented by MS resulting from Commission audit work)</p>			<p>Efficiency:</p> <ul style="list-style-type: none"> - overall cost of control/financial management of the Commission checks and assessment (% of total payment appropriations) – stages 1 to 3 - % of Commission payments on time - % interruptions of payments notified to MS within 2 months - % suspensions of payments notified to MS within 6 months - Audit coverage of Audit Authorities (cumulative basis)

Direct management

Stage 1: Programming, evaluation and selection.

Main control objectives: Ensuring that the Commission (COM) selects the actions that contribute the most towards the achievement of the policy objectives (effectiveness); that funds are allocated optimally (best value for public money, effectiveness, efficiency, economy) and in compliance (legality & regularity; prevention of fraud).

Main risks	Mitigating controls	Coverage, frequency	Costs/benefits controls	Control indicators
<p><u>Grants and procurement:</u></p> <p>The annual work programme and the subsequent actions do not adequately reflect the policy objectives and priorities and or are incoherent.</p> <p>Budget not optimally allocated.</p>	<p><u>Grants and procurement:</u></p> <ul style="list-style-type: none"> - Programming of activities (Financing Decision) through a top-down definition of policy priorities. Activities examined centrally by horizontal units (coordination and financial) for compliance, relevance and optimisation (rationalisation/simplification) - Inter-service consultation on Financing Decisions including all relevant DGs - Adoption by the Commission 	<p><u>Grants and procurement:</u> 100%</p>	<p>see AAR section 2.3.2.</p>	<p><u>Grants and procurement:</u></p> <ul style="list-style-type: none"> - Validation of actions in the annual work programme (relevance and compliance) (%) - Budget execution (%) - Overall cost of control/financial management of the Commission checks and assessment (as a % of total payment appropriations) - Cost of evaluation and selection procedure/value contracted (%)

Main risks	Mitigating controls	Coverage, frequency	Costs/benefits controls	Control indicators
<p><u>Grants:</u> The evaluation, ranking and selection of proposals is not carried out in accordance with the established procedures, the policy objectives, priorities and/or the essential eligibility, or with the selection and award criteria defined in the annual work programme and subsequent calls for proposals.</p> <p>The beneficiaries, especially smaller organisations, lack the capacity to effectively control expenditure and ensure the transparency on the operations carried out.</p>	<p><u>Grants:</u></p> <ul style="list-style-type: none"> - implementation of a standard application form for the whole DG; - AOSD supervision and approval of terms of references with the support of adequate guidance (including support from the Financial Advice team) and using the available models - before publication, a formal opinion is issued by the Financial Unit to check if the documents are complete, have been correctly drafted and all the required procedures have been respected; - an evaluation committee is appointed by the AOSD and composed of at least 3 persons representing at least 2 directorates; - the management of the evaluation process has been standardised via the IT application Defis Evaluations; - a formal opinion is issued by the Financial Unit on the evaluation and selection procedure prior to budgetary and legal commitments - validation of beneficiaries (operational and financial viability) and planning of interim and final reports - signature of the grant agreement by the Authorising Officer - the publication on Europa of the grants awarded takes place after control by the Financial Unit. 	<p><u>Grants:</u> Coverage : 100% of proposals are evaluated</p>	<p>see AAR section 2.3.2.</p>	<p><u>Grants:</u></p> <ul style="list-style-type: none"> - Validation of calls for proposals by the Financial Unit prior to publication (%) - Formal opinion given by the Financial Unit before award (%) - Number litigation cases
<p><u>Procurement:</u> The best offer/s are not submitted due to the poor definition of the tender specifications</p> <p>The most economically advantageous offer not being selected, due to a biased, inaccurate or 'unfair' evaluation process</p>	<p><u>Procurement:</u></p> <ul style="list-style-type: none"> - AOSD supervision and approval of specifications with the support of adequate guidance and using the available models - Prior Information Notices and invitations to tender are checked for compliance with the Financial Regulation and Financing Decision by the Central Financial Unit before publication - Opening and evaluation committees appointed by the AOSD - Formal opinion issued after verification by the Central Financial Unit on the evaluation and selection procedure prior to budgetary and legal commitments (framework contracts with reopening of competition and negotiated procedures) 	<p><u>Procurement:</u> 100% of the specifications are scrutinised. 100% of calls are scrutinized by the Financial Unit</p>	<p>see AAR section 2.3.2.</p>	<p><u>Procurement:</u></p> <ul style="list-style-type: none"> - Formal opinion given by the Financial Unit before award

Stage 2: Contracting and monitoring the execution

Main control objectives: ensuring that the operational results (deliverables) from the projects are of good value and meet the objectives and conditions (effectiveness & efficiency); ensuring that the related financial operations comply with regulatory and contractual provisions (legality & regularity); prevention of fraud (anti-fraud strategy)

Main risks	Mitigating controls	Coverage, frequency	Costs/benefits controls	Control indicators
<p><u>Grant/Procurement:</u> The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the agreement/contract and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions</p>	<p><u>Grant/Procurement:</u> Operational and financial checks in accordance with the financial circuits. Operation authorisation by the AOSD</p> <p><u>Grants:</u> Ex ante verification of financial report</p>	<p><u>Grants:</u> 100% of projects are controlled (desk review) with 5% being controlled in depth</p> <p><u>Procurement:</u> 100% of contracts are controlled</p>	<p>see AAR section 2.3.2.</p>	<p><u>Grants:</u> - Verification of transactions by operational and financial agents (%) - Ex-ante in depth check of final cost claims - sample representing 20% of the eligible costs for each action grant (at least 30% of staff cost - higher risk) (% error)</p> <p><u>Procurement</u> - Verification of transactions by operational and financial agents</p> <p><u>Grants and procurement:</u> Costs of control from contracting and monitoring the execution up to payment included / amount paid (%)</p>

Stage 3: Ex post controls

Main control objectives: Measuring the effectiveness of ex-ante controls by ex-post controls; detect and correct any error or fraud remaining undetected after the implementation ex-ante controls (legality & regularity; anti-fraud strategy); addressing systemic weaknesses in the ex-ante controls, based on the analysis of the findings (sound financial management)

Main risks	Mitigating controls	Coverage, frequency	Costs/benefits of controls	Control indicators
<p>The ex-ante controls fail to prevent, detect and correct erroneous payments or attempted fraud.</p>	<p>Strategy of ex-post audit :</p> <p>(a) combine risk-based and ad random selection (b) consider operational aspects whenever possible during the on-the-spot audit.</p>	<p>Ex post controls relate only to grant aided projects which have been closed by the Operational Units. Contracts bear no risk to be audited ex-post.</p>	<p>see AAR section 2.3.2.</p>	<p><u>Grants/procurement:</u> - Cost of control ex post audits / value audited - Ex-post audits finalised (number) - % amount controlled by ex-post audit vs. total amount - Error rate</p>

INDIRECT MANAGEMENT

Stage 1 – Programming and budgeting

Main control objectives: Ensuring that Agency selects the actions that contribute the most towards the achievement of DG EMPL's policy objectives (effectiveness); that funds are allocated optimally (best value for public money, effectiveness, efficiency, economy) and in compliance (legality & regularity; prevention of fraud).

Main risks	Mitigating controls	Coverage frequency	Control indicators
The Four Year Work Programme (FYWP), the Annual Work Programme (AWP) and the subsequent actions do not adequately reflect the policy objectives and priorities and or are incoherent. Budget not optimally allocated.	Through the mechanism of the Bureau and Governing Board, the COM contributes to the setting of the goals and strategies, the appointment of the Director, the adoption of the annual management plan, work programme and budget. Discussions (notably on programme) between the Agency's director and Dir. Gen. of EMPL.	Bureau OSHA: 4 times a year Bureau EUROFOUND: 6 times a year Governing boards: 1 time a year Dir. Gen. EMPL/Dir. Agency: min 1x/year	Participation of the COM to all meetings of the Bureau and Governing Board Meeting Dir. Gen. EMPL and Director Agency

Stage 2 – Implementing, monitoring and reporting

Main control objectives: ensuring that the operational results of the agencies meet the objectives and conditions (effectiveness & efficiency); ensuring that the Commission is fully and timely informed of any relevant management issues encountered by the entrusted entity, in order to possibly mitigate any potential financial and/or reputational impacts (legality & regularity, sound financial management, true and fair view reporting, anti-fraud strategy).

Main risks	Mitigating controls	Coverage frequency	Control indicators
The financial and control framework deployed by the entrusted entity is not fully mature to guarantee achieving all 5 ICOs (<i>legality and regularity, sound financial management, true and fair view reporting, safeguarding assets and information, anti-fraud strategy</i>).	Through the mechanism of the Bureau and Governing Board, the COM contributes to: - the discussions leading to the set-up of internal control systems and anti-fraud strategies - to the follow up of the agency's performance	Bureau OSHA: 4 times a year Bureau EUROFOUND: 6 times a year Governing boards: 1 time a year	The Director provides reasonable assurance in his/her AAR Up-to-date Anti-Fraud Strategy

Stage 3 – Reporting and Discharge for decentralised agencies

Main control objectives: Ensuring that assurance building information on the entrusted entity's activities is being provided through independent sources as well, which may confirm or contradict the management reporting received from the entrusted entity itself (on the 5 ICOs).

Main risks	Mitigating controls	Coverage frequency and depth	Control indicators
The Agency's control system does not allow drawing conclusions on the assurance for the budget entrusted to the entity – which may reflect negatively on the Commission's governance reputation.	Through the mechanism of the Bureau and Governing Board, the COM contributes to: - the preparation and adoption of the Agency's Annual Activity Report - the follow-up of the discharge process by participating and if necessary intervening in the relevant parliamentary debates	Bureau OSHA: 4 times a year Bureau EUROFOUND: 6 times a year Governing boards: 1 time a year	Positive discharge

ANNEX 6: Not applicable

ANNEX 7: Not applicable

ANNEX 8: Decentralised agencies

Agency	Policy	Contributions 2014
European Foundation for the Improvement of Living and Working Conditions (EUROFOUND)	Employment, Social Affairs & Inclusion	EUR 20.4 million
European Agency for Safety and Health at Work (EU-OSHA)	Employment, Social Affairs & Inclusion	EUR 14.7 million
The European Centre for the Development of Vocational Training (Cedefop)	Skills	EUR 16.1 million
The European Training Foundation (ETF)	Skills	EUR 19.9 million

ANNEX 9: Evaluations and other studies finalised or cancelled in 2015

Reference No of Annex 4	Title	Reason ¹	Scope ²	Type of			Associated DGs	Costs (EUR)	Reference	Cancelled	Comments
				Focus ³	Author ⁴	Type ⁵					
I. Evaluations finalised or cancelled in 2015											
a. evaluations finalised in 2015											
1	EGF - Ex-post evaluation - Final phase	L, FR, LMFF	Legal requirement Art 17b of the EGF Regulation: to measure Fund's impact and added value	R	E	E	SG, ENTR, COMP TRADE, Eurofound	€326.611,00	http://ec.europa.eu/smart-regulation/evaluation/search/download.do?documentId=15352848 http://ec.europa.eu/smart-regulation/evaluation/search/download.do?documentId=15439157		
II. Other studies finalised or cancelled in 2015											
a. other studies finalised in 2015											
25	Study measuring economic impacts of various possible changes to EU working time rules	REFIT	Review of Working time Directive	P&R	E	R	SG, MARKT, ECHO, ECFIN, MOVE	€500.000,00	Publication will take place when related policy initiative is launched		
28	Second round of the review of results of pilot projects under a preparatory action on social innovation through social business and young entrepreneurship and mutual learning support		The findings will feed into the capacity building instrument under EASI's third axis that will assist in developing both sides of the social finance market.	P	E			€79.500,00	Final minor editorial corrections being done by contractor, so not yet available online.		
30	Study on Minimum Income		Part of the implementation of the Social Investment Package	P	E		DIR A ECFIN	€1.000.000,00	http://emin-eu.net/emin-publications/		
31	Study on use of Conditional Cash Transfers to support families and children		Part of the implementation of the REC on Investing in Children	R	E		DIR A2	€60.000,00	http://ec.europa.eu/social/keyDocuments.jsp?advSearchKey=cash+&mode=advancedSubmit&langId=en&policyArea=&type=0&country=0&year=2014		
37	Cost benefit study on the implementation of the work in fishing convention		To provide data for the Analytical paper Social partners' agreement concerning the implementation of the work in fishing convention 2007 ILO	P	E	R	MARE	€250.000,00	Publication will take place when related policy initiative is launched		

Reference No of Annex 4	Title	Reason ¹	Scope ²	Type of			Associated DGs	Costs (EUR)	Reference	Cancelled	Comments
				Focus ³	Author ⁴	Type ⁵					
52	Literature review and identification of best practices on integrated social service delivery (one-stop-shops)		This literature review aims at identifying best practices on integrated social services delivery related to labour market and social (re)integration, in particular one-stop-shops.	R	E			€10.000,00	http://ec.europa.eu/social/keyDocuments.jsp?advSearchKey=literature+review&mode=advancedSubmit&langl d=en&search.x=0&search.y=0		
na	Study measuring the impact for public health/care services of various possible changes to EU working time rules	REFIT	Review of Working time Directive	P&R	E	R	SANCO, ECFIN, SG	€200.000,00	Publication will take place when related policy initiative is launched		
b. other studies cancelled in 2015											
36	Industrial Relations in Europe		The objective is to support knowledge in the field of the Europeanisation of Industrial Relations. It includes the identification of the Chief Editor for the 2016 Industrial Relations in Europe report.	R	E		None	€100.000,00		x	Streamlined with another publication
48	Accessibility study		Study on the transposition of the European Accessibility Act and evolution of accessibility legislation and practices in the EU	P&R	I&E	I		€500.000,00		x	Negative priority
49	Eurobarometer on Disability and Accessibility		Evolution of public views on disability policies and the accessibility situation in the EU	P&R	I&E	O		€100.000,00		x	Negative priority
53	Study on inclusive personal credit		The study will map and describe practices across MS on the use of this type of credit, will investigate how public authorities can promote and support affordable credit and debt related services.	P/R	E			€60.000,00		x	Negative priority
56	Case studies on Simplified Cost Options (SCOs)		Case studies on what has been done by MS with SCOs in order to increase awareness of what can be done for MS and geodesks.		E			€80.000,00		x	Change of priority

¹ L - legal act, LMFF - legal base of MFF instrument, FR - financial regulation, REFIT, CWP - 'evaluate first', O - other (please specify in Comments)

² specify what programme/regulatory measure/initiative/policy area etc. has been covered

³ P - prospective, R - retrospective, P/R - prospective and retrospective

⁴ E - external, I - internal, M - mixed (internal with external support)

⁵ FC – fitness check, E – expenditure programme/measure, R – regulatory measure (not recognised as a FC), C – communication activity, I – internal Commission activity, O – other – please specify in the Comments

ANNEX 10: Specific annexes related to Part 2

2.2. Assessment of audit results and follow-up of audit recommendations

2.2.1. European Court of Auditors

Follow up of main 2014 DAS cases

Out of the 15 Member States selected for audit on-the-spot, Greece, Germany, Italy and Romania are the most important contributors to the error rate. Errors have also been found in Sweden, Netherlands, Poland, Czech Republic, Austria, Portugal, Finland, France and Slovakia. No errors were found in Hungary and Bulgaria.

As in previous years, the main sources of errors concern the inclusion of ineligible expenditure in the beneficiaries' cost declarations, infringements of public procurement rules and/or the selection of ineligible projects.

Italy (PON Governance Azioni di Sistema)

In two projects financed by the PON *Governance ed Azioni di Sistema* (Convergence objective), the Court found activities carried out in Competitiveness regions.

The PON *Governance ed Azioni di Sistema*, approved by European Commission Decision (2007) 5761 of 21/11/2007, provides in Chapter 6 "Financial provisions" that the criteria for the allocation of expenditure under the OP should be closely linked to the types of activities conducted. Among the criteria for the allocation of expenses is the thematic criterion where operations are not directly linked to a single region but involve several ones and most often the country as a whole. This is the typical case for the system-based actions aimed at the identification of common standards and methods throughout the national territory. In this case, although the system is common to the whole country, the Convergence regions require a more intense and dedicated work, and as for the stages of implementation, more monitoring and technical support. Therefore, a criterion of allocation rate for the two national operational programmes is applied: not less than 80 % for the PON *Governance ed Azioni di Sistema* and 20% for the PON *Azioni di Sistema*.

To follow up on the ECA finding, the Commission asked the Managing Authority to check if the apportionment key (80%/20%) between the PON GAS and PON AS is in line with the geographical repartition (Competitiveness/Convergence) of the activities directly linked to the region where they are executed. If that is the case, an explanatory note should be included in the file of the project. Should the geographical repartition of the activities diverge from the aforementioned apportionment key, an adaptation of the allocation between the PON GAS and the PON AS should be considered.

Romania (OP Human Resources Development - issue of sound financial management)

In its 2013 Annual report (§ 6.23), the Court identified cases such as salary costs paid in Romania where costs charged to the EU budget were excessive but where the regulations were insufficiently clear to conclude that the expenditure was irregular. Such findings were also observed in the 2014 audits.

DG EMPL identified cases of high salaries in ESF projects in Romania already in 2012 and has since then taken action to tackle this serious issue.

This led to a close monitoring, follow-up audits and the application of a flat rate financial correction of 25% on all projects deemed to be affected by this deficiency (for projects selected before August 2012).

At national level, the Romanian authorities have introduced new ceilings for wages that are 20% lower than before and included them in the guidelines for applicants. The new maximum wages were based on a study commissioned by the Romanian Managing Authority.

It is an improvement, but more needs to be done for salaries to reflect the local market and to ensure a sound and efficient management.

In this context, DG EMPL is strongly advising Romania to start using simplified cost options.

Greece (OP Education and OP Education and lifelong learning, issues of advances under State aid)

ECA considered that some audited advances certified for projects involving State aid should not have been certified and reimbursed since the projects in reality did not involve State aid.

DG EMPL followed-up on the Court's findings by requesting the withdrawal of all advances for State

aid projects certified so far under the Education OP (109 million €). This amount is expected to be compensated by the certification of the actual expenditure.

Conclusion

Concerning the DAS 2014 cases in general, the Commission has initiated the necessary steps to follow-up on each individual finding on the basis of the Court of Auditor's final analysis (out of 19 cases necessitating a follow-up, letters have been sent for 14 cases in 9 MS).

Table on the follow-up of previous DAS cases

	MS and OP concerned	N° of open rec	FC to be implemented
DAS 2009	Poland 2007PL051PO001 ⁷	1	€ 3.134
DAS 2011	Poland 2007PL051PO001 ⁸	2	€ 81.079
DAS 2012	Portugal 2007PT05UPO001	1	€ 0
	Poland 2003PL161PO001	1	€ 0
	Romania 2007RO051PO001	6	€ 1.118.218
DAS 2013	Greece 2007GR05UPO001	1	€ 2.029
	Italy 2007IT051PO001	5	€ 0
	Czech Republic 2007CZ05UPO002	2	€ 0
	Germany 1999DE161PO002	2	€ 271
	Italy 2007IT051PO003	2	€ 0
	Romania 2007RO051PO001	7	€ 1.016
	France 2007FR052PO001	6	€ 0
	Poland 2007PL051PO001	1	€ 0
	UK 2007UK05280001	6	€ 14.034
	Spain 2000ES051PO017	3	€ 35.956
	Czech Republic 2007CZ05UPO001	2	€ 0
	Portugal 2007PT05UPO001	7	€ 0
	Germany 2007DE051PO006	1	€ 0
	Spain 2007ES052PO002	1	€ 0
	Hungary 2007HU05UPO001	3	€ 110.351
Spain 2007ES05UPO001	3	€ 480	

2.2.1.2. Performance audits by the Court in 2015

In 2015, ECA issued the following five special reports concerning Employment and Social Affairs:

- **Special Report on Youth Guarantee (N°3/2015 - published 24/03/2015)**

In March 2015, ECA published the Special Report "EU Youth Guarantee: first steps taken but implementation risks ahead" where it considers that the Commission provided adequate and timely support to the Member States in the process of setting up the Youth Guarantee. However the report also identifies risks relating to the inadequacy of total funding, the lack of definition of a "good quality offer", and the lack of a comprehensive monitoring system.

