



2017

Annual Activity Report

Annexes

**DG Regional and
Urban Policy**

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ANNEX 1: Statement of the Resource 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 2 of the present AAR and in its annexes is, to the best of my knowledge, accurate and complete

Brussels, 25 April 2018

Dana Spinant

"Signed"

¹ Communication to the Commission: Clarification of the responsibilities of the key actors in the domain of internal audit and internal control in the Commission; SEC(2003)59 of 21.01.2003.

ANNEX 2: Reporting – Human Resources, Information Management and External Communication

This annex is the annex of section 2.2 "Other organisational management dimensions".

Human resources

Objective: The DG deploys effectively its resources in support of the delivery of the Commission's priorities and core business, has a competent and engaged workforce, which is driven by an effective and gender-balanced management and which can deploy its full potential within supportive and healthy working conditions.		
Indicator 1: Percentage of female representation in middle management Source of data: DG HR		
Baseline (2015)	Target (2019)	Latest known results (end 2017)
43.2%	3 new appointments of female HoU, based on SEC(2017)505	37%
Indicator 2: Percentage of staff who feel that the Commission cares about their well-being Source of data: DG HR - Commission staff survey		
Baseline (2014)	Target (2020)	Latest known results (end 2016)
34% (EC average: 35%)	At least equal to the baseline or to the EC average, if higher	38% (EC average: 35%)
Indicator 3: Staff engagement index Source of data: DG HR - Commission staff survey		
Baseline (2014)	Target (2020)	Latest known results (end 2016)
66% (EC average: 65%)	At least equal to the baseline or to the EC average, if higher	69% (EC average: 64%)

As regards female representation in middle management, REGIO has consistently been a forerunner in the area. At the end of 2017, the representation was at 37%, close to the Commission average, compared to 40% at end 2016. This deterioration is mostly due to the implications of the Commission Decision on middle management staff mobility. The target set by the College in 2017 has been reached at the beginning of 2018.

Main outputs in 2017:			
Description	Indicator	Target	Latest known results
Workforce Planning exercise	Identification of workforce per priority area	March 2017	Workforce Planning analysis presented at the BoD on 20/3
	Assessment of staffing situation and implementation of workforce planning exercise	May 2017	monitoring and analysis of the staff allocation and its adaptation with the aim to ensure the standard level of administrative support
Training plan to be developed by the BC	Identification of training needs	March 2017	Training plan developed by HRBC
	Approval of training plan	April 2017	Training plan adopted by the BoD on 10/04
	Rolling out of training plan 2017	According to schedule	75% of trainings included in REGIO training plan delivered according to plan

Main outputs in 2017:			
Description	Indicator	Target	Latest known results
Internal mobility	Mechanisms for mobility to be reviewed by the BC and implemented in coordination with the AMC	New mobility policy defined by 1st semester 2017 33% of mobile staff	New mobility policy for 2017 approved by the BoD on 24/04. Remarkable results in its implementation, with 74% of the colleagues who were mobile in 2017 who have changed jobs by end year.
Follow-up of Commission staff satisfaction survey 2016	Definition of action plan addressing areas of concern identified through the survey		Delivery of actions to enhance staff satisfaction as specified in REGIO's Action Plan on Staff Satisfaction including well-being actions aligned with the EC-wide fit@work initiative, such as yoga, pilates, reiki sessions, and lunchtime conferences.

Better Regulation

Objective: Prepare new policy initiatives and manage the EU's acquis in line with better regulation practices to ensure that EU policy objectives are achieved effectively and efficiently.

Indicator 1: Percentage of Impact assessments submitted by REGIO to the Regulatory Scrutiny Board that received a favourable opinion on first submission

Source of data: REGIO monitoring data

Baseline (2015)	Target (2020)	Latest known results (2017)
N/A (no IA submitted in recent years)	Improvement compared to 2016 (i.e. no less than 68%)	N/A (no IA submitted in recent years)

Indicator 2: Percentage of the DG's regulatory acquis covered by ex-post evaluations and Fitness Checks not older than five years

Source of data: REGIO monitoring data

Baseline (2015)	Target	Latest known results (2017)
Ex-post evaluation covering 95% of REGIO's regulatory acquis (2007-2013 ERDF/CF assistance) ongoing	Ex-post evaluation to be carried out at the end of the 2014-2020 period (scope and precise schedule not yet available)	Ex-post evaluation exercise on 2007-2013 assistance), covering 95% of REGIO's regulatory acquis (2007-2013 ERDF/CF assistance) finalised

Information Management

Objective: Information and knowledge in your DG is shared and reusable by other DGs. Important documents are registered, filed and retrievable

Indicator 1: Percentage of registered documents that are not filed² (ratio)

Source of data: DG DIGIT - Hermes-Ares-Nomcom (HAN)³ statistics

² Each registered document must be filed in at least one official file of the *Chef de file*, as required by the [e-Domec policy rules](#). The indicator is to be measured via reporting tools available in Ares.

Baseline (2015)	Target	Latest known results (end 2017)
14.12% (2.3%)	Below 1%	0.18%
Indicator 2: Number of HAN files readable/accessible by all units in the DG		
Source of data: DG DIGIT - HAN statistics		
Baseline (2015)	Target	Latest known results (end 2017)
69.43%	75%	63.89% (adjusted 85.5%)
Indicator 3: Number of HAN files shared with other DGs		
Source of data: DG DIGIT - HAN statistics		
Baseline (2015)	Target	Latest known results (end 2017)
3.11%	70%	39.77% (adjusted 65%)

Indicator 2: When the access to a sub-file is restricted than the whole of the file is not considered to the DG (this is the case for a high number of REGIO files due to the restriction made on the area of Audit and Control). Therefore, in order to have an unbiased reporting, REGIO decided to include in its calculation files and sub-files. The adjusted percentage (calculated at sub-file level) is 85.5%.

Indicator 3: As for indicator 2, the calculation can be done at sub-file level. The adjusted percentage is 65% close to the target of 70%. This significant increase is due to the decision taken by DG REGIO in February 2017 to open the majority of its files of the 2007-2013 period to all Commission services and the further opening decided at the end of 2017. As for indicator 2, the remaining files cannot be open without a decision at Corporate Level on Financial and contract files (nearly 2500 files.)

Main outputs in 2017:			
Knowledge Management			
Description	Indicator	Target	Latest known results
Adaptation to new collaborative working methods/Creating a culture of knowledge sharing and learning.	Information campaigns; training on sharing information	Information campaign launched before the end 2017, training/information sessions prepared addressed to all staff	Training session organised in 2017 and targeted to all staff: "end-users" audience and "contributors" audience. Communications campaigns launched in 2017: Internal Pillar promotion to enhance user adoption and raise awareness about content and features available in the new pillar.
Improvement of internal communication and collaborative working methods	WIKI fully operational and actively used	Steady increase of usage throughout the year (baseline: 480 users at end-Nov 2016) Roll out of internal pillar and streamlining of geographical pillar 1 users' survey by end 2017	Full achievement of targets for 2017. WIKI fully operational and actively used (700 users at end-Dec 2017). Internal pillar fully rolled out and streamlining of the geographical pillar almost completed. Users' survey carried out in October.
Document Management			
Description	Indicator	Target	Latest known results
Filing of documents created by DG REGIO	Number of non-filed documents	Less than 1%	0,18%

³ Suite of tools designed to implement the [e-Domec policy rules](#).

Closure of all electronic and paper files that should be closed with special focus on 2000-2006 OPs.	Answers from all CF units on all files	100% of files that should be closed are closed and their physical location identified.	Approx. 95% due to staff constraints
Follow-up of paper and electronic archival action plans	Yearly, all paper files are listed and prepared for transfer to HAS.	100% of closed paper files are either transferred or prepared. All electronic files are properly managed	Approx. 95% due to staff constraints
To comply with College requirements on sharing information	Follow-up of the Decision by the board of directors on files to be shared Commission-wide	All new files are created in consistently with the Decision of the Board	Percentage of HAN files shared with other DGs: 39.77%. This is 100% of the files that could be shared.
Contribution by DG REGIO (DMO) to Information Management Team	DG REGIO participation in the Information Management Team	Be included in the IMT, participation in all meetings	Participation ensured

External Communication

Objective: Citizens perceive that the EU is working to improve their lives and engage with the EU. They feel that their concerns are taken into consideration in European decision making and they know about their rights in the EU.

Indicator 1: Percentage of EU citizens having a positive image of the EU

Definition: Eurobarometer measures the state of public opinion in the EU Member States. This global indicator is influenced by many factors, including the work of other EU institutions and national governments, as well as political and economic factors, not just the communication actions of the Commission. It is relevant as a proxy for the overall perception of the EU citizens. Positive visibility for the EU is the desirable corporate outcome of Commission communication, even if individual DGs' actions may only make a small contribution.

Source of data: Standard Eurobarometer (DG COMM budget) [monitored by DG COMM [here](#)].

Baseline (November 2014)	Target (2020)	Latest known results (2017)
Total "Positive": 39% Neutral: 37 % Total "Negative": 22%	Positive image of the EU ≥ 50%	Positive: 40%
Indicator 2: Percentage of EU citizens who are aware of EU funded projects in their region		
Source of data: Eurobarometer (Citizens Awareness and Perceptions of Regional Policy (Flash EB 423))		
Baseline (2015)	Target (2020)	Latest known results (2017)
34% awareness 75% positive perceptions	>34% awareness >75% positive perceptions	35% awareness 78% positive perceptions
Indicator 3: Number of people reached with communication actions directly supporting the regional policy portfolio as a result of the DG's actions		
Source of data: Collated monitoring data collected by DGs from their actions, from the ECN SharePoint; from monitoring and evaluation contractors; from Opinion polls etc.		
Baseline	Target (yearly)	Latest known results
N/A (systematic data collection to begin in 2016)	> 10 million per year	> 10 million per year

Progress is being made with regard to indicator 3. The current overall "EU climate" has an impact on indicators 1 and 2. However, efforts are being made, e.g. via the Europe in My Region campaign, to increase the percentage of EU citizens having a positive image of the EU.

Annual communication spending (based on estimated commitments):

Baseline (Year n-1)	Total amount spent	Total of FTEs working on external communication
EUR 12.7 million	EUR 24.8 million	20.5 FTE

Achievements:

Main communication actions in 2017:

Description	Indicator	Target	Result
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Main communication actions in 2017:

Description	Indicator	Target	Result
RUP Forum (30-31 March):	N° participants Media reach	500 >500,000	600 >500,000
Smart Specialisation Forum (June)	N° participants Media reach	600 >1 million	800 >1 million
Cohesion Forum (26-27 June)	N° participants Media reach	600 >1 million	700 >1 million
Europe in My Region "campaign" (Europe-wide, May)	N° participating countries N° projects open to visits N° visitors of the projects N° members of the College visiting projects Media reach	>20 >2,500 >400,000 >5 >3 million	25 Member States participating About 2800 projects open to visit 450,000 citizens visiting the projects N/A More than 1,000 project hunters participated and over 95 blog posts were received
Europe in My Region photo competition (May-July)	N° photos submitted N° votes cast Visits to competition app/site	>800 >5,000 >50,000	712 4,961 157,857
Macro Regional Strategies	N° participants N° journalists attending Media reach	N/A 66 >1 million	N/A 57 >1 million (data not available for Alps and Danube macro-regional strategies' fora)
Communication on easing border obstacles	N° participants N° journalists	200 25	208 Cancelled
European Week of Regions and Cities (Brussels, 9-12 October)	N° participants N° journalists attending Media reach	>5,500 >200 >5 million	5500 235 N/A
RegioStars Awards (Brussels, October)	N° of submitted projects N° participants Awards ceremony N° views of videos (winning projects) Media reach	>120 >1,500 >300,000 >1 million	103 applicants, slightly short of the intended target, 24 Winners 1,200 participants to Awards ceremony 315,000 views on Facebook and 51,000 on Twitter >1 million
Cities Forum	N° participants N° journalists attending Media reach	50 29 >1 million	500 11 >1 million
Euronews – Real Economy (12 Episodes) (DG ECFIN, EMPL, REGIO)	Reached Audience Social media reach	>5 million 6,5 million	8.4 N/A

Main communication actions in 2017:

Description	Indicator	Target	Result
About 25 printed publications (incl. 4 issues of Panorama magazine and the Cohesion Report 2017)	Number of contributions from the stakeholders (for panorama, for each issue)	>6	>6
	Number of subscribers	>30,000	>30,000
Regio Flash	Number of Flash sent Number of subscribers	>50 >30,000	32 + 9 EWRC Flashes 38 276
Social media activities	Reach:	190 million 56,000 followers on Twitter 160 million 7,500 fans on Facebook Yammer: 2,500 members InfoRegio:1.5 million visitors 200,000	Steady increase in social media outreach 67,800 followers on Twitter 29,000 fans on Facebook Figures at end December 2017 2,500 1.5 million visitors 287,000
	Downloads: Going local seminars: N. of countries N. of participants	4 >300	>6 >500

ANNEX 3: Annual Accounts and Financial Reports

AAR 2017 Version 3

Annex 3 Financial Reports - DG REGIO - Financial Year 2017

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Statement of Financial Performance

Table 5 Bis: Off Balance Sheet

Table 6 : Average Payment Times

Table 7 : Income

Table 8 : Recovery of undue Payments

Table 9 : Ageing Balance of Recovery Orders

Table 10 : Waivers of Recovery Orders

Table 11 : Negotiated Procedures (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 2017 (in Mio €)					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 13 Regional and urban policy					
13	13 01	Administrative expenditure of the 'Regional and urban policy' policy area	16.83	16.67	99.06 %
	13 03	European Regional Development Fund and other regional operations	33,010.04	32,961.81	99.85 %
	13 04	Cohesion Fund (CF)	10,211.04	10,210.89	100.00 %
	13 05	Instrument for Pre-Accession Assistance - Regional development and regional and territorial cooperation	112.78	108.22	95.95 %
	13 06	Solidarity Fund	1,272.68	1,272.68	100.00 %
Total Title 13			44,623.37	44,570.27	99.88%
Total DG REGIO			44,623.93	44,570.84	99.88 %

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

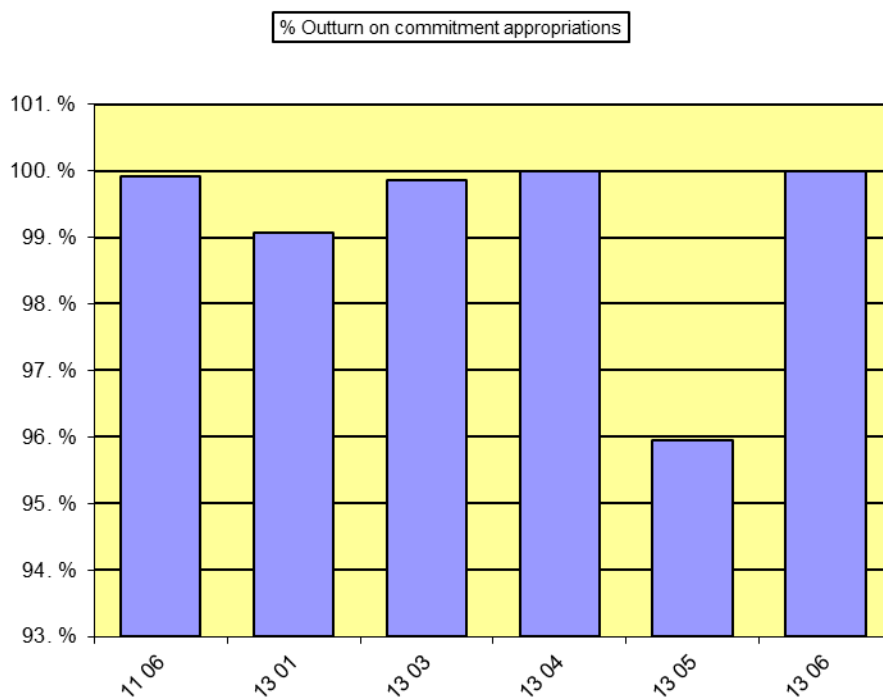


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2017 (in Mio €)					
Chapter			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 13 Regional and urban policy					
13	13 01	Administrative expenditure of the 'Regional and urban policy' policy area	23.05	7.88	34.20 %
	13 03	European Regional Development Fund and other regional operations	16,894.29	16,837.73	99.67 %
	13 04	Cohesion Fund (CF)	8,363.76	8,363.59	100.00 %
	13 05	Instrument for Pre-Accession Assistance - Regional development and regional and territorial cooperation	181.34	178.83	98.61 %
	13 06	Solidarity Fund	1,272.68	1,272.68	100.00 %
Total Title 13			26,735.12	26,660.70	99.72%
Total DG REGIO			26,735.19	26,660.77	99.72 %

* 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).

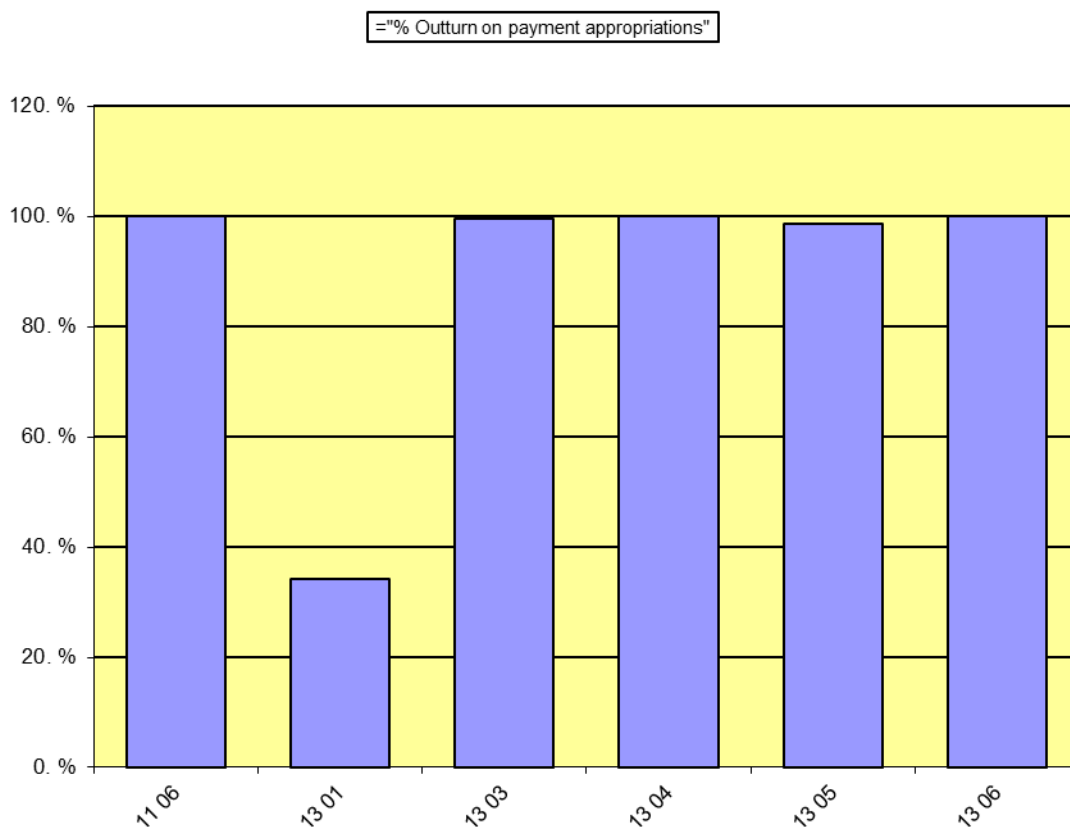


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2017 (in Mio €)									
Chapter			2017 Commitments to be settled				Commitments to be settled from financial years previous to 2017	Total of commitments to be settled at end of financial year 2017	Total of commitments to be settled at end of financial year 2016
			Commitments 2017	Payments 2017	RAL 2017	% to be settled			
			1	2	3=12	4=1-2/1	5	6=3+5	7
Title 13 : Regional and urban policy									
13	13 01	Administrative expenditure of the 'Regional and urban policy' policy area	16.62	8.80	7.82	47.04 %	-	7.82	7.18
	13 03	European Regional Development Fund and other regional operations	32,961.81	143.61	32,818.20	99.56 %	56,755.61	89,573.82	75,259.68
	13 04	Cohesion Fund (CF)	10,210.89	18.19	10,192.70	99.82 %	14,223.04	24,415.74	23,509.87
	13 05	Instrument for Pre-Accession Assistance - Regional development and regional and territorial cooperation	108.22	16.49	91.73	84.76 %	412.94	504.67	582.58
	13 06	Solidarity Fund	1,272.68	1,272.68	-	0.00 %	-	-	-
Total Title 13			44,570.22	1,459.77	43,110.46	96.72%	71,391.60	114,502.06	99,359.31
Total DG REGIO			44,570.79	1,459.84	43,110.95	96.72 %	71,391.60	114,502.55	99,359.31

"Breakdown of Commitments remaining to be settled (in Mio EUR)"

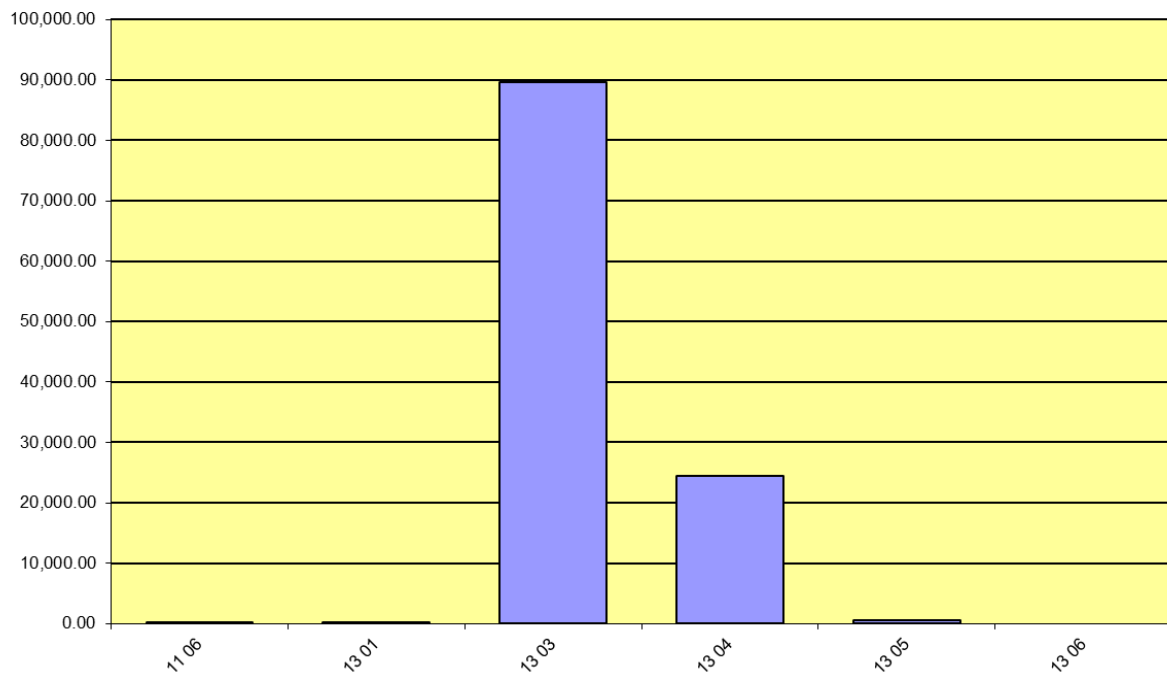


TABLE 4 : BALANCE SHEET REGIO

BALANCE SHEET	2017	2016
A.I. NON CURRENT ASSETS	12.437.938.231,45	10.417.727.151,09
A.I.1. Intangible Assets	14.647.799,72	13.529.623,55
A.I.5. Non-Current Pre-Financing	12.423.290.431,73	10.404.197.527,54
A.II. CURRENT ASSETS	7.700.247.971,38	8.246.066.211,48
A.II.2. Current Pre-Financing	7.356.802.102,73	7.948.441.210,08
A.II.3. Curr Exch Receiv &Non-Ex Recoverables	343.445.868,65	297.625.001,40
ASSETS	20.138.186.202,83	18.663.793.362,57
P.I. NON CURRENT LIABILITIES	-	-
P.I.2. Non-Current Provisions	-	-
P.II. CURRENT LIABILITIES	(15.232.369.614,39)	(17.384.947.577,02)
P.II.2. Current Provisions	(20.326.314,69)	(217.037.264,27)
P.II.4. Current Payables	(10.922.486.647,47)	(10.007.506.829,09)
P.II.5. Current Accrued Charges &Defrd Income	(4.289.556.652,23)	(7.160.403.483,66)
LIABILITIES	(15.232.369.614,39)	(17.384.947.577,02)
NET ASSETS (ASSETS less LIABILITIES)	4.905.816.588,44	1.278.845.785,55
P.III.2. Accumulated Surplus/Deficit	167.492.058.146,40	132.076.441.311,07
Non-allocated central (surplus)/deficit*	(172.397.874.734,84)	(133.355.287.096,62)
TOTAL	-	-

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.

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

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE REGIO

STATEMENT OF FINANCIAL PERFORMANCE	2017	2016
II.1 REVENUES	(153.076.912,62)	(3.248.966,38)
II.1.1. NON-EXCHANGE REVENUES	(158.001.128,50)	(11.052.670,43)
II.1.1.5. RECOVERY OF EXPENSES	(158.001.128,50)	(11.052.670,43)
II.1.2. EXCHANGE REVENUES	4.924.215,88	7.803.704,05
II.1.2.2. OTHER EXCHANGE REVENUE	4.924.215,88	7.803.704,05
II.2. EXPENSES	18.308.824.362,77	35.418.865.801,71
II.2. EXPENSES	18.308.824.362,77	35.418.865.801,71
II.2.10. OTHER EXPENSES	9.812.879,26	6.315.386,70
II.2.1. EXP IMPL BY MEMBER STATES (SHARED)	17.832.451.688,54	35.112.332.453,51
II.2.2. EXP IMPL BY COMMISS&EX.AGENC. (DM)	105.610.784,92	74.485.047,55
II.2.4. EXP IMPL BY 3RD CNTR & INT ORG (IM)	366.493.914,08	198.354.228,38
II.2.5. EXP IMPL BY OTHER ENTITIES (IM)	(5.331.222,87)	285.788,86
II.2.6. STAFF AND PENSION COSTS	(214.690,00)	(260.295,65)
II.2.8. FINANCE COSTS	1.008,84	27.353.192,36
STATEMENT OF FINANCIAL PERFORMANCE	18.155.747.450,15	35.415.616.835,33

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.

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

TABLE 5bis : OFF BALANCE SHEET REGIO

OFF BALANCE	2017	2016
OB.1. Contingent Assets	1.069.533,25	701.134,30
GR for performance	-	152.250,04
GR for pre-financing	1.069.533,25	548.884,26
OB.2. Contingent Liabilities	(5.254.338,07)	(73.276.489,67)
OB.2.5. CL Cohesion policy	(2.761.203,08)	(2.761.203,08)
OB.2.7. CL Amounts relating to legal cases	(2.493.134,99)	(70.515.286,59)
OB.3. Other Significant Disclosures	(221.051.940.296,17)	(242.081.657.269,08)
OB.3.2. Comm against app. not yet consumed	(99.296.082.878,67)	(82.195.789.500,08)
OB.3.3.1 Structural operations	(121.755.857.417,50)	(159.885.867.769,00)
OB.4. Balancing Accounts	244.929.071.368,75	266.027.178.892,21
OB.4. Balancing Accounts	244.929.071.368,75	266.027.178.892,21
OFF BALANCE	23.872.946.267,76	23.872.946.267,76

TABLE 6: AVERAGE PAYMENT TIMES FOR 2017 - DG REGIO

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)
30	802	755	94.14 %	14.68	47	5.86 %	38.04
60	1233	1202	97.49 %	19.00	31	2.51 %	95.13
90	14	13	92.86 %	48.23	1	7.14 %	92.00
180	321	321	100.00 %	28.75			
193	2	2	100.00 %	74.00			
210	1	1	100.00 %	17.00			
263	1	1	100.00 %	17.00			
275	2	2	100.00 %	17.00			
276	4	4	100.00 %	23.00			

Total Number of Payments	2380	2301	96.68 %		79	3.32 %	
Average Net Payment Time	20.55			19.16			61.13
Average Gross Payment Time	37.34			34.20			128.87

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
0	34	1193	50.13 %	2380	18,196,578,564.19	83.03 %	21,916,573,116.42

Late Interest paid in 2017			
DG	GL Account	Description	Amount (Eur)
REGIO	65010000	Interest expense on late payment of charges	1 008.84
			1 008.84

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2017								
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	
61	REPAYMENT OF MISCELLANEOUS EXPENDITURE	4,837,007,359.40	1,426,175.14	4,838,433,534.54	4,818,195,795.96	1,426,175.14	4,819,621,971.10	18,811,563.44
65	FINANCIAL CORRECTIONS	65,408,976.41	-	65,408,976.41	58,774,166.03	-	58,774,166.03	6,634,810.38
66	OTHER CONTRIBUTIONS AND REFUNDS	(759,122.84)	759,122.84	-	(759,122.84)	759,122.84	-	-
Total DG REGIO		4,901,657,212.97	2,185,297.98	4,903,842,510.95	4,876,210,839.15	2,185,297.98	4,878,396,137.13	25,446,373.82

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

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2017 Year of Origin (commitment)	Irregularity		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount
2001					1	999,980.13		
2002					2	10,658,319.54		
2004	1	333,319.50	1	333,319.50	3	2,825,126.82	33.33%	11.80%
2005	2	6,494,937.37	2	6,494,937.37	4	14,489,299.37	50.00%	44.83%
2006	3	1,109,787.90	3	1,109,787.90	10	14,748,333.41	30.00%	7.52%
2007					1	29,435.24		
2011					2	1,236,990.15		
2012					1	6,605.10		
2013					1	2,247,413.72		
2014					210	2,400,591,344.56		
2015					194	2,391,853,021.55		
2017					1	16,758.83		
No Link	2	57,470,931.64	2	57,470,931.64	11	60,865,619.62	18.18%	94.42%
Sub-Total	8	65,408,976.41	8	65,408,976.41	441	4,900,568,248.04	1.81%	1.33%

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			1	34,579.06			1	34,579.06	718	12,952,688,212.46	0,14%	0,00%
CREDIT NOTES									61	335,699.52		
Sub-Total			1	34,579.06			1	34,579.06	779	12,953,023,911.98	0,13%	0,00%
GRAND TOTAL			9	65,443,555,47			9	65,443,555,47	1220	17,853,592,160,02	0,74%	0,37%

TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2017 FOR REGIO

	Number at 01/01/2017	Number at 31/12/2017	Evolution	Open Amount (Eur) at 01/01/2017	Open Amount (Eur) at 31/12/2017	Evolution
2015	1		-100.00 %	759,122.84		-100.00 %
2016	3		-100.00 %	1,426,175.14		-100.00 %
2017		6			25,446,373.82	
	4	6	50.00 %	2,185,297.98	25,446,373.82	1064.43 %

TABLE 10 : RECOVERY OF WAIVERS IN 2015 >= EUR 100,000.00

No data reported.