- **Special Report "Micro-entrepreneurs" (N° 8/2015 - published 14/07/2015)**

In July 2015, ECA adopted and published a Special Report N° 8/2015 on "Is EU financial support adequately addressing the needs of micro-entrepreneurs?" In general, the Court is positive for PROGRESS Microfinance and raises some concerns for the sustainability and adequacy of ESF-funded instruments.

⁷ The recovery is particularly complex in this case. Over 9000 € was already recovered, the rest is expected to be recovered later in 2016

⁸ The recovery is delayed due to an ongoing legal procedure following an appeal by the beneficiary

Special Report Efforts to address problems with public procurement in EU cohesion expenditure should be intensified (N° 10/2015 - published 15/09/2015)

In September 2015, ECA adopted and published a Special Report N° 10/2015 on public procurement in EU cohesion expenditure.

The audit found that the Commission and Member States have started to address the problem, but there is still a long way to go in terms of analysing the problem and implementing actions.

The audit concluded as well that systematic analysis of public procurement errors by the Commission and Member States is very limited and that the lack of sufficiently detailed, robust and coherent data on the nature and extent of public procurement errors has precluded a comprehensive analysis of the underlying causes. There are signs, however, that some of the Member States visited for this audit (CZ, ES, IT and the UK) are starting to collect data in a systematic way.

ECA noted that the Commission has begun to put a range of actions in place since 2010. Legislative actions included the revision of the public procurement directives and the inclusion in partnership agreements of specific conditions for public procurement systems that must be fulfilled by Member States by the end of 2016 at the latest. The Commission also established, in 2013, an internal technical working group and drew up an internal action plan.

The Court made seven recommendations in this special report which the Commission has accepted. For most of the recommendations, the Commission considers that it is already taking the recommended action. The Commission has also noted that two out of the seven recommendations were addressed to the Member States.

- **Special Report on the Youth Action Teams (N°17/2015 - published 16/12/2015)**

The Court published a Special report relating to the Youth Action Teams in December 2015. While acknowledging that the Commission re-directed €1.9 billion of ESF funds to address the challenge of youth unemployment in the EU, the Court gives a negative assessment of the initiative by considering that there was an insufficient focus on results. In this context, the Parliament in its draft resolution for the discharge 2014, praises the YATs for raising awareness at highest political level and for convincing the national authorities to prioritise youth employment over other initiatives.

- **Special Report on Technical Assistance to Greece (N° 19/2015 published 16/02/2015)**

The Court of Auditors published the special report on Technical Assistance to Greece on 16th of February 2016 following the adoption of the report in November 2015.

With this audit ECA intended to evaluate to what extent the EU technical assistance provided to Greece under the coordination of the Task Force for Greece was managed effectively and contributed positively to the process of reforms in Greece (TFGR). TFGR was intended to be a flexible mechanism for delivering complex technical assistance helping Greece to implement the reforms required by the MoU and to accelerate the absorption of EU funds. The findings of the ECA show that the Task Force did not always influence the progress of reforms, despite the fact that it was largely delivered in line with the requirements of the Greek economic adjustment programmes. The conclusion of the Court was that TFGR achieved its mandate overall, but there were shortcomings in its structure and the planning of its budget, and mixed results in terms of its influence on the progress of reforms. However, the results should be viewed in the light of the volatile political situation in Greece and the urgency imposed by the required reforms.

The following performance audits were ongoing at the end of 2015:

- **2014 Special Report on the follow-up of the ECA's Special reports (N° 2/2016 - published on 26/02/2016)**

This ECA Special report includes the follow-up audit on the recommendations made in the Special Report "Are tools in place to monitor the effectiveness of European Social Fund spending on older workers?" Out of the five recommendations issued, the Court has concluded that 3 are fully implemented and 2 implemented in most respects. EMPL considers that all the five recommendations are fully implemented. EMPL follow-up is highlighted a couple of times in the report as best practice (performance indicators and checks' documentation).

- **Special report on the Youth Guarantee at Member States' level**

As a complement to the above-mentioned Special Report on Youth Guarantee (N°3/2015), the Court launched a second performance audit on the Youth Guarantee in September 2015, focussing this

time on the implementation at Member State level. Audit missions have been conducted or planned from October 2015 to May 2016 in the 8 selected Member States (FR, IT, PT, HR, ES, IE and SK).

- **Special report on ESF contribution to the achievement of EU objectives in education**

In 2014, the Court launched an audit that aims at assessing the contribution of the ESF education projects to the EU policy objectives during the 2007-2013 programming period as well as examining the improvements brought by the ESIF legal framework for the new programming period 2014-2020.

The audit would furthermore aim at increasing the effectiveness of EU financed education projects for the achievement of Europe 2020 education strategic objectives (reduction of early school leavers and increase of tertiary education attainment) during the 2014-2020 programming period.

- **Special Report on Financial Instruments**

This horizontal audit launched in February 2015 covers financial instruments in the regional, social, transport and energy policy areas. On 5 February 2016, the Commission received a fact-clearing letter which includes ten recommendations.

- **Special Report on State Aid control**

With this audit launched in October 2014, ECA wants to evaluate how the Commission's actions ensure that state aids rules are complied with in an effective manner. DG REGIO and DG COMP are also involved in this audit while DG EMPL is less concerned due to the fewer State Aids cases for ESF. DG EMPL has contributed to the reply to the Court's fact clearing report regarding a survey towards national authorities (audit authorities, competition authorities and Courts of auditors) and to the fact clearing letter received on 25 January 2016.

- **Special Report on "Is the closure of the 2007-2013 Cohesion and Rural Development programmes designed to achieve its effective implementation?"**

In September 2015, the ECA started its audit work in relation to the first phase of this audit, which will examine the design of the 2007-2013 closure. This audit will be complemented with a second phase which will focus on the effective implementation of the 2007-2013 closure.

The ECA will review the regulatory framework, guidance and procedures at the Commission and Member State level and they will make an assessment of the Commission's and Member States readiness to conduct the closure. In October and November 2015, the ECA organised a survey to the 28 Member States in order to receive feedback on the Commission's assistance to Managing Authorities, Audit Authorities and Paying Agencies. The ECA will visit selected Member States and conduct interviews in the first quarter of 2016 (not yet known to the Commission which MS will be visited).

- **Special Report on "Are partnership agreements and operational programmes effective in ensuring a performance-focused framework in Cohesion?"**

In September 2015, the ECA started its audit work in relation to this audit. At the level of the Commission, the audit will cover DG EMPL and DG REGIO. A sample of partnership agreements and operational programmes for Poland, Spain, Romania, Ireland, Croatia and Denmark will be examined on-the-spot.

The ECA will review whether the Commission has adequately prepared and conducted the programming and negotiation process as regards performance-related elements in the 2014-2020 partnership agreements and operational programmes. The audit will also try to get replies to the question whether the partnership agreements and operational programmes contain robust performance-related provisions in relation to the intervention logic, ex-ante conditionalities and performance framework.

- **Special Report on "Are the Commission's measures to protect the EU budget an effective tool in the Cohesion area?"**

In September 2015, the ECA decided to carry out a performance audit on the effectiveness of the Commission's measures to protect the EU budget. The audit will focus mainly on the 2007-2013 programming period and cover the operational programmes financed by ERDF, CF and ESF. The Court will examine documents and procedures concerning financial corrections, interruptions and suspensions.

The ECA will conduct a series of meetings, interviews and review of documents in order to examine the regulatory framework and the Commission's activities, procedures and guidance regarding the measures taken to protect the EU budget.

- **Special Report on "Is the Commission effective in supporting Member States absorb ERDF/CF and ESF funds?"**

In October 2015, the ECA decided to carry out a performance audit on the effectiveness of the Commission's measures to support Member States absorbing ERDF/CF and ESF funds. The audit will focus mainly on the 2007-2013 programming period and cover the operational programmes financed by ERDF, CF and ESF. The Court will examine whether the Commission is effectively monitoring the budgetary implementation of the ERDF/CF and ESF operational programmes in the 2007-2013 period, whether the Commission has made proposals and/or identified actions to help Member States taking effective measures to absorb the funds of the 2007-2013 programming period, whether the Member States are effectively applying the measures proposed by the Commission in order to increase absorption and whether the experience gained so far has been considered and taken into account for the 2014-2020 programme period framework.

The ECA will conduct a series of meetings, interviews and review of documents (e.g. changes in regulatory framework, guidelines, programme changes).

- **Special Report on an "Audit of the European Semester"**

In December 2015, the ECA has informed the Commission of its decision to launch an audit of the European Semester, which will include an assessment of the Commission's role in the different phases of the European Semester. The ECA is in the initial phase of the audit and has still to determine which aspect of the European Semester to focus on. The main thrust of the upcoming Special Report at this stage is that of reviewing the performance of the European Semester after five years since its establishment.

The ECA plans to visit the Commission in February 2016 in order to discuss amongst other points, the relevant and applicable legal framework, the implications for national fiscal and economic governance, the different phases of the process of fiscal and economic co-ordination, the quality of information received from Member States, the quality of the Commission's analysis, reports and recommendations to Council, Parliament and Member States in relation to the intended detection, prevention or correction of fiscal or economic imbalances, the overall impact and outcomes of the European Semester.

- **Special report on the Sustainability of the Cohesion projects**

The Court launched an audit in December 2015 with the objective of assessing the sustainability of the results of projects co-funded by the Cohesion policy instruments. DG REGIO will be chef de file for this audit.

- **Special Report on climate action objectives**

In July 2015, the ECA decided to carry out a performance audit on the preparations to ensure that climate action objectives represent at least 20% of EU spending in the period 2014-2020. This audit will concern the budget as a whole and will focus on the system created by the Commission to plan, monitor, report and evaluate the achievement of this climate action target. A sample of Member States (Poland, Germany, Romania,...) will be examined for areas under shared management to assess the target setting and the common tracking procedures concerning climate action expenditure.

At the level of the Commission, the audit will cover DG EMPL, DG CLIMA, DG BUDG, DG REGIO, DG REGIO and DG MARE. A sample of partnership agreements and operational programmes for Poland, Spain, Romania, Ireland, Croatia and Denmark will be examined on-the-spot.

- **Special report on the contribution of Structural Funds to Roma integration**

The audit was launched in June 2014. The Court conducted comprehensive missions on the spot in four Member States (BG, HU, ES and RO) which collectively account for 14 billion euro, which is 20% of Structural Funds funding allocated for social inclusion, including Roma people in the 2007-2013 programming period. The Court also visited the National Roma Contact Point in five additional

➤ Treatment of the assurance package (15 February N+1)

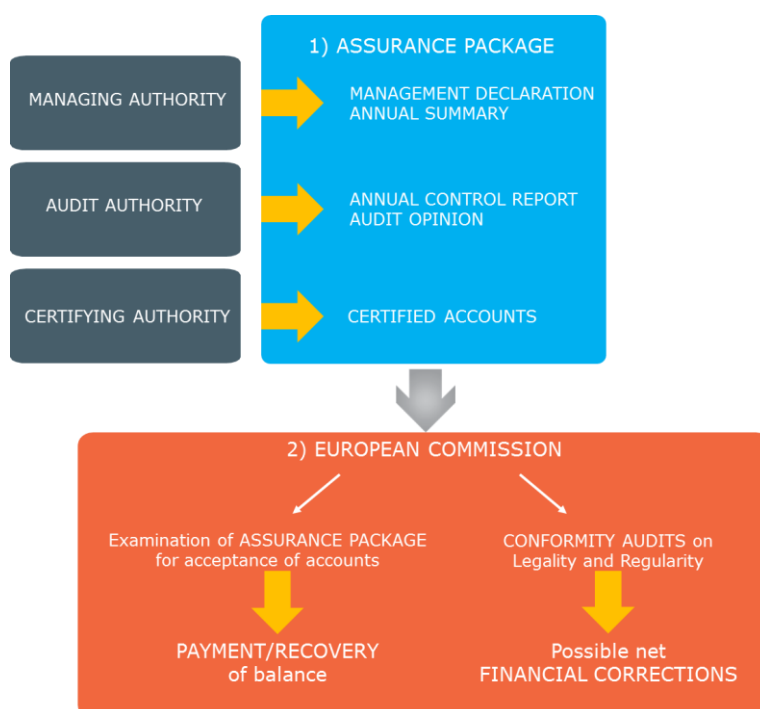
The assurance documents are to be provided by the various MS authorities to the Commission. The Managing Authority finalises the verifications to ensure that the expenditure to be certified in the accounts is legal and regular. It takes account of findings of the audit authority and makes necessary financial 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 projected error rate and residual risk of error 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 Commission carries out the examination of the assurance documents by 31 May year N+1 to determine whether the accounts are complete, accurate and true and the accounts can be accepted. Within 30 days of the acceptance of accounts the Commission will pay/recover the balance due. In justified cases, the Commission will not accept the accounts triggering a contradictory procedure with the MS. By 30 June year N+1 for the major part of OPs a payment/recovery of the balance is made.

Then, the Commission will carry out conformity audits on the legality and regularity of the expenditure which will trigger net financial corrections in case of detection of irregularities demonstrating a serious deficiency in the effective functioning of the management and control system not previously identified nor corrected by the national authorities.



Designation

Table showing the state of play as of 08/04/2016 of designation per Member States

State of play Designation by Member States (08/04/2016)						
	ESF/YEI			FEAD		
	number of Ops	Designation notified	%	number of Ops	Designation notified	%
AT	1	0	0,0%	1	0	0,0%
BE	4	0	0,0%	1	0	0,0%
BG	3	2	66,7%	1	1	100,0%
CY	1	0	0,0%	1	0	0,0%
CZ	3	0	0,0%	1	0	0,0%
DE	17	0	0,0%	1	0	0,0%
DK	1	1	100,0%	1	0	0,0%
EE	1	1	100,0%	1	1	100,0%
ES	23	0	0,0%	1	0	0,0%
FI	2	0	0,0%	1	0	0,0%
FR	33	4	12,1%	1	1	100,0%
GR	17	17	100,0%	1	0	0,0%
HR	1	0	0,0%	1	0	0,0%
HU	5	5	100,0%	1	1	100,0%
IE	1	0	0,0%	1	0	0,0%
IT	29	1	3,4%	1	0	0,0%
LT	1	0	0,0%	1	1	100,0%
LU	1	0	0,0%	1	0	0,0%
LV	1	1	100,0%	1	1	100,0%
MT	1	0	0,0%	1	0	0,0%
NL	1	0	0,0%	1	0	0,0%
PL	17	9	52,9%	1	1	100,0%
PT	10	4	40,0%	1	0	0,0%
RO	2	0	0,0%	1	0	0,0%
SE	2	0	0,0%	1	0	0,0%
SI	1	0	0,0%	1	0	0,0%
SK	2	1	50,0%	1	0	0,0%
UK	6	1	16,7%	1	0	0,0%
	187	47	25,1%	28	7	25,0%

2.3.1.2. Shared Management - ESF 2007-2013

A. Assurance derived from controls by the Member States

Table showing the Member States' national audit opinions (in the ACR)

National Audit opinion 2015 by Member States							
	ACR not received	Unqualified	Qualified	Adverse	Disclaimer with audit information available	Disclaimer without audit info available	Total
AT	0	1	1	0	0	0	2
BE	0	1	5	0	0	0	6
BG	0	2	0	0	0	0	2
CY	0	1	0	0	0	0	1
CZ	0	3	0	0	0	0	3
DE	1	12	5	0	0	0	17
DK	0	1	0	0	0	0	1
EE	0	0	1	0	0	0	1
ES	0	17	4	1	0	0	22
FI	0	2	0	0	0	0	2
FR	0	0	5	0	0	0	5
GR	0	0	4	0	0	0	4
HR	0	0	1	0	0	0	1
HU	0	0	2	0	0	0	2
IE	0	0	1	0	0	0	1
IT	0	22	2	0	0	0	24
LT	0	2	0	0	0	0	2
LU	0	1	0	0	0	0	1
LV	0	1	0	0	0	0	1
MT	0	1	0	0	0	0	1
NL	0	1	0	0	0	0	1
PL	0	1	0	0	0	0	1
PT	0	0	4	0	0	0	4
RO	0	1	1	0	0	0	2
SE	0	1	0	0	0	0	1
SI	0	1	0	0	0	0	1
SK	0	0	2	0	0	0	2
UK	0	2	4	0	0	0	6
	1	74	42	1	0	0	117
		63,2%	35,9%	0,9%	0,0%	0,0%	100,0%

Table indicating the resulting range of the best estimate of the error rates following Commission adjustments per MS (validated error rates). The graph below shows a relative stability in the error rate since the most likely error rate has remained within the range of 2 % to 3 % over the period 2009-2015.

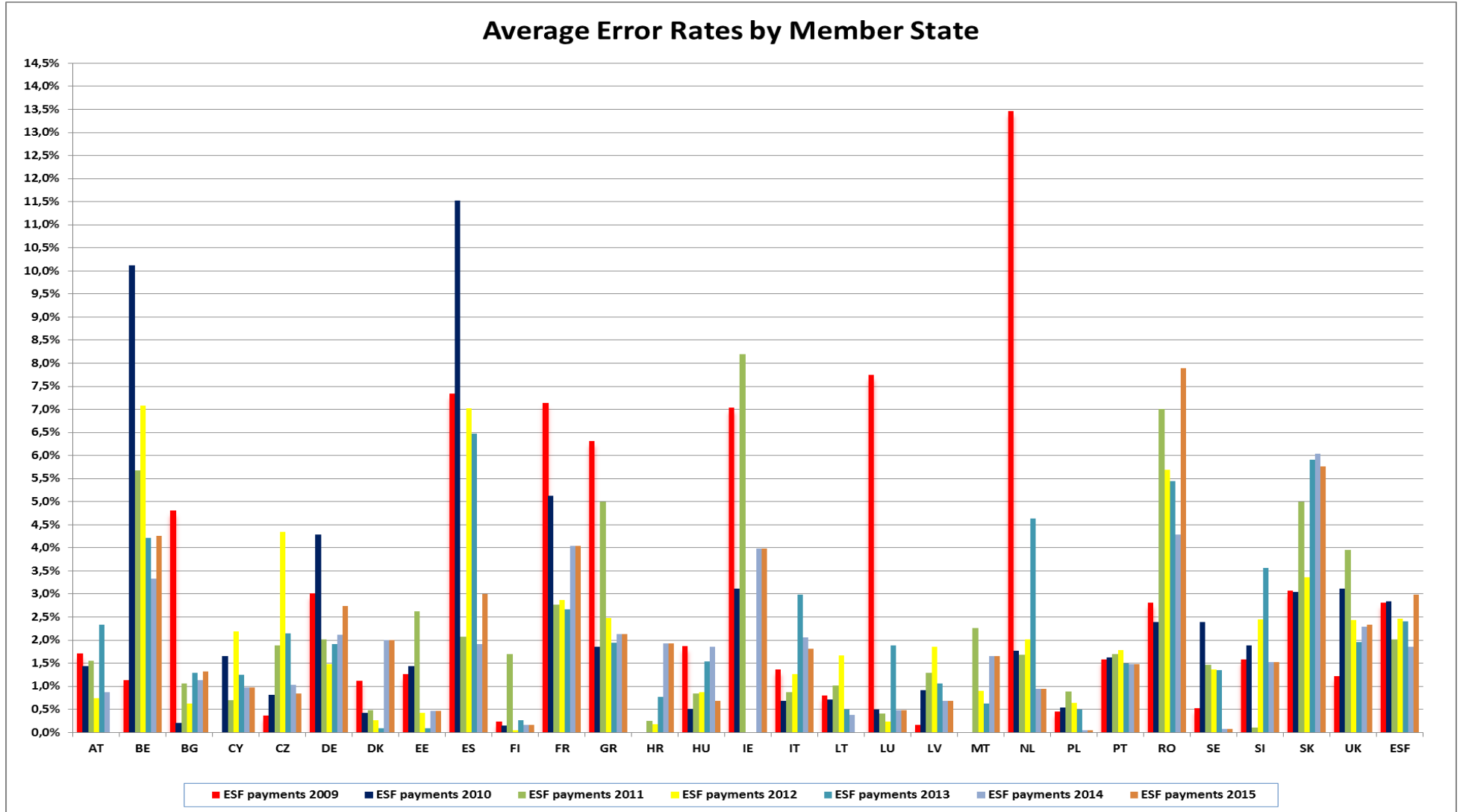


Table Annual Summaries of the Member States

Member State (MS)	Compliance with minimum requirements of Financial Regulation?	Has the template in the annex of the guidance note* been followed?	Has the MS used the suggested declaration on the overall level of the assurance as per guidance note*?	Has the MS provided an overall analysis for structural actions for the year in question?	Action by the Commission by 31/03/2016
Austria	Compliant	Yes	Yes	Yes	Accepted
Bulgaria	Compliant	Yes	Yes	Yes	Accepted
Belgium	Compliant	Yes	No	No	Accepted with follow-up
Czech Republic	Compliant	Yes	Yes	Yes	Accepted
Cyprus	Compliant	Yes	Yes	Yes	Accepted
Denmark	Compliant	Yes	Yes	Yes	Accepted
Estonia	Compliant	Yes	No	No	Accepted
Finland	Compliant	Yes	Yes	Yes	Accepted
France	Compliant	No	No	No	Accepted
Germany	Compliant	Yes	No	No	Accepted with follow-up
Greece	Compliant	Yes	Yes	Yes	Accepted
Ireland	Compliant	Yes	No	Yes	Accepted
Italy	Compliant	Yes	No	No	Accepted with follow-up
Latvia	Compliant	Yes	No	No	Accepted
Lithuania	Compliant	Yes	No	Yes	Accepted
Luxembourg	Compliant	Yes	Yes	Yes	Accepted
Hungary	Compliant	Yes	Yes	Yes	Accepted
Malta	Compliant	Yes	No	Yes	Accepted
Netherlands	Compliant	Yes	No	No	Accepted
Poland	Compliant	No	No	Yes	Accepted with follow-up
Portugal	Compliant	Yes	Yes	Yes	Accepted
Republic of Croatia	Compliant	Yes	No	Yes	Accepted with follow-up
Romania	Compliant	Yes	Yes	Yes	Accepted
Slovenia	Compliant	Yes	No	Yes	Accepted
Republic of Slovakia	Compliant	Yes	Yes	Yes	Accepted
Spain	Compliant	Yes	No	No	Accepted
Sweden	Compliant	Yes	No	No	Accepted
United Kingdom	Compliant	Yes	Yes	No	Accepted ⁹
28	28	25	12	18	

*European Commission Guidance note on annual summaries COCOF 07/0063/09

⁹ Acceptance letter in the process of being sent to the Member State at the date of signature of the AAR
empl_aar_2014_annexes_final

C. Safeguarding the EU budget by preventive and corrective actions

INTERRUPTIONS DECIDED IN 2015 AND 2016

MS	Region – OP	CCI N°	DATE	AMOUNT	Payments resumed as of 31-12-2015	Main weaknesses identified
INTERRUPTIONS DECIDED IN 2015						
DE	Berlin	2007DE052PO003	05/02/2015	18 415 158.74	Y	Deficiencies found in relation to: - the organisation of the management and control bodies; - the procedures for selecting operations; - the first-level management verifications of the managing authority.
	Bremen	2007DE052PO004	05/02/2015	12 025 346.26	N	Deficiencies found regarding: - guidance to the beneficiaries; - the second-level audit controls of the audit authority; - the audit trail; - missing ACR
	Mecklenburg-Vorpommern	2007DE051PO002	05/02/2015	70 092 869.08	Y	Deficiencies with the second level audit controls of the audit authority and the annual control report
ES	Adaptabilidad	2007ES05UPO001	07/01/2015	6 291 562.21	Y	The authorizing officer by delegation has to carry out additional verifications following the ACR and audit opinion 2014. Expenditure in a certified statement of expenditure can be linked to a serious irregularity which has not been corrected.
	Adaptabilidad	2007ES05UPO001	25/02/2015	84 540 316.96	Y	Deficiencies with the second-level audit controls of the audit authority.
	Adaptabilidad	2007ES05UPO001	25/02/2015	288 408 436.21	Y	Deficiencies with the second-level audit controls of the audit authority.
	Adaptabilidad	2007ES05UPO001	20/04/2015	1 143 184.13	Y	Deficiencies with the second-level audit controls of the audit authority.
	Asistencia Tecnica	2007ES05UPO003	25/02/2015	3 247 125.22	Y	Deficiencies with the second-level audit controls of the audit authority.
	Castilla y Leon	2007ES052PO002	19/02/2015	8 120 135.59	Y	ACR 2014 and DG EMPL audit report identifying significant deficiencies and serious irregularities concerning: - the first-level management verifications of the managing authority; - the rules on eligibility of operations; - the rules on eligibility of expenditure; - national rules on eligibility of expenditure.
	Lucha contra la discriminacion	2007ES05UPO002	25/02/2015	40 548 460.34	Y	The deficiencies are linked to: - the second-level audit controls of the audit authority; - the certification of the statements of expenditure of the certifying authority; - the audit trail; The irregularities concern: - the rules on eligibility of expenditure; - the rules on audit trail.

MS	Region – OP	CCI N°	DATE	AMOUNT	Payments resumed as of 31-12-2015	Main weaknesses identified
INTERRUPTIONS DECIDED IN 2015						
	Lucha contra la discriminacion	2007ES05UPO002	25/02/2015	11 552 965.99	N	The deficiencies are linked to: - the second-level audit controls of the audit authority; - the certification of the statements of expenditure of the certifying authority; - the audit trail. The irregularities concern: - the rules on eligibility of expenditure; - the rules on audit trail.
	Lucha contra la discriminacion	2007ES05UPO002	09/06/2015	136 961.44	Y	Deficiencies linked to – the first-level management verifications of the MA – the certification of the statements of expenditure – the audit trail
	País Vasco	2007ES052PO010	19/02/2015	10 286 002.07	N	DG EMPL Audit mission identifying significant deficiencies concerning: - the first-level management verifications; - the certification of the statements of expenditure by the certifying authority; - the second-level audit controls of the audit authority; - the rules on audit trail.
FR	Guyane	2007FR051PO003	05/03/2015	11 219 771.57	N	Deficiencies and irregularities linked with: - the organisation of the management and control bodies; - the procedures for selecting operations; - the first-level verifications by the managing authority; - certification of the expenditure declarations of the certifying authority; - the second-level audit verifications by the audit authority; - the audit trail - the rules on eligibility of operations - the conditions in the grant agreements; - the rules on public procurement; - the rules on state aids; - the rules on audit trail.
HU	Social Renewal	2007HU05UPO001	18/02/2015	94 974 729.06	N	Deficiencies in the functioning of the management and control system, in particular with regard to the procedures for selecting operations, the first-level management verifications of the managing authority and the audit trail. Plus: irregularities that have not been corrected concerning: - rules on eligibility of expenditure; - rules on public procurement.
	Social Renewal	2007HU05UPO001	18/02/2015	51 034 672.32	N	

MS	Region – OP	CCI N°	DATE	AMOUNT	Payments resumed as of 31-12-2015	Main weaknesses identified
INTERRUPTIONS DECIDED IN 2015						
IT	Calabria	2007IT051PO002	12/02/2015	47 209 943.09	N	Deficiencies with the organisation of the management and control bodies, the first-level management verifications, the audit-trail, the handling of financial engineering instruments, the availability of documents, as well as a variety of irregularities.
	Calabria	2007IT051PO002	29/07/2015	166 435.53	N	Deficiencies in MCS related to: – the organisation of the management and control bodies; – the first-level management verifications; – the audit trail. Serious irregularities that have not been corrected: – the rules on eligibility of expenditure; – the rules on audit trail; – the rules on financial engineering instruments
	Lombardia	2007IT052PO006	17/02/2015	9 507 608.87	N	Deficiencies linked to the second-level audit controls and the audit-trail PLUS irregularities regarding the eligibility of expenditure, the rules on public-procurement and state-aids and the rules on information and publicity.
RO	Human Resources Development	2007RO051PO001	25/02/2015	459 756 188.47	Y	Persisting significant deficiencies in the functioning of the management and control systems related to: – the procedures for selecting operations – the first-level management verifications of the managing authority 'Old" expenditure (PC nr 39) is linked to serious irregularities for which no financial and/or other appropriate corrections have been applied.
SK	Education	2007SK05UPO001	05/02/2015	32 247 085.26	Y	Deficiencies found regarding: - guidance to the beneficiaries; - the procedures for selecting operations; - the first-level management verifications of the managing authority. Plus: irregularities that have not been corrected.
	Education	2007SK05UPO001	05/02/2015	33 110 537.62	Y	
UK	Northern Ireland	2007UK052PO003	12/02/2015	10 190 616.26	Y	Deficiencies linked to the first-level management verifications of the managing authority and irregularity concerning the rules on eligibility of expenditure.
	Northern Ireland	2007UK052PO003	12/02/2015	11 834 909.52	Y	
	Northern Ireland	2007UK052PO003	12/02/2015	11 509 202.76	Y	
	Scotland – Highlands & Islands	2007UK051PO001	13/02/2015	6 726 264.26	N	Deficiencies found linked to the first-level management verifications and the audit-trail.
	Scotland-Lowlands & Uplands	2007UK052PO002	13/02/2015	57 768 204.78	N	Deficiencies found linked to the first-level management verifications and the audit-trail.
17 OPs – 27 payment claims				1 392 064 693.27		

MS	Region – OP	CCI N°	DATE	AMOUNT	Payments resumed as of 31-12-2015	Main weaknesses identified
INTERRUPTIONS DECIDED IN 2015						
Resumed payments as of 31-12-2015		16 payment claims		1 079 592 749.47		
Payments NOT resumed as of 31-12-2015		11 payment claims		312 471 943.80		

MS	Region – OP	CCI N°	DATE	Interrupted amount	Main weaknesses identified
INTERRUPTIONS DECIDED IN 1Q 2016					
BE	Bruxelles Capitale	2007BE052PO004	01/03/2016	259 238.13	Category 3: Error rate above 2% and residual error rate of 4.04%
BE	Bruxelles Capitale	2007BE052PO004	01/03/2016	906 680.26	
BE	Etat Fédéral	2007BE052PO003	19/02/2016	251 579.74	Category 3: The ACR was issued with "scope limitation" and is preliminary only (to be sent back for correction), because: (a) the systems audit for MCS of Priority Axis 2 is still not yet completed, and (b) the contradictory procedure on audit of operations is still ongoing.
DE	Niedersachsen	2007DE052PO007	12/02/2016	28 917 094.44	Category 3 due to TPER at 3.33% and a cumulative residual risk estimated at 2.61%, plus deficiencies linked to second-level controls.
HR	Human Resources Development	2007HR051PO001	12/02/2016	5 446 683.34	Category 3 for KR2 and 4: projected error-rate 5.84%
RO	Human Resources Development	2007RO051PO001	29/02/2016	167 900 000.00	Category 3 - high reported TPER (9.42%) and a negative draft report of the external auditor
FYROM (IPA)	Human Resources Development	2007MK051PO001	19/01/2016	1 587 088.60	irregularities concerning the use of fleet cars
FYROM (IPA)	Human Resources Development	2007MK051PO001	19/01/2016	2 854 285.15	
Total: 5 ESF OPs and 1 IPA OP – 8 payment claims				208 122 649.66	

PRE-SUSPENSION LETTERS SENT IN 2015 AND 2016

MS	Region – OP	CCI N°	DATE	OP suspended as of 31-12-2015	Main weaknesses identified
PRE-SUSPENSION LETTERS SENT IN 2015					
BE	Bruxelles-Capitale	2007BE052PO004	28/10/2015	N	Deficiencies related to: - the certification of the statements of expenditure; - the second-level audit controls of the audit authority; -the audit trail.
	Etat Fédéral	2007BE052PO03	03/12/2015	N	Deficiencies related to: -the first-level management verifications and their follow-up; -the certification of the statements of expenditure; -the audit trail.
DE	Bremen	2007DE052PO004	26/06/2015	N	Serious Deficiencies in M&C System: <ul style="list-style-type: none"> • Second-level audit Controls by the AA • Audit trail
ES	Adaptabilidad	2007ES05UPO001	22/01/2015	N	Deficiencies and irregularities concerning the IB Sociedad de la Informacion are related to: - guidance to the beneficiaries; - the selection of the operations; - the first-level management verifications and their follow-up; - the certification of the statements of expenditure; - the audit trail. - the rules on eligibility of operations; - the rules on eligibility of expenditure; - national rules on grants; - the conditions in the grant agreements; - the rules on information and publicity; - rules on state aids; and - the rules on audit trail.
	Adaptabilidad	2007ES05UPO001	23/07/2015	N	Deficiencies related to: - the first-level management verifications; - the certification of the statements of expenditure; - the audit trail; as well as irregularities in several operations.
	Castilla y Leon	2007ES052PO002	20/07/2015	N	Deficiencies and irregularities related to: – the first-level management verifications of the MA – the certification of the statements of expenditure. – the rules on eligibility of operations – the rules on eligibility of expenditure
	Lucha contra la discriminacion	2007ES05UPO002	28/07/2015	N	Deficiencies and irregularities related to: – the first-level management verifications – the certification of the statements of expenditure by the certifying authority – the audit trail – the effective functioning of the management and control system of the intermediate body 'Servicio Público de Empleo Estatal' (SPEE) – the rules on eligibility of expenditure – the rules on audit trail

MS	Region – OP	CCI N°	DATE	OP suspended as of 31-12-2015	Main weaknesses identified
FR	Guyane	2007FR051PO003	04/03/2015	N	Deficiencies and irregularities related to: - the organisation of the management and control bodies; - the procedures for selecting operations; - the first-level management verifications; - the certification of the statements of expenditure; - the second-level audit controls of the audit authority; - the audit trail; - the conditions in the grant agreements; - the rules on public procurement; - the rules on state aid; - the rules on the audit trail; - the rules on eligibility of expenditure.
HU	Social Renewal	2007HU05UPO001	11/05/2015	N	Deficiencies in the functioning of the management and control system, in particular with regard to the procedures for selecting operations, the first-level management verifications of the managing authority and the audit trail. Plus: irregularities that have not been corrected concerning: - rules on eligibility of expenditure; - rules on public procurement.
IT	Calabria	2007IT051PO002	20/02/2015	N	Category 3 (KR 1, 4 and 5): - audit team could not get info on the existence of a procedure to control MIUR and the MA does not have access to MIUR's databases on co-financed projects; - the MA and the Certifying Authority are assisted by the same company; - insufficient manpower (6 units) in the MA for the certification; - no evidence on training courses in a-order to ascertain whether staff has the required qualifications; - the verifications by the MA do not concern all aspects of an operation – there is no evidence that the verifications also look at the requests and the related supporting documents; the MA does not keep adequate records of verifications carried out in the past; the on-site verifications are carried out when the operation is already completed and the payment request already presented to the Commission; - the audit-trail is inadequate; - the tools used by the MA are inadequate or used inappropriately; - errors were found in the verification of specific projects.
	Lombardia	2007IT052PO006	20/04/2015	N	Deficiencies in the management and control system: – second-level audit controls of the AA and their follow-up; – the audit trail. Serious irregularities: – rules on eligibility of expenditure; – rules on public procurement and state aids; – rules on information and publicity.

MS	Region – OP	CCI N°	DATE	OP suspended as of 31-12-2015	Main weaknesses identified
RO	Human Resources Development	2007RO051PO001	25/06/2015	N	<p>Significant deficiencies and serious irregularities are related to:</p> <ul style="list-style-type: none"> - The procedures for selecting operations - The first-level management verifications of the managing authority - the rules on eligibility of expenditure -national rules on eligibility of expenditure -eligibility rules in the grant agreement <p>For expenditure incurred in projects selected before August 2012, there is a serious breach by Romania of its obligations under Articles 70(1) of Regulation (EC) No 1083/2006. The serious breach concerns:</p> <ul style="list-style-type: none"> - the measures taken with a view to preventing, detecting and correcting irregularities and recovering amounts unduly paid (Article 70(1)(b) of Regulation (EC) No 1083/2006)
SK	Education	2007SK05UPO001	02/06/2015	Y	<p>Deficiencies in the M&CS relating to:</p> <ul style="list-style-type: none"> – guidance to the beneficiaries; – the procedures for selecting operations; - general principle of sound financial management; – the first-level management verifications of the MA. <p>Serious irregularities:</p> <ul style="list-style-type: none"> – the rules on eligibility of expenditure; – the rules on public procurement.
UK	England and Gibraltar	2007UK05UPO001	31/03/2015	Y	<p>Deficiencies related to:</p> <ul style="list-style-type: none"> – the first-level management verifications of the MA – the audit trail.
	Northern Ireland	2007UK052PO003	10/04/2015	Y	<p>Deficiencies related to:</p> <ul style="list-style-type: none"> – the first-level management verifications of the MA
	Scotland – Highlands & Islands	2007UK051PO001	06/05/2015	N	<p>Deficiencies in:</p> <ul style="list-style-type: none"> - first-level management verification - audit trail. <p>Irregularities regarding:</p> <ul style="list-style-type: none"> - eligibility of expenditure - rules on audit trail.
	Scotland-Lowlands & Uplands	2007UK052PO002	06/05/2015	N	<p>Deficiencies in:</p> <ul style="list-style-type: none"> - first-level management verification - audit trail. <p>Irregularities regarding:</p> <ul style="list-style-type: none"> - eligibility of expenditure - rules on audit trail.