TABLE 11 : CENSUS OF NEGOTIATED PROCEDURES - DG REGIO - 2017**Internal Procedures > € 60,000**

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Art. 134.1(b) (Without prior publication) Work of art, technical reasons or protection of exclusive rights	1	134,224.00
Art. 134.1(e) (Without prior publication) New services or works consisting in the repetition of similar services or works	1	3,520,000.00
Total	2	3,654,224.00

TABLE 12 : SUMMARY OF PROCEDURES OF DG REGIO EXCLUDING BUILDING CONTRACTS**Internal Procedures > € 60,000**

Procedure Legal base	Number of Procedures	Amount (€)
Call for expressions of interest - Pre-selection of candidates (Art. 136.1(a) RAP)	2	155,250.00
Exceptional Negotiated Procedure without publication of a contract notice (Art. 134 RAP)	2	3,654,224.00
Negotiated Procedure with at least five candidates below Directive thresholds (Art. 136a RAP)	1	125,260.00
Open Procedure (Art. 104(1) (a) FR)	7	21,490,433.00
Open Procedure (Art. 127.2 RAP)	1	270,750.00
Total	13	25,695,917.00

TABLE 13 : BUILDING CONTRACTS

No data reported.

TABLE 14 : CONTRACTS DECLARED SECRET

No data reported.

ANNEX 4: Materiality criteria

I. For shared management (ERDF/CF/IPA-CBC)

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

During the implementation period, 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, based on 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.

At closure, the Annual Control Reports were submitted as part of the closure packages that were due by the end of March 2017. For each programme, the Directorate General carried out an in depth assessment of the information provided (in particular the audit opinion, the projected error rate covering the 2015 and 2016 expenditure and the residual error rate).

For the AAR 2016, due to time constraints, the error rates communicated by the audit authorities were used as a basis for calculating the best estimate of the possible risk for expenditure in the reporting year. In case the projected error rates are not available, flat rates in line with the results of the assessment of the functioning of the management and control system were used.

In the AAR 2017, the outcome of the **in depth assessment (which had to be completed within 5 months of the submission of the closure documents) will be reported.**

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 for each year, 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 (residual risk rate at closure)** 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. This is the DG's best estimate of expenditure which is not in full conformity with contractual or regulatory provisions and which has not been corrected at the date the report is signed.

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

The assessment of the relevant reports, data and other information available requires the application of professional judgement, namely when weighting contradictory information or considering abnormal statistical results. When taking into account reported corrections, the authorising officer by delegation also assesses that they 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/residual risk 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 during the implementation of the programmes, reservations are made generally, if at least one of the following conditions applies: material deficiencies in the management and control systems; validated error rate exceeding or equalling 5%⁴; cumulative residual risk/residual error rate exceeding 2%. Exceptions, if any, are clearly reported and explained in the body of the Annual Activity Report. In some cases, reservations may be made at **sub-programme level** (priority axis or implementing bodies) when the systemic deficiencies only affect a specific component of the management and control system, not used for the other activities under the same programme.

In case there is no financial impact for the reporting year in question (e.g. no expenditure paid) for a programme under reservation, the reservation is made as a "reservation with no financial impact". In addition, reputational reservations are made for issues, which could have a significant impact on the reputation of the Commission.

Following the in-depth assessment of closure documents, reservations are made for programmes with estimated financial corrections to be implemented exceeding the 5% retention of the overall allocation made at programme level⁵. In those cases, the amount of the 5% retention to be released at closure is not sufficient to cover the financial risks to the EU budget, which should then be disclosed.

Estimation of the amounts at risk at payment and at closure

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

⁴ When the validated error rate is above 5% and the CRR is below 2%, a case by case analysis is needed to decide on a reservation.

⁵ The decision on whether to keep a reservation issued in the 2016 AAR will be made taking into account both the level of payments for a given programme and the amount of expenditure certified, in order to assess the residual risk.

The same approach is followed to calculate the amount at risk for programmes under reservation. For a reservation made at sub-programme level, a flat rate depending on the deficiencies identified is applied to the relevant expenditure⁶. 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.

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

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

Reasonable assurance means that there is no material deficiency affecting key elements of the systems (only minor improvements may be needed in some cases) and the validated error rate and the residual risk rate are below 2%;

Reasonable assurance with low risk of irregularities covers:

- programmes with some deficiencies in key elements of the systems and/or with a validated error rate below 5% but with a residual risk rate 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 judgement- the implementation of the action plan has been assessed as satisfactory;

Limited assurance with medium risk⁷ of irregularities covers:

- programmes with some deficiencies in key elements of the systems and/or with a validated error rate below 5% and a residual risk above 2%;
- programmes with a validated error rate above 5% and a residual risk rate remaining above 2% or below 2% as a result of implemented financial corrections in cases where - on the basis of professional judgement- the implementation of the action plan has been assessed as not 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 residual risk rate above 2%.

⁶ i.e. paid in the relevant year in relation to the concerned sub-programme

⁷ Exceptions duly justified are disclosed in the AAR

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

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. opinion issued by the audit authority on the management and control systems, total error rate, results of national systems audits, results of Commission audit work and/or the European Court of Auditors, elements received from operational managers in their regular contacts with regional and national programme authorities).

The Directorate General assesses the reliability of the total error rate reported in two stages. First a preliminary review is done, allowing correction of any identified inconsistencies. The resulting adjusted total error rates are disclosed in the AAR. If the audit authorities report no error rates, flat rates are used. These total error rates are validated following an in depth assessment which takes into account all available information and audit results assessed through desk review and, where necessary, on the spot audits. This in depth assessment is carried out at the latest within 9 months of the submission of the assurance package. If applicable, corrections to the total error rates reported in the AAR are disclosed in the subsequent AAR.

The total error rate is calculated before any financial corrections are applied.

2. The second element is the **assessment of legality and regularity of expenditure**, as reflected in the residual total error rate reported by the audit authorities in their Annual Control Reports (ACR) submitted by mid-February N+1, based on expenditure linked to the relevant accounting year (from 1 July N-1 to 30 June N).

The residual total error rate is the best indicator of the programme's corrective capacity and represents the remaining risk present in the accounts taking into account the already applied financial corrections.

3. The third element is the **results of the audit work carried out on the accounts** submitted in February n+1 (after the end of the reporting year). This audit work allows the Directorate General to confirm the completeness, accuracy and veracity of the accounts.

Materiality criteria and reservations

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

At operational programme level, reservations or partial reservations are made in case of significant weaknesses in the Member States' management and control systems leading to a material risk to the EU budget. In practice, this means that reservations or partial reservations are made for programmes included in the categories 'limited assurance with medium risk' and 'limited assurance with high risk' (see below). As a rule, a programme will be put under reservation if at least one of the following conditions applies:

- a total error rate above 10%
- deficiencies in key elements of the systems, which could result in/lead to irregularities above 10% and for which no adequate corrective measures to remedy the deficiencies have yet been implemented;

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

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

In case there is no financial impact for the reporting year in question (e.g. no expenditure paid, or risk covered by the 10% retention) for a programme under reservation, the reservation is made as reservation with no financial impact.

In addition, reputational reservations are made for 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.

The operational programmes are classified in four categories:

Operational programmes not in reservation:

- **Reasonable assurance** means that there is no material deficiency affecting key elements of the systems (only minor improvements may be needed in some cases) and there are no material issue concerning conformity of expenditures (residual total error rate < 2%) and on the accounts;
- **Reasonable assurance with low risk** of irregularities covers programmes with the existence of some deficiencies in key elements of the systems without material impact on the EU Budget; and there are no material issue with both the legality and regularity of the expenditures (residual total error rate < 2%) and the accounts.

Operational programmes in reservation:

- **Limited assurance with medium risk** of irregularities covers:
 - programmes with deficiencies in key elements of the systems with a material risk for the EU budget (e.g. programme with a total error rate between 5% and 10% and no adequate financial corrections have yet been implemented); and/or
 - programmes with material legality and regularity issues and insufficient financial corrections implemented ("residual total error rate" remains above 2%); and/or
 - programmes with material issues concerning the completeness, accuracy and veracity of the accounts.
- **Limited assurance with high risk** of irregularities covers:
 - programmes with widespread deficiencies in key elements of the systems with a material risk for the EU budget (e.g. programme with a total error rate above 10% and no adequate corrective measures to remedy the deficiencies have yet been implemented); and/or
 - programmes with widespread material legality and regularity issues and insufficient financial corrections implemented ("residual total error rate" remains above 2%); and/or
 - programmes with widespread material issues concerning the completeness, accuracy and veracity of the accounts.

Estimation of the amounts at risk at payment and at closure

The amounts at risk "at payment" and the error rates are calculated on the expenditure incurred from 1st July N-1 to 30th June N, while the risk has to be estimated on the expenditure of year N.

The risk "at payment" is calculated for each programme by applying the residual total error rate communicated by the audit authorities to the "relevant expenditure" (i.e. payments made during the reporting year excluding new pre-financing and including the 10% retained, and including the cleared pre-financing minus the retentions released and minus any deductions applied in the accounts covering the expenditure of the period 1st July N-1 to 30th June N).

In case the audit authorities report no error rates, a flat rate is used.

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

The quantification of reservations is calculated in the same way as the amount at risk, except for programmes for which a reservation is made at sub-programme level. In this latter case, an appropriate flat rate is applied to relevant expenditure paid in the year for the concerned sub-programme. Where the reservation is due to a risk estimated to be above 10% the estimated risk rate is applied to the expenditure of the second semester and the residual error rate is applied to the expenditure of the first semester, if applicable.

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

II. For direct and indirect management

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

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

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

Shared Management

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

The table below elaborates, per stage, on the main risks identified and related benefits.

DG Regional and Urban Policy estimates that the annual overall Commission costs incurred amounts to approximately 0.3% of total appropriations. This is made up of:

- The annual cost of audit work (internal team and outsourced contract) which covers the assessment by the Commission of management and control systems in MS, including analysis of Audit Authorities reports and ACRs, own audit work⁸ and drafting of interruption letters.
- The annual costs of Commission staff which carries out controls throughout the different design, implementation and monitoring phases. This includes the setting-up of the management and control systems in the Member States, the Commission checks in the designation process (sampling of national designations), the Commission ex-ante checks of the periodic expenditure declarations (financial circuits).

The table below elaborates, per stage, on the main risks identified and related benefits.

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 above 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 ⁹

Stage 2 – Implementation of operations (Member States):

⁸ Systems audit, re-performance of annual control reports (ACR), follow-up of audit authorities, closure audits, fact finding audits, etc.

⁹ Impacted by the time required by Member States to react

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 above Benefits: (part of) the amounts associated with unreliable systems for which the Commission audit work revealed substantial compliance problems (for 2014-2020) [not quantifiable]	For 2014-2020: Effectiveness: - % of authorities designated Efficiency: - number of authorities for which serious weaknesses found by designation reviews/audits (% of total checked)

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 ¹⁰

¹⁰ impacted by the complexity of the issues and the time required by MS to react.

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>Interruptions and suspensions of payments</p> <p>Financial corrections (implemented by MS resulting from Commission audit work)</p>	<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 above</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 and amount of interruptions / suspensions of payments - corrections made resulting from Commission audit work (decided and implemented) - % of the expenditure for which the Commission can rely on the work of the AA (based on ACRs unchanged or adjusted exchange rates) - weighted average error rate after Commission analysis <p>Efficiency:</p> <ul style="list-style-type: none"> - overall cost of control/financial management of the Commission checks and assessment (% of total appropriations) – stages 1 to 3 - % of Commission payments on time - % interruptions of payments notified to MS within 2 months - % suspensions of payments notified to MS within 6 months







ANNEX 6: Performance against Operational Priorities as per Management Plan 2017




REGIO Indicator/target 2017	Status as of end-Dec '17	Reported results and risks (end-December 2017)	Proposed actions (end-December 2017)
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1. To deliver jobs, growth and investment

1.1 To support the delivery by Member States of the 2014-2020 programmes' objectives ensuring quality of cohesion policy investment



<p>REGIO</p> <p>1. Ensure active support, monitoring and follow up of programme implementation. (Target: for all operational programmes (OPs), participation to monitoring committees and review meetings, Annual Implementation Reports (AIRs) and performance assessed and appropriate follow up launched for the programme at risks by end 2017) (detailed reporting to be done via implementation report)</p>		<p>Bottlenecks hindering implementation were discussed in EGESIF in October taking into account analysis of the input received from the Member States.</p> <p>The reviewed list of programmes at risk was agreed in the Board in early December. The concerns and the actions planned have been identified for all the 37 programmes currently included in the exercise.</p>	<p>02 to continue monitoring of programmes at risk while assisting the geographical units in identifying actions necessary to tackle individual issues hindering implementation of programmes on the list</p>
<p>REGIO</p> <p>2. 100 % of Major Projects submitted by end-September 2017 adopted within 3 months (Interrupted time not counted)</p>		<p>DG REGIO received 109 major projects and approved 103 of them within the regulatory 3-months deadline. 5 projects were approved beyond deadline because of interruptions and need to re-consult JASPERS. They were anyway approved without undue delay within 100-120 calendar days.</p>	
<p>REGIO</p> <p>3. 100% of Partnership Agreements (PAs)/OP modifications adopted on time (interrupted time not counted)</p>		<p>The number of delayed processes has been steadily decreasing, falling seven percentage points from 43% to less than 34% since the end of September. Since the last reporting, 117 programme amendment processes have been completed, of which 82% were completed within the regulatory deadline.</p> <p>For OP amendments that were processed in WAVE, the average duration of an amendment is 79 calendar days, which is below the regulatory deadline of three months. 73% of these amendments have been processed within the deadline.</p> <p>Since the introduction of the simplified internal process (mid May 2017), 162 programme amendments have been received and processed in WAVE, 127 programme amendments were adopted, out of which 83% (105) within the three months regulatory deadline.</p>	<p>02 to continue monitoring the OPA process and highlighting any issues to the responsible director.</p>

REGIO Indicator/target 2017	Status as of end-Dec '17	Reported results and risks (end-December 2017)	Proposed actions (end-December 2017)
REGIO 4. Follow-up of non-fulfilled ex-ante conditionalities (ExACs). (Target: Active follow-up of outstanding issues before submission of 2016 AIRs; formal EC reaction within 3 months following the submission of Member States' documentation/AIR)		3 action plans are now pending the assessment by the Commission - letters re: assessment of fulfilment not yet sent to MS following the receipt of the additional info.	To continue monitoring the non-completed action plans.
Combined responsibility: 40. 100% of programmes assessed as critical in 2016 not rated as critical in 2017.		All AIR assessments completed.	AIR process review ongoing, to be concluded by end of March
MS 41. a. % allocated to the operations selected for support / total allocation for ERDF and CF for 2014-2020. (Target: At least equal to 40% at end 2017, (baseline: 17.4% at end 2016))		43% allocated to selected operations for ERDF and 46% for CF as of 30 September 2017	
MS 41. b. % claimed by Member States (MS) /overall allocation by Commission for ERDF and CF for 2014-2020 (i.e. interim payments submitted). (Target: 12% at end 2017 (baseline: 0.7% at end Sept 2016))		The implementation of 2014-2020 period reached 9.6% of the total allocation at the end of 2017 (target: 12%). The total amount claimed since the beginning of the period is EUR 25.1 billion from which EUR 16.2 billion claimed from ERDF and EUR 9 billion from CF. The totality of the payment appropriations after the amending budget and the assigned revenue was consumed at end December 2017.	The accuracy of the January 2017 MS' forecast was 57.9% (and 85.1% of July MS' forecast). Since the January MS' forecast was one of the elements considered when the target was set, a full achievement was unlikely. The letter Ares(2017)5821216 sent by BUDG to the MS is calling for more reliable forecasts in January 2018.
MS 42. Number of foreseen major projects submitted to the Commission. (Target: to be defined when MS have updated their forecasts (Member State))		DG REGIO received 198 major projects (33% of all major projects) - that was in line with realistic projections from JASPERS and the geographic units (260). It should be noted that number of major projects went down (1 IT broadband project instead of several regional MPs, 14 transport projects in CZ instead of 66 planned)	Another round of tripartite meetings should be organised with the GUs, MS and JASPERS to exchange views on major project timetable of submissions. Additional 150 major projects are expected to arrive in 2018.
MS 43. All ExACs fulfilled (Target: 100% fulfilment reported by end June 2017, baseline 46% at 15 Dec 2016)		By end December 2017, the Commission based on MS reporting completed 98% (646) of action plans following the assessment. ExAC Suspension Committee decided to send 9 pre-suspension letters covering 12 action plans. 7 of those action plans have been declared as completed by MS following the provision of additional info - during the drafting /consultation process with LS. One letter concerning one action plan has been sent out. Further progress was registered in the first quarter 2018, with 99% of the action plans completed. The details are described in section 1.2 of the AAR body.	To finalise the outstanding pre-suspension letters and to send them out, following the agreement of the LS.

REGIO Indicator/target 2017	Status as of end-Dec '17	Reported results and risks (end-December 2017)	Proposed actions (end-December 2017)
1.2 To encourage the uptake of financial instruments and promote complementarity with EFSI			
REGIO 5. Ensure active support for the set-up and implementation of financial instruments in Member States. (Target: for all high-intensity MS action plans delivered)		Weekly fi-clinics, monthly matrix meetings and internal training provided. Actions are continuously discussed and further developed in bilateral meetings with MS and GU as well as in meetings with EIB. P2P fi-compass events (see indicator 11)	
REGIO 6. fi-compass: Delivery of assistance in accordance with the work programme 2017. (Target: 100% of products agreed for the respective period delivered)		Work programme of horizontal fi-compass has been implemented and concretised according to needs. Key outputs: FIs in SMEs event in Brussels on 14 March; MS-specific events on FIs in Prague on 7 February and in Cluj, Romania, on 22 November. Awareness-raising event in Kuopio, Finland, on 12-13 September; FI Campus took place in Brussels from 29 Nov-1 Dec with more than 300 participants and very positive feedback. This event offered a big range of different learning formats, from EC guidance presentations to roundtable discussions, brainteasers and case studies. March and summer and winter newsletters; Case study on FEI for SMEs in Slovenia and NL case study finalised; videos on FIs action plan, about financial instruments products and Lithuanian energy efficiency instruments all finalised; 3 trainings to ESIF DGs on EIB financing, FI products and EFSI/ESIF delivered; Online learning tool on reporting/monitoring of ESIF FIs developed and delivered; survey about the fi-compass advisory services launched through a short online questionnaire. Big parts of ex-ante assessment scoping study carried out. Under the Multi-Regional Assistance of the fi-compass, we started three projects with three consortia of beneficiaries in the course of 2017. - project with the Central Project Management Agency (CPMA, Lithuania), the Lithuanian Ministry of Finance and the Croatian Ministry of Regional Development was signed in December 2016 and started on 1 February 2017. - project with the Italian regional authorities Finpiemonte and Regione Lombardia and Spanish Conselleria de Hacienda de la Generalitat Valenciana and Agencia de Innovacion y Desarrollo de Andalucia IDEA, started on 22 September 2017. - project with the City of The Hague, Greater Manchester Combined Authority, The Greater London Authority and the Municipality of Milan, was signed and started in December 2017.	
REGIO 7. Dissemination of information on ESIF-EFSI projects already identified. (Target: by mid-2017)		Dissemination of projects done at fi-compass events (see indicator 11) and at events organised by DG REGIO, ECFIN, ENER, EASME and others. List of projects circulated to CAB and to EP and MEPs. Two dedicated EC Guidance presentations (and one roundtable discussion) about combination of support incl. ESIF-EFSI delivered at FI Campus. Active REEGIO participation in events to promote the set-up of ESIF-EFSI IPs (20/11, 07/12).	




REGIO Indicator/target 2017	Status as of end-Dec '17	Reported results and risks (end-December 2017)	Proposed actions (end-December 2017)
MS 44. a. Public contributions to financial instruments (Target: EUR 5 billion by end 2017)		Public contributions to financial instruments are EUR 4.4 billion based on the cumulative public expenditure paid to financial instruments included in the payment applications to the Commission. The amount of EUR 4.4bn is based on the payment claims analysed on 21/12/2017. CA will be submitting payment claims until the end of the year; therefore, it is reasonable to expect the final amount for 2017 to be higher.	Matrix meeting in January together with A3 to discuss the issue.
MS 44. b. Identification of ESIF-EFSI projects in all MS. (Target: approval by EFSI governance/EIB Board of 10 new ESIF-EFSI projects)		There are currently 19 cases of combination of EFSI with ESIF in both windows (Infrastructure and Innovation Window and SME window) of which 15 signed both at the level of investment platforms and at project level in different MS and sectors such as SMEs, transport, low carbon economy, broadband, R&I, water and health. Internal coordination mechanism between ECFIN/REGIO and EIB was set up to improve monitoring of ESIF/EFSI projects. There is a growing number of other projects in the pipeline.	

1.3 Specific support to improving Member States capacity to administer and implement the Funds



REGIO 8. Timely implementation of the administrative capacity initiative. (Target: Public Procurement and State Aid Action Plans implemented according to plan, all valid PEER-2-PEER demands submitted by MS addressed)		Planned actions have been implemented as foreseen - results include: Professionalization of management of funds: 198 PEER2PEER applications in total, 130 exchanges implemented (56 in 2017) involving 1920 participants from 26 Member States; five 2-day training sessions on state aid and one on public procurement attracted 182 participants from MS in 2017; Piloting of web-based version of the competency framework and self-assessment tool in 7 MS was concluded and followed by finalisation and launch of the EN versions of the framework and the tool. State aid: SA action plan updated and adopted by Board; seminars organised on Broadband and RTD&I. Public Procurement: PP action plan implemented as planned, incl. ongoing study on Public Procurement good practice sharing across the EU and finalisation of update of PP Guide on the basis of new PP directives. Anti-fraud: ongoing implementation of study on appropriate anti-fraud and anti-corruption practices in the management of the Funds applied in the MSs. Integrity pacts: close cooperation with Transparency International following progress of 17 IPs (15 signed by end of 2017).	
REGIO 9. Roll-out of Lagging Regions Initiative. (Target: Staff Working Document on Lagging Regions by end March 2017; Completion of the pilot phase by June 2017; Concrete set of measures identified to be implemented by MAs of the pilot regions)		Additional input to come from DDG/Unit E2 as indicated last time.	



2. To demonstrate the added value of cohesion policy

2.1 To position Cohesion Policy as major contributor to shaping EU policies and the delivery of Commission political priorities notably within the European Semester


REGIO Indicator/target 2017	Status as of end-Dec '17	Reported results and risks (end-December 2017)	Proposed actions (end-December 2017)
REGIO 10. Position smart specialisation as key element of EU research, innovation and industry policy. (Target: Adoption in May 2017 of the EC Communication on smart specialisation)		The Commission Communication on "Strengthening innovation in Europe's regions" COM(2017)376 final was adopted and positioned Cohesion policy via smart specialisation beyond research and innovation with EU policies related to structural reforms , industrial transition, interregional cooperation, harnessing globalisation, digitization and skills. The follow-up actions were launched, in particular the selection of pilot regions for industrial transition and interregional partnerships.	
REGIO 11. Ensure that the added-value of cohesion policy is highlighted in priority Commission initiatives and their follow-up. (Target: References to synergies with ESIF and Cohesion Policy in smart and sustainable growth related policies (incl. Commissioner project teams, mid-term evaluations of directly managed EU programmes, legislative proposals, etc.))		Continued input into many on-going developments across the EU policy spectrum.	New elements of the EMU package to be sold to a wider audience and to continue involving REGIO as a key part of the European Semester process.
12. REGIO's contributions to European Semester country reports and Country Specific Recommendations. (Target: participation in all country team meetings, contribution to the Country reports)		List of REGIO priority themes for 2018 CSRs finalised in November and cleared at DG level. Work on-going on DG REGIO's contribution to the 2018 European semester Country reports (new country box finalised and agreed) Implications of EMU package adopted in December on "performance reserve" within the context of the European reserve closely followed	




2.2 To provide and report evidence on the results of Cohesion Policy programmes and their effectiveness and added value

REGIO 13. "Annual summary/strategic report based on AIR and on the synthesis of OP available evaluations". (Target: by end 2017)		Strategic Report 2017 was successfully adopted on 13/12/2017. Presentation to journalists and got some press coverage. It will be discussed in the Council (SAWP) in January 2018 and in the EP REGI Committee as well	Follow-up the related work on the SR 2017 in the Council and the EP
REGIO 14. Dissemination of the 2007-2013 ex-post evaluation exercise. (Target: Presentation of the results of the exercise to stakeholders through dedicated meetings (at least one per MS))		Capsules released to the public according to schedule	

REGIO Indicator/target 2017	Status as of end-Dec '17	Reported results and risks (end-December 2017)	Proposed actions (end-December 2017)
REGIO 15. 2014-2020: Assessment of the reliability of MS systems for the reporting of performance data. (Target: Analysis of audit results from audit authorities and 6 audits carried out by REGIO)		In total, twelve audits (11 led by DG REGIO and 1 led by DG EMPL) in nine Member States (BG, CZ, DE, FR, GR, IT, PL, SK, UK) were carried out in 2017 under the Enquiry Planning Memorandum "Audit of Performance Data Reliability (2014-2020)". For most audits, the reporting is ongoing; preliminary results for the audited systems are rather positive (category 1 or 2, confirming the overall reliability of the performance data reported) except for one Italian OP. However, the audit enquiry is limited by the fact that around 40% of ERDF OPs did not report any values for their performance framework indicators in 2017. For these OPs, no audits were carried out to determine whether the absence of reporting was due to lack of implementation or lack of a functioning data reporting system. There is therefore a risk that the positive results so far are not representative for the entirety of OPs.	The audit enquiry on Performance Data Reliability will be continued with 9 further audit missions in 2018. We will also analyse the audit results of audit authorities in this area as reported in the Annual control reports and system audit reports.
MS 45. AIR and progress reports are submitted on time and are of good quality		Data on policy results (financial indicators) regularly updated on the open data platform Contribution provided to the Strategic report 2017 on the implementation of the European Structural and Investment Fund. Annexed Staff working document finalised by December 2017	




2.3 To communicate on the results of Cohesion Policy programmes and their contribution to the delivery of Commission political priorities.


REGIO 16. Implementation of REGIO Communication Plan for 2017, including contribution to corporate / strategic communication.		<ul style="list-style-type: none"> • # EuEmpowers: selected videos sent to DG COMM featuring young people on 5 clusters (of 6) + list of young bloggers • Country teams: increased involvement of REGIO colleagues; country team discussions at INFORM network meeting; contact lists set out on the Wiki • 30th anniversary of cohesion policy: creation of a set of visuals recognized by COMM as authorised "branding" + planning of a set of actions for 1st half of 2018, in particular a stakeholders' conference in March 	<ul style="list-style-type: none"> • # Eu Empowers: await DG COMM's feedback and de-brief DG REGIO's Communicators' Network (RCN) at meeting in February • Country Teams: continue strengthening exchanges, especially on 30 years of cohesion policy, the 7 JCA and the 5 campaigns • 30th anniversary of cohesion policy: implementation of the actions planned (stakeholders' conference, banner and exhibition at BERL, shooting of episodes with Euronews, etc.)
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REGIO Indicator/target 2017	Status as of end-Dec '17	Reported results and risks (end-December 2017)	Proposed actions (end-December 2017)
REGIO 17. Updates of the open data platform (with further additions to include 2014-2020 absorption, datasets for strategic report). (Target: 2 updates)		Major Project data set added and first published in September as scheduled. ODP platform further improved with addition of better performing visualisations The usability of the platform has been improved with additions of new videos and by allowing graph extraction and reuse	
REGIO 18. b. Interreg internships (Target: 100 by end 2017)		80 internships	
MS 46. Systematic discussion in monitoring committees on the implementation of MS' communication plans		<ul style="list-style-type: none"> o 140 replies received via the online survey o Discussion in the Council and at the EGESIF meeting o Discussion at the INFORM meeting with the national coordinators and at the RCN o Systematic discussion in programme monitoring committees not necessary once all communication strategies are up and running 	<ul style="list-style-type: none"> • Report to the BG Presidency in preparation • Stock-taking of communication activities in view of report to GAC meeting in April (partly through an update of the survey)


3. To support territorial cohesion in Europe

3.1 To enhance policy coordination and dissemination of good practices in the area of territorial and urban development.



REGIO 19. Implementation of the EU Urban Agenda. (Target: have 8 partnerships set up with the support of a secretariat)		All 12 partnerships were set up and meet regularly. The four first partnerships have delivered a draft action plan, which was sent to public consultation and ISC. A first discussion on these took place in the UDG. Fine-tuning is ongoing	
REGIO 20. Urban Innovative Actions (UIA): selection of projects for the second call amounting to EUR 50 million		16 projects were selected for a total budget of EUR 62.6 million. 03 reviewed the operational assessment conducted by the Permanent secretariat for the entrusted entity. Results will be announced at EWRC. Third call was launched in December.	
MS 47. a. Number of Integrated Urban Development Strategies (art.7) being implemented. (Target: all by year-end)		No. of approved Art 7 strategies (situation 8/2017): 692 by 15/08 out of 880 planned according to the OPS	

REGIO Indicator/target 2017	Status as of end-Dec '17	Reported results and risks (end-December 2017)	Proposed actions (end-December 2017)
MS 47. b. Number of selected Community Led Local Developments (CLLDs) set-up, of which how many with projects already selected. (Target: 100%)		No. of approved ERDF/ESF CLLD strategies: 483 out of 694 planned (last info available in 2017)	

3.2 To support the implementation of macro regional strategies


REGIO 21. Monitoring implementation of the action plans of 4 on-going macro regional strategies i.e. for the Baltic Sea, the Adriatic and Ionian, the Danube and the Alpine Regions. (Target: 4 Annual fora, 1 High-Level Group meeting)		All foreseen Annual Fora (4) and the HLG (1) have taken place	
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3.3 To identify and implement measures to address remaining cross-border obstacles

REGIO 22. Implementation of the Cross Border Review, in line with following milestones: a) Adoption of Communication and accompanying Staff Working Document by end June 2017;			
REGIO 22 b) Start implementation of key recommendations in the Communication (50% of recommendations under REGIO responsibilities started by end 2017)		Border Focal Point operational as of 16/12/2017 Pilot Project Global Grant signed with the Association of European Border Regions On-line platform using Futurium software developed with CNECT. Test phase on-going. Formal launch to take place on 16/01 in Copenhagen.	



4. To ensure sound financial management of the funds




4.1 To close the 2007-2013 programme, the 2000-2006 Cohesion Fund projects and the remaining open 2000-2006 ERDF programmes and pre-2000 open irregularities

REGIO 23. % of first assessment of 2007-2013 closure documents. (Target: 100% assessed within 5 months)		100% of the OP-s assessed and all observations letters sent within the regulatory deadline	
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REGIO Indicator/target 2017	Status as of end-Dec '17	Reported results and risks (end-December 2017)	Proposed actions (end-December 2017)
REGIO 24. Processing of open irregularities in 2000-2006 ERDF programmes within 3 months of their notification. (Target: 100%)		Geographic units have concentrated on 2007-2013 closure because of regulatory deadlines.	
Combined responsibility: 48. % of 2007-2013 programmes closed, including partial closures, out of the total. (Target: more than 30%)		108 letters sent out by end of 2017. These include 84 closure + 24 pre-closure letters. This amounts to 34% of the total number of programmes.	
Combined responsibility: 49. Closure of pre-2000 open irregularities by end 2017. (Target: 90% (baseline at end 2016: approximately 1800 cases))		Commission decision on large majority of smaller cases under preparation (6 regions). Majority of larger cases to be decided by end of 2018.	
Combined responsibility: 50. % of 2000-2006 CF projects closed out of the total 2000-2006 CF projects. (Target: 100% at end 2017 excluding incomplete projects and those affected by national legal procedures or OLAF investigations)		95.8% of all CF projects closed. 42 open projects left.	

4.2 To obtain reasonable assurance that the expenditure declared to the Commission is legal and regular by ensuring that the audit authorities can be relied upon (single audit approach) and by focusing DG resources on identified risks




REGIO 25. No. of 2014-2020 programmes for which the Commission has finalised the examination of the designation documents. (Target: All 52 programmes at risk by June 2017 (baseline at mid-December 2016: 33 out of 52))		As at 31/12/2017, 96% (50 out of 52) of the designation packages for programmes at risk have been received. 48 out of 50 have already been analysed through desk review and/or through on-the-spot missions. Due to the delays in the MS submission, the initial target of having all 52 risky designations assessed by end June has been missed.	
REGIO 26. Implementation of the DG's audit plan and desk work. (Target: Assessment on the functioning of the management and control systems provided and reported in the monitoring table for 100% of OPs with available information)		The revised audit plan endorsed by BoD on 29/05/2017 foresees a higher n° of audits in 2017 compared to the previous one (+23). As of 31/12/2017, 71% of them (42 out of 59) have been carried out. For various reasons, 15 missions have been postponed to 2018 and 2 missions have been cancelled. Audit units update the monitoring table on the assessment of the management and control systems for 2014-2020 (known as "colour table". On 31/12/2017, 100% of Commission's audits and of the reviewed NSARs was reported in the colour table. Regarding the NSARs, in 30% of the cases (45 reports out of 150 received in 2017) the assessment letters for the reports received have not met the deadline of 3 months from their reception.	

REGIO Indicator/target 2017	Status as of end-Dec '17	Reported results and risks (end-December 2017)	Proposed actions (end-December 2017)
REGIO 27. Budgetary discharge obtained for the year 2015		Budgetary discharge for the year 2015 obtained on 27/04/2017	
MS 51. a. Designation notified. (Target: 100% by June 2017)		On 31/12/2017, the number of designations that have been notified represents 93% of their total, i.e. 274 out of 295 where REGIO is/has been the DG chef de file (+ 28 compared to 27/9/2017). The missing 21 notifications mainly refer to TC programmes and in total represent about 1.2% of the Union Support for the P.P. 2014-2020 managed by Dg REGIO (€ 3.3 bn out of 278).	
MS 51. b % of annual control reports 2014-2020 received from audit authorities with opinion and residual error rate that can be relied upon. (Target 95%)		Results in terms validation of error rates and audit opinions will be reported in the AAR2017	

4.3 To obtain complete, accurate and true accounts for the accounting year

REGIO 28. % of 2014-2020 programmes informed about the Commission's ability to accept the annual accounts. (Target: 100% by end-May 2017)		All accounts have been accepted within the deadline of 31 May	0
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4.4 To safeguard EU funds through a rigorous policy on interruption and suspension of payments

REGIO 29. a) 80% of initial warnings / interruption letters issued within 2 months of the information of clear evidence to suggest significant deficiencies;		No new cases of warnings/interruptions/suspensions for the programmes of the period 2007-2013: after the submission of the closure packages all issues are dealt with during the closure of relevant programmes. Regarding the programming period 2014-2020, we issued new warnings of possible interruption of payment deadline (for cases where the risk to the EU budget is estimated above 10%). By the end of 2017, we had in total 6 active warnings of possible interruption, no active interruptions. The ISFCC committee decided that warning letters will be issued only once the audit reports are issued. The 2 months deadline is therefore relevant only for issuing the interruption letters (to respect the deadline of 60 days to interrupt the payment claims).	
REGIO 29. b) 80% of /pre-suspension letters issued within 4 months of the information of clear evidence to suggest significant deficiencies		No new pre-suspension letters issued.	
Combined responsibility 52. % of the Annual Activity Report 2016 reservations cases lifted. (Target: 50% by end 2017)		2014-2020: 1 out of 2 lifted 2007-2013: 6 out of 66 lifted. However it is expected that for a majority of cases, a reservation will not be needed in 2017 2000-2006: pending	



REGIO Indicator/target 2017	Status as of end-Dec '17	Reported results and risks (end-December 2017)	Proposed actions (end-December 2017)
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5. To adapt and develop our policy

5.1 To prepare the policy post-2020


REGIO 30. Definition of new elements for post-2020. (Target: REGIO Blueprint for the new regulatory framework by June 2017, involvement of staff in the preparatory work through brainstorming sessions)		Drafting groups have continued and expanded their work across the CPR sections.	Drafting groups to conclude in early 2018 and Directorate B will start consolidating the output texts and continue discussions with other shared management DGs.
REGIO 31. Impact assessment finalised by November 2017		Closed earlier in the year.	Work is on-going on the impact assessment as the next part of the internal process.
REGIO 32. Cohesion Forum to be organised in June and Cohesion Report to be published by mid-September 2017		Report adopted on time.	On-going series of presentations to interested parties; discussions with EP on own initiative report on the Report.

5.2 To simplify and streamline the implementation of cohesion policy


REGIO 33. Reports on actions taken upon the recommendation of the High Level Group. (Target: Regular reporting on actions taken)		Meta-analysis of country-specific gold plating cases (in studies and audit funding) prepared and shared with the geographical units.	Finalisation of the verification of the gold-plating cases. Update of the follow-up tables as requested in the last meeting of the HLG.
EP and Council 53. Adoption of the omnibus regulation New target REGIO: Adoption of Delegated Act on output-based reimbursement by end 2017		Significant acceleration, especially on the Financial Regulation, permitted the Omnibus proposal to be finalised at year-end.	Consequential revision of secondary legislation and guidance was launched in December and will continue in the first half of 2018.

6. To improve the performance of internal processes





6.1 To ensure that systems, processes and reporting tools are operational in time for the implementation of 2014-2020

REGIO Indicator/target 2017	Status as of end-Dec '17	Reported results and risks (end-December 2017)	Proposed actions (end-December 2017)
<p>REGIO</p> <p>34. Delivery of processes and functionalities supporting the 2014-2020 programming period and the closure of 2007-2013 in the REGIO IT systems in accordance with the IT work plan and Business Process Team (BPT) work programme. (Target: 100%)</p>		<p>RESULTS</p> <p>As presented to the Board of Directors on the 18 December 2017, the IT work plan has been implemented. The Business Process Team in alignment with the actual business needs and deadlines has approved any deviations from the initial plan.</p> <p>RISKS</p> <p>(*) Risk related to the performance of the key IT systems (SFC, WAVE and WIKI). As more features and functionalities are added, there is a risk that the systems performance may be affected.</p> <p>(**) Risk of not being ready for post 2020;</p> <p>Because initial talks in 2016 at ESIF resource director level with DIGIT under the Synergies and Efficiencies review were halted for 9 months given a major reorganisation of DIGIT. DIGIT has only recently re-launched this ESIF steering group. That may result in not being ready on time with the preparation of an IT platform for post-2020</p> <p>RISKS (actions)</p> <p>(*) As this is a constant risk, stress tests have been run, monitoring of systems has been put in place and technical enhancements at infrastructure and application levels are currently being implemented, in close collaboration with DIGIT, aiming towards performance improvements for all systems.</p> <p>(**) (1) Actively and continuously involve the BPT and user groups to define both business and user requirements;</p> <p>(2) Involve DIGIT and other central services (SG and BUDG) in order to ensure corporate support and buy-in;</p> <p>(3) The IT Board, as the Corporate IT Governance instance validating all IT investments, has formally approved on 13 December 2017, the start of the project having as objective the development of a new Corporate workflow system based on Compass. This is the proposed future common solution to be ready for use in the next programming period by the ESIF family DGs. The first two important milestones agreed in this context are: 1/ the finalisation by mid-2018 of a complete technical and architectural definition of Corporate IT workflow system and 2/ provision by end of Q1/2019 a common user interface with a common tasks centre in order to allow all the users of the current workflow systems of ESIF and Research family DGs to already start getting used to the new front-end concept before the start of the new programming period. However, if the corporate IT system's implementation is not following the agreed roadmap, the ESIF DGs reserve the right to reuse one of the existing workflow systems: WAVE or RDIS2. The decision point would be early 2020;</p> <p>(4) In order to ensure a proper evolution of the future workflow system, REGIO will redeploy 3 FTEs full-time from January 2018. Additional transfer of several REGIO IT FTEs from WAVE to the post-2020 workflow project will occur during 2018.</p>	

6.2 To improve internal communication and collaborative working methods

REGIO Indicator/target 2017	Status as of end-Dec '17	Reported results and risks (end-December 2017)	Proposed actions (end-December 2017)
REGIO 35. WIKI fully operational and actively used. (Target: Steady increase of usage throughout the year (baseline: 340 average in 2016); roll out of internal pillar and streamlining of geographical pillar, 1 users survey by end 2017)		<ul style="list-style-type: none"> - Country pages streamlining nearly completed by the Knowledge Management team (2 remaining countries out of 28). - Mission report for Geo units in place - Internal pillar opened for ESIF DGs - Users' Committee added in the new governance model, but still to be implemented - Opening Outermost Regions pages to all Commission services: rescheduled with unit A1 for 2018 Q2 - Piwik still benchmarked with other analytics tools or internal development (but implementation subject to staff availability in A4) - Transfer from My Regio to RegioWIKI nearly completed (scheduled for 2018 Q1) - Main risk : availability of IT resources in unit A4 	<p>According to the Work Plan for Knowledge Management adopted at the Board meeting of 18/12/2017:</p> <ul style="list-style-type: none"> - Finalise the streamlining (scheduled to the end of 2018 Q1) - Follow-up on the mission report implementation for Geo Units - Launch the Users' Committee (1st meeting scheduled for 2018 Q1) - Opening Outermost Regions pages to all Commission services (rescheduled in agreement with unit A1 to 2018 Q2) - Implement/develop analytic tool (but subject to A4 staff availability) - Finalise My Regio transfer to RegioWIKI

6.3 To ensure optimal use of resources

REGIO 36. Streamlining of REGIO TA delivery mechanism. (Target: New TA Cell fully operational by July 2017, Maximise the use of the 2017 TA budget)		The evaluation of the TA Cell was presented to the Board on 4 September and concluded that the calendar of the setting up of the TA cell was respected. The Board endorsed the revised strategy on 4 September 2017. The 2018 Financing Decision is expected to be adopted end January 2018. The 2017 TA budget (commitment appropriations) was consumed for 99%.	
REGIO 37. Update of work force planning (Target: by end of May 2017)			
REGIO 38. Smooth transition to the new organisation of the HR function. (Target: Set up of the new Business Correspondent Team by the end of the 1st quarter 2017)			
REGIO 39. New mobility policy defined by 1st semester 2017			

ANNEX 7A: List of Reservations in the AAR 2017 and Targeted Actions

2014-2020 ERDF/CF/IPA-CBC – 17 Ops

Res No.	MS	Ref	Title	Reportable error rate	Residual error rate	Reservation	Reasons for Reservations / Comments	Quantification EURm	Targeted Actions
1	CZ	2014CZ16RFOP001	Enterprise And Innovation For Competitiveness	6,58%	2,00%	Partial	High error rate due to systems deficiencies (except in FEI)	10,3	Improve the management and control system. Carry out appropriate financial corrections. Confirm the implementation of corrective actions.
2	DE	2014DE16RFOP004	Brandenburg	5,00%	3,00%	Full	The preliminary results of the on-going revision of the error rates show a residual risk > 2% and significant deficiencies in the system (risk estimated above 10%) except financial instruments	2,2	
3	DE	2014DE16RFOP013	Sachsen-Anhalt	n/a	n/a	Full	Significant deficiencies in the system (Risk estimated >10%)	4,5	
4	ETC	2014TC16RFCB014	Central Baltic	14,61%	14,60%	Full	Total error rate above 10%	1,6	
5	FR	2014FR05M0OP001	EMPL Ile-De-France And Seine	40,89%	2,00%	Full	Total error rate above 10%	4,4	
6	FR	2014FR16M0OP007	Midi-Pyrénées Et Garonne	5,00%	5,00%	Full	Residual >2% and systems deficiencies	0,3	
7	FR	2014FR16M2OP005	Franche-Comté Et Jura	17,66%	2,00%	Full	Total error rate above 10%	1,0	
8	FR	2014FR16M2OP009	Poitou Charentes	17,01%	2,00%	Full	Total error rate above 10%	0,6	
9	HR	2014HR16M1OP001	Competitiveness And Cohesion	0,00%	0,00%	Full	Deficiencies in the management and control system. Risk estimated above 10%.	11,8	
10	HU	2014HU16M1OP001	Environmental And Energy Efficiency	0,01%	0,01%	Partial	Deficiencies in public procurement	9,9	
11	HU	2014HU16M2OP001	Territorial And Settlement Development	53,92%	0,00%	Full	Total error rate above 10%	15,2	
12	IT	2014IT16RFOP016	Sicilia	N/A	n/a	Full Non-fin	Deficiencies at the level of the AA and in the management and control system	-	
13	IT	2014IT16RFOP022	Basilicata	10,96%	0,00%	Full	Total error rate above 10%	-	
14	PL	2014PL16M2OP010	Podlaskie Voivodeship	2,00%	1,95%	Full Non-fin	Residual error rate >2% for last's year account. Issues detected following ECA audit.	-	
15	PL	2014PL16RFOP001	Smart Growth	3.54%	1.64%	Partial	Deficiencies in 2 priority axis for which the risk is estimated above 10% (PA1 and	17,3	

Res No.	MS	Ref	Title	Reportable error rate	Residual error rate	Reservation	Reasons for Reservations / Comments	Quantification EURm	Targeted Actions
							PA4)		
16	SK	2014SK16RFOP001	Research And Innovation	0,12%	0,00%	Par Non-fin	Deficiencies in the selection of operations. No expenditure declared	-	
17	UK	2014UK16RFOP004	Scotland	N/A	N/A	Full Non-fin	Significant deficiencies in the management and control system	-	
								EUR 79.0 m	

2007-2013 ERDF/CF/IPA-CBC – 21 Ops

Res No.	MS	Ref	Title	Validated error rate by REGIO	Validated Residual error by REGIO	Reservation	Reasons for 2017 Reservation	Quantification of Reservation EURm	Targeted Actions
1	CZ	2007CZ161PO008	North-West	3,71%	1,85%	Full Non-Fin	Due to ongoing police investigations on the former head of the Managing Authority	-	Carry out appropriate financial corrections. Confirm the implementation of corrective actions. For the scope limitations, ensure that adequate audit work will be carried out.
2	CZ	2007CZ16UPO001	Technical Assistance	35,00%	15,91%	Par Non-fin	Deficiencies affecting priority axis 2 – deficiencies in public procurement for IT projects (residual rate of 15.91%). No payments made in 2017.	-	
3	DE	2007DE161PO007	Sachsen - Anhalt	10,00%	2,00%	Par Non-fin	Partial reservation at the level of one measure (11.16/41.16 BG). Issue with the Financial instrument. No payments in 2017.	-	
4	ETC	2007CB163PO021	Romania - Bulgaria	10,00%	0,52%	Full Non-Fin	High error rate at closure. No payments in 2017.	-	
5	ETC	2007CB163PO041	France - Suisse	12,04%	1,84%	Full Non-Fin	High error rate at closure. No payments in 2017.	-	
6	ETC	2007CB163PO053	Slovenia - Hungary	10,00%	2,00%	Full Non-Fin	High error rate at closure. No payments in 2017.	-	
7	HR	2007HR161PO001	Environment	25,00%	14,48%	Full Non-Fin	Incomplete audit work at closure. No payments in 2017.	-	
8	HR	2007HR161PO002	Transport	25,00%	16,64%	Full Non-Fin	Incomplete audit work at closure. No payments in 2017.	-	
9	HR	2007HR161PO003	Regional Competitiveness	25,00%	8,61%	Full Non-Fin	Incomplete audit work at closure. No payments in 2017.	-	
10	HU	2007HU161PO002	Environment and Energy	0,91%	0,17%	Rep	On reputational ground. Deficiencies at the level of measure 5.5.0. On-going OLAF case	-	

Res No.	MS	Ref	Title	Validated error rate by REGIO	Validated Residual error by REGIO	Reservation	Reasons for 2017 Reservation	Quantification of Reservation EURm	Targeted Actions
							on public lightening.		
11	HU	2007HU161PO007	Transport	5,00%	2,00%	Full Non-Fin	Risk above 5% of the OP allocation taking into account also OLAF cases. No payments in 2017.	-	
12	HU	2007HU161PO010	Implementation	5,00%	2,00%	Par Non-fin	Deficiencies at the level of measure 2.1.1. Risk above 5% of the OP allocation. No payments in 2017.	-	
13	HU	2007HU16UPO001	Electronic Public Administration	5,00%	2,00%	Full Non-Fin	Financial correction to be applied > 5% of the OP allocation. No payments in 2017.	-	
14	IT	2007IT161PO005	Reti e mobilita	25,00%	12,44%	Full	Risk above 5% of the OP allocation.	1.5	
15	IT	2007IT161PO006	Ricerca e competitivita	10,00%	2,96%	Full Non-Fin	Risk above > 5% of the OP allocation and residual above 2%. No retention for this OP.	-	
16	IT	2007IT161PO011	Sicilia	10,00%	0,51%	Full	High error rate at closure and deficiencies at the level of the AA. Interim payments made early 2017 for this OP.	29.4	
17	IT	2007IT162PO004	Lazio	10,00%	2,66%	Full Non-Fin	Deficiencies at the level of the AA (as detected by DG EMPL)	-	
18	RO	2007RO161PO003	Transport	10,00%	2,00%	Full Non-Fin	High error rate at closure. Risk above the retention (retention of 0.9% for this OP i.e. 35.9 MEUR). No payments in 2017.	-	
19	RO	2007RO161PO004	Environment	2,00%	0,00%	Par Non-fin	Deficiencies in management verification on a group of contracts (works contracts below threshold and outside the scope of major projects). No retention for this OP due to low absorption. No payments in 2017.	-	
20	SK	2007SK161PO007	Technical Assistance	2,28%	20,18%	Par Non-fin	Deficiencies in measure 1.5 (public procurement irregularities with IT projects). Risk is above >5 % of the OP allocation. No payments in 2017.	-	
21	IPA CBC	2007CB161PO001	Adriatic IPA CBC	0,31%	0,73%	Rep	On reputational ground. Complaints from beneficiaries and programme partner countries on the substantial delays in payments to the beneficiaries as well as poor OP management by managing authority.	-	
								EUR 30.8 m	

ANNEX 7B: 2007-2013 ERDF / CF Operational Programmes Error Rates

	MS	Ref	Title	Reserve AAR 2017	Closure status at end-March 2018	Relevant expenditure 2017	MS error rate reported at closure	Validated error rate by REGIO ¹¹	Residual error rate reported at closure	Residual error rate validated by REGIO ¹²	Rate of risk on payment
1	AT	2007AT161PO001	Burgenland		closure letter sent		3,90%	3,90%	0,00%	0,00%	0,00%
2	AT	2007AT162PO001	Niederösterreich		pre-closure sent		3,90%	3,90%	0,00%	0,00%	0,00%
3	AT	2007AT162PO002	Oberösterreich				3,90%	3,90%	0,00%	0,00%	0,00%
4	AT	2007AT162PO003	Vorarlberg		closure letter sent	0,61	3,90%	3,90%	0,00%	0,00%	0,00%
5	AT	2007AT162PO004	Wien		closure letter sent	1,26	0,03%	0,03%	0,00%	0,00%	0,00%
6	AT	2007AT162PO005	Kärnten		pre-closure sent	1,36	3,90%	3,90%	0,00%	0,00%	0,00%
7	AT	2007AT162PO006	Salzburg		pre-closure sent	0,43	3,90%	3,90%	0,00%	0,00%	0,00%
8	AT	2007AT162PO007	Steiermark				3,90%	3,90%	0,00%	0,00%	0,00%
9	AT	2007AT162PO008	Tirol		pre-closure sent		3,90%	3,90%	0,00%	0,00%	0,00%
10	BE	2007BE161PO001	Hainaut				1,10%	5,00%	0,40%	1,63%	0,00%
11	BE	2007BE162PO001	Région de Bruxelles-Capitale				3,81%	10,00%	0,90%	3,73%	0,00%
12	BE	2007BE162PO002	Vlaanderen				1,21%	1,21%	0,63%	0,63%	0,00%
13	BE	2007BE162PO003	Wallonie (hors Hainaut)				1,10%	5,00%	0,40%	1,63%	0,00%
14	BG	2007BG161PO001	Regional Development				1,26%	1,26%	0,19%	0,19%	0,00%
15	BG	2007BG161PO002	Technical Assistance				0,72%	0,72%	0,12%	0,12%	0,00%
16	BG	2007BG161PO003	Bulgarian Economy				1,18%	2,00%	0,39%	0,39%	0,00%
17	BG	2007BG161PO004	Transport				0,38%	2,00%	0,00%	0,00%	0,00%
18	BG	2007BG161PO005	Environment				1,30%	2,00%	0,00%	0,00%	0,00%
19	CY	2007CY16UP0001	Sustainable Development and Competitiveness		closure letter sent		3,24%	3,24%	0,10%	0,10%	0,00%
20	CZ	2007CZ161PO001	South East		pre-closure sent	36,02	0,13%	0,13%	0,00%	0,00%	0,00%
21	CZ	2007CZ161PO002	Central Moravia		closure letter sent	186,87	1,45%	1,45%	0,30%	0,28%	0,28%
22	CZ	2007CZ161PO004	Enterprise and Innovation				1,39%	1,39%	0,21%	0,21%	0,00%
23	CZ	2007CZ161PO005	North East		closure letter sent	33,56	0,00%	0,00%	0,00%	0,00%	0,00%
24	CZ	2007CZ161PO006	Environment		closure letter sent	232,16	2,11%	2,11%	1,34%	1,34%	1,34%
25	CZ	2007CZ161PO007	Transport		closure letter sent	332,76	0,50%	0,50%	0,00%	0,00%	0,00%
26	CZ	2007CZ161PO008	North-West	Full Non-Fin			3,71%	3,71%	1,85%	1,85%	0,00%
27	CZ	2007CZ161PO009	Central Bohemia		closure letter sent	28,59	1,21%	1,21%	0,24%	0,24%	0,24%
28	CZ	2007CZ161PO010	Moravia Silesia		pre-closure sent	37,55	0,57%	0,57%	0,00%	0,00%	0,00%
29	CZ	2007CZ161PO012	Research and Development for Innovation		pre-closure sent	23,05	0,39%	0,39%	0,00%	0,00%	0,00%
30	CZ	2007CZ161PO013	South West		pre-closure sent	22,82	0,93%	0,93%	0,00%	0,00%	0,00%
31	CZ	2007CZ162PO001	Prague		pre-closure sent		0,31%	0,31%	0,00%	0,00%	0,00%
32	CZ	2007CZ16UP0001	Technical Assistance	Par Non-fin			3,39%	35,00%	0,55%	15,91%	0,00%
33	CZ	2007CZ16UP0002	Integrated OP		pre-closure sent		0,85%	0,85%	0,00%	0,00%	0,00%

¹¹ Except for the 5 Croatian programmes where the assessment of closure packages received in March 2018 has just started and for which the error rates will be validated in the Annual Activity Report 2018

¹² Except for 31 cases where additional audits/information was required at the time of this report and for the 5 Croatian programmes with the closure packages sent in March 2018.

	MS	Ref	Title	Reserve AAR 2017	Closure status at end-March 2018	Relevant expenditure 2017	MS error rate reported at closure	Validated error rate by REGIO ¹¹	Residual error rate reported at closure	Residual error rate validated by REGIO ¹²	Rate of risk on payment
34	DE	2007DE161PO001	Thüringen				1,68%	1,68%	0,00%	0,00%	0,00%
35	DE	2007DE161PO002	Brandenburg				0,00%	0,00%	0,00%	0,00%	0,00%
36	DE	2007DE161PO003	Mecklenburg - Vorpommern		closed	62,62	0,85%	0,85%	0,00%	0,00%	0,00%
37	DE	2007DE161PO004	Sachsen				0,47%	0,47%	0,00%	0,00%	0,00%
38	DE	2007DE161PO005	Verkehr				0,00%	0,00%	0,00%	0,00%	0,00%
39	DE	2007DE161PO006	Niedersachsen - Region Lüneburg		closure letter sent	29,45	0,72%	0,72%	0,00%	0,00%	0,00%
40	DE	2007DE161PO007	Sachsen - Anhalt	Par Non-fin			9,09%	10,00%	1,60%	2,00%	0,00%
41	DE	2007DE162PO001	Bayern		closure letter sent		0,47%	0,47%	0,15%	0,15%	0,00%
42	DE	2007DE162PO002	Saarland		closure letter sent		0,17%	0,17%	0,00%	0,00%	0,00%
43	DE	2007DE162PO003	Schleswig - Holstein		pre-closure sent	5,98	4,61%	4,61%	0,00%	0,00%	0,00%
44	DE	2007DE162PO004	Berlin		pre-closure sent	33,36	1,28%	1,28%	0,00%	0,00%	0,00%
45	DE	2007DE162PO005	Hessen		closure letter sent	13,17	0,44%	0,55%	0,00%	0,04%	0,04%
46	DE	2007DE162PO006	Bremen		closed	43,48	2,38%	2,38%	0,00%	0,00%	0,00%
47	DE	2007DE162PO007	Nordrhein - Westfalen		pre-closure sent		2,11%	2,00%	1,63%	1,60%	0,00%
48	DE	2007DE162PO008	Baden - Württemberg		closure letter sent	7,17	0,05%	0,05%	0,00%	0,00%	0,00%
49	DE	2007DE162PO009	Hamburg		closure letter sent	4,50	0,09%	0,09%	0,00%	0,00%	0,00%
50	DE	2007DE162PO010	Niedersachsen (ohne Region Lüneburg)		closure letter sent	31,94	0,72%	0,72%	0,00%	0,00%	0,00%
51	DE	2007DE162PO011	Rheinland - Pfalz		closed	10,88	0,80%	0,76%	0,00%	0,00%	0,00%
52	DK	2007DK162PO001	Innovation og Viden		closed	12,74	0,55%	0,55%	0,39%	0,39%	0,39%
53	EE	2007EE161PO001	Economic Environment				0,06%	5,00%	0,00%	0,69%	0,00%
54	EE	2007EE161PO002	Living Environment				0,06%	5,00%	0,00%	0,69%	0,00%
55	ES	2007ES161PO001	Región de Murcia				1,30%	1,30%	0,45%	0,45%	0,00%
56	ES	2007ES161PO002	Melilla		closure letter sent		14,11%	14,11%	1,96%	1,97%	0,00%
57	ES	2007ES161PO003	Ceuta		closure letter sent		0,00%	0,00%	0,00%	0,01%	0,00%
58	ES	2007ES161PO004	Asturias		closure letter sent		0,23%	0,23%	0,77%	0,76%	0,00%
59	ES	2007ES161PO005	Galicia				0,18%	5,00%	0,00%	2,29%	0,00%
60	ES	2007ES161PO006	Extremadura				3,90%	6,09%	0,00%	0,00%	0,00%
61	ES	2007ES161PO007	Castilla La Mancha				5,71%	5,81%	0,38%	0,21%	0,00%
62	ES	2007ES161PO008	Andalucía				1,25%	1,50%	0,00%	0,50%	0,00%
63	ES	2007ES161PO009	Fondo de Cohesión - FEDER		pre-closure sent	67,85	1,19%	1,67%	0,00%	0,00%	0,00%
64	ES	2007ES162PO001	Cantabria		closure letter sent	2,96	0,32%	2,36%	0,00%	0,00%	2,36%
65	ES	2007ES162PO002	País Vasco				0,21%	0,21%	1,67%	1,67%	0,00%
66	ES	2007ES162PO003	Navarra			2,18	2,48%	2,48%	1,35%	1,35%	2,48%
67	ES	2007ES162PO004	Madrid				1,25%	1,25%	0,00%	0,00%	0,00%
68	ES	2007ES162PO005	La Rioja		closure letter sent		0,00%	0,00%	0,00%	0,00%	0,00%
69	ES	2007ES162PO006	Cataluña			(50,93)	1,62%	1,75%	0,00%	0,00%	0,00%
70	ES	2007ES162PO007	Baleares			0,32	4,21%	5,61%	0,00%	0,00%	5,61%
71	ES	2007ES162PO008	Aragón		closure letter sent		0,00%	0,00%	0,70%	0,64%	0,00%
72	ES	2007ES162PO009	Castilla y León				0,18%	0,20%	0,00%	0,00%	0,00%
73	ES	2007ES162PO010	Comunidad Valenciana			15,75	5,34%	10,00%	0,00%	0,00%	10,00%
74	ES	2007ES162PO011	Canarias				1,33%	1,33%	0,35%	0,29%	0,00%
75	ES	2007ES16UP0001	Investigación, Desarrollo e innovación		pre-closure sent	593,36	0,72%	0,72%	0,32%	0,80%	0,80%