MS	Region – OP	CCI N°	DATE	Main weaknesses identified
PRE-SUSPENSIONS DECIDED IN 1Q 2016				
				No pre-suspensions have been adopted in Q1 2016

SUSPENSIONS ADOPTED IN 2015 AND 2016

MS	Region – OP	CCI N°	DATE	Payments resumed as of 31-12-2015	Main weaknesses identified
SUSPENSIONS ADOPTED IN 2015					
DE	Bremen	2007DE052PO004	08/12/2015	N	Serious Deficiencies in M&C System: <ul style="list-style-type: none"> • Second-level audit Controls by the AA • Audit trail
ES	Pais Vasco	2007ES052PO010	27/03/2015	N	Deficiencies and irregularities are related to: <ul style="list-style-type: none"> -the first-level management verifications -the certification of the statements of expenditure by the certifying authority -the second-level audit controls of the audit authority; -the audit trail - the rules on eligibility of expenditure
FR	Guyane	2007FR051PO003	06/05/2015	N	Deficiencies and irregularities related to: <ul style="list-style-type: none"> - the organisation of the management and control bodies; - the procedures for selecting operations; - the first-level management verifications; - the certification of the statements of expenditure; - the second-level audit controls of the audit authority; - the audit trail; - the rules on eligibility of expenditure; - the conditions in the grant agreements; - the rules on public procurement; - the rules on state aid; - the rules on the audit trail;
HU	Social Renewal	2007HU05UPO001	13/08/2015	N	Deficiencies in the functioning of the management and control system, in particular with regard to the procedures for selecting operations, the first-level management verifications of the managing authority and the audit trail. Plus: irregularities that have not been corrected concerning: <ul style="list-style-type: none"> - rules on eligibility of expenditure; - rules on public procurement.
IT	Calabria	2007IT051PO002	01/09/2015	N	Deficiencies in M&CS related to: <ul style="list-style-type: none"> - the organisation of the management and control bodies; - the first-level management verifications; - the audit trail. Serious irregularities that have not been corrected: <ul style="list-style-type: none"> - the rules on eligibility of expenditure; - the rules on audit trail; - the rules on financial engineering instruments.
	Lombardia	2007IT052PO006	14/08/2015	N	Deficiencies in the M&CS: <ul style="list-style-type: none"> - the second-level audit controls of the AA and their follow-up; - the audit trail. Serious irregularities that have not been corrected: <ul style="list-style-type: none"> - the rules on eligibility of operations; - the rules on eligibility of expenditure; - the rules on public procurement and state aid; - the rules on audit trail.
SK	Education	2007SK05UPO001	04/08/2015	Y	Deficiencies in the M&CS: <ul style="list-style-type: none"> - guidance to the beneficiaries; - the procedures for selecting operations;

MS	Region – OP	CCI N°	DATE	Payments resumed as of 31-12-2015	Main weaknesses identified
					- general principle of sound financial management; - the first-level management verifications of the managing authority. Serious irregularities: - the rules on eligibility of expenditure; - the rules on public procurement.
UK	Northern Ireland	2007UK052PO003	11/08/2015	Y	Deficiencies in M&CS related to: - the first-level management verifications;
	Scotland – Highlands & Islands	2007UK051PO001	11/08/2015	N	Deficiencies in: - first-level management verification - audit trail. Irregularities regarding: - eligibility of expenditure - rules on audit trail.
	Scotland- Lowlands & Uplands	2007UK052PO002	11/08/2015	N	Deficiencies in: - first-level management verification - audit trail. Irregularities regarding: - eligibility of expenditure - rules on audit trail.

No suspensions have so far been adopted in Q1 2016.

ESF Financial corrections, withdrawals and recoveries

Financial corrections accepted/decided in 2015 relating to all programming period

Considering all programming periods the amount of financial corrections accepted by Member States or decided by a Commission Decision stands at EUR 373,2 million in 2015.

The table below shows, per Member State, the total cumulative accepted/decided amount of financial corrections for all programming periods at the end of 2015. The total stands at EUR 3772,8 million.

European Social Fund											
in M€	Total end 2014	1994-1999			2000-2006			2007-2013			Total end 2015
		cumul end 2014	2015	cumul end 2015	cumul end 2014	2015	cumul end 2015	cumul end 2014	2015	cumul end 2015	
AT	4,9	1,5		1,5	3,5		3,5	0,0		0,0	4,9
BE	45,5	12,3	0,1	12,4	10,7		10,7	22,4		22,4	45,5
BG	2,9	0,0		0,0	0,0		0,0	2,9	1,9	4,8	4,8
CY	0,0	0,0		0,0	0,0		0,0	0,0		0,0	0,0
CZ	56,5	0,0		0,0	0,0		0,0	56,5	5,4	61,9	61,9
DE	41,1	1,9		1,9	26,1		26,1	13,1	10,1	23,2	51,2
DK	0,0	0,0		0,0	0,0		0,0	0,0		0,0	0,0
EE	0,8	0,0		0,0	0,8		0,8	0,0		0,0	0,8
ES	1225,1	180,2		180,2	833,5	30,3	863,8	211,4	4,0	215,4	1259,4
FI	0,1	0,1		0,1	0,0		0,0	0,0		0,0	0,1
FR	307,4	45,6		45,6	221,5	149,0	370,5	40,3	10,5	50,8	466,9
GR	69,3	0,0		0,0	20,3		20,3	49,0	0,2	49,2	69,5
HU	50,1	0,0		0,0	8,2		8,2	41,9	9,0	50,9	59,1
IE	53,1	28,3		28,3	3,4		3,4	21,4		21,4	53,1
IT	518,4	117,2		117,2	396,4		396,4	4,8	21,9	26,7	540,3
LT	0,0	0,0		0,0	0,0		0,0	0,0		0,0	0,0
LU	5,9	4,1		4,1	1,8		1,8	0,0		0,0	5,9
LV	7,7	0,0		0,0	3,2		3,2	4,5		4,5	7,7
MT	0,0	0,0		0,0	0,0		0,0	0,0		0,0	0,0
NL	203,5	159,7		159,7	43,8		43,8	0,0		0,0	203,5
PL	203,4	0,0		0,0	51,2		51,2	152,2	4,8	157,0	208,2
PT	6,5	0,0		0,0	6,3		6,3	0,2		0,2	6,5
RO	355,0	0,0		0,0	0,0		0,0	355,0	99,7	454,7	454,7
SE	11,8	0,0		0,0	11,4		11,4	0,4		0,4	11,8
SI	2,0	0,0		0,0	1,9		1,9	0,1		0,1	2,0
SK	19,8	0,0		0,0	2,9		2,9	16,9	19,4	36,3	39,2
UK	208,7	8,8		8,8	163,9		163,9	36,0	6,9	42,9	215,6
	3399,5	559,7	0,1	559,8	1810,8	179,3	1990,1	1029,1	193,8	1222,9	3772,8

Financial corrections implemented in 2015 relating to all programming period

Considering all programming periods the amount of financial corrections implemented by Member States stands at EUR 423,6 million in 2015.

The table below shows, per Member State, the total cumulative implemented amount of financial corrections for all programming periods at the end of 2015. The total stands at EUR 3704,7 million.

European Social Fund											
in M€	Total end 2014	1994-1999			2000-2006			2007-2013			Total end 2015
		cumul end 2014	2015	cumul end 2015	cumul end 2014	2015	cumul end 2015	cumul end 2014	2015	cumul end 2015	
AT	4,9	1,5		1,5	3,4		3,4	0,0		0,0	4,9
BE	39,1	12,3	0,1	12,4	10,7		10,7	16,1	6,3	22,4	45,5
BG	2,9	0,0		0,0	0,0		0,0	2,9	1,9	4,8	4,8
CY	0,0	0,0		0,0	0,0		0,0	0,0		0,0	0,0
CZ	50,4	0,0		0,0	0,0		0,0	50,4	7,7	58,1	58,1
DE	40,1	1,9		1,9	26,1		26,1	12,1	10,0	22,1	50,1
DK	0,0	0,0		0,0	0,0		0,0	0,0		0,0	0,0
EE	0,8	0,0		0,0	0,8		0,8	0,0		0,0	0,8
ES	1164,9	180,2		180,2	833,4	30,3	863,7	151,3	29,6	180,9	1224,8
FI	0,1	0,1		0,1	0,0		0,0	0,0		0,0	0,1
FR	307,2	45,6		45,6	221,2	149,3	370,5	40,4	10,4	50,8	466,9
GR	69,3	0,0		0,0	20,3		20,3	49,0	0,2	49,2	69,5
HU	50,1	0,0		0,0	8,2		8,2	41,9		41,9	50,1
IE	53,0	28,3		28,3	3,4		3,4	21,3		21,3	53,0
IT	518,4	117,2		117,2	396,4		396,4	4,8	14,6	19,4	533,0
LT	0,0	0,0		0,0	0,0		0,0	0,0		0,0	0,0
LU	5,9	4,1		4,1	1,8		1,8	0,0		0,0	5,9
LV	7,7	0,0		0,0	3,2		3,2	4,5		4,5	7,7
MT	0,0	0,0		0,0	0,0		0,0	0,0		0,0	0,0
NL	203,5	159,7		159,7	43,8		43,8	0,0		0,0	203,5
PL	201,8	0,0		0,0	51,2		51,2	150,6	4,5	155,1	206,3
PT	6,5	0,0		0,0	6,3		6,3	0,2		0,2	6,5
RO	312,1	0,0		0,0	0,0		0,0	312,1	132,9	445,0	445,0
SE	11,9	0,0		0,0	11,5		11,5	0,4		0,4	11,9
SI	2,0	0,0		0,0	1,9		1,9	0,1		0,1	2,0
SK	19,7	0,0		0,0	2,9		2,9	16,8	19,4	36,3	39,2
UK	208,7	8,8		8,8	163,9		163,9	36,0	6,9	42,9	215,6
	3281,1	559,7	0,1	559,8	1810,5	179,6	1990,1	910,9	243,9	1154,8	3704,7

The table on the next page gives the detail on withdrawals, recoveries and pending recoveries reported by Member States reflecting MS actions between reporting years.

DG EMPL	Withdrawals and Recoveries											
	Cumulative reporting 2007-2013 at 31/12/2013* AAR 2014	Member States actions on reported figures	Cumulative reporting 2007-2013 at 31/12/2014** AAR 2015			Reported for 2014			Cumulative reporting at 31/12/2015			Pending recoveries reported in 2014
	Total	Total	Withdrawals EC Share	Recoveries EC Share	Total	Withdrawals EC Share	Recoveries EC Share	Total	Withdrawals EC Share	Recoveries EC Share	Total	Total
Bulgaria	5.810.350,08	0,03	2.498.497,89	3.311.852,22	5.810.350,11	336.597,42	186.999,73	523.597,15	2.835.095,31	3.498.851,95	6.333.947,26	4.120.429,25
Belgium	13.658.231,37	0,09	13.645.318,22	12.913,24	13.658.231,46	29.253.203,54	0,00	29.253.203,54	42.898.521,76	12.913,24	42.911.435,00	
Czech Republic	39.421.698,54	-19.665.471,01	17.540.556,69	2.215.670,84	19.756.227,53	15.876.184,92	1.125.844,60	17.002.029,52	33.416.741,61	3.341.515,44	36.758.257,05	8.284.107,62
Danmark	126.014,49	0,01	0,00	126.014,50	126.014,50	0,00	3.235,90	3.235,90	0,00	129.250,40	129.250,40	0,00
Germany	76.153.710,30	1.440.760,12	57.649.814,41	19.944.656,01	77.594.470,42	9.708.051,66	4.469.239,22	14.177.290,88	67.357.866,07	24.413.895,23	91.771.761,30	15.254.533,47
Estonia	394.959,27	73,19	209.794,28	185.238,18	395.032,46	18.366,13	291.233,10	309.599,23	228.160,41	476.471,28	704.631,69	350.779,87
Greece	63.225.070,98	2.748.618,25	65.973.689,23	0,00	65.973.689,23	11.488.580,31		11.488.580,31	77.462.269,54	0,00	77.462.269,54	
Spain	241.121.890,44	0,23	241.121.890,67		241.121.890,67	131.362.807,90		131.362.807,90	372.484.698,57		372.484.698,57	
France	76.500.700,86	-7.811,46	76.492.889,40	0,00	76.492.889,40	14.428.612,01		14.428.612,01	90.921.501,41	0,00	90.921.501,41	
Croatia	21.192,32	0,00	20.508,64	683,68	21.192,32	28.118,03	81.543,27	109.661,30	48.626,67	82.226,95	130.853,62	
Ireland	7.009.735,89	0,03	7.008.911,92	824,00	7.009.735,92	1.697.651,13	30.787.186,99	32.484.838,12	8.706.563,05	30.788.010,99	39.494.574,04	5.655,49
Italy	43.521.878,06	2.311.077,72	44.784.545,55	1.048.410,23	45.832.955,78	6.815.846,80	430.493,98	7.246.340,78	51.600.392,35	1.478.904,21	53.079.296,56	1.553.181,38
Cyprus	563.948,87	0,01	563.948,88		563.948,88	78.311,35		78.311,35	642.260,23		642.260,23	
Latvia	6.807.917,54	-0,01	175.782,70	6.632.134,83	6.807.917,53	0,00	155.519,10	155.519,10	175.782,70	6.787.653,93	6.963.436,63	107.844,47
Lithuania	197.958,27	0,01	55.425,04	142.533,24	197.958,28	1.660,96	40.194,23	41.855,19	57.086,00	182.727,47	239.813,47	128.641,08
Luxembourg	523.637,65	0,01	523.637,66	0,00	523.637,66	210.747,97	0,00	210.747,97	734.385,63	0,00	734.385,63	2.081,41
Hungary	24.736.047,60	-4.033,12	603.071,64	24.128.942,84	24.732.014,48	3.624,93	471.080,02	474.704,95	606.696,57	24.600.022,86	25.206.719,43	2.581.397,65
Malta	157.108,59	0,01	96.018,25	61.090,35	157.108,60	34.712,10	85.721,06	120.433,16	130.730,35	146.811,41	277.541,76	-880,01
Netherlands	3.280.794,46	0,00	3.280.794,46	0,00	3.280.794,46	178.546,69		178.546,69	3.459.341,15	0,00	3.459.341,15	864.860,52
Austria	2.102.943,65	0,00	1.171.694,28	931.249,37	2.102.943,65	137.231,14	2.781,62	140.012,76	1.308.925,42	934.030,99	2.242.956,41	3.287,13
Poland	72.172.980,08	-0,02	65.234.184,80	6.938.795,26	72.172.980,06	4.125.091,94	2.512.983,16	6.638.075,10	69.359.276,74	9.451.778,42	78.811.055,16	6.623.776,40
Portugal	37.981.717,33	17.905,39	37.999.622,72	0,00	37.999.622,72	7.773.766,62		7.773.766,62	45.773.389,34	0,00	45.773.389,34	
Romania	70.363.389,55	0,01	66.457.126,98	3.906.262,58	70.363.389,56		521.535,92	521.535,92	66.457.126,98	4.427.798,50	70.884.925,48	2.485.649,22
Slovenia	5.694.317,73	0,00	135.722,83	5.558.594,90	5.694.317,73	0,00	586.322,01	586.322,01	135.722,83	6.144.916,91	6.280.639,74	1.755.775,58
Slovakia	15.274.653,80	0,03	13.020.062,73	2.254.591,10	15.274.653,83	4.028.032,31	3.707.509,62	7.735.541,93	17.048.095,04	5.962.100,72	23.010.195,76	2.617.073,93
Finland	463.695,95	24.689,69	172.970,35	315.415,29	488.385,64	0,00	115.710,18	115.710,18	172.970,35	431.125,47	604.095,82	101.029,04
Sweden	1.303.833,24	0,04	112.801,25	1.191.032,02	1.303.833,27		293.226,61	293.226,61	112.801,25	1.484.258,63	1.597.059,88	226.704,41
United Kingdom	33.489.530,65	23.275.253,70	41.222.522,05	15.542.262,30	56.764.784,35	17.776.098,58	889.957,71	18.666.056,29	58.998.620,63	16.432.220,01	75.430.840,64	3.521.781,37
	842.079.907,56	10.141.062,94	757.771.803,52	94.449.166,98	852.220.970,50	255.361.844,44	46.758.318,03	302.120.162,47	1.013.133.647,96	141.207.485,01	1.154.341.132,97	50.587.709,28

Error rates by operational programme

2007-2013 period

MS	OP number		2015 interim payments	2015 error rate reported in the ACR	2015 error rate after COM analysis	Difference	CRR	Commission Management Opinion	Reservation
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1 - Reliable ACR information - Accepted Error rate

AT	2007AT051PO001	Burgenland	0	0,49%	0,49%	0,00%	1,91%	reasonable/low risk	
AT	2007AT052PO001	Beschäftigung	0	0,91%	0,91%	0,00%	1,37%	reasonable/low risk	
BE	2007BE051PO001	Convergence' Hainaut	34.386.594	2,48%	2,48%	0,00%	0,52%	reasonable/low risk	
BE	2007BE052PO002	Troïka Wallonie (hors Hainaut) Bruxelles (COCOF) - FSE	45.806.147	2,48%	2,48%	0,00%	0,40%	reasonable/low risk	
BE	2007BE052PO004	Bruxelles-Capitale	12.736.877	2,34%	2,34%	0,00%	4,04%	limited/medium risk	full
BE	2007BE052PO005	Vlaanderen	68.699.227	6,79%	6,79%	0,00%	2,21%	limited/medium risk	full
BG	2007BG051PO001	Human Resources Development	122.757.426	0,74%	0,74%	0,00%	0,57%	reasonable/low risk	
CY	2007CY052PO001	Employment, Human Capital and Social Cohesion	5.486.663	0,98%	0,98%	0,00%	0,64%	reasonable	
CZ	2007CZ052PO001	Praha Adaptabilita	39.516.957	0,74%	0,74%	0,00%	0,00%	reasonable/low risk	
CZ	2007CZ05UPO002	Vzdělávání pro konkurenceschopnost	322.776.513	1,12%	1,12%	0,00%	1,67%	reasonable/low risk	
DE	2007DE051PO001	Brandenburg	109.465.678	1,40%	1,40%	0,00%	0,54%	reasonable/low risk	
DE	2007DE051PO004	Sachsen	95.696.433	0,84%	0,84%	0,00%	0,70%	reasonable/low risk	
DE	2007DE051PO006	Thüringen	83.416.994	1,99%	1,99%	0,00%	0,43%	reasonable/low risk	
DE	2007DE051PO002	Mecklenburg-Vorpommern	70.092.869	7,70%	7,70%	0,00%	8,66%	limited/medium risk	full
DE	2007DE052PO003	Berlin	31.285.233	2,29%	2,29%	0,00%	1,89%	reasonable/low risk	
DE	2007DE052PO008	Nordrhein-Westfalen	96.848.288	1,09%	1,09%	0,00%	0,20%	reasonable/low risk	
DE	2007DE052PO009	Rheinland-Pfalz	0	0,52%	0,52%	0,00%	0,71%	reasonable/low risk	
DE	2007DE052PO010	Saarland	0	0,33%	0,33%	0,00%	0,24%	reasonable/low risk	