	MS	Ref	Title	Reserve AAR 2017	Closure status at end-March 2018	Relevant expenditure 2017	MS error rate reported at closure	Validated error rate by REGIO ¹¹	Residual error rate reported at closure	Residual error rate validated by REGIO ¹²	Rate of risk on payment
76	ES	2007ES16UPO002	Asistencia Técnica y Gobernanza		pre-closure sent	1,89	0,72%	0,72%	0,32%	0,80%	0,80%
77	ES	2007ES16UPO003	Economía basada en el Conocimiento		pre-closure sent	146,15	0,72%	0,72%	0,32%	0,80%	0,80%
	ES	2007ESNAT-PART	Spain – National Part of 19 Regional OPs¹³				2.81%	2.57%	0.20%	0.09%	
78	ETC	2007CB163PO001	EUREGIO Maas Rijn		closed	3,60	0,96%	0,96%	0,85%	0,85%	0,85%
79	ETC	2007CB163PO002	Austria-Czech Republic		closure letter sent	0,34	0,68%	0,70%	0,48%	0,48%	0,48%
80	ETC	2007CB163PO003	Slovakia-Austria		closure letter sent		0,23%	0,44%	0,06%	0,10%	0,00%
81	ETC	2007CB163PO004	Austria-Bavaria		closed	2,71	0,57%	0,61%	0,26%	0,27%	0,27%
82	ETC	2007CB163PO005	España - Portugal		closure letter sent		0,23%	0,20%	0,17%	0,13%	0,00%
83	ETC	2007CB163PO006	España - Francia		closure letter sent		1,95%	1,96%	1,59%	1,77%	0,00%
84	ETC	2007CB163PO007	Madeira - Azores - Canarias		closure letter sent	0,23	0,36%	0,36%	0,32%	0,32%	0,36%
85	ETC	2007CB163PO008	South West Europe		closed	0,73	0,77%	0,77%	0,75%	0,75%	0,75%
86	ETC	2007CB163PO009	Bavaria - Czech Republic		closure letter sent	5,78	0,00%	0,00%	0,30%	0,30%	0,30%
87	ETC	2007CB163PO010	Austria - Hungary		closed	4,11	1,47%	1,45%	0,33%	0,33%	0,33%
88	ETC	2007CB163PO011	Lubuskie - Branderburg		pre-closure sent		0,12%	0,12%	0,04%	0,04%	0,00%
89	ETC	2007CB163PO012	Poland-Slovakia				1,10%	1,10%	0,01%	0,01%	0,00%
90	ETC	2007CB163PO013	South Baltic		pre-closure sent	1,53	0,07%	0,07%	0,00%	0,00%	0,00%
91	ETC	2007CB163PO014	Alpine Space		closure letter sent	1,82	0,37%	0,37%	0,87%	0,87%	0,87%
92	ETC	2007CB163PO015	INTERACT		closed	3,27	0,01%	0,01%	0,05%	0,05%	0,05%
93	ETC	2007CB163PO016	Sweden - Norway		closure letter sent	1,86	2,59%	3,18%	1,18%	1,18%	1,18%
94	ETC	2007CB163PO017	Saxony-CZ Republic				3,39%	5,07%	0,83%	1,21%	0,00%
95	ETC	2007CB163PO018	Sachsen - Polen		closure letter sent		0,58%	0,58%	0,61%	0,61%	0,00%
96	ETC	2007CB163PO019	MV/BB - Polen		pre-closure sent	3,05	0,98%	0,98%	0,00%	0,00%	0,00%
97	ETC	2007CB163PO020	Baltic Sea Region		closed	4,49	0,86%	0,86%	0,53%	0,53%	0,53%
98	ETC	2007CB163PO021	Romania - Bulgaria	Full Non-Fin			9,67%	10,00%	0,52%	0,52%	0,00%
99	ETC	2007CB163PO022	ESPON 2013		closure letter sent		0,11%	0,11%	0,15%	0,15%	0,00%
100	ETC	2007CB163PO023	Deutschland-Niederlande		closed	6,93	1,03%	1,03%	0,62%	0,62%	0,62%
101	ETC	2007CB163PO024	Alpenrhein-Bodensee-Hochrhein		closed	1,19	2,95%	2,95%	0,42%	0,42%	0,42%
102	ETC	2007CB163PO025	Ceská republika - Polsko		closure letter sent	2,55	0,00%	0,00%	0,83%	0,83%	0,83%
103	ETC	2007CB163PO026	Öresund - Kattegatt - Skagerrak		closure letter sent		0,06%	0,06%	0,00%	0,00%	0,00%
104	ETC	2007CB163PO027	Northern Periphery		closure letter sent	0,09	0,18%	0,18%	0,70%	0,70%	0,70%
105	ETC	2007CB163PO028	Botnia-Atlantica		closure letter sent		0,23%	0,23%	0,90%	0,90%	0,00%
106	ETC	2007CB163PO029	Atlantic Area		closure letter sent	1,56	0,67%	0,79%	0,44%	0,52%	0,52%
107	ETC	2007CB163PO030	Slowacja - Česká Republika			20,73	1,86%	1,86%	0,00%	0,00%	1,86%
108	ETC	2007CB163PO031	Lithuania - Poland		closure letter sent	0,49	0,00%	0,00%	0,00%	0,00%	0,00%
109	ETC	2007CB163PO032	Nord Interreg		closure letter sent	1,70	2,96%	2,96%	0,85%	0,85%	0,85%
110	ETC	2007CB163PO033	Italia - Francia frontiera marittima		closure letter sent	5,56	0,37%	0,35%	0,46%	0,45%	0,45%
111	ETC	2007CB163PO034	Italia - Francia Alpi		closure letter sent	8,20	0,48%	0,48%	0,78%	0,71%	0,71%

¹³ The relevant expenditure for Spain national part is included in those indicated per regional programme. The error rates indicated per regional programme are the error rates corresponding to the regional part of the programmes, excluding the national part. The national part is covered by one audit sample (error rate of 2.57% and residual error rate of 0.09%).

	MS	Ref	Title	Reserve AAR 2017	Closure status at end-March 2018	Relevant expenditure 2017	MS error rate reported at closure	Validated error rate by REGIO ¹¹	Residual error rate reported at closure	Residual error rate validated by REGIO ¹²	Rate of risk on payment
112	ETC	2007CB163PO035	Italia - Svizzera		closure letter sent	3,44	0,49%	0,49%	0,12%	0,00%	0,00%
113	ETC	2007CB163PO036	Italia - Slovenia		closure letter sent	5,10	1,04%	1,91%	0,88%	1,25%	1,25%
114	ETC	2007CB163PO037	Italia - Malta			0,06	1,55%	2,00%	0,33%	0,33%	2,00%
115	ETC	2007CB163PO038	Les 2 mers				0,02%	0,02%	0,82%	0,82%	0,00%
116	ETC	2007CB163PO039	Rhin supérieur		closure letter sent	0,81	0,19%	0,19%	0,36%	0,36%	0,36%
117	ETC	2007CB163PO040	Manche				1,36%	1,36%	0,47%	0,47%	0,00%
118	ETC	2007CB163PO041	France - Suisse	Full Non-Fin	closure letter sent		12,04%	12,04%	1,87%	1,84%	0,00%
119	ETC	2007CB163PO042	Réunion		closure letter sent	0,93	1,74%	1,74%	1,17%	1,17%	1,17%
120	ETC	2007CB163PO043	Caraïbes		closure letter sent	2,26	0,21%	0,21%	1,32%	1,32%	1,32%
121	ETC	2007CB163PO044	Nord Ouest Européen				0,08%	0,08%	0,48%	0,48%	0,00%
122	ETC	2007CB163PO045	Méditerranée		closed	3,51	0,67%	0,67%	0,81%	0,81%	0,67%
123	ETC	2007CB163PO046	Interreg IV C		closed	2,33	0,73%	0,73%	0,49%	0,49%	0,49%
124	ETC	2007CB163PO047	Ireland - Northern Ireland - Scotland		closure letter sent	9,60	0,78%	0,78%	0,00%	0,00%	0,00%
125	ETC	2007CB163PO048	URBACT		closure letter sent		0,26%	0,26%	0,19%	0,19%	0,00%
126	ETC	2007CB163PO049	Peace III		closure letter sent		0,78%	0,78%	0,00%	0,00%	0,00%
127	ETC	2007CB163PO050	Estonia - Latvia		closure letter sent	1,91	0,00%	0,00%	0,09%	0,09%	0,09%
128	ETC	2007CB163PO051	Amazonie		closed	0,55	0,00%	0,00%	1,13%	1,13%	1,13%
129	ETC	2007CB163PO052	Italia - Austria		closure letter sent	3,00	0,84%	0,79%	0,77%	0,79%	0,79%
130	ETC	2007CB163PO053	Slovenia - Hungary	Full Non-Fin			5,40%	10,00%	1,29%	2,00%	0,00%
131	ETC	2007CB163PO054	Slovenia - Austria		closure letter sent	0,04	0,45%	0,45%	0,00%	0,00%	0,45%
132	ETC	2007CB163PO055	North Sea		closure letter sent		0,75%	0,75%	1,08%	1,08%	0,00%
133	ETC	2007CB163PO056	Syddanmark-Schleswig		closed	0,59	0,73%	0,73%	0,40%	0,40%	0,40%
134	ETC	2007CB163PO057	Fehmarnbeltregion		closed	1,15	1,44%	1,44%	1,09%	1,09%	1,09%
135	ETC	2007CB163PO058	Greece - Cyprus		pre-closure sent		0,55%	0,55%	0,38%	0,38%	0,00%
136	ETC	2007CB163PO059	Greece - Bulgaria		closure letter sent	5,89	3,23%	3,23%	1,10%	1,10%	1,10%
137	ETC	2007CB163PO060	Greece - Italy		pre-closure sent	4,07	6,06%	4,87%	0,37%	0,21%	4,87%
138	ETC	2007CB163PO061	Central Europe				0,47%	0,47%	0,84%	0,84%	0,00%
139	ETC	2007CB163PO062	Ireland Wales		closure letter sent		0,81%	0,66%	0,18%	0,36%	0,00%
140	ETC	2007CB163PO063	France - Wallonie - Vlaanderen				2,17%	5,00%	0,46%	2,00%	0,00%
141	ETC	2007CB163PO064	Grande Région		closure letter sent	5,30	5,70%	5,70%	2,00%	2,00%	2,00%
142	ETC	2007CB163PO065	Vlaanderen - Nederland				4,08%	5,00%	0,99%	2,00%	0,00%
143	ETC	2007CB163PO066	Central Baltic		closure letter sent	1,42	1.73%	1.73%	0,60%	0,60%	0,60%
144	ETC	2007CB163PO067	Hungary - Romania				0,93%	2,00%	0,50%	0,50%	0,00%
145	ETC	2007CB163PO068	Hungary - Slovakia		pre-closure sent	0,35	0,00%	0,00%	0,34%	0,34%	0,34%
146	ETC	2007CB163PO069	South East Europe				0,64%	0,64%	0,15%	0,15%	0,00%
147	ETC	2007CB163PO070	Latvia - Lithuania		closed	0,57	0,06%	0,06%	0,00%	0,00%	0,00%
148	ETC	2013CB163PO001	Slovenia-Croatia			7,72	0,00%	0,00%	0,00%	0,00%	0,00%
149	ETC	2013CB163PO002	Hungary-Croatia			0,28	0,00%	0,00%	0,00%	0,00%	0,00%
150	ETC	2008CB163PO001	España - Fronteras Exteriores		closure letter sent		0,43%	0,41%	0,62%	0,56%	0,00%
151	FI	2007FI162PO001	Itä		pre-closure sent	10,71	0,24%	0,24%	0,00%	0,00%	0,00%
152	FI	2007FI162PO002	Pohjois		pre-closure sent	15,56	0,24%	0,24%	0,00%	0,00%	0,00%
153	FI	2007FI162PO003	Länsi		pre-closure sent	7,97	0,24%	0,24%	0,00%	0,00%	0,00%

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154	FI	2007FI162PO004	Etelä		pre-closure sent	6,90	0,24%	0,24%	0,00%	0,00%	0,00%
155	FI	2007FI162PO005	Åland		closure letter sent	0,02	4,68%	4,68%	1,87%	1,87%	1,87%
156	FR	2007FR161PO001	Guyane				3,94%	3,94%	1,84%	1,99%	0,00%
157	FR	2007FR161PO002	Guadeloupe				3,94%	3,94%	1,84%	1,99%	0,00%
158	FR	2007FR161PO003	Martinique				3,94%	3,94%	1,84%	1,99%	0,00%
159	FR	2007FR161PO004	Réunion				3,94%	3,94%	1,84%	1,99%	0,00%
160	FR	2007FR162PO001	Aquitaine				3,94%	3,94%	1,84%	1,99%	0,00%
161	FR	2007FR162PO002	Centre				3,94%	3,94%	1,84%	1,99%	0,00%
162	FR	2007FR162PO003	Alsace				3,94%	3,94%	1,84%	1,99%	0,00%
163	FR	2007FR162PO004	Auvergne				3,94%	3,94%	1,84%	1,99%	0,00%
164	FR	2007FR162PO005	Basse-Normandie				3,94%	3,94%	1,84%	1,99%	0,00%
165	FR	2007FR162PO006	Bourgogne				3,94%	3,94%	1,84%	1,99%	0,00%
166	FR	2007FR162PO007	Bretagne				3,94%	3,94%	1,84%	1,99%	0,00%
167	FR	2007FR162PO008	Champagne-Ardenne				3,94%	3,94%	1,84%	1,99%	0,00%
168	FR	2007FR162PO009	Corse				3,94%	3,94%	1,84%	1,99%	0,00%
169	FR	2007FR162PO010	Franche-Comté				3,94%	3,94%	1,84%	1,99%	0,00%
170	FR	2007FR162PO011	Haute-Normandie				3,94%	3,94%	1,84%	1,99%	0,00%
171	FR	2007FR162PO012	Ile-De-France				3,94%	3,94%	1,84%	1,99%	0,00%
172	FR	2007FR162PO013	Languedoc-Roussillon				3,94%	3,94%	1,84%	1,99%	0,00%
173	FR	2007FR162PO014	Limousin				3,94%	3,94%	1,84%	1,99%	0,00%
174	FR	2007FR162PO015	Lorraine				3,94%	3,94%	1,84%	1,99%	0,00%
175	FR	2007FR162PO016	Pays De La Loire				3,94%	3,94%	1,84%	1,99%	0,00%
176	FR	2007FR162PO017	Nord Pas-De-Calais				3,94%	3,94%	1,84%	1,99%	0,00%
177	FR	2007FR162PO018	Picardie				3,94%	3,94%	1,84%	1,99%	0,00%
178	FR	2007FR162PO019	Poitou-Charentes			4,28	3,94%	3,94%	1,84%	1,99%	3,94%
179	FR	2007FR162PO020	PACA				3,94%	3,94%	1,84%	1,99%	0,00%
180	FR	2007FR162PO021	Midi-Pyrénées				3,94%	3,94%	1,84%	1,99%	0,00%
181	FR	2007FR162PO022	Rhône-Alpes				3,94%	3,94%	1,84%	1,99%	0,00%
182	FR	2007FR162PO023	Alpes				3,94%	3,94%	1,84%	1,99%	0,00%
183	FR	2007FR162PO024	Loire				3,94%	3,94%	1,84%	1,99%	0,00%
184	FR	2007FR162PO025	Massif Central				3,94%	3,94%	1,84%	1,99%	0,00%
185	FR	2007FR162PO026	Rhône				3,94%	3,94%	1,84%	1,99%	0,00%
186	FR	2007FR16UPO001	Europact				3,94%	3,94%	1,84%	1,99%	0,00%
187	GR	2007GR161PO001	Competitiveness				2,13%	2,13%	0,00%	0,00%	0,00%
188	GR	2007GR161PO002	Digital convergence				2,13%	2,13%	0,00%	0,00%	0,00%
189	GR	2007GR161PO003	Technical assistance				2,13%	2,13%	0,00%	0,00%	0,00%
190	GR	2007GR161PO004	Accessibility				2,13%	2,13%	0,00%	0,00%	0,00%
191	GR	2007GR161PO005	Environment - sustainable development				2,13%	2,13%	0,00%	0,00%	0,00%
192	GR	2007GR161PO006	Attica				2,13%	2,13%	0,00%	0,00%	0,00%
193	GR	2007GR161PO007	Western Greece - Peloponese - Ionian islands			13,92	2,13%	2,13%	0,00%	0,00%	2,13%
194	GR	2007GR161PO008	Macedonia - Thrace				2,13%	2,13%	0,00%	0,00%	0,00%
195	GR	2007GR16UPO001	Thessaly - Continental Greece - Epirus				2,13%	2,13%	0,00%	0,00%	0,00%

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196	GR	2007GR16UPO002	Crete & Aegean islands				2,13%	2,13%	0,00%	0,00%	0,00%
197	HR	2007HR161PO001	Environment	Full Non-Fin			not reported	25,00%	not reported	14,48%	0,00%
198	HR	2007HR161PO002	Transport	Full Non-Fin			not reported	25,00%	not reported	16,64%	0,00%
199	HR	2007HR161PO003	Regional Competitiveness	Full Non-Fin			not reported	25,00%	not reported	8,61%	0,00%
200	HU	2007HU161PO001	Economic Competitiveness				2,72%	2,72%	0,44%	0,44%	0,00%
201	HU	2007HU161PO002	Environment and Energy	Rep			0,91%	0,91%	0,17%	0,17%	0,00%
202	HU	2007HU161PO003	West Pannon				1,46%	1,46%	0,00%	0,00%	0,00%
203	HU	2007HU161PO004	South Great Plain			53,00	1,46%	1,46%	0,00%	0,00%	1,46%
204	HU	2007HU161PO005	Central Transdanubia			14,58	1,46%	1,46%	0,00%	0,00%	1,46%
205	HU	2007HU161PO006	North Hungary			17,14	1,46%	1,46%	0,00%	0,00%	1,46%
206	HU	2007HU161PO007	Transport	Full Non-Fin			3,59%	5,00%	0,32%	2,00%	0,00%
207	HU	2007HU161PO008	Social Infrastructure				6,13%	6,13%	1,04%	1,04%	0,00%
208	HU	2007HU161PO009	North Great Plain			23,35	1,46%	1,46%	0,00%	0,00%	1,46%
209	HU	2007HU161PO010	Implementation	Par Non-fin			3,21%	5,00%	0,95%	2,00%	0,00%
210	HU	2007HU161PO011	South Transdanubia				1,46%	1,46%	0,00%	0,00%	0,00%
211	HU	2007HU162PO001	Central Hungary				5,17%	5,17%	0,09%	0,09%	0,00%
212	HU	2007HU16UPO001	Electronic Public Administration	Full Non-Fin			3,01%	5,00%	0,98%	2,00%	0,00%
213	IE	2007IE162PO001	Border, Midland and Western Operational Programme				6,47%	6,47%	1,29%	1,29%	0,00%
214	IE	2007IE162PO002	Southern and Eastern		closure letter sent		0,14%	0,14%	1,39%	1,39%	0,00%
215	IT	2007IT161PO001	Attrattori Culturali		closure letter sent	91,23	0,20%	0,20%	0,00%	0,00%	0,20%
216	IT	2007IT161PO002	Renewable Energy			3,89	1,04%	2,00%	0,00%	0,00%	2,00%
217	IT	2007IT161PO003	Governance e AT			3,33	0,00%	0,00%	0,00%	0,00%	0,00%
218	IT	2007IT161PO004	Ambienti per l'apprendimento				0,59%	0,58%	0,62%	0,67%	0,00%
219	IT	2007IT161PO005	Reti e mobilita	Full		5,86	0,53%	25,00%	0,00%	12,44%	25,00%
220	IT	2007IT161PO006	Ricerca e competitivita	Full Non-Fin			0,00%	10,00%	0,00%	2,96%	0,00%
221	IT	2007IT161PO007	Sicurezza per lo Sviluppo				0,51%	0,60%	0,00%	0,00%	0,00%
222	IT	2007IT161PO008	Calabria			58,75	7,44%	10,00%	0,88%	2,00%	10,00%
223	IT	2007IT161PO009	Campania			173,02	0,28%	5,00%	0,00%	2,48%	5,00%
224	IT	2007IT161PO010	Puglia				3,77%	5,00%	0,85%	2,00%	0,00%
225	IT	2007IT161PO011	Sicilia	Full		293,52	6,85%	10,00%	0,49%	0,51%	10,00%
226	IT	2007IT161PO012	Basilicata				0,46%	2,00%	0,79%	0,79%	0,00%
227	IT	2007IT162PO001	Abruzzo				2,54%	2,54%	0,00%	0,00%	0,00%
228	IT	2007IT162PO002	Emilia Romagna		closure letter sent	7,14	0,08%	0,08%	0,00%	0,00%	0,00%
229	IT	2007IT162PO003	Friuli Venezia Giulia				1,56%	1,12%	0,00%	0,00%	0,00%
230	IT	2007IT162PO004	Lazio	Full Non-Fin			5,61%	10,00%	1,99%	2,66%	0,00%
231	IT	2007IT162PO005	Liguria				0,42%	0,42%	0,00%	0,00%	0,00%
232	IT	2007IT162PO006	Lombardia		closed	10,54	0,13%	0,13%	0,13%	0,00%	0,00%
233	IT	2007IT162PO007	Marche				0,48%	0,48%	0,41%	0,00%	0,00%
234	IT	2007IT162PO008	Molise				0,91%	0,32%	0,00%	0,00%	0,00%
235	IT	2007IT162PO009	Provincia Autonoma di Bolzano		closure letter sent	1,28	1,05%	0,69%	0,12%	0,03%	0,03%
236	IT	2007IT162PO010	Trento		pre-closure sent	2,67	0,08%	0,09%	0,00%	0,00%	0,09%
237	IT	2007IT162PO011	Piemonte		closure letter sent	21,14	0,95%	0,97%	0,00%	0,00%	0,00%

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238	IT	2007IT162PO012	Toscana				0,49%	0,46%	0,26%	0,00%	0,00%
239	IT	2007IT162PO013	Umbria		closure letter sent		1,25%	1,25%	0,28%	0,28%	0,00%
240	IT	2007IT162PO014	Valle d'Aosta		closure letter sent	0,97	0,02%	0,05%	0,01%	0,00%	0,00%
241	IT	2007IT162PO015	Veneto				3,60%	3,60%	0,69%	1,00%	0,00%
242	IT	2007IT162PO016	Sardegna				0,32%	0,21%	1,43%	0,21%	0,00%
243	LT	2007LT161PO001	Promotion of Cohesion				0,23%	0,23%	0,37%	0,37%	0,00%
244	LT	2007LT161PO002	Economic Growth				0,23%	0,23%	0,37%	0,37%	0,00%
245	LU	2007LU162PO001	Compétitivité & emploi		closure letter sent	1,51	0,00%	0,00%	0,00%	0,00%	0,00%
246	LV	2007LV161PO001	Entrepreneurship and Innovations				0,28%	0,28%	0,00%	0,00%	0,00%
247	LV	2007LV161PO002	Infrastructure and Services				0,28%	0,28%	0,00%	0,00%	0,00%
248	MT	2007MT161PO001	Competitiveness			104,75	2,45%	5,00%	0,05%	2,00%	5,00%
249	NL	2007NL162PO001	Noord		closure letter sent	8,47	0,80%	0,80%	0,38%	0,38%	0,38%
250	NL	2007NL162PO002	West		closure letter sent		4,21%	4,21%	0,00%	0,00%	0,00%
251	NL	2007NL162PO003	Zuid		closure letter sent	9,30	1,45%	1,45%	0,00%	0,00%	0,00%
252	NL	2007NL162PO004	Oost		closure letter sent	8,21	0,00%	0,00%	0,36%	0,36%	0,36%
253	PL	2007PL161PO001	Innovative Economy				6,30%	6,45%	0,00%	0,00%	0,00%
254	PL	2007PL161PO002	Infrastructure & Environment		closure letter sent	1.416,90	0,52%	0,89%	0,00%	0,00%	0,00%
255	PL	2007PL161PO003	Eastern Poland		closure letter sent		0,04%	0,04%	0,00%	0,00%	0,00%
256	PL	2007PL161PO004	Technical Assistance		closed	25,48	0,07%	0,07%	0,15%	0,15%	0,15%
257	PL	2007PL161PO005	Dolnoslaskie				0,67%	2,97%	0,00%	0,29%	0,00%
258	PL	2007PL161PO006	Kujawsko-Pomorskie				0,91%	0,91%	0,00%	0,00%	0,00%
259	PL	2007PL161PO007	Lubelskiego				0,79%	0,79%	0,00%	0,00%	0,00%
260	PL	2007PL161PO008	Lubuskie				0,73%	0,73%	0,00%	0,00%	0,00%
261	PL	2007PL161PO009	Lódzkie				2,47%	2,66%	0,00%	0,00%	0,00%
262	PL	2007PL161PO010	Malopolskie				0,53%	0,53%	0,00%	0,88%	0,00%
263	PL	2007PL161PO011	Mazowieckie				1,49%	1,49%	0,00%	0,00%	0,00%
264	PL	2007PL161PO012	Opolskie				5,20%	4,80%	1,10%	1,07%	0,00%
265	PL	2007PL161PO013	Podkarpackie				0,38%	0,75%	0,00%	0,35%	0,00%
266	PL	2007PL161PO014	Podlaskie				1,41%	1,41%	0,00%	0,00%	0,00%
267	PL	2007PL161PO015	Pomorskie				2,30%	2,11%	0,00%	0,00%	0,00%
268	PL	2007PL161PO016	Zachodniopomorskie				1,86%	1,86%	0,00%	0,00%	0,00%
269	PL	2007PL161PO017	Wielkopolskie				1,98%	2,02%	0,00%	0,00%	0,00%
270	PL	2007PL161PO018	Swietokrzyskie				1,16%	1,16%	0,00%	0,00%	0,00%
271	PL	2007PL161PO019	Slaskie				1,04%	1,04%	0,00%	0,00%	0,00%
272	PL	2007PL161PO020	Warminsko-Mazurskie				2,32%	2,32%	0,00%	0,00%	0,00%
273	PT	2007PT161PO001	Factores de Competitividade				1,24%	1,24%	0,01%	0,01%	0,00%
274	PT	2007PT161PO002	Norte		closure letter sent	133,08	1,24%	1,24%	0,01%	0,01%	0,01%
275	PT	2007PT161PO003	Centro		closure letter sent		1,24%	1,24%	0,01%	0,01%	0,00%
276	PT	2007PT161PO004	Alentejo		closure letter sent		1,24%	1,24%	0,01%	0,01%	0,00%
277	PT	2007PT161PO005	Algarve		closure letter sent	8,75	1,24%	1,24%	0,01%	0,01%	0,01%
278	PT	2007PT161PO006	Açores		closure letter sent		1,24%	1,24%	0,01%	0,01%	0,00%
279	PT	2007PT162PO001	Lisboa		closure letter sent	15,33	1,24%	1,24%	0,01%	0,01%	0,01%

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280	PT	2007PT162PO002	Madeira				1,24%	1,24%	0,01%	0,01%	0,00%
281	PT	2007PT16UPO001	Valorização do Território		pre-closure sent		0,39%	0,39%	0,00%	0,00%	0,00%
282	PT	2007PT16UPO002	Assistência Técnica		closure letter sent		0,39%	0,39%	0,00%	0,00%	0,00%
283	RO	2007RO161PO001	Regional Operational Programme				3,08%	5,00%	0,00%	2,00%	0,00%
284	RO	2007RO161PO002	Increase of Economic Competitiveness				1,81%	2,00%	0,00%	0,00%	0,00%
285	RO	2007RO161PO003	Transport	Full Non-Fin			5,02%	10,00%	0,00%	2,00%	0,00%
286	RO	2007RO161PO004	Environment	Par Non-fin			0,89%	2,00%	0,00%	0,00%	0,00%
287	RO	2007RO161PO005	Technical Assistance				0,88%	2,00%	0,38%	0,38%	0,00%
288	SE	2007SE162PO001	Skåne-Blekinge		closed	1,05	0,03%	0,03%	0,15%	0,15%	0,15%
289	SE	2007SE162PO002	Småland och Öarna		closed	3,37	0,03%	0,03%	0,15%	0,15%	0,15%
290	SE	2007SE162PO003	Västsvrige		closed	2,38	0,03%	0,03%	0,15%	0,15%	0,15%
291	SE	2007SE162PO004	Östra Mellansverige		closed	4,05	0,03%	0,03%	0,15%	0,15%	0,15%
292	SE	2007SE162PO005	Stockholm		closed	1,69	0,03%	0,03%	0,15%	0,15%	0,15%
293	SE	2007SE162PO006	Norra Mellansverige		closed	7,60	0,03%	0,03%	0,15%	0,15%	0,15%
294	SE	2007SE162PO007	Mellersta Norrland		closed	0,65	0,03%	0,03%	0,15%	0,15%	0,15%
295	SE	2007SE162PO008	Övre Norrland		closed	6,86	0,03%	0,03%	0,15%	0,15%	0,15%
296	SI	2007SI161PO001	Regional Potentials				1,77%	2,00%	0,00%	0,00%	0,00%
297	SI	2007SI161PO002	Environment & Transport Infrastructure				1,77%	2,00%	0,00%	0,00%	0,00%
298	SK	2007SK161PO001	Information Society				2,67%	2,67%	0,20%	0,20%	0,00%
299	SK	2007SK161PO002	Environment				2,80%	2,80%	1,10%	1,10%	0,00%
300	SK	2007SK161PO003	Regional OP				3,07%	3,07%	0,98%	0,98%	0,00%
301	SK	2007SK161PO004	Transport				0,50%	0,50%	0,00%	0,00%	0,00%
302	SK	2007SK161PO005	Health				5,34%	10,00%	0,00%	2,00%	0,00%
303	SK	2007SK161PO006	Competitiveness				0,22%	0,22%	0,44%	0,44%	0,00%
304	SK	2007SK161PO007	Technical Assistance	Par Non-fin			0,12%	2,28%	0,61%	20,18%	0,00%
305	SK	2007SK162PO001	Bratislava				2,03%	5,00%	0,00%	2,00%	0,00%
306	SK	2007SK16UPO001	Research and Development				4,01%	5,00%	0,00%	2,00%	0,00%
307	UK	2007UK161PO001	Highlands and Islands				5,94%	5,94%	0,80%	0,00%	0,00%
308	UK	2007UK161PO002	West Wales and the Valleys				0,39%	2,00%	0,05%	0,05%	0,00%
309	UK	2007UK161PO003	Cornwall and the Isles of Scilly				0,85%	0,85%	0,92%	0,92%	0,00%
310	UK	2007UK162PO001	Lowlands and Uplands				5,94%	5,94%	1,33%	0,39%	0,00%
311	UK	2007UK162PO002	South East England				0,85%	0,85%	0,92%	0,92%	0,00%
312	UK	2007UK162PO003	Northern Ireland		closed	14,14	0,48%	0,48%	0,00%	0,00%	0,00%
313	UK	2007UK162PO004	East of England				0,85%	0,85%	0,92%	0,92%	0,00%
314	UK	2007UK162PO005	North East England				0,85%	0,85%	0,92%	0,92%	0,00%
315	UK	2007UK162PO006	London				0,85%	0,85%	0,92%	0,92%	0,00%
316	UK	2007UK162PO007	West Midlands				0,85%	0,85%	0,92%	0,92%	0,00%
317	UK	2007UK162PO008	North West England				0,85%	0,85%	0,92%	0,92%	0,00%
318	UK	2007UK162PO009	Yorkshire and Humberside				0,85%	0,85%	0,92%	0,92%	0,00%
319	UK	2007UK162PO010	East Midlands				0,85%	0,85%	0,92%	0,92%	0,00%
320	UK	2007UK162PO011	South West England				0,85%	0,85%	0,92%	0,92%	0,00%
321	UK	2007UK162PO012	East Wales				0,39%	2,00%	0,05%	0,05%	0,00%

regio_aar_2017_annexes

	MS	Ref	Title	Reserve AAR 2017	Closure status at end-March 2018	Relevant expenditure 2017	MS error rate reported at closure	Validated error rate by REGIO ¹¹	Residual error rate reported at closure	Residual error rate validated by REGIO ¹²	Rate of risk on payment
322	UK	2007UK162PO013	Gibraltar		closed		0,00%	0,00%	0,00%	0,00%	0,00%
Total						4.729,60					
Weighted average, on the expenditure declared at closure								0,3%		0,6%	
Average rate of risk on payments											1,4%

ANNEX 7C: 2014-2020 ERDF/CF programmes, validated error rates for 2015-2016 accounts

	MS	CCI	Title	Total Expenditure Certified Amount in accounts ERDF+CF (EUR m)	MS total error rate	REGIO total error rate	MS residual total error rate	REGIO residual total error rate
1	BG	2014BG16M1OP001	Transport And Transport Infrastructure	38.14	0.00%	0.00%	0.00%	0.00%
2	BG	2014BG16M1OP002	Environment	1.10	0.00%	0.00%	0.00%	0.00%
3	BG	2014BG16RFOP002	Innovations And Competitiveness	8.09	0.00%	0.00%	0.00%	0.00%
4	CY	2014CY16M1OP001	Competitiveness And Sustainable Development	2.74	1.90%	1.90%	0.00%	0.00%
5	DK	2014DK16RFOP001	Innovation And Sustainable Growth In Businesses	1.65	0.00%	0.00%	0.00%	0.00%
6	EE	2014EE16M3OP001	Cohesion Policy Funding	155.62	1.21%	1.52%	0.11%	1.52%
7	ES	2014ES16RFSM001 ¹⁴	Sme Initiative	633.07	0.00%	0.00%	0.00%	0.00%
8	GR	2014GR16M1OP001	Transport Infrastructure, Environment And Sustainable Development	32.31	1.19%	1.76%	0.94%	1.52%
9	GR	2014GR16M2OP001	Competitiveness, Entrepreneurship And Innovation	8.84	1.19%	1.76%	0.94%	1.52%
10	GR	2014GR16M2OP002	Central Macedonia	38.30	1.19%	1.76%	0.94%	1.52%
11	GR	2014GR16M2OP003	Thessaly	0.15	1.19%	1.76%	0.94%	1.52%
12	GR	2014GR16M2OP004	Epirus	5.77	1.19%	1.76%	0.94%	1.52%
13	GR	2014GR16M2OP005	Western Greece	20.31	1.19%	1.76%	0.94%	1.52%
14	GR	2014GR16M2OP006	Western Macedonia	0.92	1.19%	1.76%	0.94%	1.52%
15	GR	2014GR16M2OP007	Continental Greece	1.67	1.19%	1.76%	0.94%	1.52%
16	GR	2014GR16M2OP009	Ionian Islands	1.58	1.19%	1.76%	0.94%	1.52%
17	GR	2014GR16M2OP010	North Aegean	4.65	1.19%	1.76%	0.94%	1.52%
18	GR	2014GR16M2OP011	Crete	5.21	1.19%	1.76%	0.94%	1.52%
19	GR	2014GR16M2OP012	Attica	3.25	1.19%	1.76%	0.94%	1.52%
20	GR	2014GR16M2OP013	South Aegean	4.47	1.19%	1.76%	0.94%	1.52%
21	GR	2014GR16M2OP014	Eastern Macedonia-Thrace	3.56	1.19%	1.76%	0.94%	1.52%
22	GR	2014GR16M3TA001	Technical Assistance	38.19	1.19%	1.76%	0.94%	1.52%
23	LV	2014LV16MAOP001	Growth And Employment	89.11	0.03%	0.03%	0.03%	0.03%
24	PL	2014PL16CFTA001	Technical Assistance	24.74	0.00%	0.00%	0.00%	0.00%
25	PL	2014PL16M1OP001	Infrastructure And Environment	502.72	0.00%	0.00%	0.00%	0.00%
26	PL	2014PL16M2OP005	Łódzkie Voivodeship	12.26	0.00%	0.00%	0.00%	0.00%
27	PL	2014PL16M2OP008	Opolskie	3.29	0.00%	0.00%	0.00%	0.00%

¹⁴ For the SME initiative programme in Spain, the Court's audit detected an amount not paid by the Member State to the fund manager by the end of the accounting year due to insufficient credits, but declared to the Commission in the programme accounts. Due to the fact that this specific programme contributed to a large extent to expenditure paid by the Commission under the accounting year 2015-2016, and would it be confirmed as a regularity/legality error, its impact on the total ERDF/CF weighted average error rate would be important (almost 1.5%). However, the Commission considers the issue causing this error was purely formal and temporary since Spain could complete its payment to the Fund manager immediately after receiving the ERDF co-financing in June 2017. The Commission therefore considers that this reporting formal mistake has no impact on the error rate. In addition the Court found various ineligible loans paid by the instrument's financial intermediaries to final recipients, however these underlying transactions do not impact the legality/regularity of the advance paid by the Commission to the programme in 2017 in conformity with the regulation (only reporting on implementation to the Commission would be impacted).

	MS	CCI	Title	Total Expenditure Certified Amount in accounts ERDF+CF (EUR m)	MS total error rate	REGIO total error rate	MS residual total error rate	REGIO residual total error rate
28	PL	2014PL16M2OP010	Podlaskie Voivodeship	0.01	0.01%	2.66%	0.00%	2.64%
29	PL	2014PL16M2OP011	Pomorskie Voivodeship	1.37	0.00%	0.00%	0.00%	0.00%
30	PL	2014PL16M2OP015	Wielkopolskie Voivodeship	0.05	0.00%	0.00%	0.00%	0.00%
31	PL	2014PL16RFOP002	Digital Poland	0.69	0.08%	0.08%	0.00%	0.00%
32	PL	2014PL16RFOP003	Development Of Eastern Poland	0.56	0.00%	0.00%	0.00%	0.00%
33	PT	2014PT16M2OP006	Madeira (Autonomous Region)	18.93	0.01%	0.01%	0.00%	0.00%
34	TC	2014TC16RFCB014	Central Baltic	0.06	1.50%	1.50%	0.00%	0.00%
35	TC	2014TC16RFCB056	Germany-Denmark	2.63	1.37%	1.37%	1.23%	1.23%
Weighted average, based on the expenditure declared in the accounts					0.3%	0.5%	0.1%	0.4%

ANNEX 7D: 2014-2020 ERDF / CF Operational Programmes Error Rates
Limited to programmes with relevant expenditures in 2017

	MS	CCI Ref	Title	Interim 2017 linked to accounting period 01/07/2016 - 30/06/2017	Interim 2017 linked to accounting period 01/07/2017 - 30/06/2018	Relevant expenditure (=Interims + retention - deductions)	REGIO total error rate*	REGIO residual total error rate*	Rate of risk on payment
1	AT	2014AT16RFOP001	Growth And Employment	-	33.44	37.16	N/A	N/A	2.00%
2	BE	2014BE16RFOP001	Brussels Capital Region	1.43	4.82	6.95	0.20%	0.09%	0.09%
3	BE	2014BE16RFOP002	Flanders	1.33	10.65	13.22	2.62%	0.00%	0.00%
4	BE	2014BE16RFOP003	Wallonia	17.03	-	18.93	0.00%	0.00%	0.00%
5	BG	2014BG16M1OP001	Transport And Transport Infrastructure	65.30	53.79	130.56	0.59%	0.46%	0.46%
6	BG	2014BG16M1OP002	Environment	24.42	19.60	48.67	0.92%	0.49%	0.49%
7	BG	2014BG16RFOP001	Regions In Growth	44.39	14.87	64.44	0.51%	0.00%	0.00%
8	BG	2014BG16RFOP002	Innovations And Competitiveness	93.40	45.60	153.24	1.33%	1.24%	1.24%
9	CY	2014CY16M1OP001	Competitiveness And Sustainable Development	29.33	56.15	94.97	0.11%	0.10%	0.10%
10	CZ	2014CZ05M2OP001	EMPL Research. Development And Education	25.45	37.04	69.38	0.18%	0.08%	0.08%
11	CZ	2014CZ16CFTA001	Technical Assistance	12.93	11.18	25.73	0.54%	0.27%	0.27%
12	CZ	2014CZ16M1OP001	Transport	376.67	255.32	677.44	7.26%	2.00%	2.00%
13	CZ	2014CZ16M1OP002	Environment	42.76	134.64	196.96	0.16%	0.13%	0.13%
14	CZ	2014CZ16M2OP001	Prague – Growth Pole	-	1.07	1.19	0.00%	0.00%	0.00%
15	CZ	2014CZ16RFOP001	Enterprise And Innovation For Competitiveness	83.14	153.38	256.96	6.58%	2.00%	2.00%
16	CZ	2014CZ16RFOP002	Integrated Regional	11.15	92.18	114.81	0.38%	0.36%	0.36%
17	DE	2014DE16RFOP001	Baden-Württemberg	-	7.88	8.73	0.01%	0.01%	0.01%
18	DE	2014DE16RFOP002	Bayern	12.48	26.40	43.20	0.17%	0.12%	0.12%
19	DE	2014DE16RFOP003	Berlin	-	44.98	49.98	n/a	n/a	2.00%
20	DE	2014DE16RFOP004	Brandenburg	6.95	36.85	46.66	5.00%	3.00%	3.00%
21	DE	2014DE16RFOP005	Bremen	-	5.19	5.76	n/a	n/a	2.00%
22	DE	2014DE16RFOP006	Hamburg	-	4.83	5.37	n/a	n/a	2.00%
23	DE	2014DE16RFOP007	Hessen	-	17.93	19.92	n/a	n/a	2.00%
24	DE	2014DE16RFOP008	Mecklenburg-Vorpommern	-	50.81	56.45	n/a	n/a	2.00%
25	DE	2014DE16RFOP009	Nordrhein-Westfalen	-	54.81	60.76	0.86%	0.78%	0.78%
26	DE	2014DE16RFOP010	Rheinland-Pfalz	-	15.54	17.26	n/a	n/a	2.00%
27	DE	2014DE16RFOP011	Saarland	-	8.55	9.49	n/a	n/a	2.00%
28	DE	2014DE16RFOP012	Sachsen	21.00	127.60	163.68	1.51%	0.32%	0.32%
29	DE	2014DE16RFOP013	Sachsen-Anhalt	-	80.55	89.50	n/a	n/a	2.00%
30	DE	2014DE16RFOP014	Schleswig-Holstein	-	17.23	19.15	n/a	n/a	2.00%
31	DE	2014DE16RFOP015	Thüringen	51.88	-	56.46	0.39%	0.37%	0.37%
32	DK	2014DK16RFOP001	Innovation And Sustainable Growth In Businesses	9.55	7.71	19.18	0.85%	0.69%	0.69%

	MS	CCI Ref	Title	Interim 2017 linked to accounting period 01/07/2016 - 30/06/2017	Interim 2017 linked to accounting period 01/07/2017 - 30/06/2018	Relevant expenditure (=Interims + retention - deductions)	REGIO total error rate*	REGIO residual total error rate*	Rate of risk on payment
33	EE	2014EE16M3OP001	Cohesion Policy Funding	102.73	126.41	253.08	1.98%	1.76%	1.76%
34	ES	2014ES16RFOP002	Sustainable Growth	-	288.63	320.70	N/A	N/A	2.00%
35	ES	2014ES16RFOP003	Andalucía	-	2.20	2.44	N/A	N/A	2.00%
36	ES	2014ES16RFOP005	Asturias	-	29.04	32.26	N/A	N/A	2.00%
37	ES	2014ES16RFOP006	Baleares	-	0.93	1.03	N/A	N/A	2.00%
38	ES	2014ES16RFOP007	Canary Islands	-	35.74	39.71	N/A	N/A	2.00%
39	ES	2014ES16RFOP008	Cantabria	-	5.81	6.46	N/A	N/A	2.00%
40	ES	2014ES16RFOP015	Galicia	-	45.17	50.18	N/A	N/A	2.00%
41	ES	2014ES16RFOP016	La Rioja	-	1.11	1.23	N/A	N/A	2.00%
42	ES	2014ES16RFOP021	País Vasco	-	3.79	4.21	N/A	N/A	2.00%
43	ES	2014ES16RFSM001	Sme Initiative	-	-	47.31	0.00%	0.00%	0.00%
44	ETC	2014TC16M5TN001	Baltic Sea	6.46	15.51	24.41	0.60%	0.55%	0.55%
45	ETC	2014TC16M6TN001	Danube	-	3.97	4.41	N/A	N/A	2.00%
46	ETC	2014TC16RFCB004	Bayern-Österreich	-	2.73	3.03	N/A	N/A	2.00%
47	ETC	2014TC16RFCB012	Poland-Slovakia	0.42	10.21	11.81	0.05%	0.05%	0.05%
48	ETC	2014TC16RFCB013	South Baltic	0.40	2.53	3.26	0.00%	0.00%	0.00%
49	ETC	2014TC16RFCB014	Central Baltic	8.17	7.70	17.13	14.61%	14.60%	14.60%
50	ETC	2014TC16RFCB016	Sweden-Norway	1.16	2.08	3.60	0.11%	0.10%	0.10%
51	ETC	2014TC16RFCB017	Germany/Saxony-Czech Republic	4.82	4.54	10.31	2.82%	1.67%	1.67%
52	ETC	2014TC16RFCB018	Poland-Germany/Saxony	0.47	2.59	3.16	0.15%	0.15%	0.15%
53	ETC	2014TC16RFCB021	Romania-Bulgaria	3.23	1.64	5.09	0.62%	0.42%	0.42%
54	ETC	2014TC16RFCB023	Germany-The Netherlands (Deutschland-Nederland)	2.60	19.99	25.10	0.86%	0.78%	2.00%
55	ETC	2014TC16RFCB024	Germany-Austria-Switzerland-Liechtenstein (Alpenrhein-Bodensee-Hochrhein)	-	2.24	2.49	N/A	N/A	2.00%
56	ETC	2014TC16RFCB025	Czech Republic-Poland	0.24	1.99	2.48	0.07%	0.00%	0.00%
57	ETC	2014TC16RFCB026	Sweden-Denmark-Norway (Öresund-Kattegat-Skagerrak)	4.24	7.10	12.59	0.22%	0.17%	0.17%
58	ETC	2014TC16RFCB027	Latvia-Lithuania	-	0.24	0.26	0.00%	0.00%	0.00%
59	ETC	2014TC16RFCB028	Sweden-Finland-Norway (Botnia-Atlantica)	1.02	2.45	3.86	0.15%	0.13%	0.13%
60	ETC	2014TC16RFCB029	Slovenia-Croatia	-	0.29	0.32	N/A	N/A	2.00%
61	ETC	2014TC16RFCB032	Sweden-Finland-Norway (Nord)	1.89	3.26	5.71	0.10%	0.09%	0.09%
62	ETC	2014TC16RFCB033	Italy-France (Maritime)	-	0.75	0.83	N/A	N/A	2.00%
63	ETC	2014TC16RFCB034	Alcotra	-	1.95	2.17	N/A	N/A	2.00%
64	ETC	2014TC16RFCB038	Les Deux Mers/Two Seas/Twee Zeeën	-	6.34	7.04	N/A	N/A	2.00%
65	ETC	2014TC16RFCB040	Manche/Channel	1.91	-	2.13	0.05%	0.03%	0.03%
66	ETC	2014TC16RFCB041	France-Switzerland	-	1.15	1.28	N/A	N/A	2.00%
67	ETC	2014TC16RFCB044	France-Wallonie-Vlaanderen	-	3.09	3.43	N/A	N/A	2.00%
68	ETC	2014TC16RFCB045	Grande Région/Großregion	-	0.50	0.56	N/A	N/A	2.00%
69	ETC	2014TC16RFCB046	Vlaanderen-Nederland	4.03	5.24	10.06	2.11%	0.62%	0.62%
70	ETC	2014TC16RFCB047	Ireland-Northern Ireland-Scotland	1.23	0.66	2.10	0.00%	0.00%	0.00%
71	ETC	2014TC16RFCB048	Ireland-Wales	0.07	0.42	0.54	0.03%	0.02%	0.02%

	MS	CCI Ref	Title	Interim 2017 linked to accounting period 01/07/2016 - 30/06/2017	Interim 2017 linked to accounting period 01/07/2017 - 30/06/2018	Relevant expenditure (=Interims + retention - deductions)	REGIO total error rate*	REGIO residual total error rate*	Rate of risk on payment
72	ETC	2014TC16RFCB049	Romania-Hungary	-	0.62	0.69	N/A	N/A	2.00%
73	ETC	2014TC16RFCB050	Estonia-Latvia	0.02	0.46	0.53	0.00%	0.00%	0.00%
74	ETC	2014TC16RFCB053	Slovenia-Hungary	-	0.42	0.46	N/A	N/A	2.00%
75	ETC	2014TC16RFCB054	Slovenia-Austria	-	1.37	1.52	N/A	N/A	2.00%
76	ETC	2014TC16RFCB056	Germany-Denmark	3.89	5.30	10.21	0.07%	0.06%	0.06%
77	ETC	2014TC16RFIR001	Interreg Europe	-	19.46	21.62	N/A	N/A	2.00%
78	ETC	2014TC16RFIR002	Interact	0.93	1.64	2.85	0.00%	0.00%	0.00%
79	ETC	2014TC16RFIR003	URBACT	-	5.02	5.58	N/A	N/A	2.00%
80	ETC	2014TC16RFIR004	ESPON	-	1.12	1.25	N/A	N/A	2.00%
81	ETC	2014TC16RFPC001	Peace	1.10	-	1.22	N/A	N/A	2.00%
82	ETC	2014TC16RFTN001	Alpine Space	-	10.51	11.68	N/A	N/A	2.00%
83	ETC	2014TC16RFTN003	Central Europe	-	2.15	2.39	N/A	N/A	2.00%
84	ETC	2014TC16RFTN004	Northern Periphery And Arctic	1.98	3.85	6.48	0.92%	0.81%	0.81%
85	ETC	2014TC16RFTN005	North Sea	1.51	-	1.67	0.27%	0.00%	0.00%
86	ETC	2014TC16RFTN006	North West Europe	-	8.43	9.37	N/A	N/A	2.00%
87	ETC	2014TC16RFTN009	Indian Ocean Area	0.99	0.54	1.70	0.00%	0.00%	0.00%
88	FI	2014FI05M2OP001	EMPL Entrepreneurship And Skills	-	0.16	0.18	0.00%	0.00%	0.00%
89	FI	2014FI16M2OP001	Sustainable Growth And Jobs	29.81	50.78	87.44	1.93%	1.89%	1.89%
90	FR	2014FR05M0OP001	EMPL Ile-De-France And Seine	0.19	12.72	14.28	40.89%	2.00%	2.00%
91	FR	2014FR16M0OP001	Aquitaine	9.18	15.04	25.61	5.11%	2.00%	2.00%
92	FR	2014FR16M0OP002	Auvergne	-	10.47	11.39	0.94%	0.03%	0.03%
93	FR	2014FR16M0OP003	Centre	3.93	7.73	12.95	4.22%	2.00%	2.00%
94	FR	2014FR16M0OP004	Champagne-Ardenne	4.22	6.74	12.17	0.60%	0.01%	0.01%
95	FR	2014FR16M0OP005	Haute-Normandie	-	11.88	13.20	N/A	N/A	2.00%
96	FR	2014FR16M0OP006	Languedoc-Roussillon	8.15	7.91	17.81	1.72%	1.37%	1.37%
97	FR	2014FR16M0OP007	Midi-Pyrénées Et Garonne	5.45	-	6.05	5.00%	5.00%	5.00%
98	FR	2014FR16M0OP008	Picardie	3.69	6.79	11.60	0.82%	0.59%	0.59%
99	FR	2014FR16M0OP009	Guadeloupe	-	9.39	10.43	N/A	N/A	2.00%
100	FR	2014FR16M0OP011	Martinique	6.37	15.50	24.29	2.05%	1.66%	1.66%
101	FR	2014FR16M0OP012	Nord-Pas De Calais	1.52	32.07	37.03	4.16%	0.67%	0.67%
102	FR	2014FR16M0OP013	Provence Alpes Côte D'Azur	1.26	12.43	15.11	2.67%	1.90%	1.90%
103	FR	2014FR16M2OP001	Basse-Normandie	-	13.56	15.07	N/A	N/A	2.00%
104	FR	2014FR16M2OP002 / 2014FR16M0OP014	Bourgogne	1.12	8.99	11.11	5.70%	1.34%	1.34%
105	FR	2014FR16M2OP003	Bretagne	7.12	14.03	23.48	0.85%	0.73%	0.73%
106	FR	2014FR16M2OP004	Corse	1.12	3.93	5.61	0.00%	0.00%	0.00%
107	FR	2014FR16M2OP005	Franche-Comté Et Jura	-	12.13	12.57	17.66%	2.00%	2.00%
108	FR	2014FR16M2OP006	Limousin	0.50	8.30	9.78	0.00%	0.00%	0.00%
109	FR	2014FR16M2OP007 / 2014FR16M0OP015	Lorraine Et Vosges	19.09	12.48	34.73	0.60%	0.01%	0.01%
110	FR	2014FR16M2OP008	Pays De La Loire	4.62	19.17	26.41	0.84%	0.65%	0.65%
111	FR	2014FR16M2OP009	Poitou Charentes	6.40	6.18	13.94	17.01%	2.00%	2.00%

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112	FR	2014FR16M2OP010	Rhône Alpes	10.84	12.40	25.83	0.00%	0.00%	0.00%
113	FR	2014FR16M2OP011	Guyane	8.00	12.67	22.91	1.43%	0.90%	0.90%
114	FR	2014FR16M2OP012	Mayotte	-	7.12	7.91	N/A	N/A	2.00%
115	FR	2014FR16M2TA001	Technical Assistance	0.03	0.57	0.36	11.25%	0.00%	0.00%
116	FR	2014FR16RFOP001	Alpes	-	2.10	2.32	4.89%	1.43%	1.43%
117	FR	2014FR16RFOP002	Loire	0.50	1.50	2.23	0.00%	0.00%	0.00%
118	FR	2014FR16RFOP003	Massif Central	1.20	1.15	2.52	6.23%	2.00%	2.00%
119	FR	2014FR16RFOP004	Pyrénées	-	1.12	1.24	N/A	N/A	2.00%
120	FR	2014FR16RFOP005	Rhône	-	1.44	1.60	0.00%	0.00%	0.00%
121	FR	2014FR16RFOP006	Alsace	0.78	1.49	2.19	0.60%	0.01%	0.01%
122	FR	2014FR16RFOP007	Réunion	12.53	92.41	116.60	0.04%	0.03%	0.03%
123	GR	2014GR05M2OP001	EMPL Reform Of Public Sector	13.59	3.87	19.34	2.46%	1.37%	1.37%
124	GR	2014GR16M1OP001	Transport Infrastructure. Environment And Sustainable Development	315.04	183.32	500.34	2.46%	1.37%	1.37%
125	GR	2014GR16M2OP001	Competitiveness. Entrepreneurship And Innovation	58.72	17.68	82.87	2.46%	1.37%	1.37%
126	GR	2014GR16M2OP002	Central Macedonia	32.30	21.24	59.21	2.46%	1.37%	1.37%
127	GR	2014GR16M2OP003	Thessaly	11.96	1.62	15.09	2.46%	1.37%	1.37%
128	GR	2014GR16M2OP004	Epirus	8.13	2.80	12.14	2.46%	1.37%	1.37%
129	GR	2014GR16M2OP005	Western Greece	8.28	4.84	13.82	2.46%	1.37%	1.37%
130	GR	2014GR16M2OP006	Western Macedonia	9.10	2.43	12.52	2.46%	1.37%	1.37%
131	GR	2014GR16M2OP007	Continental Greece	0.46	1.08	1.35	2.46%	1.37%	1.37%
132	GR	2014GR16M2OP008	Peloponnesus	6.91	1.74	9.60	2.46%	1.37%	1.37%
133	GR	2014GR16M2OP009	Ionian Islands	11.62	4.30	16.57	2.46%	1.37%	1.37%
134	GR	2014GR16M2OP010	North Aegean	4.17	4.44	8.88	2.46%	1.37%	1.37%
135	GR	2014GR16M2OP011	Crete	2.88	1.76	4.47	2.46%	1.37%	1.37%
136	GR	2014GR16M2OP012	Attica	30.38	26.56	62.02	2.46%	1.37%	1.37%
137	GR	2014GR16M2OP013	South Aegean	1.28	2.12	3.64	2.46%	1.37%	1.37%
138	GR	2014GR16M2OP014	Eastern Macedonia-Thrace	3.99	3.85	8.12	2.46%	1.37%	1.37%
139	GR	2014GR16M3TA001	Technical Assistance	9.48	15.06	27.27	2.46%	1.37%	1.37%
140	HR	2014HR16M1OP001	Competitiveness And Cohesion	54.65	212.28	296.60	0.00%	0.00%	0.00%
141	HU	2014HU05M2OP001	EMPL Human Resource Development	-	5.12	5.69	N/A	N/A	2.00%
142	HU	2014HU05M3OP001	EMPL Public Administration	-	51.87	57.63	N/A	N/A	2.00%
143	HU	2014HU16M0OP001	Economic Development And Innovation	-	704.33	770.77	2.05%	0.94%	0.94%
144	HU	2014HU16M1OP001	Environmental And Energy Efficiency	-	178.40	198.22	0.01%	0.01%	0.01%
145	HU	2014HU16M1OP003	Integrated Transport	-	810.60	900.66	N/A	N/A	2.00%
146	HU	2014HU16M2OP001	Territorial And Settlement Development	-	31.07	31.88	53.92%	0.00%	0.00%
147	HU	2014HU16M2OP002	Competitive Central-Hungary	-	12.14	13.49	N/A	N/A	2.00%
148	IE	2014IE16RFOP001	Border. Midland And Western	3.18	6.50	10.76	0.00%	0.00%	0.00%
149	IE	2014IE16RFOP002	Southern & Eastern Regional	3.04	8.45	12.77	0.00%	0.00%	0.00%
150	IT	2014IT05M2OP001	EMPL Education	5.80	-	6.42	0.90%	0.49%	0.49%
151	IT	2014IT05M2OP002	EMPL Governance	0.58	-	0.65	0.00%	0.00%	0.00%