DE	2007DE052PO011	Schleswig-Holstein	0	0,61%	0,61%	0,00%	0,00%	reasonable	
DE	2007DE05UPO001	Bund	0	1,70%	1,70%	0,00%	0,95%	reasonable/low risk	
EE	2007EE051PO001	Human Resource Development	0	0,46%	0,46%	0,00%	0,63%	reasonable/low risk	
ES	2007ES051PO002	CASTILLA LA MANCHA	46.946.734	2,05%	2,05%	0,00%	0,60%	reasonable	
ES	2007ES051PO003	EXTREMADURA	26.377.901	0,35%	0,35%	0,00%	0,00%	reasonable	
ES	2007ES051PO004	GALICIA	61.967.906	0,82%	0,82%	0,00%	0,39%	reasonable	
ES	2007ES051PO005	ANDALUCIA	0	1,94%	1,94%	0,00%	0,00%	limited/medium risk	partial rep
ES	2007ES051PO006	ASTURIAS	12.448.025	1,57%	1,57%	0,00%	0,22%	reasonable	
ES	2007ES051PO007	CEUTA	0	0,00%	0,00%	0,00%	0,00%	reasonable	
ES	2007ES051PO009	MURCIA	4.842.261	0,81%	0,81%	0,00%	0,00%	reasonable	
ES	2007ES052PO001	CANARIAS	10.718.741	1,84%	1,84%	0,00%	0,36%	reasonable	
ES	2007ES052PO002	CASTILLA Y LEON	4.130.573	3,06%	3,06%	0,00%	0,00%	reasonable/low risk	
ES	2007ES052PO003	COMUNIDAD VALENCIANA	0	0,00%	0,00%	0,00%	0,00%	reasonable/low risk	
ES	2007ES052PO004	ARAGON	0	0,68%	0,68%	0,00%	0,00%	reasonable	
ES	2007ES052PO005	BALEARES	0	0,00%	0,00%	0,00%	7,10%	limited/high risk	rep
ES	2007ES052PO006	CANTABRIA	0	0,00%	0,00%	0,00%	0,00%	reasonable	
ES	2007ES052PO008	MADRID	26.405.681	4,91%	4,91%	0,00%	0,69%	reasonable/low risk	
ES	2007ES052PO009	NAVARRA	2.677.739	0,15%	0,15%	0,00%	0,03%	reasonable	
FI	2007FI052PO001	Manner-Suomen	20.304.984	0,16%	0,16%	0,00%	0,37%	reasonable	
FI	2007FI052PO002	Åland	0	0,00%	0,00%	0,00%	0,21%	reasonable	
FR	2007FR051PO001	Martinique	16.747.477					reasonable/low risk	
FR	2007FR051PO002	Guadeloupe	15.793.760					reasonable/low risk	
FR	2007FR051PO003	Guyane	0	4,04%	4,04%	0,00%	1,85%	limited/medium risk	rep
FR	2007FR051PO004	Reunion	97.324.585					reasonable/low risk	
FR	2007FR052PO001	Programme opérationnel national FSE	863.398.608					reasonable/low risk	
HR	2007HR051PO001	Human Resources Development	21.102.931	5,84%	5,84%	0,00%	3,59%	limited/medium risk	full
HU	2007HU05UPO001	Revitalisation sociale	0	1,93%	1,93%	0,00%	1,08%	limited/medium risk	rep
HU	2007HU05UPO002	Reforme de l'Etat	18.414.111	0,68%	0,68%	0,00%	0,42%	reasonable/low risk	
IT	2007IT051PO001	Campania	99.905.072	0,16%	0,16%	0,00%	0,40%	reasonable/low risk	

IT	2007IT051PO003	Sicilia	172.733.039	3,94%	3,94%	0,00%	0,41%	reasonable/low risk	
IT	2007IT051PO004	Basilicata	14.231.219	0,36%	0,36%	0,00%	0,27%	reasonable/low risk	
IT	2007IT051PO005	Puglia	83.727.210	4,50%	4,50%	0,00%	1,90%	reasonable/low risk	
IT	2007IT051PO007	Pon Istruzione	93.487.868	0,47%	0,47%	0,00%	0,40%	reasonable/low risk	
IT	2007IT052PO001	Abruzzo	56.445.582	0,67%	0,67%	0,00%	0,00%	reasonable/low risk	
IT	2007IT052PO002	Emilia Romagna	31.821.621	0,49%	0,49%	0,00%	0,10%	reasonable	
IT	2007IT052PO003	Friuli Venezia Giulia	6.022.255	0,00%	0,00%	0,00%	0,00%	reasonable	
IT	2007IT052PO005	Liguria	15.455.261	0,09%	0,09%	0,00%	0,37%	reasonable/low risk	
IT	2007IT052PO007	Marche	14.970.493	0,06%	0,06%	0,00%	0,01%	reasonable/low risk	
IT	2007IT052PO009	Bolzano	0	0,09%	0,09%	0,00%	2,36%	limited/medium risk	rep
IT	2007IT052PO010	Trento	0	0,01%	0,01%	0,00%	0,00%	reasonable/low risk	
IT	2007IT052PO011	Piemonte	30.549.073	0,25%	0,25%	0,00%	0,03%	reasonable	
IT	2007IT052PO012	Toscana	36.118.570	0,94%	0,94%	0,00%	0,93%	reasonable/low risk	
IT	2007IT052PO013	Umbria	12.382.939	0,45%	0,45%	0,00%	0,60%	reasonable/low risk	
IT	2007IT052PO015	Veneto	36.971.838	0,33%	0,33%	0,00%	0,25%	reasonable/low risk	
LV	2007LV051PO001	Human Resources and Employment	0	0,69%	0,69%	0,00%	0,00%	reasonable/low risk	
MT	2007MT051PO001	Empowering people for more jobs and a better quality of life	13.101.790	1,65%	1,65%	0,00%	0,85%	reasonable/low risk	
NL	2007NL052PO001	Operationeel Programma ESF 2007-2013	139.537.632	0,94%	0,94%	0,00%	1,70%	reasonable/low risk	
PL	2007PL051PO001	Program Operacyjny Kapitał Ludzki	778.939.814	0,05%	0,05%	0,00%	0,04%	reasonable/low risk	
PT	2007PT051PO001	Açores	0	1,48%	1,48%	0,00%	0,93%	reasonable/low risk	
PT	2007PT052PO001	Madeira	0	1,48%	1,48%	0,00%	0,00%	reasonable/low risk	
PT	2007PT05UPO001	Potencial Humano	0	1,48%	1,48%	0,00%	0,89%	reasonable/low risk	
PT	2007PT05UPO002	Assistência Técnica	4.334.809	1,48%	1,48%	0,00%	0,28%	reasonable/low risk	
RO	2007RO051PO001	Human Resources Development	712.898.812	9,42%	9,42%	0,00%	0,00%	limited/medium risk	full
RO	2007RO051PO002	Administrative Capacity Development	20.766.291	0,32%	0,32%	0,00%	0,04%	reasonable/low risk	
SE	2007SE052PO001		35.129.157	0,07%	0,07%	0,00%	0,67%	reasonable	
SI	2007SI051PO001	Operativni program razvoja človeških virov za obdobje 2007-2013	50.663.915	1,53%	1,53%	0,00%	1,50%	reasonable/low risk	
UK	2007UK052PO003	Northern Ireland	22.025.526	0,00%	0,00%	0,00%	0,00%	reasonable/low risk	

2 - Reliable ACR information - Recalculated Error rate										
DE	2007DE051PO003	Niedersachsen - Region Lüneburg	34.691.572	3,33%	3,22%	-0,11%	0,63%	reasonable/low risk		
DE	2007DE052PO007	Niedersachsen (ohne Region Lüneburg)	16.656.684	3,33%	3,22%	-0,11%	0,57%	reasonable/low risk		
LT	2007LT051PO001	Development of Human Resources	0	0,42%	0,38%	-0,04%	0,81%	reasonable/low risk		
LT	2007LT051PO002	Technical Assistance	0	0,42%	0,38%	-0,04%	0,73%	reasonable/low risk		
CZ	2007CZ05UPO001	Lidské zdroje a zaměstnanost	438.239.523	0,68%	0,64%	-0,04%	0,45%	reasonable/low risk		
DE	2007DE052PO002	Bayern	35.842.901	1,03%	0,99%	-0,04%	0,65%	reasonable		
UK	2007UK05UPO001	England and Gibraltar	531.903.793	2,38%	2,38%	0,01%	0,51%	reasonable/low risk		
IT	2007IT052PO016	Sardegna	13.261.933	0,00%	0,01%	0,01%	0,71%	reasonable/low risk		
ES	2007ES05UPO002	LUCHA CONTRA LA DISCRIMINACION	65.193.832	3,59%	3,60%	0,01%	1,47%	reasonable/low risk - partial	partial	
ES	2007ES05UPO003	ASISTENCIA TÉCNICA	4.616.416	3,59%	3,60%	0,01%	0,99%	reasonable/low risk		
BE	2007BE052PO001	Deutschsprachige Gemeinschaft Belgiens	1.386.262	0,10%	0,11%	0,01%	0,11%	reasonable		
DE	2007DE051PO005	Sachsen-Anhalt	98.303.102	5,39%	5,42%	0,03%	2,64%	limited/medium risk	full	
LU	2007LU052PO001	Programme opérationnel FSE	3.048.626	0,45%	0,48%	0,03%	0,07%	reasonable/low risk		
DE	2007DE052PO005	Hamburg	1.048.116	0,04%	0,07%	0,03%	1,24%	reasonable/low risk		
ES	2007ES052PO010	PAIS VASCO	0	4,79%	4,84%	0,05%	0,00%	reasonable/low risk		
IT	2007IT051PO006	Pon Governance e AT	24.567.452	0,03%	0,12%	0,09%	0,98%	reasonable/low risk		
IT	2007IT052PO017	Azioni di sistema	10.707.018	0,03%	0,12%	0,09%	0,38%	reasonable/low risk		
SK	2007SK05UPO001	OP Education	185.643.481	4,47%	4,69%	0,22%	0,30%	reasonable/low risk		
GR	2007GR051RV001		7.440.020					reasonable/low risk		
GR	2007GR05UPO001	Développ. Ress.humaines	336.447.894	1,89%	2,14%	0,25%	0,59%	reasonable/low risk - partial	partial	
GR	2007GR05UPO002	Education, formation	97.228.184					reasonable/low risk		
GR	2007GR05UPO003	Développement administration	18.517.319					reasonable/low risk		
IT	2007IT052PO014	Valle d'Aosta	3.997.844	0,55%	0,95%	0,40%	0,06%	reasonable/low risk		
ES	2007ES05UPO001	ADAPTABILIDAD Y EMPLEO	242.533.958	1,14%	1,57%	0,43%	0,33%	reasonable/low risk - partial	partial	
DE	2007DE052PO006	Hessen	0	0,48%	0,93%	0,45%	0,67%	reasonable		

IT	2007IT052PO008	Molise	4.950.961	0,05%	0,52%	0,47%	0,08%	reasonable/low risk	
UK	2007UK051PO001	Highlands and Islands of Scotland	0	2,03%	2,57%	0,54%	0,59%	limited/medium risk	rep
ES	2007ES052PO011	LA RIOJA	3.450.854	1,81%	2,64%	0,83%	1,32%	reasonable/low risk	
UK	2007UK051PO002	West Wales and the Valleys	206.746.831	1,61%	2,46%	0,85%	1,80%	reasonable/low risk	
UK	2007UK052PO001	East Wales	12.931.286	1,61%	2,46%	0,85%	1,79%	reasonable/low risk	
IE	2007IE052PO001	Human Capital Investment	47.060.264	2,65%	3,98%	1,33%	0,61%	reasonable/low risk	
DE	2007DE052PO001	Baden-Württemberg	1.502.618	0,00%	1,43%	1,43%	1,67%	reasonable/low risk	
ES	2007ES052PO007	CATALUÑA	67.084.041	9,51%	11,19%	1,68%	2,34%	reasonable/low risk	
SK	2007SK05UPO002	OP Employment and Social Inclusion	174.432.516	4,49%	6,91%	2,42%	2,66%	limited/medium risk	full
BG	2007BG051PO002	Administrative Capacity	22.401.360	2,95%	4,48%	1,53%	1,36%	reasonable/low risk	
UK	2007UK052PO002	Lowlands and Uplands of Scotland	0	3,04%	7,10%	4,06%	0,44%	limited/medium risk	rep
ES	2007ES051PO008	MELILLA	758.431	0,00%	5,82%	5,82%	0,70%	limited/medium risk	full
3 - Unreliable ACR information - Flat rate Error rate									
DK	2007DK052PO001	Flere og bedre job	36.067.253	1,57%	2,00%	0,43%	1,01%	reasonable/low risk	
BE	2007BE052PO003	Etat fédéral	0	4,11%	5,00%	0,89%	1,31%	limited/medium risk	rep
IT	2007IT052PO006	Lombardia	0	1,57%	5,00%	3,43%	1,35%	limited/medium risk	rep
IT	2007IT052PO004	Lazio	42.178.442	1,46%	5,00%	3,54%	1,73%	limited/medium risk	full
IT	2007IT051PO002	Calabria	0	0,27%	25,00%	24,73%	6,32%	limited/medium risk	rep
DE	2007DE052PO004	Bremen	0	n/a	25,00%	25,00%	18,27%	limited/high risk	rep
			7.661.634.486						23

D- Overall assessment

2015 reservation

The table below indicates by Member State the overall assessment of all programmes.

Management opinion 2015 by Member States										
	reasonable	Acceptable assurance with low risk	Acceptable assurance with low risk with partial reserve	of which reputational	Limited assurance with medium risk	of which partial	of which reputational	Limited assurance with high risk	of which reputational	Total
AT	0	2	0		0			0		2
BE	1	2	0		3		1	0		6
BG	0	2	0		0			0		2
CY	1	0	0		0			0		1
CZ	0	3	0		0			0		3
DE	3	12	0		2			1	1	18
DK	0	1	0		0			0		1
EE	0	1	0		0			0		1
ES	10	7	2		2	1	1	1	1	22
FI	2	0	0		0			0		2
FR	0	4	0		1		1	0		5
GR	0	3	1		0			0		4
HR	0	0	0		1			0		1
HU	0	1	0		1		1	0		2
IE	0	1	0		0			0		1
IT	3	17	0		4		3	0		24
LT	0	2	0		0			0		2
LU	0	1	0		0			0		1
LV	0	1	0		0			0		1
MT	0	1	0		0			0		1
NL	0	1	0		0			0		1
PL	0	1	0		0			0		1
PT	0	4	0		0			0		4
RO	0	1	0		1			0		2
SE	1	0	0		0			0		1
SI	0	1	0		0			0		1
SK	0	1	0		1			0		2
UK	0	4	0		2		2	0		6
	21	74	3	0	18	1	9	2	2	118
	17,8%	62,7%	2,5%		15,3%			1,7%		100,0%

The underlying reasoning behind each OP in reservation is provided below:

A- ESF 2007-2013

N°	Ref	Title	Reservation AAR 2015	2015 Error Rate			Reasons for Reservation	Actions to be taken in 2016
				MS	Validated	CRR		
BELGIUM – 3 OPs in reservation – Risk quantification = EUR 5.0 million								
1	2007BE052PO003	Etat federal	reputational	4.11%	5.00%	1.31%	- qualified opinion by the Audit authority in the 2015 ACR due to unfinished contradictory procedure - high estimated error rate	- revised ACR to be received - interruption of payments. - suspension decision to be adopted
2	2007BE052PO004	Bruxelles-Capitale	full	2.34%	2.34%	4.04%	- serious deficiencies at the level of both MA and CA identified during the audit on withdrawals/recoveries about audit trail and keeping account of financial corrections	- information to be received from the CA concerning financial corrections applied previously - 5% financial correction to be applied in next payment claim - MA and CA to improve the MCS on identified issues
3	2007BE052PO005	Vlaanderen	full	6.79%	6.79%	2.21%	- inadequate management verifications by the MA - ACR not final - contradictory procedures still ongoing	- updated ACR to be received - management verifications procedures to be checked
CROATIA – 1 OP in reservation – Risk quantification = EUR 1.2 million								
4	2007HR051PO001	Human Resources Development	full	5.84%	5.84%	3.59%	- issues regarding the selection of operations and the management verifications - high error rate	- action plan by the MA to improve identified deficiencies - interruption of payments. - pre-suspension letter to be sent.
FRANCE – 1 OP in reservation – Risk quantification = EUR 0.0 million								
5	2007FR051PO003	Guyane	reputational	4.04%	4.04%	1.85%	- deficiencies regarding management verifications.	- ongoing suspension. - implementation of action plan to improve management verifications to be checked.
GERMANY – 3 OPs in reservation – Risk quantification = EUR 10.7 million								
6	2007DE051PO002	Mecklenburg-Vorpommern	full	7.70%	7.70%	8.66%	- issue related to management verifications of public procurement in one measure.	- interruption of payments. - financial correction if needed.
7	2007DE051PO005	Sachsen-Anhalt	full	5.39%	5.42%	2.99%	- high error rate and cumulative residual risk above 2 %.	- revised ACR to be received. - warning letter. - financial correction if needed.
8	2007DE052PO004	Bremen	reputational	n/a	25.00%	18.27%	- no ACR submitted in 2014 and 2015.	- ongoing suspension. - proposed 25% flat rate correction to be applied at closure.