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152	IT	2014IT16M2OP001	Molise	0.48	-	0.52	1.48%	1.48%	1.48%
153	IT	2014IT16M2OP002	Puglia	-	38.18	42.42	N/A	n/a	2.00%
154	IT	2014IT16M2OP004	Metropolitan Cities	0.41	0.33	0.82	0.00%	0.00%	0.00%
155	IT	2014IT16M2OP006	Calabria	25.08	-	27.51	0.81%	0.68%	0.68%
156	IT	2014IT16RFOP001	Culture	25.70	7.88	37.24	0.00%	0.00%	0.00%
157	IT	2014IT16RFOP002	Infrastructures And Networks	34.07	-	34.49	8.87%	0.00%	0.00%
158	IT	2014IT16RFOP003	Enterprises And Competitiveness	16.22	54.13	78.16	0.00%	0.00%	0.00%
159	IT	2014IT16RFOP007	Campania	9.53	59.42	76.61	0.00%	0.00%	0.00%
160	IT	2014IT16RFOP008	Emilia Romagna	5.71	-	6.33	0.51%	0.49%	0.49%
161	IT	2014IT16RFOP009	Friuli Venezia Giulia	0.43	2.25	2.98	0.00%	0.00%	0.00%
162	IT	2014IT16RFOP010	Lazio	5.29	-	5.88	0.00%	0.00%	0.00%
163	IT	2014IT16RFOP011	Liguria	6.06	-	6.68	0.16%	0.00%	0.00%
164	IT	2014IT16RFOP012	Lombardia	-	12.59	13.94	0.28%	0.00%	0.00%
165	IT	2014IT16RFOP013	Marche	0.13	-	0.14	0.00%	0.00%	0.00%
166	IT	2014IT16RFOP014	Piemonte	9.00	-	10.00	0.00%	0.00%	0.00%
167	IT	2014IT16RFOP015	Sardegna	14.50	2.70	19.09	0.63%	0.52%	0.52%
168	IT	2014IT16RFOP017	Toscana	6.60	1.84	9.36	0.02%	0.00%	0.00%
169	IT	2014IT16RFOP019	Umbria	-	0.97	1.08	N/A	n/a	2.00%
170	IT	2014IT16RFOP021	Veneto	-	1.13	1.26	N/A	n/a	2.00%
171	IT	2014IT16RFOP022	Basilicata	2.63	-	2.60	10.96%	0.00%	0.00%
172	IT	2015IT16RFSM001	Sme Initiative	-	90.00	100.00	N/A	n/a	2.00%
173	LT	2014LT16MAOP001	Eu Structural Funds	257.06	120.67	383.50	2.21%	1.81%	1.81%
174	LU	2014LU16RFOP001	Luxembourg	0.83	0.43	1.41	0.00%	0.00%	0.00%
175	LV	2014LV16MAOP001	Growth And Employment	69.49	55.95	139.36	0.03%	0.02%	0.02%
176	MT	2014MT16M1OP001	Competitive And Sustainable Economy	-	30.84	34.26	0.00%	0.00%	0.00%
177	NL	2014NL16RFOP001	North Netherlands	-	5.46	6.06	N/A	N/A	2.00%
178	NL	2014NL16RFOP002	West Netherlands	-	11.05	12.28	N/A	N/A	2.00%
179	NL	2014NL16RFOP003	South Netherlands	-	6.35	7.06	N/A	N/A	2.00%
180	NL	2014NL16RFOP004	East Netherlands	-	5.70	6.33	N/A	N/A	2.00%
181	PL	2014PL16CFTA001	Technical Assistance	49.05	40.00	90.00	0.05%	0.02%	0.02%
182	PL	2014PL16M1OP001	Infrastructure And Environment	830.97	902.81	1.914.50	0.19%	0.17%	0.17%
183	PL	2014PL16M2OP001	Dolnośląskie Voivodeship	8.76	95.52	115.57	2.00%	2.00%	2.00%
184	PL	2014PL16M2OP002	Kujawsko-Pomorskie Voivodeship	12.69	46.50	65.70	0.25%	0.03%	0.03%
185	PL	2014PL16M2OP003	Lubelskie Voivodeship	20.69	64.04	94.14	0.25%	0.18%	0.18%
186	PL	2014PL16M2OP004	Lubuskie Voivodeship	20.79	18.08	41.78	1.12%	1.11%	1.11%
187	PL	2014PL16M2OP005	łódzkie Voivodeship	13.24	30.91	47.75	0.12%	0.12%	0.12%
188	PL	2014PL16M2OP006	Małopolskie Voivodeship	25.66	68.68	84.95	1.22%	1.22%	1.22%
189	PL	2014PL16M2OP007	Mazowieckie Voivodeship	34.33	51.08	93.34	2.00%	1.99%	1.99%
190	PL	2014PL16M2OP008	Opolskie	21.53	22.91	44.86	0.27%	0.26%	0.26%
191	PL	2014PL16M2OP009	Podkarpackie	32.40	48.66	89.36	0.40%	0.39%	0.39%
192	PL	2014PL16M2OP010	Podlaskie Voivodeship	16.25	20.23	40.53	2.00%	1.95%	1.95%
193	PL	2014PL16M2OP011	Pomorskie Voivodeship	9.09	50.96	65.76	0.91%	0.91%	0.91%

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194	PL	2014PL16M2OP012	Śląskie Voivodeship	79.45	82.66	180.12	0.48%	0.48%	0.48%
195	PL	2014PL16M2OP013	Świętokrzyskie Voivodeship	1.27	28.26	32.81	1.03%	1.03%	1.03%
196	PL	2014PL16M2OP014	Warmińsko-Mazurskie Voivodeship	16.86	33.39	55.81	0.30%	0.24%	0.24%
197	PL	2014PL16M2OP015	Wielkopolskie Voivodeship	47.46	46.65	104.01	0.08%	0.07%	0.07%
198	PL	2014PL16M2OP016	Zachodniopomorskie Voivodeship	6.30	44.68	56.54	0.29%	0.24%	0.24%
199	PL	2014PL16RFOP001	Smart Growth	242.04	270.35	437.83	3.54%	1.64%	1.64%
200	PL	2014PL16RFOP002	Digital Poland	64.65	108.41	191.64	0.05%	0.04%	0.04%
201	PL	2014PL16RFOP003	Development Of Eastern Poland	57.75	127.85	202.53	0.69%	0.68%	0.68%
202	PT	2014PT16CFOP001	Sustainability And Resource Use Efficiency	45.29	62.61	119.88	1.29%	1.18%	1.18%
203	PT	2014PT16M2OP001	Norte	114.36	135.22	275.73	1.29%	1.18%	1.18%
204	PT	2014PT16M2OP002	Centro	83.26	62.50	160.71	1.29%	1.18%	1.18%
205	PT	2014PT16M2OP003	Alentejo	9.71	35.34	49.62	1.29%	1.18%	1.18%
206	PT	2014PT16M2OP004	Azores (Autonomous Region)	54.78	35.35	100.01	1.29%	1.18%	1.18%
207	PT	2014PT16M2OP005	Lisboa	9.89	21.41	34.74	1.29%	1.18%	1.18%
208	PT	2014PT16M2OP006	Madeira (Autonomous Region)	18.81	13.78	36.13	1.29%	1.18%	1.18%
209	PT	2014PT16M2OP007	Algarve	5.30	8.87	15.72	1.29%	1.18%	1.18%
210	PT	2014PT16M3OP001	Competitiveness And Internationalisation	232.93	318.90	596.46	1.29%	1.18%	1.18%
211	PT	2014PT16RFTA001	Technical Assistance	9.71	6.25	17.73	1.29%	1.18%	1.18%
212	RO	2014RO16M1OP001	Large Infrastructure	-	858.29	953.65	N/A	N/A	2.00%
213	RO	2014RO16RFOP001	Competitiveness	-	59.12	65.69	N/A	N/A	2.00%
214	RO	2014RO16RFOP002	Regional	-	24.27	26.97	N/A	N/A	2.00%
215	RO	2014RO16RFTA001	Technical Assistance	-	44.59	49.54	N/A	N/A	2.00%
216	RO	2015RO16RFSM001	Sme Initiative	-	83.78	93.09	N/A	N/A	2.00%
217	SE	2014SE16M2OP001	Community-Led Local Development Programme	0.00	0.11	0.12	0.00%	0.00%	0.00%
218	SE	2014SE16RFOP001	South Sweden	1.66	2.22	4.31	0.03%	0.03%	0.03%
219	SE	2014SE16RFOP002	Småland And Islands	1.49	1.71	3.56	0.03%	0.03%	0.03%
220	SE	2014SE16RFOP003	West Sweden	2.01	2.27	4.75	0.03%	0.03%	0.03%
221	SE	2014SE16RFOP004	East-Central Sweden	2.51	3.26	6.41	0.03%	0.03%	0.03%
222	SE	2014SE16RFOP005	Stockholm	0.78	1.28	2.29	0.03%	0.03%	0.03%
223	SE	2014SE16RFOP006	North-Central Sweden	7.03	6.87	15.45	0.03%	0.03%	0.03%
224	SE	2014SE16RFOP007	Central Norrland	5.72	7.51	14.69	0.03%	0.03%	0.03%
225	SE	2014SE16RFOP008	Upper Norrland	12.22	7.79	22.23	0.03%	0.03%	0.03%
226	SE	2014SE16RFOP009	Investments In Growth And Jobs	15.67	6.23	24.33	0.03%	0.03%	0.03%
227	SI	2014SI16MAOP001	Eu Cohesion Policy	23.59	92.66	129.16	0.03%	0.00%	0.00%
228	SK	2014SK16M1OP001	Integrated Infrastructure	34.69	228.42	291.35	0.00%	0.00%	0.00%
229	SK	2014SK16M1OP002	Quality Of Environment	13.14	105.09	118.33	0.78%	0.33%	0.33%
230	SK	2014SK16RFOP001	Research And Innovation	2.38	48.64	56.56	0.12%	0.00%	0.00%
231	SK	2014SK16RFOP002	Integrated Regional	27.78	-	30.87	0.00%	0.00%	0.00%
232	SK	2014SK16RFTA001	Technical Assistance	4.26	10.76	16.56	0.00%	0.00%	0.00%
233	UK	2014UK16RFOP001	England	109.45	39.38	165.01	0.07%	0.05%	0.05%
234	UK	2014UK16RFOP002	Gibraltar	0.67	0.06	0.82	0.00%	0.00%	0.00%

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235	UK	2014UK16RFOP003	Northern Ireland	0.17	17.46	19.59	N/A	N/A	2.00%
236	UK	2014UK16RFOP005	West Wales And The Valleys	26.03	31.47	64.25	0.05%	0.00%	0.00%
237	UK	2014UK16RFOP006	East Wales	8.46	9.21	19.56	0.05%	0.00%	0.00%
TOTAL EUR m				4.813,48	9.996,40	16.112,69			
Weighted average. based on the expenditure declared in the accounts							1.4%	0.8%	
Average rate of risk on payment									1.05%

* Based on the error rates reported by the Member States following their audits of operations on the expenditure of the accounting year July 2016-June 2017.

ANNEX 8: Specific annexes related to Part 2

2.1.1 Control results

2.1.1.1 Control effectiveness as regards legality and regularity

Brief introduction to shared management and Structural Funds

Although the Structural and Investment Funds are part of the EU budget, the way they are spent is based on a system of shared responsibility between the European Commission and national authorities:

- the Commission negotiates and approves programmes proposed by EU Member States, and allocates resources accordingly;
- the EU Member States / regions manage the programmes, implement them by selecting projects, control and assess them;
- the Commission is involved in programme monitoring, commits, pays out approved expenditure, and verifies control systems.

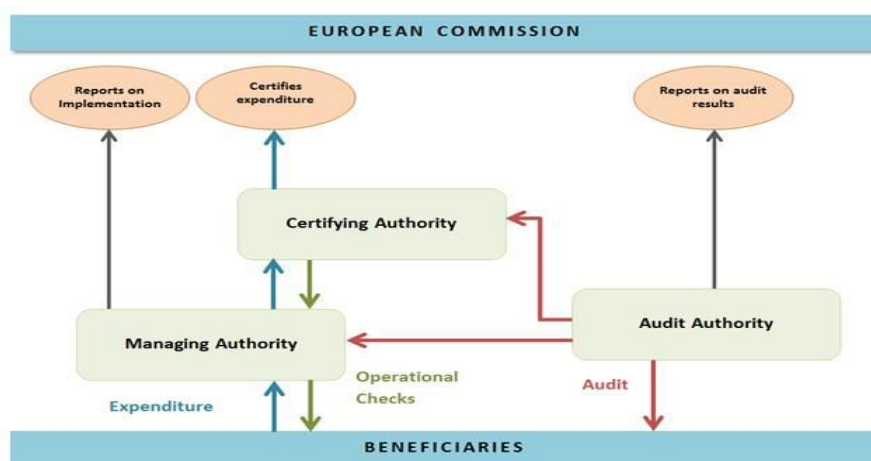
For each operational programme, the national authority appoints:

- a **managing authority** (national, regional or local public authority or public/private body to manage the operational programme);
- a **certifying authority** (national, regional or local public authority or body to certify the accounts and the payment applications before their transmission to the Commission);
- an **audit authority** (national, regional or local public authority or body to oversee the efficient functioning of the management and control system and to provide yearly professional, independent audit opinions to the Commission).

Under 'shared management', the Commission entrusts Member States with implementing programmes at national level. Member States allocate funds to beneficiaries and final recipients (e.g. private companies, municipalities, etc.). Member States set-up a management and control system for operational programmes, which complies with the requirements of the Regulations, ensuring that the system functions effectively and could prevent, detect, and correct irregularities. The Commission plays a supervisory role, ensuring arrangements governing the management and control systems are compliant by verifying the effective functioning of the systems and if necessary, making financial corrections.

Control architecture for funds under shared management

The control system is built on a multi-level control system. Each level may rely on the work done on previous controls performed by other bodies after having performed its own verifications that preceding controls are effective (single audit concept).



The assurance on legality and regularity of operations is built on work carried out at two levels:

1. At Member States level, the daily control framework is the following:

- The **Managing Authority** performs management verifications before declaring expenditure, ex-ante documentary checks on all payment claims and ex-ante or ex-post on-the-spot checks on a sample of operations;
- The **Certifying Authority**¹⁵ relies on this first level of verification before declaring statements of expenditure to the Commission and certifying the legality and regularity of expenditure entered into the programme annual accounts transmitted. It takes steps to satisfy itself that adequate controls have been made by the Managing Authority, including carrying out its own checks when necessary;
- The **Audit Authority** designs an audit strategy in order to perform audits of the management and control systems and ex-post audits of a representative sample of operations, as well as complementary audits on high-risk operations where necessary. It provides the Commission with its results in an Annual Control Report. This report includes an annual audit opinion on the functioning of the management and control system and on legality and regularity. For 2014-2020, the audit authority also provides an audit opinion on the accuracy of the accounts as well as an estimation of the residual risk of error based on the total error rate resulting from its audit of a representative sample of operations and the financial corrections applied before submitting the accounts.

2. At Commission level, the way in which REGIO defines its assurance for the management and control systems for each operational program is a process based on internal control and audit procedures carried out by audit, financial and operational units. The analysis and evaluation of information acquired through various sources.

a) The following audit sources are used based on the application of the single audit approach with programme audit authorities and mutualisation of audit results with other EU audit sources in line with DG Regional and Urban single audit strategy and risk-assessment in place:

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

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

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

Through the **single audit approach**, we can rely each year on audit work and opinions carried out by audit authorities for each operational programme each year, complemented by DG Regional and urban policy's risk-based audits, all programmes are covered each year. The assessment of all available audit sources result in an Annual Audit Opinion of the Directorate General for each operational programme. This forms the basis for management opinions by the

¹⁵ For the 2014-2020 period, certifying authorities can be merged with managing authorities.

Authorising Officers by Sub-Delegation.

These combined elements allow the Directorate General to establish a level of assurance for payments and performance of each programme.

A.1 Shared Management - ERDF and CF: A strong control framework for the 2014-2020 programming period

A.1.1 The assurance basis: solid and supervised management & control systems in Member States

Description of the management and control system for 2014-2020 programming period

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 based on 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.

Therefore, the Management and Control System (MCS) will function as follows:

- For the accounting year (1 July N-1 to 30 June N)

The **managing authority/intermediate body** carries out verifications until the submission of the programme accounts. It verifies that the co-financed products have been delivered, that the

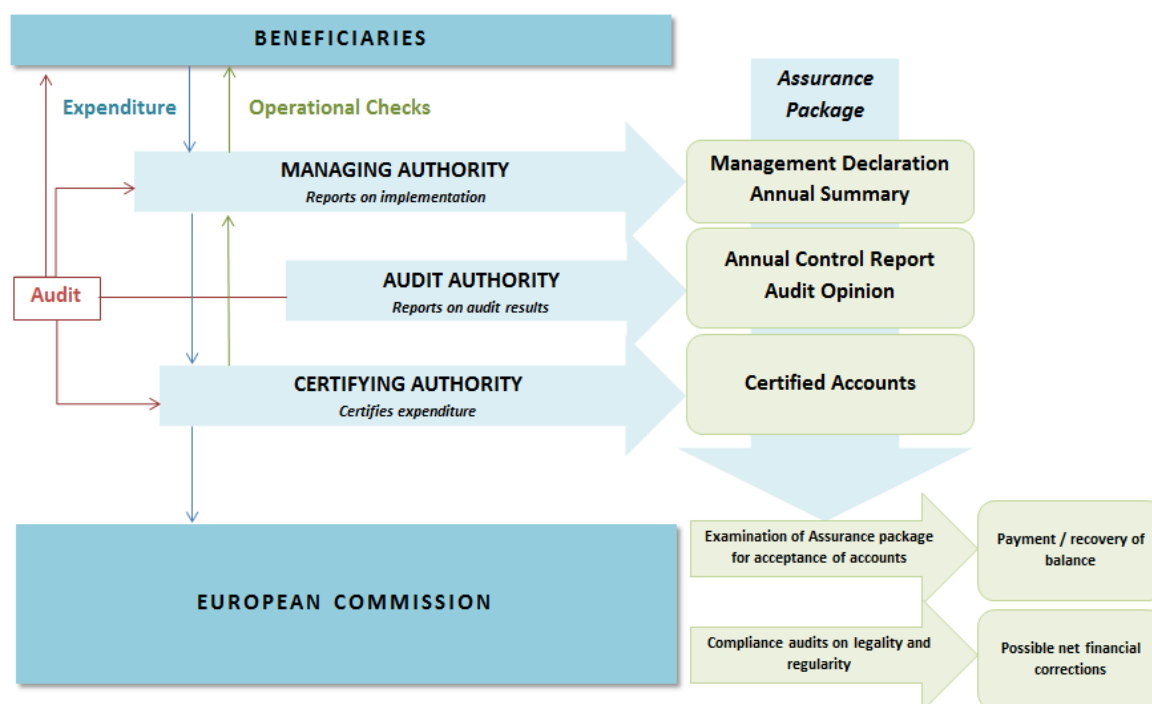
expenditure declared by the beneficiaries has been paid and that it complies with the applicable law, the operational programme and the conditions for support of the operation.

The verifications shall include:

- a) Administrative verifications in respect of each application for reimbursement from beneficiaries;
- b) On the spot verifications of operations on a sample basis.

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

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



➤ 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.

Subsequently, 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 serious deficiency in the effective functioning of the management and control system not previously identified by the national authorities and subject to appropriate corrective measures.

Table - Programmes still to be designated as of 1 April 2018

Nr	MS	Ref	Title	Decided Amount EUR m
1	FI	2016FI16RFSM001	Suomen	20.00
2	ETC	2014TC16M4TN003	Balkan-Mediterranean	28.33
3	ETC	2014TC16RFCB002	Austria-Czech Republic	97.81
4	ETC	2014TC16RFCB003	Slovakia-Austria	75.89
5	ETC	2014TC16RFCB009	Germany/Bavaria-Czech Republic	103.38
6	ETC	2014TC16RFCB010	Austria-Hungary	78.85
7	ETC	2014TC16RFCB011	Germany/Brandenburg-Poland	100.15
8	ETC	2014TC16RFCB019	Germany/Mecklenburg-Vorpommern-Brandenburg-Poland	134.00
9	ETC	2014TC16RFCB020	Greece-Italy	104.70
10	ETC	2014TC16RFCB037	Italy-Malta	43.95
11	ETC	2014TC16RFCB043	Saint Martin-Sint Maarten	10.00
12	ETC	2014TC16RFCB055	Greece-Cyprus	48.01
13	ETC	2014TC16RFTN008	Caribbean Area	64.29
TOTAL				909.37

Table: 2014-2020 - Adjustment in the annual accounts by Member States

Member State	Total eligible expenditure in final interim payment ¹⁶	Total eligible expenditure confirmed in the accounts	Difference ¹⁷		Additional corrections before the accounts ¹⁸	
			Total deductions	Out of which amounts corrected as a result of audits	Total withdrawals and recoveries	Out of which amounts corrected as a result of audits of operations
Belgium	54,100,735	53,871,511	229,224	94,662		
Bulgaria	594,920,640	588,729,069	6,191,572	2,156,595	214,930	
Cyprus	38,338,092	38,333,873	4,219	4,219		
Czech Republic	836538421.6	796238774.1	40299647.52	15,158,684	297.54	
Germany	418,700,731	412,563,845	6,136,886	1,595,237	84,580	30,843
Denmark	20,556,254	20,545,896	10,358			
Estonia	253,156,774	251,335,579	1,821,195	631,827	459,077	
Spain	85,771,541		85,771,541			
Finland	367669561.1	362675588.5	4993972.63	175,139		
France	441,409,369	431,201,239	10,208,130	2,606,748	149,314	58,169
Greece	1,048,984,106	983,260,187	65,723,919	6,871,536	15,411,418	642,648
Croatia	71,442,267	71,442,267				
Hungary	638,659,809	621,649,710	17,010,099	8,384,444		
Ireland	13,827,217	13,827,189	28	28		
Italy	357,814,733	349,821,097	7,993,636	915,081	12,600	
Lithuania	662,372,302	619,784,788	42,587,514	12,827,205	65,039	
Luxembourg	3,082,635	3,082,635				
Latvia	188,200,981	188,182,068	18,912	10,187	812	
Malta	13,814,418	13,814,418				
Poland	4,795,168,352	4,572,863,566	222,304,787	26,038,524	13,027,731	2,903
Portugal	1,806,101,777	1,775,862,980	30,238,797	1,956,760	27,019	794
Sweden	210,122,982	210,106,293	16,689		35,641	
Slovenia	64,147,611	64,147,611				
Slovakia	527,602,701	509,835,997	17,766,704	16,277,187	757,218	
Territorial Cooperation	130,409,478	128,474,175	1,935,303	795,158	33,622	
United Kingdom	414,863,452	413,903,709	959,743	103,388	828,638	
Grand Total	14,057,776,940	13,495,554,063	562,222,877	96,602,610	31,107,935	735,357

¹⁶ July 2017.¹⁷ The difference is mainly due to financial corrections implemented following audits, continued management verifications and to deductions linked to different on-going assessments on the legality and regularity of expenditure previously declared during the accounting year.¹⁸ From appendix 2 of the accounts, withdrawals and recoveries applied during the current accounting year.

2007-2013: Financial Corrections, Withdrawals and Recoveries

1. Commission supervisory role - Financial corrections confirmed/decided in 2017 (excluded at source corrections) by programming period, in EUR million*

Programming period	1994-99				2000-06				2007-13				Total			
	2017			Cumulative (ERDF + CF) end of 2017	2017			Cumulative (ERDF + CF) end of 2017	2017			Cumulative (ERDF + CF) end of 2017	2017			Cumulative (ERDF + CF) end of 2017
	ERDF	CF	Total 2017		ERDF	CF	Total 2017		ERDF	CF	Total 2017		ERDF	CF	Total 2017	
Austria				0.2				0.7				16.2				17.1
Belgium				9.1				8.2				1.6				18.9
Bulgaria								23.5				120.6				144.1
Cyprus												0.0				0.0
Czech Republic								45.0	1.6		1.6	355.1	1.6		1.6	400.1
Germany	-191.3		-191.3	48.6				26.6	5.6		5.6	161.2	- 185.7		- 185.7	236.4
Denmark				1.8				0.5								2.4
Estonia								2.2				9.7				11.9
Greece				519.6				1,237.0	93.6	- 15.4	78.2	396.1	93.6	- 15.4	78.2	2,152.6
Spain				225.9		0.3	0.3	2,918.4				362.3		0.3	0.3	3,506.7
Finland				0.5				0.0	0.0		0.0	0.0	0.0		0.0	0.5
France				32.7	0.4		0.4	112.1	0.7		0.7	13.5	1.1		1.1	158.4
Croatia								1.0								1.0
Hungary								64.9	95.7	4.1	99.8	556.8	95.7	4.1	99.8	621.8
Ireland				11.2				64.9	1.8		1.8	2.4	1.8		1.8	78.5
Italy				338.9	21.8		21.8	1,211.4	23.2		23.2	305.7	45.0		45.0	1,856.1
Latvia								17.9	19.6		19.6	61.1	19.6		19.6	79.0
Lithuania								8.4				0.0				8.4
Luxembourg				0.3				0.0				0.0				0.4
Malta												11.0				11.0
Netherlands				8.2				0.2								8.4
Poland					0.3	0.3		303.5	182.2	209.0	391.3	519.9	182.2	209.4	391.6	823.3
Portugal				85.0				240.3	8.6	0.0	8.7	58.6	8.6	0.0	8.7	383.9
Romania								19.1	- 24.7		- 24.7	72.3	- 24.7		- 24.7	91.4
Sweden				0.5				0.1				0.7				1.3
Slovenia								2.9				32.9				35.9
Slovakia								119.8	0.0		0.0	373.6	0.2		0.2	493.5
United Kingdom				126.9				159.9	3.3		3.3	61.3	3.3		3.3	348.1
INTERREG	-6.9		-6.9	1.8				69.1	1.7		1.7	5.1	- 5.3		- 5.3	76.0
TOTAL	-198.3		-198.3	1,411.2	22.3	0.7	23.0	6,658.1	413.0	197.8	610.8	3,497.9	237.1	198.4	435.5	11,567.2
Implemented:				1,409.2				6,632.5				2,697.2				10,739.0
%				100%				99.6%				77.1%				92.8%

* Negative amounts refer to adjustments/corrections to reporting of previous years

2. Commission supervisory role - Financial corrections implemented in 2017 (excluded at source corrections) by programming period, in EUR million*

Programming period	1994-99				2000-06				2007-13				Total			
	2017			Cumulative (ERDF + CF) end of 2017	2017			Cumulative (ERDF + CF) end of 2017	2017			Cumulative (ERDF + CF) end of 2017	2017			Cumulative (ERDF + CF) end of 2017
	ERDF	CF	Total 2017		ERDF	CF	Total 2017		ERDF	CF	Total 2017		ERDF	CF	Total 2017	
Austria				0.2				0.7	0.25		0.25	8.05	0.3		0.3	8.9
Belgium				9.1				8.2				1.62				18.9
Bulgaria				0.0				23.5				120.57				144.1
Cyprus				0.0				0.0				0.00				0.0
Czech Republic				0.0				45.0	2.07		2.07	349.91	2.1		2.1	395.0
Germany	-191.3		-191.3	48.6				26.3	78.57		78.57	160.41	-112.8		-112.8	235.3
Denmark				1.8				0.5								2.4
Estonia				0.0				2.2	0.02		0.02	9.73	0.0		0.0	11.9
Greece				517.7				1,233.2				226.76				1,977.7
Spain				225.9		0.3	0.3	2,913.5	34.11		34.11	300.58	34.1	0.3	34.4	3,440.0
Finland				0.5				0.0								0.5
France				32.7	0.4		0.4	112.1				12.48	0.4		0.4	157.3
Croatia				0.0				1.0								1.0
Hungary				0.0				64.9	35.80		35.80	270.74	35.8		35.8	335.6
Ireland				11.2				64.9				0.57				76.7
Italy				338.9	57.1		57.1	1,211.4	22.07		22.07	303.52	79.1		79.1	1,853.9
Latvia				0.0				17.9				41.44				59.3
Lithuania				0.0				8.4				0.02				8.4
Luxembourg				0.3				0.0				0.01				0.4
Malta				0.0				0.0				11.01				11.0
Netherlands				8.2				0.2								8.4
Poland				0.0		40.7	40.7	303.5	2.02	209.04	211.06	336.69	2.0	249.7	251.7	640.2
Portugal				85.0				240.3	36.29	0.05	36.34	58.34	36.3	0.0	36.3	383.6
Romania				0.0				19.1	3.67		3.67	71.64	3.7		3.7	90.7
Sweden				0.5				0.1				0.73				1.3
Slovenia				0.0				2.9				32.94				35.9
Slovakia				0.0				103.3	13.61		13.61	318.15	13.6		13.6	421.5
United Kingdom				126.9				159.9	12.14		12.14	57.85	12.1		12.1	344.7
INTERREG	-6.9		-6.9	1.8				69.1	0.15		0.15	3.44	-6.8		-6.8	74.3
TOTAL	-198.3		-198.3	1,409.2	57.5	41.0	98.4	6,632.5	240.77	209.08	449.85	2,697.20	100.0	250.0	350.0	10,739.0
ERDF				1,143.1				5,797.7				2,143.8				9,084.6
CF				266.2				834.8				553.4				1,654.4

* Negative amounts refer to adjustments/corrections to reporting of previous years

3. Member States' reporting on withdrawals and recoveries, programming period 2007-2013 in EUR million*

Member State	Withdrawals and Recoveries						Out of which additional to the EC reporting ¹⁹
	Reported at closure (Art. 20 reports sent at March 2018)			Cumulative reporting since 2007			
	Withdrawals EC Share	Recoveries EC Share	Total	Withdrawals EC Share	Recoveries EC Share	Total	
Austria	3.6	5.9	9.6	7.3	18.9	26.2	18.1
Belgium	0.4	0.9	1.3	3.2	3.3	6.4	4.8
Bulgaria	55.3	5.1	60.5	207.3	19.9	227.2	106.6
Croatia	0.1	0.3	0.4	1.8	0.4	2.1	2.1
Cyprus	7.8		7.8	9.2		9.2	9.2
Czech Republic	51.1	3.0	54.1	674.3	63.2	737.5	387.6
Denmark	0.0	0.0	0.0	0.0	0.8	0.8	0.8
Estonia	5.4	1.1	6.5	14.7	20.5	35.2	25.5
Finland	0.4	0.4	0.8	0.5	2.3	2.8	2.8
France	73.2	0.0	73.2	239.4	0.5	239.9	227.4
Germany	225.0	32.1	257.0	453.5	173.0	626.6	466.2
Greece	282.7		282.7	904.2	0.0	904.2	677.4
Hungary	257.7	16.8	274.5	741.7	75.7	817.4	546.7
Ireland	5.3		5.3	6.0	0.1	6.1	5.5
Italy	383.2	5.4	388.6	792.6	57.0	849.5	546.0
Latvia	2.6	42.4	45.0	2.7	87.8	90.5	49.1
Lithuania	0.4	1.4	1.8	6.4	14.3	20.7	20.6
Luxembourg				0.0	0.0	0.0	0.0
Malta	6.5	0.2	6.7	8.2	0.6	8.8	0.0
Netherlands	6.3		6.3	24.3	0.0	24.3	24.3
Poland	333.7	56.6	390.2	851.5	198.3	1,049.7	713.0
Portugal	75.9		75.9	321.0	0.0	321.0	262.7
Romania	3.4	144.6	148.0	61.5	392.9	454.4	382.7
Slovakia	65.1	14.1	79.3	390.5	54.9	445.4	127.3
Slovenia	14.0	17.3	31.3	83.0	55.1	138.1	105.1
Spain	838.4	0.6	839.0	1,573.1	1.0	1,574.1	1,273.6
Sweden	1.0	0.1	1.2	7.9	1.1	9.0	8.3
United Kingdom	90.9	0.0	90.9	295.9	0.0	295.9	238.0
INTERREG	14.3	9.8	24.1	38.0	24.1	62.2	58.7
Total	2,803.8	358.2	3,162.0	7,719.6	1,265.5	8,985.1	6,290.1

*EC share calculated automatically based on either the declared total or public cost, taking into account the co-financing rate at priority axis level

¹⁹ As a result of comparison for each Member State between national and EU reporting of implemented corrections.

Other work carried out in 2017 – contribution to audit capacity building and preventive actions

Audit work also includes advisory procedures (including guidance) and capacity building actions at the level of audit authorities, but also managing and certifying authorities, which contribute to preventing and correcting errors and therefore contribute to the assurance process.

During 2017, REGIO auditors participated in different seminars aiming to strengthen the capacity of Member States authorities to deal with the provisions of the programming period 2014-2020. In particular, under the organisation of EIPA, seminars on management and control rules, public procurement and SCOs took place.

In addition, the Commission hosted Annual Coordination Meetings with each Member State's audit authorities covering the monitoring of / progress on audit strategy with a focus on the state of play of 2014-2020 audit strategies from both Commission and audit authorities perspective.

Two technical meetings with all audit authorities took place in 2017: in May and November. These dedicated meetings provided the opportunity to compare the Commission and audit authorities' audit methodologies and points of view.

The Homologues Group meeting as most important annual event between the audit authorities and Commission auditors took place in Tallinn in September 2017. The meeting was fully dedicated to the follow up of the High Level Group conclusions²⁰ on cross-cutting audit issues. Several working groups with representatives of audit authorities prepared working documents in preparation of the meeting and after being discussed in Tallinn, the outcome has been a Charter on good audit practices issued in February 2018, which is currently shared by all auditors responsible of Cohesion Policy

REGIO participated as well in the annual meeting of the network of certifying authorities held in Malta in October 2017. The main topic in the agenda was the lessons learnt from the annual accounts exercise.

Other activities included technical workshops for managing and audit authorities on the use of ARACHNE.

²⁰Commission reply to HLG report on cross-cutting audit issues https://ec.europa.eu/futurium/en/system/files/ged/reply_to_audit-related_issues_in_the_hlg_report_on_gold_plating_-_final.pdf

Audit Work carried out during the programming period and in preparation for closure

- Reliance on the work of Audit Authorities

Since 2009, REGIO has devoted the vast majority of its audit resources to assess the reliability of the work of the national audit authorities. The overall objective of this enquiry was to obtain reasonable assurance on the functioning of the management and control systems in the selected Member States through being able to rely on the work of the national audit authorities, as reported in the ACR and audit opinion. In order to reach this overall objective, the audit work carried out under this enquiry aimed to:

- obtain reasonable assurance that the work carried out by the audit authorities was compliant with the requirements of the General Regulation, in particular its Article 62,
- and consequently, assess the degree of reliance to be placed on the results of audit authorities audit work presented in the annual/final control reports and annual/final opinions, as part of the overall assurance for the AAR.

Between 2009 and 2017, REGIO auditors carried out the following audits to assess the reliance that could be placed on the work of the reviewed audit authorities:

- audits to assess the clear definition, allocation and separation of functions of the audit authorities;
- audits re-performing the system audits carried out by the audit authorities;
- audits re-performing the audits of operations carried out by the audit authorities;
- audits to follow-up action plans related with serious deficiencies in the audit authorities work;
- pre-annual control report audits;
- fact finding audits to assess the reliability of the annual control reports and opinions;
- preventive work in preparation of closure;
- fact finding audits to assess the reliability of the final control reports and opinions;

The audit work carried out under the EPM review of audit authorities also allowed to place reliance of the work carried out by the audit authorities for 63 programmes (Article 73) and thus reducing the audit work by Commission auditors.

- Monitoring Article 73:

Regularly monitoring that the conditions to rely on the work of audit authorities (Article 73) was important in view of closure. In total 21 audits have been carried out in BE, CY, DE, EE, ES, FI, MT, PL, PT, SE and SI under this objective. These audits also contributed to reduce the desk workload at closure for the concerned programmes, through a differentiate approach adopted for the assessment of closure declaration for programmes under Article 73.

The audits under both enquiries above confirmed that REGIO could continue relying on the work of the audit authorities for closure. In the case of one audit authority, a monitoring audit mission in 2017 revealed a risk of having deficiencies in the management and control systems, in particular on public procurement, which were not previously identified by the audit authority.

- Bridging the assurance gap

Through the enquiry to review audit authorities' work, in some cases the Directorate-General identified that certain deficiencies could remain undetected or not timely detected, which could jeopardise the assurance process (assurance gap). The scope of the audits under the enquiry bridging the assurance gap was therefore to cover high-risk operational programmes and high-risk areas. It mainly focused on the reliability of management verifications at the level of the managing authorities/intermediary bodies, and to a lesser extent on selection of operations, corrective capacity of the managing authority, certification of expenditure by the certifying authority, and on the audit of high-risk operations not yet audited by the national audit authority. A total of 241 audits have been carried out since 2010 covering 19 Members States (AT, BG, CZ, EE, EL, ES, DE, FR, HR, HU, IT, LT, LV, PL, PT, RO, SI, SK, and UK).

In 2017, as it was already the case in 2016, the audits carried out in 2017 (one to Hungary and

one to Romania) aimed to obtain direct assurance for closure declarations, ensuring that identified risks were appropriately treated and adequately mitigated at closure. The scope of the audits was tailored to address the specific residual high risks of each programme taking into account the results of the work of the audit authorities, systemic weaknesses previously identified, error rates from audits of operation and effectiveness of management verifications. Other high risk areas were also covered under this enquiry such as the inclusion of retrospective projects expenditure, the inclusion of expenditure linked to contracts known to be affected by public procurement irregularities for which appropriate ex-ante corrections had to be applied, risk of reduced quality of management verifications due to higher amounts of expenditure to be certified in 2015 and 2016 and delays in certification resulting in the audit authorities having limited time to complete their audits of operations.

Following the work carried out for the 2 high risk programmes selected²¹, significant deficiencies were detected in both. These deficiencies were in relation to selection of operations and management verifications (in particular in the area of retrospective projects). In both cases, the Member State authorities were requested to implement the necessary corrective measures by closure of the programmes.

- Withdrawals and Recoveries

The aim of the enquiry was to ensure that the recoveries and withdrawals reported during the programming period are reliable and accurate and thus the residual, risk rate at closure was not understated. Since 2011 36 audits in 19 Member States (BE, BG, CZ, EE, EL, ES, DE, FR, HU, IT, LT, LV, NL, PL, PT, RO, SI, SK, SE and UK) were carried out.

- Financial Instruments

In order to complete the assurance at closure for financial instruments implemented by the EIB Group, it has been convened to put in place Agreed Upon Procedures (AUP). The AUP consisted of checks on the critical issues for the set-up and implementation of the JEREMIE and JESSICA instruments at holding fund level, by the independent external auditor of EIB/EIF.

This means that at the request of programme authorities the independent external auditor of EIB and EIF carried out the AUP engagement and provided to the national authorities a report setting out the checks carried out and recording the exceptions in relation to the set-up and implementation of the instruments at Holding Fund level.

The audit authorities took into account the conclusions of the AUPs to complement their assurance at closure to be reflected in the final control report and audit opinion.

A.5. Instrument for Pre-Accession (IPA) and Urban Innovative Actions

Assurance building blocks for Urban Innovative Actions

Programming and initial set-up of the system:

Assurance on the initial set-up of the system is obtained via audits carried out by the External Auditor before signing the first contracts with cities.

Concerning programming, a yearly exercise provides assurance that the programme managed by the entrusted entity follows Commission's priorities²².

Tendering and contracting:

Assurance is obtained during project selection as follows:

²¹ CCI 2007RO161PO002 and 2007HU161PO007

²² An annual work programme describing the planned work for the following year is prepared by the entrusted entity by the 31st of October and approved by the Commission before the end of the same year

- Grants are selected and awarded by the entrusted entity using its own rules and procedures; however, these should be in accordance with the set of principles defined in the Delegation Agreement (including equal treatment, non-discrimination, adequate publication, prevention of conflict of interest, non-cumulative and non-retrospective award of grants, existence of transparent and effective review procedures, etc.)
- Themes of calls for proposals are defined by Commission services. The selection is carried out based on criteria²³ applicable to Urban Innovative Actions as defined in the delegated act.²⁴ The evaluation of proposals is carried out by an expert panel, set up in agreement with the Commission, and evaluation results are checked by Commission services.

Monitoring of implementation and payments:

Assurance concerning the monitoring of operations at the entrusted entity level and payments to beneficiaries rests on the following pillars:

- The entrusted entity verifies that the co-financed products and services have been delivered, expenditure declared by the beneficiary has been incurred and that it complies with Community and national rules.
- Verifications on the spot may be carried out by the entrusted entity at the level of the beneficiaries on a sample basis.
- Beneficiaries provide, at the closure of the operation, an independent audit opinion, which covers the legality and regularity of expenditure declared and the delivery of relevant products and services.
- The certification authority (Province of east Flanders) checks payment applications of the entrusted entity to the Commission before their submission and certifies that these applications are reliable and complete and that underlying expenditure is eligible, legal and regular.
- Annual accounts are provided by the certification authority, who certifies that these accounts are complete, accurate and true.

Assurance is also obtained through Commission monitoring of the implementation of the programme and through its supervision activities:

- An annual implementation report is provided by the entrusted entity each year by the 15th of February and reviewed by the Commission
- Payment applications and annual accounts submitted by the certification authority are checked by Commission services before payment.

Ex-post controls - Audit work

Control and auditing arrangements at the level of the entrusted entity are based on the following blocks:

- An independent External Auditor carries out audits on systems and operations by way of sampling.
- Audits are carried out according to a multiannual audit strategy sent to the Commission, which is reviewed annually.
- An audit opinion and a control report are provided to the Commission every year by the 15th of February.

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

²³ innovativeness, quality, partnership and results, transferability

²⁴ Article 2 of Commission Delegated Regulation (EU) No 522/2014

2.1.1.3 Fraud prevention and detection

Indicator	2017 target	2017 result
Number of cases of suspected fraud detected by/brought to the attention of the DG transmitted to OLAF for evaluation	100% (11 cases)	All cases that were brought to the attention of REGIO staff were communicated to OLAF for evaluation and possible selection
Internal trainings/fraud-awareness events per year External training/fraud-awareness events per year	2 trainings delivered in June and November to REGIO colleagues. 100% Presentation on the follow-up of OLAF reports in REGIO in a workshop organised by the EP on the future of OLAF (May 2017) Seminar on anti-fraud measures in the management of EU funds in Spain (July 2017) High level workshop on corruption measurement under the Italian G7 Presidency (October 2017) Publication of a EU funded research: "Assessing the quality of government at the regional level using public procurement data" ²⁵ (December 2017) Presentation by REGIO of the capacity building actions in the field of anti-fraud to the FPDnet (December 2017)	Training contributed to a better understanding of the reasons, modus operandi, risks and sources of fraud. It also covered new regulatory requirements and procedures on handling final case reports and launching financial follow-up of recommendations from OLAF.
Number of Member States using Arachne tool for at a least one operational programme (ERDF or multifund OP).	15 Member States are using the tool in production for 2014-2020 (at least one programme)	All 15 Member States using the tool and are planning to integrate it in their management verifications.

2.1.3 Audit observations and recommendations

A. European Court of Auditors

Main Indicators: Data published in the Court of Auditors' Annual Reports

Coverage			Results		
Indicator	2015 Annual report (chapter 6)	2016 Annual report (chapter 6)	Indicator	2015 Annual report (chapter 6)	2016 Annual report (chapter 6)
Size of sample (global sample) for Cohesion policy	223	180	% payments in the global sample for Cohesion policy affected by errors (number of transactions affected by errors)	32% (72)	48% (87)
out of which ERDF	120	92			
out of which CF	52	36			
out of which FEIs	7	11			
Total for regional policy	179	139			

²⁵ http://ec.europa.eu/regional_policy/en/information/publications/working-papers/2017/assessing-the-quality-of-government-at-the-regional-level-using-public-procurement-data

Coverage			Results		
Indicator	2015 Annual report (chapter 6)	2016 Annual report (chapter 6)	Indicator	2015 Annual report (chapter 6)	2016 Annual report (chapter 6)
			% payments with errors for Cohesion policy affected by quantifiable errors (number of transactions affected by quantifiable errors)	46% (33)	29% (25)
			Error rate published by the Court for Cohesion policy		
			Lower error limit	2.8%	2.2%
			Most likely error	5.2%	4.8%

The Court issued the following recommendations in its 2016 Annual report:

Recommendation 1: *pay particular attention, when closing the 2007-2013 programmes, to areas in which there is a higher risk of ineligible expenditure or of the disclosure of inaccurate information that may lead to an over-reimbursement. In particular, the Commission should focus on:*

a. ensuring that eligible amounts reported for financial instruments at closure are not artificially increased because of over-reporting of the amounts used at the level of final recipients. The risk is highest for guarantee funds, where an artificially low multiplier would mean an unjustified increase in eligible costs;

b. verifying that state aid advances were covered by real expenditure at project level, which is the only eligible expenditure. The Commission should ensure that the managing authorities have carried out sufficient verifications to allow for an appropriate audit trail for the clearance of advances and the deduction of unjustified amounts;

c. making sure that expenditure for all major projects is supported by a Commission decision approving the project, failing which the expenditure declared becomes ineligible. A particular risk arises where larger projects are split into smaller sections, which are below the major project threshold.

The Commission accepted the recommendation while mentioning that it is already taking into account the particular areas pointed out by the Court concerning financial instruments, State Aid and major projects during its review of the 2007-2013 closure packages currently underway.

Regarding major projects to be supported by a Commission decision, it recalled that it is the responsibility of the Member States to notify major projects to the Commission.

Recommendation 2: *address, for the 2014-2020 period, issues that may affect the reliable calculation of the residual risk rate, by introducing robust checks and guidance in relation to:*

a. the audit population of financial instruments and state aid advances. The population should take proper account, for financial instruments, of the amounts used at the level of final recipients and, for state aid, of the actual expenditure at project level as reported in the accounts;

b. the audit coverage for financial instruments managed by the EIB. The Commission should make sure that the audit arrangements are adequate at the level of both financial intermediaries and final recipients. Final approval for the amendments to the existing legal basis which the Commission has proposed for the Omnibus regulation, as well as the obligation to audit at the level of the Member State, would be instrumental in this regard;

c. the exclusion of the amounts under ongoing assessment referred to in Article 137(2) of

Regulation (EU) No 1303/2013 from the calculation of the residual risk rate as reported by the Member States, since including them has the effect of understating the residual risk rate and reduces the transparency and reliability of this key indicator.

The Commission accepted the recommendation and it has taken actions to clarify these issues:

- In December 2017 REGIO has sent a letter to all audit authorities with clarifications in view of upcoming submission of assurance packages and sampling methodology. In addition to explanations on the methodology to be applied for the amounts under on-going assessment, it has proposed a calculation sheet to facilitate the work;

- together with the Member States and ECA, REGIO has developed a methodology to calculate an error rate excluding the impact of advance payments to financial instruments. The results of these calculations are now disclosed in the AAR.

-regarding more specifically the audit coverage for financial instruments managed by the EIB, the Commission mentioned that the proposed amendment to the Common Provisions Regulation (so-called Omnibus Regulation) adopted in September 2016 will clarify the rules for controls and audits applicable to all financial instruments implemented by the EIB and other International Financial Institutions.

Recommendation 3: *when reconsidering the design and delivery mechanism for the ESI funds post-2020, strengthen the programme focus on performance and simplify the mechanism for payments by encouraging, as appropriate, the introduction of further measures linking the level of payments to performance instead of simply reimbursing costs.*

The Commission accepted the recommendation as it fully agrees to consider alternative design and delivery mechanisms including the one recommended by the Court, underlining however that it cannot commit yet to a detailed position concerning its proposals for the post 2020 ESI funds. It also noted that the proposed amendment to the Common Provisions Regulation (so-called Omnibus Regulation) that it has adopted in September 2016 would already allow, under certain conditions, to move away from the reimbursement of costs in favour of payments based on projects' performance.

Follow-up of previous recommendations

REGIO systematically follows up the recommendations issued by the Court in its Annual Reports and accepted by the Commission. In its 2016, Annual Report the Court assessed that all recommendations issued in the context of its 2012 and 2013 Annual Reports and accepted by the Commission had been implemented.

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

Annual Report	TOTAL	DONE/CLOSED	OPEN
2010	7	7	0
2011	10	10	0
2012	4*	3	0
2013	6	6	0
2014	7*	5	1
2015	6*	2	3

* One 2012 recommendation asking to carry out a systematic assessment of the use of national eligibility rules was rejected by the Commission. The 2014 and 2015 recommendations asking to submit a legislative proposal to amend Regulation (EC) No 1083/2006 with respect to the extension of the eligibility period for financial instruments under shared management were rejected by the Commission.

Summary of the results of the Court's Performance audits and special reports published in 2017

The Court's Performance audits and issuing of special reports

In 2017, the Court continued an extensive work on performance audits for REGIO. Five special reports were published and one adversarial procedure was finalized (see details below). Another ten performance audits involving our funds and policies were in different phases of implementation in in 2017 (Project durability, Absorption capacity, Public Private Partnerships, High Speed Rail, High Speed Broadband Infrastructure, Result orientation in the selection and monitoring of projects 2014-2020, Air quality, Floods prevention, Tools to combat fraud, Renewable energy).

The Commission is taking actions to implement the recommendations, which have been accepted. Regarding special reports on thematic investments supported by cohesion policy funds, the vast majority of the recommendations issued were addressed to the Directorates General responsible for the policies concerned. REGIO is implementing the Court's recommendations within the limits of its competencies provided by the legal framework under shared management.

The special reports published in 2017 and early 2018 were the following:

SR 01/2017 More efforts needed to implement the Natura 2000 network to its full potential

This audit involved mainly environmental policies under the lead of DG ENV. One recommendation about the development of cross-cutting Natura 2000 indicators for all EU funds concerned DG REGIO and was accepted by the Commission, without prejudice to the outcome of the upcoming discussions on the next programming period

SR 04/2017 Protecting the EU budget from irregular spending: The Commission made increasing use of preventive measures and financial corrections in Cohesion during the 2007-2013 period

In this audit, the European Court of Auditors assessed whether the Commission's preventive measures and financial corrections were effective in protecting the EU budget from co-financing irregular expenditure in Cohesion in the 2007-2013 programming period. In addition, it also made a comparison with the 2000-2006 programming period and assessed the likely impact of the changes in the regulations for the 2014-2020 programming period. The Special report concluded that the Commission made effective use of the measures at its disposal during the 2007-2013 programming period to protect the EU budget from irregular expenditure. The Commission imposed its preventive measures and financial corrections in a proportionate manner and focused on those Member States with the riskiest programmes. Its assessment of weaknesses and the related financial corrections were in substance confirmed by the European Court of Justice.

All recommendations issued by the Court have been accepted and the Commission is taking actions to implement them. They aimed more particularly at applying a strict approach to financial corrections at the closure of the 2007-2013 period, reporting on the financial corrections and status of closure of the ERDF/CF and ESF programmes (which will take place in the context of the annual activity reports of the Directorates Generals concerned), setting up an integrated monitoring system covering both preventive measures and financial corrections, and making effective use of the significantly strengthened provisions for the 2014-2020 period, in particular net financial corrections. For the integrated monitoring system, REGIO will develop an internal monitoring IT tool to follow-up the ECA recommendation. This tool will provide an overview of preventive and corrective measures requested to be implemented by the Member States.

SR 12/2017 Implementing the Drinking Water Directive: water quality and access to it improved in Bulgaria, Hungary and Romania, but investment needs remain substantial

This audit examined whether EU actions improved the quality of drinking water in Bulgaria, Hungary and Romania as required by the 1998 Drinking Water Directive, under the responsibility of DG ENV. The report concluded that the situation has improved significantly, even though there

are still areas where full compliance with EU standards is not yet achieved. It stressed that further national public and private funding will be needed to ensure access to good quality water to all citizens in these Member States and to ensure that EU-funded investments in water facilities can be adequately maintained.

All the recommendations issued by the Court were accepted by the Commission, mostly to be addressed by DG ENV. REGIO is concerned by one recommendation on the necessity to promote actions aiming at the reduction of water losses.

SR 13/2017 A single European rail traffic management system: will the political choice ever become reality?

The **ERTMS** audit involved mainly DG MOVE as far as rail transport policy was concerned. The Commission has accepted all the recommendations issued by the Court and which focused on the assessment of ERTMS deployment costs, the decommissioning of national systems, the need for individual business cases for infrastructure managers and railway undertakings, the compatibility and stability of the system, the role and resources of the European Union Agency for Railways (ERA), the alignment, monitoring and enforcement of national deployment plans, the absorption of EU funds for ERTMS projects and the better targeting EU funding. The implementation of the recommendations is mainly under the responsibility of DG MOVE.

SR 15/2017 Ex ante conditionalities and performance reserve in Cohesion: innovative but not yet effective instruments

In this audit, the Court assessed the potential of the performance reserve to improve achievements of results and highlighted the need to review the extensive number of ex-ante conditionalities and the related criteria for assessment. The Court recognised that ex-ante conditionalities are an innovation in Cohesion policy and found that overall they provided a consistent framework for assessing the Member States' readiness to implement EU funds at the start of the 2014-2020 programme period. However, it questioned whether the performance framework and reserve would actually trigger a significant reallocation of Cohesion spending during the 2014-2020 period to better performing programmes.

The two recommendations focused on the post-2020 legislative proposals. Regarding ex-ante conditionalities, the Court recommended to reassess their relevance and usefulness, ensure consistency with the European Semester, establish clear assessment criteria, and continuously monitor their achievement and application. Regarding the performance framework, it recommended to further develop the performance reserve, make broader use of result indicators, and review conditions for suspensions and financial corrections.

SR 20/2017: EU-funded loan guarantee instruments: positive results but better targeting of beneficiaries and coordination with national schemes needed

Regarding this audit, which mostly involved DG ECFIN, the Court analysed whether EU loan guarantees supported smaller businesses' growth and innovation by enabling them to access finance. They examined the two centrally managed instruments currently in operation: the InnovFin SME Guarantee Facility for research- and innovation-driven companies and the Loan Guarantee Facility. The Court made a number of recommendations to improve targeting the guarantees on viable businesses lacking access to finance and on more innovative businesses. It also emphasised the importance of cost-effectiveness, since similar instruments already exist in the Member States. REGIO is only concerned by one sub-recommendation regarding the review of market needs and the best combination of different guarantee instruments.

SR 1/2018: Joint Assistance to Support Projects in European Regions (JASPERS) – Time for better targeting

Finally, the Court finalised and issued early 2018 an audit on the activities of JASPERS, partnership managed by the EIB and co-financed by the Commission, which mission is to provide independent advice to beneficiary countries to help prepare high quality major projects to be co-

financed by the European Regional Development Fund and the Cohesion Fund. The five recommendations addressed to the Commission focused on: taking more control over the strategic planning of JASPERS; stopping using Internal Quality Reviews provided by JASPERS for Major Projects previously advised by JASPERS; re-focussing on providing JASPERS advisory services to Major Projects only; adjusting the role, nature and intensity of JASPERS' capacity-building activities in Member States over time; strengthen the monitoring of JASPERS to ensure cost-efficiency and effectiveness of their activities.

The Commission considers that JASPERS has had a significant and positive impact on the way Cohesion Policy is implemented in particular in the newest EU countries and is a successful example of cooperation with the EIB. In its efforts to further improve the way Cohesion Policy is implemented in and by the Member States, the Commission accepted most of the recommendations in the ECA special report. It highlighted however that its partner, the European Investment Bank, needs to be involved as well for their efficient implementation.

In parallel, the Court also carried out some work in relation to other types of audit engagements such as landscape reviews (Transport and mobility, energy and climate) and briefing papers (simplification, integration of third-countries nationals) and a number of informative meetings have been held.

Follow-up to previous ECA recommendations:

The Court conducted a follow-up of five special reports published in 2014 and involving REGIO (SR 01/2014 on urban transport, SR 07/2014 on Business Incubators, SR 12/2014 on Biodiversity, SR 20/2014 on SMEs and e-commerce, SR 21/2014 on Airport infrastructure) for which clearing letters have been received.

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

B. Internal Audit Service (IAS)

Follow-up of very important recommendations from previous years

In relation to the IAS audit on "Early implementation of ESIF control strategy 2014-20" the state of play of implementation of the very important recommendations is as follows:

Very Important Recommendations	Actions taken by DG REGIO
<p>Control-related simplification measures</p> <ul style="list-style-type: none"> - Proportional control arrangements, sampling implications - Clarification of how to identify serious deficiencies - Impact of e-cohesion requirements in the audit processes to be clarified 	<ul style="list-style-type: none"> - Guidance on sampling was reviewed on 20/01/2017 which clarifies the impact of proportional control arrangements to sampling procedures by audit authorities - An annex to the EPM Compliance is drafted to clarify the link of audit results and serious deficiencies - Q&A on e-cohesion was published on 06/04/2017
<p>Audits on performance data reliability (PDR)</p> <ul style="list-style-type: none"> - EPM and checklists on PDR to be updated to integrate audit authorities and IAS comments after the pilot audits 	<ul style="list-style-type: none"> - The update of EPM PDR and checklists is under the approval procedure
<p>Early Preventive System Audits (EPSA)</p> <ul style="list-style-type: none"> - Revise EPM EPSA and risk assessment to take into 	<ul style="list-style-type: none"> - EPM EPSA was updated on 24/02/2017

account IAS remarks	
Designation process and review <ul style="list-style-type: none"> - Identify the pros and cons of the 2014-2020 designation process when defining the control approach for the post-2020 legislative framework. 	<ul style="list-style-type: none"> - The legislative proposal to be presented by Commission in 2018 will take into account the lessons learnt from the designation exercise 2014-2020
Audits on financial instruments <ul style="list-style-type: none"> - Develop a methodology for audits on financial instruments - Address the assurance gap for financial instruments implemented by EIB Group 	<ul style="list-style-type: none"> - The low implementation of financial instruments justifies the delay of the preparation of the audit methodology. The Manual is currently under internal drafting and it will be provided to the audit authorities still in 2018 - Article 40 as amended by Omnibus regulation addresses the assurance gap identified for financial instruments implemented by EIB Group

In relation to the IAS audit on "Effectiveness of simplification measures under 2014-2020 ESI Funds in DG EMPL, REGIO and MARE" the state of play of implementation of the very important recommendations is as follows:

Very Important Recommendations	Actions taken by DG REGIO
Uptake and impact of simplification measures <ul style="list-style-type: none"> - Facilitating the uptake of Simplified Cost Options (SCOs) - Analysis of the uptake and impact of the simplification measures for the post-2020 legislative framework 	<ul style="list-style-type: none"> - Guidance on SCOs is being updated (including clarifications related to State Aids and Public Procurement) - REGIO is analysing the results of the study launched on the use of SCOs by the MS. As a follow up further simplification and uptake of SCOs in the legislative framework of the post 2020 period will be explored.
Mitigating risks associated with Simplified Cost Options <ul style="list-style-type: none"> - Assurance provided by AA on SCOs methodologies - Output and result-based indicators and SCOs - Effects of simplification on assurance on legality and regularity and performance 	<ul style="list-style-type: none"> - REGIO has continued in 2017 to advise the audit authorities to assess the SCOs methodologies: in relation to sampling methodology for SCOs, specific clarifications have been provided by a note on December 2017 - Seminars and trainings provided on SCOs, - As for the EPM Compliance its use is being developed in 2018.

2.1.4 Conclusions as regards assurance

Table – Calculation of the relevant expenditure of the year

DG REGIO	Total payments 2017	Minus Pre-financing made in 2017	Plus 10% retention of interim payments during the year	Plus Cleared pre-financing during the year with invoice	Minus Deduction of expenditure made by MS in the annual accounts 1/07/2016-30/06/2017	"Relevant expenditure" in EURm
	(1)	(2)	(3)	(4)	(5)	(6) [1 + (3+4) - (2+5)]
ERDF/CF - 2014-2020	21,285.5	6,425.2	1,646.2		393.9	16,112.7
Crossborder cooperation IPA-ENI 2014-2020	16.5	14.1	0.3		0.1	2.5
ERDF/CF – 2007-2013	3,673.6			1,055.9		4,729.5
IPA –CBC – 2007-2013	7.7			59.9		67.6
IPA -2007-2013	152.4			181.5		333.9
ERDF/CF - 2000-2006 and before	138.2			98.5		236.7
Solidarity Fund	1,272.7	1,273		155.6		155.6
Urban Innovative actions	42.5	42.5				(0.0)
Direct management (incl. Cross Subdelegations given)	71.6	25.8		25.5		71.3
TOTAL	26,660.7	7,780.3	1,646.5	1,576.9	394.0	21,709.8

(2) Excludes a correction made to the amount of EUR 0.9 million

Payments made for the Solidarity Fund are based on an estimation of the cost by the MS and are considered in full as pre-financing. The amounts are cleared after acceptance of the final report.

Payments made for Urban Innovative Actions are based on Transfer of Fund agreements and are considered in full as pre-financing. The amounts are cleared based on implementation reports transmitted by the delegated authority.

(4) For ERDF/CF - 2014-2020:

The annual pre-financing paid in 2016 amounts to EUR 4,895.6 million and was totally cleared in 2017 with the acceptance of accounts exercise. EUR 4,791.2 million was cleared by recovery of pre-financing and EUR 104.4 million was cleared with the released invoices (10% retention). These amounts are not taken into as relevant expenditure.

For IPA 2007-2013: EUR 120.68 million was paid from the OP's 2007TR16IPO001 and 2007TR16IPO003 into the MADAD Trust Fund. EUR 27.15 million of this amount was cleared in the 2017 accounts.

ANNEX 9: Evaluations and other studies finalised or cancelled during the year

Reference in Annex 3 MP2017	Title	Reason ¹	Scope ²	Type ³	Associated DGs	Costs (EUR)	Comments ⁴	Reference ⁵
I. Evaluations finalised or cancelled in 2017								
a. Evaluations finalised in 2017								
	Ex post evaluation 2007-2013. WP15: Communication	LMFF	ERDF, ESF, CF, EAFRD, EAGGF, EMFF, EFF, FIGF.	C	ERDF CF ESF	66,250.00	This WP illustrates the findings of the other WPs of the ex post evaluation using different means, primarily short videos (1 per MS + ETC). Using COMM framework contracts – Finalised in September 2017	http://ec.europa.eu/regional_policy/fr/information/videos/ireland-2007-2013-ex-post-evaluation-results ²⁶
b. Evaluations cancelled in 2017								
II. Other studies finalised or cancelled in 2017								
a. Other studies finalised in 2017								
2016CE16BAT081	Regionalisation of ESIF payments, 1989-2015	O	ERDF, ESF, CF, EAFRD, EAGGF, EMFF, EFF, FIGF.			25.000,00	Support for REGIO database on payment data	https://publications.europa.eu/en/publication-detail/-/publication/cd2133d5-1d04-11e8-ac73-01aa75ed71a1

²⁶ Link supplied for Ireland, one video per Member State is available, accessible via a dropdown menu on the website.