GREECE – 1 OP in reservation – Risk quantification = EUR 0.0 million								
9	2007GR05UP0001	Développement Ressources humaines	partial	1.89%	2.14%	0.59%	- deficiencies identified by the AAs in 2 IBs (Peloponnese and Ionian Islands Regions) regarding mainly management verifications. - management verifications issues regarding the specific "Structural Adjustment Call" (OAED).	- action plan to improve management verifications. - financial corrections applied.
HUNGARY – 1 OP in reservation – Risk quantification = EUR 0.0 million								
10	2007HU05UP0001	Revitalisation sociale	reputational	1.93%	1.93%	1.08%	- deficiencies of the MCS, notably regarding management verifications, selection procedures.	Suspension decision in force. An action plan has been implemented by the MA/IB and the AA has given its positive assessment to the measures undertaken in ACR 2015. However, the evidence presented is not enough as to consider that the measures adopted are adequate and effective.
ITALY – 4 OPs in reservation – Risk quantification = EUR 2.1 million								
11	2007IT051PO002	Calabria	reputational	0.27%	25.00%	6.32%	- deficiencies of the MA regarding adequate separation of functions, management verifications and audit trail - unreliable ACR 2015	- ongoing suspension - ACR to be revised - follow-up of action plan
12	2007IT052PO004	Lazio	full	1.46%	5.00%	1.73%	- issues identified for some qualification and quantification of errors in the sampling of the ACR 2015	- AA to provide clarifications and to review the ACR and error rate. - possible correction to be applied to all projects concerned.
13	2007IT052PO006	Lombardia	reputational	1.57%	5.00%	1.35%	- deficiencies regarding audits on operations by the AA - unreliable error rate	-ongoing suspension. - revised ACR. - financial correction.
14	2007IT052PO009	Bolzano	reputational	0.09%	0.09%	2.36%	- deficiencies at the MA level regarding selection of operations and management verifications. - limited assurance on the Audit Authority.	- ongoing suspension. - 25 % flat-rate financial correction agreed. - actions put in place to improve the MCS to be checked.
ROMANIA – 1 OP in reservation – Risk quantification = EUR 18.0 million								
15	2007RO051PO001	Human Resources Development	full	9.42%	9.42%	0.00%	Following audit of "new" expenditure, still: - deficiencies at the level of management verifications and selection procedures - issues regarding sound financial management	- action plan to improve management verifications and selection procedures - implementation of any additional financial corrections required

SLOVAKIA – 1 OPs in reservation – Risk quantification = EUR 12.1 million								
16	2007SK05UPO002	Employment and Social Inclusion	full	4.49%	6.91%	2.66%	- high error rate. - residual risk above 2%.	- financial correction.
SPAIN – 5 OPs in reservation – Risk quantification = EUR 1.2 million								
17	2007ES051PO005	Andalucia	partial rep.	1.94%	1.94%	0.00%	- deficiencies at the level of management verifications.	- ongoing suspension. - partial lifting of the suspension for 2 IBs: Consejería de Educacion and Servicio Andaluz de Salud.
18	2007ES051PO008	Melilla	full	0.00%	5.82%	0.70%	- limited assurance on the AA due to lack of on-the-spot visits, inadequate segregation of duties, lack of documented procedures, insufficient evidence of audit work carried out and late planning and execution of the audits of operations	- review of the work of the AA and determination of the residual risk in view of closure. - warning letter (95% reached).
19	2007ES052PO005	Baleares	reputational	0.00%	0.00%	7.10%	- deficiencies at the level of management verifications. - proposed measures assessed as not sufficient by the AA.	- ongoing suspension. - IB to improve the measures proposed, to be validated by the AA.
20	2007ES05UPO001	Adaptabilidad y Empleo	partial	1.14%	1.57%	0.33%	- irregularities in IB DG de Industria y de la PYME - deficiencies in the IB Cámara de España - ongoing suspensión for SDG Fomento de Sociedad de la Informacion; SPEE Direct management; CB SOC; CB SAE maintained	- partial suspension to be lifted for CB SPE CyL. - warning letter about the 2 IBs. - review of the implementation of corrective measures.
21	2007ES05UPO002	Lucha contra la Discriminación	partial	3.59%	3.60%	1.47%	- irregularities in the IB Dirección General de Integración de los Inmigrantes.	- ongoing partial suspension to be lifted. - warning letter about the IB. - review of the implementation of corrective measures.
UNITED KINGDOM – 2 OPs in reservation – Risk quantification = EUR 0.0 million								
22	2007UK051PO001	Highlands and Islands of Scotland	reputational	2.03%	2.57%	0.59%	- significant deficiencies in first-level management verifications and audit trail. - error rates above materiality threshold.	- ongoing suspension. - AA to assess the effectiveness of the implementation of the action plan.
23	2007UK052PO002	Lowlands and Uplands of Scotland	reputational	3.04%	7.10%	0.44%		
ESF – 23 OPs in reservation (9 full, 3 partial, 10 reputational, 1 partial reputational) – Risk quantification = EUR 50.3 million								

B- IPA 2007-2013

N°	Ref	Title	Reservation AAR 2015	2015 Error Rate			Reasons for Reservation	Actions to be taken in 2016
				MS	Validated	CRR		
FYROM – 1 OP in reservation – Risk quantification = EUR 0.1 million								
1	2007MK051PO001	Human Resources development	partial	0.04%	0.07%	0.00%	- violation of the policies and procedures for vehicles fleet usage	- action plan to remedy deficiencies regarding fleet cars contracts . - financial correction

C- FEAD 2014-2020

N°	Ref	Title	Reservation AAR 2015	2015 Error Rate (flat rate audit)	Reasons for Reservation	Actions to be taken in 2016
1	2014FR05FMOP001	FEAD	full	10%	- deficiencies of the MA/IB regarding adequate separation of functions, management verifications, audit trail and adequate anti-fraud measures	- action plan to remedy deficiencies in the MCS. - interruption of payments.

Exception case

N°	Ref	Title	Reservation AAR 2015	2015 Error Rate			Reasons for No Reservation
				MS	Validated	CRR	
1	2007ES052PO007	Cataluña	No reservation	9.51%	11.19%	2.34%	<p>The OP was already in reservation last year. The 2015 ACR refers to expenditure declared in 2014. The high error rate is then mostly due to errors in operations pre-action plan and for which the actions addressing the problems identified have been implemented effectively and financial corrections applied.</p> <p>The error rate for pre-action plan expenditure is set at 18.87 % and financial corrections have been applied and the error rate for new expenditure post action plan is 1.76%</p> <p>Taking into account the error rate on new expenditure for 2015 and the additional financial corrections implemented in Q1 2016 would lead to an estimated CRR below 2%.</p> <p>As the issues detected last year have been solved and financial corrections applied, it is therefore not necessary to maintain the OP in reservation.</p>

ANNEX 11:Not applicable

ANNEX 12: Performance Tables

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A. General Objectives to which EMPL contributes

General objective 1: Creation of more and better jobs accessible to all

General comment: data for most impact indicators is available up to 2014 (source: Eurostat).

Milestones and targets are those set in the Management Plan 2015.

General objective 1: Creation of more and better jobs accessible to all				<input checked="" type="checkbox"/> Programme-based (EaSI-PROGRESS, EaSI-Microfinance, REC, ESF, YEI, Prerogatives) <input checked="" type="checkbox"/> Non-programme based	
External factors: The policies pursued by EMPL aim at more and better jobs accessible to all. The selected impact indicators are shaped by many other factors with strong effects; key among these are the macro-economic situation, with the current and expected GDP growth in the EU and the linked rest-of-world GDP growth being uppermost. Furthermore, nearly all the policy levers are in the hands of the Member States and subject to many sometimes conflicting demands including fiscal constraints					
Impact indicator 1: Employment rate <i>Definition:</i> The number of persons (females, males) aged 20-64 in employment as a share of the total population (females, males) of the same age group. Employment contributes to economic performance, quality of life and social inclusion, making it one of the cornerstones of socioeconomic development. <i>Source:</i> Eurostat (t2020_10, lfsi_emp_a, lfsa_ergan, hlth_dlm010)					
Baseline (2012) and latest known results				Target (2020)	
	2012	2013	2014		2020
Total (20-64)	68.4%	68.4%	69.2%	Total (20-64)	75%
Youth (15-24)	32.5%	32.1%	32.5%	Youth (15-24)	37.5%
Older workers (55-64)	48.7%	50.1%	51.8%	Older workers (55-64)	55%
Migrants	62.1%	61.8%	62.9%	Migrants	67%
Disabled	38.7%	NA	NA	Disabled	45%
Women	62.4%	62.6%	63.5%	Women	70%
Impact indicator 2: NEETs rate¹⁰ (age group 15-24) <i>Definition:</i> Percentage of the population (15-24) who is not employed and not involved in further education or training. The proportion of young people neither working nor studying offers an insight into how well economies manage the transition between school and work ensuring a quality job to young people who have completed their education. <i>Source:</i> Eurostat (edat_lfse_20)					
Baseline (2012) and latest known results			Milestone (2015)	Target (2020)	
2012	2013	2014	12%	10% (Key policy goal for next years)	
13.2%	13.0%	12.5%			
Impact indicator 3: Long term unemployment rate <i>Definition:</i> The long term unemployment rate is the share of unemployed persons since 12 months or more in the total number of active persons in the labour market. Long-term unemployed people have more difficulties finding work than those unemployed for shorter periods. They also face a high risk of social exclusion. <i>Source:</i> Eurostat (une_ltu_a)					
Baseline (2012) and latest known results			Milestone (2015)	Target (2020)	
2012	2013	2014	4.5% ¹¹	2.5% (Key policy goal for next years)	
4.7%	5.1%	5.1%			

¹⁰ "Not in Education, Employment, or Training"

¹¹ MP2014 milestone adjusted as the current level of long-term unemployment is at 5.1%

Impact indicator 4: Incidence rate of non-fatal serious accidents at work (number of accidents per 100,000 workers)

Definition: An accident at work is "a discrete occurrence in the course of work which leads to physical or mental harm". The data include only accidents involving more than 3 calendar days of absence from work, also called 'serious accidents'. The incidence rate is the indicator showing the relative importance of serious accidents at work in the working population. This indicator provides an indication of the impact of EU and national health and safety policies.

Source: Eurostat (hsw_n2_01, for eu27)

Baseline (2011) and latest known results			Milestone (2015)	Target (2020)
2011	2012	2013	<1500	<1350
1694.5	1553.6	1511.2		

Impact indicator 5: Share of working age employees involuntarily in temporary contracts (20-64¹²)

Definition: Share of employees (20-64) working on fixed-term contracts 'involuntarily', in the sense that they were unable to find permanent employment. The indicator is relevant in terms of the quality of the jobs in the EU labour market. Men and women employed on a fixed-term basis tend to be in a more uncertain and precarious position than those with more standard types of contract.

Source: Eurostat (lfsa_etgar)

Baseline (2011) and latest known results			Milestone (2015)	Target (2020)
2012	2013	2014	60%	55%
65.1%	66%	66.2%		

Impact indicator 6: Satisfaction with working conditions

Definition: Working conditions may be defined as working time, work organisation, health and safety at work, employee representation and relation to their employer. Since working conditions are key in terms of productivity as well as of quality, fairness and sustainability of jobs in Europe, measuring satisfaction enables monitoring long-term trends in Europe and anticipating policy needs at national and European level. The indicator relies on an evaluation of working conditions in the main paid job as a source of satisfaction (based on the European Working Conditions Surveys "very satisfied", "satisfied", "not very satisfied", and "not at all satisfied"). This indicator measures "the quality" of jobs existing and newly created under an adequate and clear legislative framework.

Source: Eurofound European Working Conditions Survey 2000, 2005, 2010, 2015, 2020

Baseline (2010)		Milestone (2015)	Target (2020)
2010	2015	27% very satisfied	30% very satisfied
25% very satisfied	not yet available		

Impact indicator 7: Share of the working poor (in-work at-risk-of-poverty-rate for population aged 18-64)

Definition: In-work poverty is measured as the share of individuals aged 18-64 who were employed for more than half year and whose household income is below the poverty threshold. It depends on the household composition and income and on the working situation of individuals. Transitions from part-time to full-time, from temporary to permanent jobs and to higher pay levels help individuals out of poverty.

Source: Eurostat (ilc_iw01)

Baseline (2012) and latest known results			Milestone (2015)	Target (2020)
2012	2013	2014	8%	6%
9.0%	9.0%	9.6%		

Impact indicator 8: Dispersion (variance) of employment rates between regions (NUTS II) of the population 20-64 years

Definition: The dispersion of employment rates is the coefficient of variation of regional employment rates. This indicator measures the spread of regional employment rates as regards the national or EU employment rate. An increase in dispersion indicates larger disparities, while smaller dispersion shows better cohesion between regions.

Source: Eurostat (lfst_r_lfe2emppt)

Baseline (2012) and latest known results			Milestone (2015)	Target (2020)
2012	2013	2014	Reduction of the variance to 60 (by increasing the employment rates)	Reduction of the variance to 50 (by increasing the employment rates)
70.2	78.3	75.7		

¹² The data set was adjusted to the age range 20-64 (from 15-64) to be consistent with Europe 2020

General objective 2: A skilled and more entrepreneurial workforce stimulating job creation.

General objective 2: A skilled and more entrepreneurial workforce stimulating job creation.				<input checked="" type="checkbox"/> Programme-based (EaSI-PROGRESS, EaSI-Microfinance, EGF, Erasmus+, ESF, Prerogatives) <input checked="" type="checkbox"/> Non-programme based	
<p>External factors: The policies pursued by EMPL aim at creating a skilled and more entrepreneurial workforce. The selected impact indicators are influenced by numerous other factors with previous policy enactment being a key one for the 30-34 age cohort. The autonomous behaviour of firms and workers substantially affects engagement in LLL. Education policy is even more in the hands of Member States with very limited competences at the EU level and subject to conflicting demands including fiscal constraints.</p>					
<p>Impact indicator 9: Tertiary educational attainment (age group 30-34) <i>Definition:</i> The share of the population aged 30-34 years who have successfully completed university or university-like (tertiary-level) education. Higher educational attainment levels increase employability in the context of a knowledge-based economy. <i>Source:</i> Eurostat (t2020_41)</p>					
Baseline (2012) and latest known results			Milestone (2016 ¹³)	Target (2020)	
2012	2013	2014	38%	Above 40% (EU 2020 target)	
36.0%	37.1%	37.9%			
<p>Impact indicator 10: Early leavers from education and training (age group 18-24) <i>Definition:</i> Percentage of the population aged 18-24 with at most lower secondary education and who were not in further education or training during the last four weeks preceding the LFS survey. Education is critical to promote the quality of job creation. Having an adequate education is crucial also for smoothly entering the labour market, as young adults who lack a basic education are more likely to be unemployed or inactive, working in low-wage jobs, or are less likely to progress in their career. <i>Source:</i> Eurostat (t2020_40)</p>					
Baseline (2012) and latest known results			Milestone (2016 ¹⁴)	Target (2020)	
2012	2013	2014	11.5%	Below 10% (EU 2020 target)	
12.7%	11.9%	11.2			
<p>Impact indicator 11: Share of adult population (aged 25-64) participating in lifelong learning <i>Definition:</i> Share of persons aged 25 to 64 who stated that they received education or training in the four weeks preceding the survey (LFS). Regular lifelong learning prevents skills obsolescence and depreciation over time. <i>Source:</i> Eurostat (trng_lfs_01)</p>					
Baseline (2012)			Milestone (2015)	Target (2020)	
2012	2013	2014	11% ¹⁵	>15% in 2020	
9.0%	10.5	10.7			
<p>Impact indicator 12: Share of high-skilled self-employed (aged 25-64) over total employment <i>Definition:</i> Share of self-employed with tertiary educational attainment in total employment, age group 25-64 years. It indicates the extent a society disposes innovative entrepreneurship. <i>Source:</i> Eurostat (lfsa_esgaed, lfsa_egan)</p>					
Baseline (2012)			Milestone (2015)	Target (2020)	
2012	2013	2014	5.3%	6%	
4.8%	4.9%	5.1%			

¹³ The selected milestone year differ from the other impact indicators to ensure alignment with DG EAC

¹⁴ The selected milestone year differ from the other impact indicators to ensure alignment with DG EAC

¹⁵ There is a break in series in 2013, The level in 2013 is at 10.5%

General objective 3: Increased geographic and professional mobility in a dynamic and integrated EU labour market.

General objective 3: Increased geographic and professional mobility in a dynamic and integrated EU labour market.				<input checked="" type="checkbox"/> Programme-based (EaSI-EURES, ESF, Prerogatives) <input checked="" type="checkbox"/> Non-programme based	
<p>External factors: The policies pursued by EMPL aim at Increased geographic and professional mobility in a dynamic and integrated EU labour market The selected impact indicators are shaped by many other factors with strong effects; key among these are the labour market demand, push and pull factors in the various origin and destination countries of intra-EU movers such as macro-economic developments in the short but also medium run and in particular differences in income levels across countries and regions; Member States' policies and the overall political climate related to free movement of workers but also migration from outside of the EU.</p>					
<p>Impact indicator 13: Share of mobile EU citizens in % of the labour force (EU-28, age group 20-64) <i>Definition:</i> The indicator proposed reflects the overall extent of residential mobility across EU countries for labour market purposes. It measures the 'stock' of EU mobile workers as no reliable indication of annual flows is available. Analysis of past trends of mobility shows well that the indicator has been on the rise following the large increase in mobility flows from 2004 on. Comparison with other large economic block (typically the USA) confirms that comparable indicator reaches a higher level compare to the EU where the objective is to increase cross-country labour mobility. <i>Source:</i> Eurostat, EU-LFS (lfsa_pganws). Mobile EU citizens defined as EU foreigners being economically active</p>					
Baseline (2012) and latest known results			Milestone (2015)		Target (2020)
2012	2013	2014	3.5%		4%
3.1%	3.2%	3.4%			
<p>Impact indicator 14: Employment Rate of mobile EU citizens (EU-28, age group 20-64) <i>Definition:</i> The employment rate of mobile EU citizens is a relevant indicator as they will contribute to increasing the overall employment rate (Europe 2020 targets). It also reflects their integration in the destination countries and indirectly their contribution to their economy and good labour market matching (as mobile workers contribute to filling the needs of the labour market). <i>Source:</i> Eurostat, EU-LFS (lfsa_ergacob).</p>					
Baseline (2012)			Milestone (2015)		Target (2020)
2012	2013	2014	69%		72%
68.6% ¹⁶	68.9%	70%			

¹⁶ The data set was adjusted to the age range 20-64 (from 15-64) to be consistent with Europe 2020.

General objective 4: Effective and efficient social protection systems supporting shared prosperity

General objective 4: Effective and efficient social protection systems supporting shared prosperity				<input checked="" type="checkbox"/> Programme-based (EaSI-PROGRESS, ESF, FEAD, Prerogatives) <input checked="" type="checkbox"/> Non-programme based	
<p>External factors: The policies pursued by EMPL aim at efficient and adequate social protection systems at all stages of a person's life through simplified and better targeted social policies complemented by affordable quality childcare and education, prevention of early school leaving, training and job assistance, housing support and accessible health care. The selected impact indicators are shaped by many other factors with strong effects; key among these are the macro-economic situation, with the current and expected GDP growth in the EU and the linked rest-of-world GDP growth having impact on household incomes. Existing fiscal constraints are also an important external factor. Furthermore, most policy levers influencing the impact of welfare spending on income distribution are in the hands of the Member States.</p>					
<p>Impact indicator 15: Population at risk of poverty or social exclusion (total population)¹⁷ <i>Definition:</i> This indicator corresponds to the share of individuals living at risk of poverty or severely materially deprived or living in households with very low work intensity. Effective, efficient and fair social protection systems help people getting back to work and support household income in case of adverse individual or economic situations. One way of evaluating the success of social protection measures is to compare at-risk-of-poverty indicators before and after social transfers. <i>Source:</i> Eurostat (ilc_peps01)</p>					
<i>Baseline (2012) and latest known results</i>				<i>Milestone (2015)</i>	<i>Target (2020)</i>
2012	2013	2014		Reduce by 5 million vs 2008 figure (i.e. to 110.7 million)	Reduce by 20 million vs 2008 figure (i.e. to 95.7 million) (EU 2020 target)
123.9	122.9	122.3			
<p>Impact indicator 16: Duration of working life <i>Definition:</i> The duration of working life indicator measures the number of years a person aged 15 is expected to be active in the labour market throughout his/her life. This indicator considers the average entry and exit age in the labour market and the stability of employment during working life. This indicator is key in defining the employment challenge linked to pensions in terms of finding a good balance between contributory years and retirement years or between contributors and beneficiaries. <i>Source:</i> Eurostat (lfsi_dwl_a)</p>					
<i>Baseline (2011) and latest known results</i>				<i>Milestone (2015)</i>	<i>Target (2020)</i>
2011	2012	2013	2014	35.3 years ¹⁸	36 years
34.7	35.0	35.2	35.3		
<p>Impact indicator 17: Income distribution (as measured by the Income quintile share ratio) <i>Definition:</i> The income quintile share ratio is a measure of the inequality of income distribution. It is calculated as the ratio of total income received by the 20 % of the population with the highest income (the top quintile) to that received by the 20 % of the population with the lowest income (the bottom quintile). Data on economic inequality become particularly important for estimating relative poverty, because the distribution of economic resources may have a direct bearing on the extent and depth of poverty. Effective, efficient and fair social protection supports the incomes of households at the bottom of the income distribution in case of adverse individual or economic situations. <i>Source:</i> Eurostat (ilc_di11)</p>					
<i>Baseline (2012) and latest known results</i>				<i>Milestone (2015)</i>	<i>Target (2020)</i>
2012	2013	2014		4.8	4.5
5.0	5.0	5.2			

¹⁷ At risk of poverty or social exclusion, abbreviated as AROPE, refers to the situation of people either at risk of poverty, or severely materially deprived or living in a household with a very low work intensity. The AROPE rate, the share of the total population which is at risk of poverty or social exclusion, is the headline indicator to monitor the EU 2020 Strategy poverty target.

¹⁸ Updated based on the evolution of this indicator

Impact indicator 18: Dispersion (variance) of at-risk-of-poverty or social exclusion (AROPE) rates between EU countries

Definition: This indicator corresponds to the coefficient of variation of national at-risk-of-poverty or social exclusion rates. It measures the spread of national at-risk-of-poverty or social exclusion rates as regards the EU employment rate. An increase in dispersion indicates larger disparities, while smaller dispersion shows better cohesion between Member States.

Source: Eurostat (ilc_peps01)

Baseline (2012) and latest known results				Milestone (2015)	Target (2020)
	2012	2013	2014	Reduction of the variance to 63 ²¹ by 2015 (by reducing AROPE)	Reduction of the variance to 55 by 2020 (by reducing AROPE)
EU	68.0 ¹⁹	63.9 ²⁰	46.9		

B. Specific objectives per ABB Activity

Employment, Social Affairs & Inclusion

Specific Objective 1 - Policy guidance and initiatives adequately reflect and support EU priorities and are implemented through coordination and governance of employment and social policies reforms

Relevant general objective(s): 1, 2, 3 and 4						
Specific objective 1: Policy guidance and initiatives adequately reflect and support EU priorities and are implemented through coordination and governance of employment and social policies reforms.				<input checked="" type="checkbox"/> Programme-based (EaSI-PROGRESS, Erasmus+, REC) <input checked="" type="checkbox"/> Non-programme based		
Result indicator 1: Level of implementation of the employment and social policy components of the Country Specific Recommendations (CSRs), based on a disaggregation by priorities of each CSR.						
<p><i>Definition:</i> The European Semester represents a yearly cycle of economic governance and country specific surveillance. Each year, the European Commission undertakes a detailed analysis of EU Member States' programmes for economic and structural reforms and provides them with recommendations for the next 12-18 months. In respect of Treaty obligations, the first scope of action for EMPL is to foster coordination and governance of employment and social policies within the European Semester. One of the main policy instruments for this purpose is the issuance of CSRs and Staff Working Documents (SWDs) monitoring progress in the implementation of CSRs from previous years.</p> <p>The Commission considers that the implementation of the employment and social policy reforms as provided for in the CSRs is instrumental in ensuring the implementation of EU priorities. The percentage of CSRs from the previous year in the field of employment and social policies which have been partially or completely complied with provides an indicator on the effectiveness of the policy guidance, coordination and governance by the European Commission.</p> <p>External factors are however important, as Member States are ultimately responsible for the implementation of CSRs.</p> <p>The indicator measures the level of implementation of CSRs from the previous year, as assessed in the SWDs for the ongoing year. Progress is considered when "some", "substantial" or "full" progress has been achieved according to the SWD. CSRs with "limited" progress only are excluded. Progress is measured specifically in the four priorities of EMPL: skills, mobility, more and better jobs and social protection systems. In order to ensure the disaggregation by priorities, the CSRs are split into their specific components for the calculation.</p> <p><i>Source:</i> European Commission_EMPL_A1</p>						
Baseline (2014)				Milestone (2017)	Target (2020)	
	2014		2015		80% partial or complete implementation in each of the four priorities	100% of the CSRs in the employment and social policy field partially or fully complied with
	No CSRs	Some or full progress	No CSRs	Some or full progress		
More & better jobs	105	55%	66	52%		
Skills	48	46%	57	53%		
Mobility	16	25%	15	53%		
Social protection systems	72	37%	52	42%		

¹⁹ Calculation reviewed in MP2015

²⁰ Correction versus AAR2014

²¹ Milestone reviewed from 65 to 63 in MP2015

<p>Result indicator 2: Declared gain of better understanding of EU policies and legislation <i>Definition:</i> Share of participants in the events declaring that they have gained a better understanding of EU policies and objectives as a result of an EaSI-funded activity (by thematic section). It provides an indication of the contribution of EaSI to effective and inclusive information sharing, mutual learning and dialogue. <i>Source:</i> European Commission_EMPL_EaSI survey (every two years)_F3</p>				Supported by the programme "EaSI-PROGRESS"	
Baseline (2012) and latest known results			Milestone (2017)		Target (2020)
2012	2013	2014	Maintain results over 85%		Maintain results over 85%
92%	92%	91%			
<p>Result indicator 3: Active collaboration and partnership between government institutions of the EU and Member States²² <i>Definition:</i> Share of officials working in national, regional and local government institutions indicating that they collaborate actively with government institutions of the EU. It provides an indication of the contribution of EaSI to greater capacity of national and EU organisations. <i>Source:</i> European Commission_EMPL_EaSI survey (every two years)_F3</p>				Supported by the programme "EaSI-PROGRESS"	
Baseline (2012) and latest known results			Milestone (2017)		Target (2020)
2012	2013	2014	Maintain results over 85%		Maintain results over 85%
87%	91%	86%			
<p>Result indicator 4: Declared use of social and labour market policy innovation in the implementation of social CSRs and the results of social policy <i>Definition:</i> Reported use of social policy innovation as a tool to design and catalyse social policy reforms for better economic and social outcomes. This will be checked against the references to the use of social policy innovation as reflected in the NRP/NSR and the Semester multilateral surveillance reviews in the SPC as well as the uptake of social policy innovation in the ESF/OPs <i>Source:</i> European Commission_EMPL_EaSI survey (every two years)_F3</p>				Supported by the programme "EaSI-PROGRESS"	
Baseline (2014)			Milestone (2017)		Target (2020)
62%			64%		Over 65% of participants
<p>Result indicator 5: Implementation of European Transparency tools in vocational education and training (ECVET and EQAVET) <i>Definition:</i> <i>ECVET:</i> Number of countries having introduced units in all or part of their VET qualifications, as promoted by the European Credits for Vocational Education and Training (ECVET)²³ <i>EQAVET:</i> Number of countries having established a national approach to quality Assurance in line with the European Quality Assurance for Vocational Education and Training <i>Source:</i> ECVET: Cedefop monitoring survey – EQAVET: secretariat survey_E3</p>				Supported by the programme "Erasmus+"	
Baseline (2013) and latest known results			Target (2020)		
	2013	2015	ECVET: 28 MS EQAVET: 28 MS		
ECVET	10	22			
EQAVET	23	26			

²² As declared by officials working in national, regional, or local government institutions who responded to the annual survey

²³ Following the 2014 ECVET evaluation and Cedefop monitoring exercise it appears that the introduction of units in VET qualifications is a more objective indicator than policy commitments.

Specific Objective 2 - An adequate and clear legislative framework that (1) ensures quality jobs for adaptable workers and enterprises, as well as proper and fair conditions for growth and jobs creation and (2) promotes the free movement of workers whilst assisting Member States to tackle risks of distortions and abuses

Relevant general objective(s): 1 and 3									
Specific objective 2: An adequate and clear legislative framework that (1) ensures quality jobs for adaptable workers and enterprises, as well as proper and fair conditions for growth and jobs creation and (2) promotes the free movement of workers whilst assisting Member States to tackle risks of distortions and abuses. ²⁴							<input checked="" type="checkbox"/> Programme-based (EaSI-PROGRESS, prerogatives) <input checked="" type="checkbox"/> Non-programme based		
Ensuring quality jobs for adaptable workers and enterprises, as well as proper and fair conditions for growth and jobs creation									
Result indicator 6: Percentage of Complaints, EU PILOT and Infringement procedures handled within Commission benchmarks									
<p><i>Definition:</i> The above two indicators reflect the effectiveness of the Commission's services in relation to both monitoring of the transposition and application of the EU law.</p> <p><i>Sub-Indicator 1:</i> Percentage of complaints registered in CHAP system successfully handled by the Commission within the benchmark set by the Secretariat General (1 year)</p> <p>Any person or organisation may submit a complaint about any measure (law, regulation or administrative action), absence of measure or practice by a Member State which they consider incompatible with respective Union law. As a general rule, the Commission will investigate complaints with a view to arriving at a decision to issue a formal notice or to close the case within not more than one year from the date of registration of the complaint. After investigating the complaint, which may include a consultation of the national authorities in the EU Pilot system, the Commission may either issue a formal notice opening proceedings against the Member State in question, or close the case definitively.</p> <p><i>Sub-Indicator 2:</i> Percentage of complaints registered in EU Pilot successfully handled within the benchmark set by the Secretariat General (70 days)</p> <p>EU Pilot is the main tool for the Commission to communicate with the participating Member States on issues raising a question concerning the correct application of EU law or the conformity of the law in a Member State with EU law at an early stage (i.e. before an infringement procedure is launched under Article 258 TFEU, but after the preliminary analysis of the complaint in CHAP). If no solution compatible with EU law is found in a communication with EU Member State, an infringement proceeding under Article 258 TFEU may be launched. The objective of EU Pilot is to achieve speedier results and to find solutions compatible with EU law for citizens and business through better cooperation between the Member States and the Commission without the need to launch infringement procedures under Article 258 TFEU. The benchmark for the Commission is to reply to the Member State (either rejecting the reply or accepting it) within 70 days of receipt of their observations on the issue raised by the Commission.</p> <p><i>Sub-Indicator 3:</i> Percentage of non-compliance procedures registered in NIF system successfully handled within the benchmark set by the Secretariat General (3 years). The NIF system is the IT tool for the Commission's infringements (letters of formal notice, reasoned opinions, referrals and closures). The benchmark is to conclude a case in NIF within 3 years of registration.</p> <p><i>Source:</i> European Commission_Semestrial coherence exercise_EMPL B2/B3</p>									
Baseline (2012)and latest known results							Target (2020)		
	2012		2013		2014		2015		100% of cases concluded within the benchmark set by the Secretariat General
	(01)	(02)	(01)	(02)	(01)	(02)	(01)	(02)	
Complaints	82%	95%	62%	100%	90%	97%	95.8%	100%	
EU-Pilot	22.2%	20%	84.4%	33%	58.3%	57%	42.8%	28%*	
Infringements	84.3%	100%	81%	88%	81.3%	75%	83.7%	90%	
(01) Labour Law (02) Health & Safety *The performance in 2015 as regards the management of the EU Pilot files was affected by their complex nature which required multiples requests for information to the national authorities with a view to clarify the relevant factual and legal aspects.									

Supported by EaSI-PROGRESS

²⁴ Some formulations were reviewed to take into consideration the requirements to improve the performance framework of non-sending activities and following the appointment of the new Commission.

Result indicator 7: Number of complaints and Infringement procedures										Supported by "EaSI-PROGRESS"
<p><i>Definition:</i> The absolute number per year of complaints launched and registered in CHAP system, and the absolute number of non-compliance and infringement procedures registered in NIF system. The indicator reflects the number of non-compliance procedures and the number of raised (relevant or non-relevant) complaints on the measure or absence of a measure or practice considered incompatible with EU legislation by complainant, in relation to both the monitoring of the transposition and application of the EU law.</p> <p><i>Source:</i> European Commission_Semestrial coherence exercise_EMPL B2/B3</p>										
Baseline (2012) and latest known results					Target (2020)					
	2012		2013		2014		2015		Improvement of implementation of EU Law (reduction in a longer term of the number of cases)	
	(01)	(02)	(01)	(02)	(01)	(02)	(01)	(02)		
Complaints	89	22	218	21	284	68	316	21		
Infringements	51	12	22	17	43	1	44	14		
(01) Labour Law (02) Health & Safety										
Promoting the free movement of workers whilst assisting Member States to tackle risks of distortions and abuses										
Result indicator 8: Percentage of Complaints, EU PILOT and Infringement procedures handled within Commission benchmarks										by prerogative
<p><i>Definition:</i> see indicator 6</p> <p><i>Source:</i> European Commission_Semestrial coherence exercise_EMPL D1</p>										
Baseline (2013)					Target (2020)					
Complaints	79%				100% of cases concluded within the benchmark set by the Secretariat General					
EU PILOT	42%									
Infringements	55%									
Result indicator 9: Number of complaints and Infringement procedures										Supported by "EaSI-PROGRESS"
<p><i>Definition:</i> see indicator 7</p> <p><i>Source:</i> European Commission_Semestrial coherence exercise_EMPL D1</p>										
Baseline (2012)					Target (2020)					
	2012	2013	2014	2015	Improvement of implementation of EU Law (reduction in a longer term of the number of cases)					
Complaints	186	181	211	225						
Infringements	15	12	18	5						
Result indicator 10: Number of visitors of the Coordination website per month										Supported by prerogatives
<p><i>Definition:</i> The number of visitors, as well as the specific pages visited, and links to/from the web pages, is an appropriate indicator of the pertinence and the added value of the Coordination website for EU citizens who intend moving/have moved to another Member States and need information on their social security protection.</p> <p><i>Source:</i> European Commission_EMPL R3 - EMPL D1</p>										
Baseline (2012) and latest know results					Milestone (2017)			Target (2020)		
2012	2013 (Aug. to Dec.)* ²⁵		2014 (Jan. to Aug.)*		105 100			150 000 ²⁶		
68 900	24.888		41.569							

²⁵ Please note that there has been a change in the data gathering tool and there is no data in Europa Analytics before Aug. 2013 and between Aug. 2014 and Dec. 2014 inclusive. This indicator will be revised in the next Management Plan.

²⁶ Target set on the basis of historical data

Specific Objective 3 - Transparent information on job vacancies and applications and effective services for the recruitment and placing of workers facilitates geographic and professional mobility

Relevant general objective(s): 3					
Specific objective 3: Transparent information on job vacancies and applications and effective services for the recruitment and placing of workers facilitates geographic and professional mobility²⁷ <input checked="" type="checkbox"/> Programme-based (EaSI-EURES)					
Result indicator 11: Number of visits of the EURES platform (monthly average in million)					
<i>Definition: The indicator reflects the number of visits to the platform, the "first port of call" at European level, by jobseekers and, to a lesser extent, of employers. Alterations in the number of visits allow measuring the demand for information on labour mobility.</i>					
<i>Source: European Commission EMPL D1 Indicator measured with Google Analytics²⁸</i>					
Baseline (2013) and latest known results			Milestone (2016)	Target (2020)	
2013	2014	2015	1.5 million	2 million	
0.85	0.7	1.4			
Result indicator 12: Number of youth job placements achieved or supported under the Preparatory Action Your First EURES Job (YfEj) as well as under Targeted Mobility Schemes (cumulative figure)²⁹					
<i>Definition: This indicator reflects the contribution of the EURES axis in terms of job placements and serves as a key performance indicator and reflects the results of EMPL's support and guidance activities.</i>					
<i>Source: Preparatory action monitoring - EMPL D1</i>					
Baseline (2013) and latest know results			Milestone (2016)	Target (2020)	
2013	2014 (Q3)	2015	5000 ³⁰	15.000	
1950	3200	4950			
Result indicator 13: Number of individual personal contacts of EURES advisers with jobseekers, job changers and employers					
<i>Definition The figure presents the performance of staff working within the different actors (e.g. public employment services, trade unions, etc.) in the EURES network, in particular presenting contacts with jobseekers as well as employers. Variations in the number of contacts reflect changes in the outreach of the network which notably results from EMPL's support and guidance activities.</i>					
<i>Source: European Commission EMPL D1 Eures Advisors' Monthly Reports</i>					
Baseline (2012) and latest know results				Milestone (2016)	Target (2020)
2012	2013	2014	2015	1.200.000	1.400.000 ³¹
1.019.852	1.055.936	947 489	1.058 874		

²⁷ This formulation replaces the specific objective used in 2014 and 2015 Programme Statements ("Promote workers' voluntary geographical mobility on a fair basis and boost employment opportunities by developing high-quality and inclusive Union labour markets that are open and accessible to all, while respecting workers' rights throughout the Union, including freedom of movement.")

²⁸ Previously, statistics of the EURES portal were taken from another tool (SAS WebHound). To increase the reliability of the information which was biased by artificial robot visits, EMPL has worked towards using Google Analytics which is now fully operational since May 2012.

²⁹ The previously used indicator "Number of placements made through the EURES Job Mobility Portal" was an estimate based on a survey carried out as part of the external evaluation of EURES between 2006 and 2008. As this information cannot be reported in a reliable manner to the Commission, it was decided to replace this indicator by the number of youth job placements achieved under "Your first EURES Job", a targeted mobility scheme which is now an integral part of the EURES axis and is fully implemented by EURES organisations. As this action is monitored on a regular and reliable basis, this will better reflect the contribution of the EURES axis in terms of job placements. This change was implemented in the AAR2014 and Programme Statement 2016

³⁰ This milestone was increased to 7000 in EMPL's Strategic Plan 2016-2020

³¹ Strategic goal of the Commission – target set on the assumption that the 2012 EURES Decision is properly implemented as from 01/01/2014)

Specific Objective 4 - Increased availability and accessibility of microfinance for vulnerable people who wish to start up a micro-enterprise as well as for existing micro-enterprises and increase access to finance for social enterprises

Relevant general objective(s): 1 & 2									
Specific objective 4: Increased availability and accessibility of microfinance for vulnerable people who wish to start up a micro-enterprise as well as for existing micro-enterprises and increase access to finance for social enterprises								<input checked="" type="checkbox"/> Programme-based (EaSI-Microfinance)	
Result indicator 14: Number of business created or consolidated that have benefitted from EU support³² (cumulative figures)									
<i>Definition: Lack of access to finance is often a difficult obstacle for a micro-enterprise or a social enterprise to face when being created or consolidated. The Commission considers the provision of microloans and social enterprise investments an important factor in achieving the specific objectives of increasing the access to, and the availability of, microfinance for micro-enterprises and facilitating the access to finance for social enterprises.</i>									
<i>Source: European Commission_Progress Microfinance implementation reports - EMPL EI</i>									
Baseline (2012) and latest know results					Milestone (2017)			Target (2020)	
	2012	2013	2014	2015	Progress Microfinance	40.000 ³⁴	Progress Microfinance	46.000	
Progress Microfinance ³³	6.089	12.690	30.473	45.987	EaSI	21.000	EaSI	41.000 ³⁵	
EaSI	NA	NA	0	0					
Social Enterprises:					500 social enterprises ³⁷			1350 social enterprises	
2012	2013	2014	2015						
0 ³⁶	0	0	0						
Result indicator 15: Proportion of beneficiaries that have created or further developed a business with EU microfinance that are unemployed or belonging to disadvantaged groups									
<i>Definition: Vulnerable persons, such as unemployed or members of a disadvantaged group often have a more difficult access to the conventional credit market. The provision of microloans to these groups helps in increasing their access to microfinance and their ability to start up or develop their own micro-enterprise.</i>									
<i>Source: European Commission_Progress Microfinance implementation reports - EaSI Regulation - EMPL EI</i>									
Baseline (2011) and latest know results ³⁸					Milestone (2017)		Target (2020)		
2011	2012	2013	2014	2015	45%		50%		
40%	32%	59%	61.2%	48.7%					

³² The EaSI Regulation 1296/2013 defines the type of support that can be made available under EaSI i.e. a microcredit as well as social enterprise investments and the type of final recipients (cf. definition of micro-enterprises social enterprises) that can benefit from it.

³³ For Progress Microfinance, the target is in microloans, not final recipients.

³⁴ 46.000 is the official target for Progress Microfinance by 2020, i.e. when the facility closes. The milestone of 40.000 is an estimate which is not officially established.

³⁵ The target has been based on the past experience with Progress Microfinance. Milestone and target are both subject to change, as the final budget, the required leverage and the potential co-investments are unknown at this stage.

³⁶ There was no such support offered by the European Commission to social enterprises in the past.

³⁷ This calculation is based on the total volume of the guarantees and funded instruments funds, multiplied by the expected leverage and divided by an average investment size of 200.000 euros per social enterprise. For the funded instruments, an expected co-investment of 20 million euros was taken into account. In addition, this target is set taking into account a slower take-off of the instruments and a more accelerated disbursement after the first three years. Please note that the target is subject to change, as the final budget, the required leverage and potential co-investments are unknown at this stage.

³⁸ The provided information only relates to Progress Microfinance as the delegation agreement with the EIF for EaSI financial instruments was signed on 22/06/2015 while the vast majority of the availability periods provided to Financial Intermediaries under EaSI have starting dates after October 2015.

Specific Objective 5 - The role of social dialogue is strengthened and results in the adoption of adequate agreements between the social partners

Relevant general objective(s): 1, 2 and 4					
Specific objective 5: The role of social dialogue is strengthened and results in the adoption of adequate agreements between the social partners <input checked="" type="checkbox"/> Programme-based (Prerogatives)					
Result indicator 16: Share of the workforce covered by sectoral social dialogue committees					
<i>Definition: The indicator provides a measure of the relevance of sectoral social dialogue committees for the EU labour market and economy. The aim is to increase this share while seeking economies in the operation of social dialogue.</i>					
<i>Source: European Commission EMPL-A2 calculations based on representativeness studies</i>					
Baseline (2013) and latest known results			Milestone (2017)		Target (2020)
2013	2014	2015	76%		78%
75% ³⁹	75%	75 ⁴⁰			
Result indicator 17: Social dialogue outcomes					
<i>Definition: The indicator measures social dialogue output on the basis of the number of joint texts (this includes procedural texts, follow-up reports, tools, declarations, joint opinions, policy orientations, codes of conduct, guidelines, frameworks of actions, autonomous agreements, agreements Council Decisions) agreed between social partners in a given year at either sectoral or cross-industry level. It provides a measure for the level of activity of EU social dialogue which depends on the activities of the social partners and on the Commission support.</i>					
<i>Source: European Commission EMPL A2 database</i>					
Baseline (total period 2007-2013) and latest known results				Target (total period 2014-2020)	
2007-2013	2014-2015		300		
284	77				

Specific Objective 6 - Contribute to the international promotion of core labour standards, decent work and the social dimension of globalisation

Two Employment and Social Reform programmes (ESRP) were concluded (Montenegro, Serbia), one pending parliamentary approval (Serbia). Progress in FYRoM and Turkey. At the same time, integration of ESRPs in new Economic Governance agreed for 2016 to improve labour market functioning in enlargement countries.

To address shortcomings in the implementation of core labour standards, all FTAs under negotiation and concluded contained a sustainability chapter (SD) and follow-up addresses challenges, progress and shortcomings as well as actions to address these.

Four bilateral seminars/conferences with strategic partners could be held (Japan, China, US), including to foster mutual learning. One was postponed to February 2016 and one cancelled by our partner country.

Only one high level meetings with International organisations took place (ILO), two others have been postponed to 2016.

³⁹ There are currently 43 SSDC

⁴⁰ No new sectoral social dialogue committees were established in 2014 & 2015

Relevant general objective(s): 1		
Specific objective 6: Contribute to the international promotion of core labour standards, decent work and the social dimension of globalisation⁴¹		<input checked="" type="checkbox"/> Programme-based (EaSI-PROGRESS) <input checked="" type="checkbox"/> Non-programme-based
Result indicator 18: Inclusion of sustainable development chapter and follow-up mechanism with labour provisions in Free Trade Agreements (FTAs) and Investment Agreements		
<i>Definition: At EU level, sustainable development is an overarching objective which must be reflected in all EU policies.⁴² At bilateral level, the EU includes in its trade agreements comprehensive provisions devoted to sustainable development. Key elements include international labour standards. EMPL contributes to the promotion of trade as one of the drivers for economic and social development by not only promoting the Decent Work Agenda, but promoting other commitments to international standards in the area of labour (ILO conventions), to dialogue with social partners and various representatives of civil society, and to cooperate on employment and social affairs.</i>		
<i>Source: European Commission EMPL D3/DG TRADE</i>		
Baseline (2013) and latest known results		Milestone (2017)
2013	2014	Labour provisions in SD chapters of FTAs and Investment Agreements with US, Canada, India, Japan, Malaysia, Morocco, Mercosur, Thailand, Philippines and in the investment agreement negotiations with China and Myanmar.
In FTAs with South Korea, Peru, Colombia, Central America, Cariforum, Georgia, Republic of Moldova	Significant progress was made in TTIP ⁴³ , Japan, Republic of Korea, Mexico and Myanmar.	
2015		
Good progress on implementation of SD chapter in ratified FTA's, pre-ratification initiatives identified for initialled FTA with Vietnam. Progress on SD chapters in ongoing negotiations of FTA's (US, Japan)and investment agreements (China, Myanmar)		Target (2020)
100% FTAs and Investment Agreements should have labour provisions and follow-up mechanism. EMPL will contribute to the follow-up of their implementation.		

⁴¹ Some objectives formulations were reviewed following the appointment of the new Commission and the definition of new priorities.

⁴² It was recognised first in the EU Sustainable Development Strategy adopted by the European Council in 2006 and then integrated into the Lisbon Treaty stipulating that sustainable development is a core value of the Union, guiding both its internal and its external action.

⁴³ Transatlantic Trade and Investment Partnership

Result indicator 19: Outcomes of international negotiations, debates and dialogues reflect EU objectives on employment, social affairs and inclusion

Definition: The need of a well-defined external dimension of employment and social policies has gained increasing importance to achieve the global efforts for economic and fiscal recovery. EMPL actively contributes to the global debate on employment and social issues in the international fora (ILO, OECD, G20 and wider UN context) to promote the Union's priority policies. Bilateral and regional cooperation activities ensure that EU objectives on employment, social affairs and inclusion are reflected in e.g. international agreements, policy frameworks and international strategies.

Source: European Commission EMPL D3

Baseline (2013)		Milestone (2017)	Target (2020)
2013	Commission contributions to preparatory work and positions on UN post 2015 framework for poverty eradication and sustainable development reflect importance of employment, social protection and decent work objectives. EU competences and policies on employment, social affairs and inclusion are taken up in preparatory discussions for the negotiation of international instruments, frameworks and outcomes and in bilateral dialogues with EU strategic partners.	UN Post 2015 framework for poverty eradication and sustainable development includes objectives, targets, indicators on employment, social protection and decent work.	EU objectives on employment, social affairs and inclusion are reflected in outcomes of discussions within international fora - in particular in G20, ILO, OECD and the UN Commission for Social Development - and with strategic partners.
2014	Work progressed as planned both in relation to free trade agreements (FTAs) and international forums and international organisations		
2015	Significant progress effectively realised by the adoption of the UN 2030 Agenda with goals and targets relevant for EMPL objectives.		

European Social Fund and Youth Employment Initiative

Specific Objective 1 - Prepare the conditions for effective implementation and monitoring of the ESF programmes of the 2014-2020 programming period

Specific objective: Prepare the conditions for effective implementation and monitoring of the ESF programmes of the 2014-2020 programming period			<input checked="" type="checkbox"/> Programme-based (ESF) <input checked="" type="checkbox"/> Non-programme based
Result indicator 20: Number of Operational Programmes (ESF and YEI specific – monofund and multifund) approved within the six month legal framework provided that all observations made by the Commission have been adequately taken into account.			
<i>Definition: Art. 29(4) of the CPR states that the Commission shall approve each programme no later than six months following its submission by the Member State, provided that any observations made by the Commission have been adequately taken into account. The Commission considers that the timely adoption of quality programmes is necessary for a successful implementation.</i>			
<i>Source: European Commission _EMPL F1</i>			
Baseline (2013) and latest known results			Target 2015
2013	2014	2015	100% ⁴⁴
NA	100%	100%	

Specific Objective 2 - Ensure continued effective implementation and monitoring of the ESF programmes of the 2007-2013 programming period.

Specific objective: Ensure continued effective implementation and monitoring of the ESF programmes of the 2007-2013 programming period.			<input checked="" type="checkbox"/> Programme-based (ESF) <input checked="" type="checkbox"/> Non-programme based								
Result indicator 21: Average number of ESF participants per year ⁴⁵											
<i>Definition: The ESF aims at improving job prospects for millions of Europeans, in particular those who find it difficult to get work. The average number of participants ensures that the use Member States make of the ESF is at least constant and at most, adapting to the needs in the field. A significant acceleration in the number of participants shows a higher use of ESF in a period of specific needs of help (as it took place, for example between 2009 and 2010).</i>											
<i>Source: European Commission _EMPL F1</i>											
Baseline (avg 00-06) and latest known results			Target (2015)								
	Avg 00-06	2007	2008	2009	2010	2011	2012	2013	2014	Avg 07-13	Annual average 2007-2013 is at least equal to the 2000-2006 average ⁴⁶
i) total no. of participations	10.8	1.4	6.9	11.5	16.3	16.1	16.3	15.7	14	12.3	
ii) % women	52%	54.7%	53.6%	49.7%	51.4%	52.1%	51.4%	53.1%	53.3%	52.1%	
iii) unemployed and inactive	5	1.1	5.1	7.4	10.3	10.4	10.9	11.1	9.2	8.2	
Result indicator 22: Reasonable assurance on the management of ESF expressed as the cumulative residual error rate											
<i>Definition: Annual error rates applied to interim payments minus financial corrections resulting in a residual risk expressed as a % of the cumulative payments. This indicator reflects that the Management and Control Systems put in place are working in order to ensure that the funds managed have a residual error rate below the 2% materiality threshold.</i>											
<i>Source: European Commission _EMPL G</i>											
Baseline (2013) and latest known results						Target (closure of the programming period)					
2013	2014	2015				Maintain < 2%					
1.1%	1.2%	0.9%									

⁴⁴ Out of the 187 ESF OPs expected, 128 have been adopted in 2014. The remaining OPs were adopted in 2015.22 OPs were adopted under the carry over procedure and 37 after the MFF amendment.

⁴⁵ Member States report on the number of participations to ESF projects and therefore one participant could take part in several actions.

⁴⁶ Due to the multiannual nature of the programme and the large annual variances, comparing to a full programming period is the most relevant approach

Fund for European Aid to the Most Deprived

Specific objective: Prepare the conditions for effective implementation and monitoring of the FEAD programmes of the 2014-2020 programming period

Specific objective: Prepare the conditions for effective implementation and monitoring of the FEAD programmes of the 2014-2020 programming period			<input checked="" type="checkbox"/> Programme-based (FEAD)
Result indicator 23: Number of FEAD Operational Programmes approved no later than six months after its submission by the Member State provided that all observations made by the Commission have been adequately taken into account			
<i>Definition: Art. 8(3) of the FEAD Regulation states that the Commission shall, by means of implementing acts, approve each operational programme no later than six months after its submission by the Member State provided that any observations made by the Commission have been adequately taken into account. The Commission considers that the timely adoption of quality programmes is necessary for a successful implementation and for achieving the objective of alleviating the worst forms of poverty in the Union.</i>			
<i>Source: European Commission_EMPL F1</i>			
Baseline (2013)			Target (2015)
2013	2014	2015	100% ⁴⁷
NA	89%	100%	

European Globalisation Adjustment Fund

Specific objective: To contribute to economic growth and employment in the Union by enabling the Union to show solidarity towards workers made redundant as a result of major structural changes in world trade patterns due to globalisation and global financial and economic crisis, and to provide financial support for their rapid reintegration into employment.

Specific objective: To contribute to economic growth and employment in the Union by enabling the Union to show solidarity towards workers made redundant as a result of major structural changes in world trade patterns due to globalisation and global financial and economic crisis, and to provide financial support for their rapid reintegration into employment.			<input checked="" type="checkbox"/> Programme-based (EGF)
Result indicator 24: Proportion of redundant workers reintegrated into employment following EGF supported measures			
<i>Definition: Percentage of the workers participating in the measures who are in employment six months after the end of the implementation period.</i>			
<i>Source: European Commission_EGF Report - EMPL F2</i>			
Baseline (2012) and latest known results			Target (2020)
2012	2013	2014	49%
47% ⁴⁸	(47%) ⁴⁹	49 %	
			>50 % ⁵⁰

⁴⁷ 25 out of the 28 national programmes were adopted in 2014. The three remaining OPs were adopted early 2015.

⁴⁸ Percentage of workers targeted that were re-employed at final reporting time. This is an average figure based on the five annual reports available (2008 to 2012). These results were heavily influenced by the global financial and economic crisis.

⁴⁹ Next EGF Biennial Report due in 2015

⁵⁰ The initial results were heavily influenced by the global financial and economic crisis. It is expected that the positive tendency shown in the reintegration rate results since 2011 will continue.

Instrument for Pre-Accession Assistance

Specific Objective 1- Support Candidates Countries to achieve the necessary level of administrative capacity for the future ESF implementation

Relevant general objective(s): 1 ⁵¹		
Specific objective 1: Support Candidate Countries to achieve the necessary level of administrative capacity for the future ESF implementation		<input checked="" type="checkbox"/> Spending programme (IPA)
Result indicator 25: Level of rejection of proposed operations / projects		
<i>Definition: This indicator is calculated by establishing the relation between rejected documents (tender or call for proposal file) and the overall number of documents submitted by the contracting authority to the Commission (EU Delegation) for ex-ante approval. It is part of the criteria candidate countries have to fulfil in order to achieve de-centralised management without ex-ante controls by the Commission. This is in accordance with Article 8(4) (c) of the IPA Implementing Regulation mentioning that the national authorities are required to provide a detailed roadmap with indicative benchmarks and time limits to achieve this objective. This indicator contributes to evaluate the effective functioning of the management and control system in accordance with the relevant Community and national rules.</i>		
<i>Source: Bi-annual Report of the EU Delegations - EMPL D3</i>		
<i>Baseline (06/2014) and latest known results</i>		<i>Target (2017)</i>
	06 2014	12 2015
Turkey	22.6%	17.6%
FYRoM	2.8%	7%
Montenegro	Implementation started in December 2014.	25%
<p>For the HRD OP Turkey, despite a decrease in the rejection rate when compared with the year 2014, contract notices, tender dossiers and call for proposals recorded the highest rejection rates. The majority of files were rejected due to lack of quality, sound financial management and for legality and regularity reasons. In the case of FYRoM, the rejection is mainly due to legality / regularity reasons or compliance with the principle of financial management and to the quality of the submitted documents. For the HRD OP Montenegro the fact that the ex-ante control started only in December 2014 explains the level of rejection rate which is mainly related to the poor quality of the submitted documents.</p>		Less than 10% rejection
Result indicator 26: Quality of the implementation		
<i>Definition: In line with the IPA implementing Regulation, the Commission shall satisfy itself that the beneficiary country's management and control systems are functioning effectively in order to be able to provide reasonable assurance that statements of expenditure presented to the Commission are correct and, as a consequence, reasonable assurance that the underlying transactions are legal and regular. The opinion on the functioning of the management and control system is given by the Audit and Control Directorate of EMPL. This indicator contributes to evaluate the effective functioning of the management and control system (MCS) and therefore the administrative capacity to manage the Human Resources Development Operational Programmes and IPA funds in accordance with the relevant Community and national rules.</i>		
<i>Source: Management Opinions - EMPL D3</i>		
<i>Baseline (2013 – status December)</i>	<i>2015 – status December</i>	<i>Target (2017)</i>
Turkey: "Works, but some improvements are needed" (category 2)	Works, but some improvements are needed (category 2)	Effective functioning of the MCS
FYRoM: "Works, but some improvements are needed" (category 2)	Works partially but significant improvements are needed (category 3)	Effective functioning of the MCS
MONTENEGRO: The implementation started in 2014.	Works, but some improvements are needed (category 2)	Effective functioning of the MCS

⁵¹ Appendix 1 provides brief explanations on the contribution of specific objective to general objectives

Specific objective 2: Ensure efficient concrete assistance to Candidate Countries for the implementation of IPA HRD component in employment, social affairs and equal opportunities policy areas

Relevant general objective(s): 1 ⁷⁷		
Specific objective 2: Ensure efficient concrete assistance to Candidate Countries for the implementation of IPA HRD component in employment, social affairs and equal opportunities policy areas		
Result indicator 27: Fulfilment level of initial procurement planning ((Total public cost of contracted projects))		
<i>Definition: The efficient implementation of the procurement planning plays a major role in programme implementation. By assessing the procurement plan, the Commission closely follows the progress in selecting contractors and grant beneficiaries. In case deviations and delays are detected, corrective measures are proposed to the authorities in charge of implementing the programmes.</i>		
<i>Source: Procurement planning - EMPL D3</i>		
Baseline (10/2014) and latest known results		Target (2017)
	10 2014	12/2015
Turkey	€ 208 million (33.3%)	€ 446 million (87.6%)
FYRoM	€ 19 million (29.8%)	€ 34.5 million (70.5%)
Montenegro	Implementation started in December 2014.	€ 2.4 million (36.3%)
<p>For FYRoM, the procurement plan is not efficiently implemented by the national authorities in charge of programme implementation. Frequent delays occur in the processing of procurement procedures and in contracting, particularly due to the lack of cooperation between the bodies constituting the Operating Structure and heavy bureaucratic procedures. For Montenegro, only 36.3 % of programme funds have been contracted by the end of 2015, but for 94.65 % of programme funds procedures have been launched. The level of contract signature is far below the target, but it is directly linked to the fact that programme implementation was in its starting phase in 2015. Delays are mainly due to difficulties in the tendering stage.</p>		100% of the procurement planning
Result indicator 28: Level of certified expenditure in relation to the automatic de-commitment horizon		
<i>Definition: The indicator relates to the expenditure which national authorities shall declare to the Commission for reimbursement in view of avoiding the application of the n+3 de-commitment rule. It is relevant to the objective as it gives indications about the national authorities' capacity to implement the HRD operational programmes according to the set timeline. If national authorities implement the operational programmes without funds being lost, this demonstrates efficient implementation.</i>		
<i>Source: Applications for payment - EMPL D3</i>		
Baseline (2014) and latest known results		Target (2017)
	10/2014	12/2015
Turkey	EUR 0* (target: EUR 77.6 million)	€ 0,51 million (target: € 83.19 million)
FYRoM	EUR 0.96 million* (target: EUR 8.8 million)	€ 5.85 million (target: € 10.29 million)
Montenegro	Implementation started in Dec. 2014	€ 0.65 million (target: € 2.78 million)
<p>The expenditure declared to the Commission for reimbursement in 2015 did not achieve the level of the 2012 financial commitments and therefore the n+3 automatic de-commitment rule had to be applied (€ 0.51 million are de-committed from the HRD OP Turkey, € 5.85 million are de-committed from the HRD OP FYRoM and € 0.65 million are de-committed from the HRD OP Montenegro by the end of 2015).</p>		Zero automatic de-commitments