Reference in Annex 3 MP2017	Title	Reason	Scope ²	Type ³	Associated	Costs (EUR)	Comments ⁴	Reference ⁵
2015CE160AT013	Easing legal and administrative obstacles in EU border regions	O	ERDF			478.350,00	Support to policy analysis and development (communication on cross-border obstacles)	https://publications.europa.eu/en/publication-detail/-/publication/35b37aee-6c39-11e7-b2f2-01aa75ed71a1
2015CE160AT041	Territorial strategies supported by EU territorial tools (sustainable urban development under Art. 7 ERDF, ITI and CLLD when related to SUD	L	ERDF			559.050,00		https://publications.europa.eu/en/publication-detail/-/publication/04637994-e6d5-11e7-9749-01aa75ed71a1
2015CE16BAT065	Improving the take up and effectiveness of financial instruments	O	ERDF / CF / ESF / EMFF		AGRI / EMPL / MARE / BUDG / ECFIN	526.063,00	Support for effective implementation of programmes	https://publications.europa.eu/en/publication-detail/-/publication/1f3899cf-982e-11e7-b92d-01aa75ed71a1
2015CE16BAT047	Simplification, administrative burden and administrative costs	O	ERDF / CF / ESF / EMFF / EAFRD		AGRI / EMPL / MARE / BUDG / SG	699.950,00	Support to policy analysis and development (preparation of post-2020 period)	https://publications.europa.eu/en/publication-detail/-/publication/1f94b1ab-9830-11e7-b92d-01aa75ed71a1
2015CE16BAT041	Governance and regulatory indicators	O	ERDF / CF		World Bank	1.000.000,00	Support to policy analysis and development (establish a better understanding of the drivers of regional and urban development in Europe)	Finalised in August 2017 but not published by the Commission, but by the World Bank
2016CE16BAT069	Study on the implementation of the EU competency	O	ERDF/CF			300.000,00		KN-02-18-004-2A-N, 978-92-79-77539-0, 10.2776/25109,

Reference in Annex 3 MP2017	Title	Reason	Scope ²	Type ³	Associated	Costs (EUR)	Comments ⁴	Reference ⁵
	framework for the management and implementation of the European Regional Development Fund and the Cohesion Fund							
b. Other studies cancelled in 2017								

1 Reason why the evaluation/other study was carried out aligned with Annex 3 of the MP 2016. The individual symbols used have the following meaning: L - legal act, LMFF - legal base of MFF instrument, FR - financial regulation, REFIT, REFIT/L, CWP - 'evaluate first', O - other (specified in Comments)

2 programme/regulatory measure/initiative/policy area etc. covered

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

4 comments related to the item (in particular changes compared to the planning). When relevant, reasons for cancelling evaluations/ other studies.

5 For evaluations the references should be 1) number of its Evaluation Staff Working Document and number of the SWD's executive summary; 2) link to the supportive study of the SWD in EU bookshop. For other studies the references should be the link to EU bookshop or other reference where the 'other study' is published via different point.

ANNEX 10: Overview of Country Specific Recommendations (CSRs) to which REGIO contributes

Investment relevant 2017 **CSRs** and **CSR sub-parts** to which the European Regional Development Fund and the Cohesion Fund contribute through targeted investment and ex-ante conditionalities.

NB: A distinction needs to be made between a formal CSR and the policy themes (sub-parts) raised in them (column C). The streamlining of the European Semester has reduced the number of CSRs (with an average of 3 per MS), but the number of sub-parts covered in them remain more numerous.

A	B	C
MS	CSR number	CSR sub-part
BE	1	...Improve the composition of public spending in order to create room for infrastructure investment, including on transport infrastructure...
BE	3	Foster investment in knowledge-based capital, notably with measures to increase digital technologies adoption, and innovation diffusion...
BG	3	...Increase the provision of quality mainstream education, in particular for Roma...
BG	4	Ensure efficient implementation of the 2014-2020 National Public Procurement Strategy.
CY	1	By end-2017, adopt key legislative reforms aiming to improve efficiency in the public sector, notably on the functioning of public administration, governance of State-owned entities and local governments
CY	4	...Accelerate the implementation of the action plan for growth, focussing in particular on fast-tracking strategic investments and improving access to finance ...
CZ	2	Remove obstacles to growth, in particular by streamlining procedures for granting building permits and further reducing the administrative burden on businesses, by rolling out key e-government services...
CZ	2	...by improving the quality of R&D...
DE	1	...Accelerate public investment at all levels of government including research and innovation...
EE	2	Promote private investment in research, technology and innovation, including by implementing measures for strengthening the cooperation between academia and businesses.
ES	3	Ensure adequate and sustained investment in research and innovation and strengthen its governance across government levels.
FI	2	...Take targeted active labour market policy measures to address employment and social challenges, provide incentives to accept work and promote entrepreneurship...
FR	4	...Simplify and improve the efficiency of public support schemes for innovation...
HR	3	Accelerate the reform of the education system.
HR	4	...Reduce the fragmentation and improve the functional distribution of competencies in public administration, while enhancing the efficiency and reducing territorial disparities in the delivery of public services...
HR	5	Significantly reduce the burden on businesses stemming from costs of regulation and from administrative burdens...
HU	2	Strengthen transparency and competition in public procurement, by implementing a comprehensive and efficient e-procurement system...
HU	2	... strengthen the anti-corruption framework.
IE	2	...prioritising innovation in particular in support of SMEs...
IT	2	...Reduce the trial length in civil justice through effective case management and rules ensuring procedural discipline. Step up the fight against corruption, in particular by revising the statute of limitations...
IT	2	Promptly adopt and implement the pending law on competition and address the remaining restrictions to competition.
LT	2	...Improve the performance of the healthcare system by strengthening outpatient care, disease prevention and affordability...
LU	1	Strengthen the diversification of the economy, including by removing barriers to investment and innovation.
LV	2	...increase cost-effectiveness and access to healthcare, including by reducing out of pocket payments and long waiting times...
NL	1	Use fiscal policy to support domestic demand, including investment in research and development.
PL	3	Take measures to remove barriers to investment, particularly in the transport sector.
PT	3	...Improve the access to capital, in particular for start-ups and small and medium sized enterprises...
RO	2	...In healthcare, shift to outpatient care, and curb informal payments...
RO	3	...Strengthen project prioritisation and preparation in public investment. Ensure the timely full and sustainable implementation of the national public procurement strategy...

A	B	C
MS	CSR number	CSR sub-part
SI	1	...Adopt and implement the proposed reform of the healthcare system and adopt the planned reform of long-term care, increasing cost-effectiveness, accessibility and quality care...
SK	1	...Improve the cost effectiveness of the healthcare system, including by implementing the value for money project...
SK	3	...Adopt and implement a comprehensive plan to lower administrative and regulatory barriers for businesses...

ANNEX 11: Performance Tables

General objective 1 - A New Boost for Jobs, Growth and Investment

General objective 1: A New Boost for Jobs, Growth and Investment		
Impact indicator 1: Percentage of EU GDP invested in R&D (combined public and private investment)		
Source of the data: Eurostat ²⁷ (Bookmark)		
Baseline (2012)	Latest known value (2016)	Target (2020) Europe 2020 target
2.01%	2.03%	3%
Impact indicator 2: Employment rate population aged 20-64		
Source of the data: Eurostat (Bookmark)		
Baseline (2014)	Latest known value (2016)	Target (2020) Europe 2020 target
69.2%	71.1%	At least 75%
Impact indicator 3: Tertiary educational attainment, age group 30-34		
Source of the data: Eurostat (Bookmark)		
Baseline (2013)	Latest known value (2016)	Target (2020) Europe 2020 target
37.1%	39.1%	At least 40%
Impact indicator 4: Share of early leavers from education and training		
Explanation: The share of 18 to 24 year old persons who have at most lower secondary education and are not in further education and training.		
Source of the data: Eurostat (Bookmark)		
Baseline (2013)	Latest known value (2016)	Target (2020) Europe 2020 target
11.9%	10.7%	Less than 10%
Impact indicator 5: People at risk of poverty or social exclusion		
Source of the data: Eurostat (Bookmark)		
Baseline (2013)	Latest known value (2015 - estimated)	Target (2020) Europe 2020 target
122.7 million	118.0 million	At least 20 million people fewer than in 2008 (116.2 million)
Impact indicator 6: Gross Fixed Capital Formation (GFCF) investments to GDP ratio		
Source of the data: Eurostat (Bookmark)		
Baseline (2014)	Latest known value (2015)	Target (2016-2020)
19.4%	19.8%	21%-22% Mean GFCF for the period 2016-2020 having reached the range of 21%-22%

²⁷ Please note that Eurostat periodically revises its published data to reflect new or improved information, also for previous years. The latest published data is available by clicking on "bookmark". The "latest known value" column reflects the data that was available at the time of the preparation of the AARs 2017 and it is the reference point for the AARs of Commission services.

REGIO-specific impact indicators		
Impact indicator 7: Increase in GDP (%)²⁸		
Source of the data: QUEST macroeconomic model		
Baseline (2014)	Latest known value	Target
	(2017)	(2023 – end of the implementation of the 2014-2020 programmes)
0	0.28	0.67
Impact indicator 8: Increase in employment		
Source of the data: QUEST macroeconomic model		
Baseline (2014)	Latest known value	Target
	(2017)	(2023 – end of the implementation of the 2014-2020 programmes)
0	152,200	439,499
Impact indicator 9: Increase in private investment (%)²⁹		
Source of the data: QUEST macroeconomic model		
Baseline (2014)	Latest known value	Target
	(2017)	(2023 – end of the implementation of the 2014-2020 programmes)
0	0.02	0.64
Impact indicator 10: Dispersion of GDP per capita (all MS, coefficient of variation GDP per head)		
Source of the data: Eurostat		
Baseline (2014)	Latest known value	Target
	(2015)	(2020)
41.9%	41.5%	Reduction compared to the baseline

Associated specific objectives and indicators

The figures presented below result from the performance reporting of the 2014-2020 ERDF/CF programmes. The latest known results correspond to data at end 2016, reported by Member States in the Annual Implementation Reports submitted in June 2017.

*It should also be noted that **all data reported by the Member States** in the Operational programmes **are of a dynamic nature** – by end 2015, certain values had been revised either because of reprogramming or due to manual corrections (clerical errors). This explains the **change in certain indicator values compared to what was reported in REGIO's AAR 2016**.*

*As regards the **milestone figures** included in the following tables, it should also be noted that they are **purely indicative estimates that should not be used to identify cases of underperformance**. Moreover, estimated milestones refer to 2018 while the latest available performance data capture the state of play at end 2016. In addition, previous experience shows that the progression of reported achievements is relatively flat in the first years of implementation and usually increases dramatically in the last years.*

No evaluation evidence is available as regards programme achievements. A comprehensive ex-post

²⁸ The figure measures by how much the variable (GDP) is expected to increase (in %) thanks to ESIF support

²⁹ The figure measures by how much the variable (investment) is expected to increase (in %) thanks to ESIF support

evaluation will be carried out at the end of the 2014-2020 period (scope and precise schedule not yet available).

Specific objective 1.1: Strengthening research, technological development and innovation			Related to spending programme ERDF
Indicator 1: Number of new researchers in supported entities Source of data: REGIO common indicator 24 (research jobs created)			
Baseline (2014)	Interim Milestone (estimate) ³⁰		Latest known results (2016)
	(2018)		
0	6,900		636
Indicator 2: Number of enterprises cooperating with research institutions Source of data: REGIO common indicator 26 (number of cooperation projects enterprises-research institutions)			
Baseline (2014)	Interim Milestone (estimate)		Latest known results (2016)
	(2018)		
0	16,900		5,631
Indicator 3: Number of researchers working in improved research infrastructure facilities Source of data: REGIO common indicator 25			
Baseline (2014)	Interim Milestone (estimate)		Latest known results (2016)
	(2018)		
0	15,500		5,812

2007-2013 final reported achievements

Result indicators	Global achievements 2007-2014 (Source: AIRs 2014)	Final achievements 2007-2015 (Source: FIRs 2015)	Progress compared to 2014
Number of new researchers in supported entities (REGIO core indicator 06)	41,614	46,671	+12%
Number of enterprises cooperating with research institutions (REGIO core indicator 05)	36,421	45,113	+24%

Specific objective 1.2: Enhancing the competitiveness of small and medium-sized enterprises			Related to spending programme ERDF
Indicator 1: Number of enterprises receiving support Source of data: REGIO common indicator 1			
Baseline (2014)	Interim Milestone (estimate)		Latest known results (2016)
	(2018)		

³⁰ Disclosed milestones for the indicators under each specific objective are estimates. This estimation is based on the values of the milestones of the corresponding indicators are those used in the performance frameworks. The indicators presented, and those used in the performance frameworks of operational programmes and are only a subset of the indicators used in the operational programmes. They only provide interim estimate of the targeted achievements in 2014-2020 programmes.

0	209,200	1,097,067	84,579
Indicator 2: Employment increase in supported enterprises Source of data: REGIO common indicator 8			
Baseline (2014)	Interim Milestone (estimate)	Target 2014-2023 (cumulative)	Latest known results (2016)
	(2018)		
0	98,600	419,602	10,329
Indicator 3: Increase in expected number of visits to supported sites of cultural and natural heritage and attractions (sustainable tourism) Source of data: REGIO common indicator 9			
Baseline (2014)	Interim Milestone (estimate)	Target 2014-2023 (cumulative)	Latest known results (2016)
	(2018)		
0	15,260,700	39,081,202	171,721

2007-2013 final reported achievements

Result indicators	Global achievements 2007-2014 <i>(Source: AIRs 2014)</i>	Final achievements 2007-2015 <i>(Source: FIRs 2015)</i>	Progress compared to 2014
Number of enterprises receiving support <i>(REGIO core indicator 07)</i>	255,535	381,502	+49%
Number of new enterprises supported <i>(REGIO core indicator 08)</i>	120,654	132,254	+10%
Employment increase in supported enterprises <i>(REGIO core indicator 01)</i>	826,352	1,141,624	+38%

Specific objective 1.3: Preserving and protecting the environment, promoting circular economy and resource efficiency		Related to spending programme ERDF/CF	
Indicator 1: Additional population served by improved wastewater treatment Source of data: REGIO common indicator 19			
Baseline (2014)	Interim Milestone (estimate)	Target 2014-2023 (cumulative)	Latest known results (2016)
	(2018)		
0	1,550,400	16,862,651	73,128
Indicator 2: Additional waste recycling capacity Source of data: REGIO common indicator 17			
Baseline (2014)	Interim Milestone (estimate)	Target 2014-2023 (cumulative)	Latest known results (2016)
	(2018)		
0	2,305,690	5,793,195	2,187
Indicator 3: Additional population served by improved water supply Source of data: REGIO common indicator 18			
Baseline (2014)	Interim Milestone (estimate)	Target 2014-2023 (cumulative)	Latest known results (2016)
	(2018)		
0	1,758,200	12,437,885	156,255
Indicator 4: Surface area of habitats supported to attain a better conservation status Source of data: REGIO common indicator 23			

Baseline (2014)	Interim Milestone (estimate)	Target 2014-2023 (cumulative)	Latest known results (2016)
	(2018)		
0	1,060,700	18,319,759	107,101

2007-2013 final reported achievements

Result indicators	Global achievements 2007-2014 <i>(Source: AIRs 2014)</i>	Final achievements 2007-2015 <i>(Source: FIRs 2015)</i>	Progress compared to 2014
Additional population served by improved water supply <i>(REGIO core indicator 25)</i>	5,902,869	9,639,198	+63%
Additional population served by improved wastewater treatment <i>(REGIO core indicator 26)</i>	6,880,913	11,202,571	+63%

Specific objective 1.4: Promoting sustainable transport and removing bottlenecks in key network infrastructures		Related to spending programme ERDF/CF	
Indicator 1: Total length of reconstructed or upgraded railway line Source of data: REGIO common indicator 12			
Baseline (2014)	Interim Milestone (estimate)	Target 2014-2023 (cumulative)	Latest known results (2016)
	(2018)		
0	560	7,122	1,184
Indicator 2: Total length of reconstructed or upgraded roads Source of data: REGIO common indicator 14			
Baseline (2014)	Interim Milestone (estimate)	Target 2014-2023 (cumulative)	Latest known results (2016)
	(2018)		
0	1,000	10,298	3,131
Indicator 3: Total length of new or improved tram and metro lines Source of data: REGIO common indicator 15			
Baseline (2014)	Interim Milestone (estimate)	Target 2014-2023 (cumulative)	Latest known results (2016)
	(2018)		
0	150	680	123

2007-2013 final reported achievements

Result indicators	Global achievements 2007-2014 <i>(Source: AIRs 2014)</i>	Final achievements 2007-2015 <i>(Source: FIRs 2015)</i>	Progress compared to 2014
Total length of new railway line <i>(REGIO core indicator 17)</i>	287	307	+7%
Total length of reconstructed or upgraded railway line <i>(REGIO core indicator 19)</i>	3,960	5,634	+42%
Total length of newly built roads <i>(REGIO core indicator 14)</i>	4,678	5,796	+24%

Total length of reconstructed or upgraded roads (REGIO core indicator 16)	30,574	35,908	+17%
Total length of new railway line of which: TEN-T (REGIO core indicator 18)	1,474	2,367	+61%
Total length of newly built roads of which: TEN-T (REGIO core indicator 15)	2,397	2,747	+15%

Specific objective 1.5: Promoting sustainable and quality employment and supporting labour mobility Related to spending programme ERDF

Indicator 1: Employment increase in supported enterprises

Source of data: REGIO common indicator 8

Baseline (2014)	Interim Milestone (estimate)	Target 2014-2023 (cumulative)	Latest known results (2016)
	(2018)		
0	98,600	419,602	10,329

2007-2013 final reported achievements

Result indicators	Global achievements 2007-2014 (Source: AIRs 2014)	Final achievements 2007-2015 (Source: FIRs 2015)	Progress compared to 2014
Employment increase in supported enterprises (REGIO core indicator 01)	826,352	1,141,624	+38%

Specific objective 1.6: Promoting social inclusion, combating poverty and any discrimination Related to spending programme ERDF

Indicator 1: Population covered by improved health services

Source of data: REGIO common indicator 36

Baseline (2014)	Interim Milestone (estimate)	Target 2014-2023 (cumulative)	Latest known results (2016)
	(2018)		
0	10,908,000	41,653,944	2,674,577

Indicator 2: Public or commercial buildings built or renovated in urban areas

Source of data: REGIO common indicator 39

Baseline (2014)	Interim Milestone (estimate)	Target 2014-2023 (cumulative)	Latest known results (2016)
	(2018)		
0	314,900	2,226,287	3,146

Indicator 3: Rehabilitated housing in urban areas

Source of data: REGIO common indicator 40

Baseline (2014)	Interim Milestone (estimate)	Target 2014-2023 (cumulative)	Latest known results (2016)
	(2018)		
0	2,200	17,056	-

Specific objective 1.7: Investing in education, training and vocational training for skills and lifelong learning Related to spending programme ERDF

Indicator 1: Capacity of supported childcare or education infrastructure

Source of data: REGIO common indicator 35			
Baseline (2014)	Interim Milestone (estimate)	Target 2014-2023 (cumulative)	Latest known results (2016)
	(2018)		
0	1,572,300	6,718,484	2,039

2007-2013 final reported achievements

Result indicators	Global achievements 2007-2014 <i>(Source: AIRs 2014)</i>	Final achievements 2007-2015 <i>(Source: FIRs 2015)</i>	Progress compared to 2014
Capacity of supported childcare or education infrastructure <i>(REGIO core indicator 37)</i>	6,256,333	9,292,643	+49%

Specific objective 1.8: Enhancing institutional capacity of public authorities and stakeholders and an efficient public administration		Related to spending programme ERDF/CF	
Indicator 1: Implementation by programme authorities of capacity building measures in agreement with DG REGIO			
Source of data: REGIO monitoring data			
Baseline (2015)	Interim Milestone (2016)	Target 2014-2020	Latest known results (2016 provisional)
0	Fulfilment by all MS of action plans for the ex-ante conditionalities on Public Procurement and State Aid	To be determined, based on the actions plans that will be defined as from 2017	Public procurement: 35 action plans on-going in BG, GR, HR, HU, IT (30) and RO. State aid: 29 action plans on-going in HR and IT (28). Official notification by MS by June 2017

General objective 2 - A Connected Digital Single Market

General objective 2: A Connected Digital Single Market		
Impact indicator 1: Aggregate score in Digital Economy and Society Index (DESI) EU-28		
Explanation: DESI is a composite index that summarises relevant indicators on Europe's digital performance and tracks the evolution of EU Member States in digital competitiveness. The closer the value is to 1, the better. The DESI index is calculated as the weighted average of the five main DESI dimensions: 1 Connectivity (25%), 2 Human Capital (25%), 3 Use of Internet (15%), 4 Integration of Digital Technology (20%) and 5 Digital Public Services (15%). The DESI index is updated once a year.		
Source of the data: DESI		
Baseline (DESI 2015)	Latest known value (DESI - 2017)	Target (2020)
0.50	0.52	Increase

Associated specific objective and indicator

The figures presented below result from the performance reporting of the 2014-2020 ERDF/CF programmes. The latest known results correspond to data at end 2016, reported by Member States in the Annual Implementation Reports submitted in June 2017.

*It should also be noted that **all data reported by the Member States in the Operational programmes are of a dynamic nature** – by end 2015, certain values had been revised either because of reprogramming or due to manual corrections (clerical errors). This explains the **change in certain indicator values compared to what was reported in REGIO's AAR 2016**.*

*As regards the **milestone figures** included in the following tables, it should also be noted that they are **purely indicative estimates that should not be used to identify cases of underperformance**. Moreover, estimated milestones refer to 2018 while the latest available performance data capture the state of play at end 2016. In addition, previous experience shows that the progression of reported achievements is relatively flat in the first years of implementation and usually increases dramatically in the last years.*

No evaluation evidence is available as regards programme achievements. A comprehensive ex-post evaluation will be carried out at the end of the 2014-2020 period (scope and precise schedule not yet available).

Specific objective 2.1: Enhancing access to, and use and quality of, information and communication technologies		Related to spending programme ERDF	
Indicator 1: Additional households with broadband access of at least 30 Mbps			
Source of data: REGIO common indicator 10 (additional population covered by broadband access)			
Baseline (2014)	Interim Milestone (estimate) (2018)	Target 2014-2023 (cumulative)	Latest known results (2016)
0	3,000,200	14,564,260	7,144

2007-2013 final reported achievements

Result indicators	Global achievements 2007-2014 <i>(Source: AIRs 2014)</i>	Final achievements 2007-2015 <i>(Source: FIRs 2015)</i>	Progress compared to 2014
Additional households with broadband access of at least 30 Mbps (REGIO core indicator 12)	8,398,170	15,405,583	+83%

General objective 3 - A Resilient Energy Union with a Forward-Looking Climate Change Policy

General objective 3: A Resilient Energy Union with a Forward-Looking Climate Change Policy				
Impact indicator 1: Greenhouse gas emissions (index 1990=100) Source of the data: European Environmental Agency				
Baseline (2013)	Latest known value (2016 prox estimates by EEA)		Target (2020) Europe 2020 target	
80.2	77.4		At least 20% reduction (index ≤80)	
Bookmark				
Impact indicator 2: Share of renewable energy in gross final energy consumption Source of the data: Eurostat				
Baseline (2013)	Interim Milestone (2015/2016) (2017/2018)		Latest known value (2015)	Target (2020) Europe 2020 target
15%	13.6% 15.9%		16.7%	20%
Bookmark				
Impact indicator 3: Increase in energy efficiency - Primary energy consumption Source of the data: Eurostat				
Baseline (2013)	Latest known value (2015)		Target (2020) Europe 2020 target	
1 569.1 million tonnes of oil equivalent (Mtoe)	1 529.6 million tonnes of oil equivalent (Mtoe)		20% increase in energy efficiency (No more than 1 483 Mtoe of primary energy consumption)	
Bookmark				
Impact indicator 4: Increase in energy efficiency - Final energy consumption Source of the data: Eurostat				
Baseline (2013)	Latest known value (2015)		Target (2020) Europe 2020 target	
1 106.2 million tonnes of oil equivalent (Mtoe)	1 082.2 million tonnes of oil equivalent (Mtoe)		20% increase in energy efficiency (No more than 1 086 Mtoe of final energy consumption)	
Bookmark				

Associated specific objectives and indicators

The figures presented below result from the performance reporting of the 2014-2020 ERDF/CF programmes. The latest known results correspond to data at end 2016, reported by Member States in the Annual Implementation Reports submitted in June 2017.

*It should also be noted that **all data reported by the Member States** in the Operational programmes **are of a dynamic nature** – by end 2015, certain values had been revised either because of reprogramming or due to manual corrections (clerical errors). This explains the **change in certain indicator values compared to what was reported in REGIO's AAR 2016**.*

*As regards the **milestone figures** included in the following tables, it should also be noted that they are **purely indicative estimates that should not be used to identify cases of underperformance**. Moreover, estimated milestones refer to 2018 while the latest available performance data capture*

the state of play at end 2016. In addition, previous experience shows that the progression of reported achievements is relatively flat in the first years of implementation and usually increases dramatically in the last years.

No evaluation evidence is available as regards programme achievements. A comprehensive ex-post evaluation will be carried out at the end of the 2014-2020 period (scope and precise schedule not yet available).

Specific objective 3.1:			Related to spending programme
Supporting the shift towards a low-carbon economy in all sectors			ERDF/CF
Indicator 1: Additional capacity of renewable energy production-MW			
Source of data: REGIO common indicator 30			
Baseline (2014)	Interim Milestone (estimate)	Target	Latest known results
	(2018)	2014-2023 (cumulative)	(2016)
0	1,800	7,684	13
Indicator 2: Number of households with improved energy consumption classification			
Source of data: REGIO common indicator 31			
Baseline (2014)	Interim Milestone (estimate)	Target	Latest known results
	(2018)	2014-2023 (cumulative)	(2016)
0	203,900	902,687	41,848
Indicator 3: Decrease of annual primary energy consumption of public buildings			
Source of data: REGIO common indicator 32			
Baseline (2014)	Interim Milestone (estimate)	Target	Latest known results
	(2018)	2014-2023 (cumulative)	(2016)
0	1,124,532,700	5,321,705,043	14,943,216

2007-2013 final reported achievements

Result indicators	Global achievements 2007-2014 <i>(Source: AIRs 2014)</i>	Final achievements 2007-2015 <i>(Source: FIRs 2015)</i>	Progress compared to 2014
Additional capacity of renewable energy production (MW) (REGIO core indicator 24)	3,915	4,825	+23%

Specific objective 3.2:			Related to spending programme
Promoting climate change adaptation, risk prevention and management			ERDF/CF
Indicator 1: Population benefiting from flood protection measures			
Source of data: REGIO common indicator 20			
Baseline (2014)	Interim Milestone (estimate)	Target	Latest known results
	(2018)	2014-2023 (cumulative)	(2016)
0	4,652,000	13,284,747	14,323

2007-2013 final reported achievements

regio_aar_2017_annexes

Result indicators	Global achievements 2007-2013 <i>(Source: AIRs 2013)</i>	Final achievements 2007-2015 <i>(Source: FIRs 2015)</i>	Progress compared to 2014
Population benefiting from flood protection measures <i>(REGIO core indicator 32)</i>	5,655,167	22,543,356	+299%
Population benefiting from forest fire protection measures <i>(REGIO core indicator 33)</i>	28,894,555	37,344,496	+29%

General objective 4 - A Deeper and Fairer Internal Market with a Strengthened Industrial Base

General objective 4: A Deeper and Fairer Internal Market with a Strengthened Industrial Base		
Impact indicator 1: Intra-EU trade in goods (% of GDP)		
Source of the data: Eurostat		
Baseline (2014)	Latest known value (2015)	Target (2020)
20.4%	20.3%	Increase
Bookmark		
Impact indicator 2: Intra-EU trade in services (% of GDP)		
Source of the data: Eurostat		
Baseline (2014)	Latest known value (2015)	Target (2020)
6.3%	6.6%	Increase
Bookmark		
Impact indicator 3: Share of mobile EU citizens as % of the labour force		
Source of the data: Eurostat		
Baseline (2014)	Latest known value (2015)	Target (2020)
3.4%	3.9%	Increase
Bookmark (age group 15-64)		
Impact indicator 4: Composite indicator of financial integration in Europe (FINTEC) ³¹		
Source of the data: European Central Bank		
Baseline (2014)	Latest known value (September 2016)	Target (2020)
0.5/0.3 The first entry is the price-based, the second the volume-based indicator value.	0.5/0.33	Increase
REGIO-specific impact indicators		
Indicator 5: Increase in productivity levels in less developed Member States (%) ³²		
Source of the data: QUEST macroeconomic model		

³¹ The FINTEC indicator is a scale-free measure normalized to always lie between 0 and 1; 0 means no cross-border integration, 1 means full integration; for the price-based part 1 would mean total absence of any price differentials for comparable money market instruments; for the volume-based part, full integration would mean lack of any home bias on the side of investors.

³² Increase in productivity thanks to ESIF programmes.

Baseline (2014)	Interim Milestone (2019)	Target (2023 – end of the implementation of the 2014-2020 OPs)
0	1.91	3.35
Indicator 6: Dispersion of GDP per capita (all MS, coefficient of variation GDP per head)		
Source of the data: Eurostat		
Baseline (2014)	Latest known value (2015)	Target (2020)
41.9%	41.5%	Reduce

Associated specific objectives and indicators

Specific objective 4.1: Strengthening of Single Market and EU industrial base through spending under TOs 1, 2, 3, 6, 7, 8, 9 and 10		Related to spending programmes ERDF/CF	
Indicator 1: Financial execution of related TOs			
Source of data: REGIO monitoring data			
Baseline (2014)	Interim Milestone	Target 2014-2023	Latest known results (2017)
0	N/A	100%	11.8%

Specific objective 4.2: Developing regional and local potential through encouraging integrated development approach, capacity building, cross border and transnational cooperation and supporting networking, exchange of experience and cooperation between regions, towns and relevant social, economic and environmental actors		Related to spending programme ERDF	
Indicator 1: Number of participants in cross-border labour mobility initiatives			
Source of data: REGIO common indicator 43			
Baseline (2014)	Interim Milestone	Target 2014-2023	Latest known results (2016)
0	N/A	237,740	300

Specific objective 4.3: Fostering the adoption and implementation of specific measures in all EU policies to take into account the characteristics of the 9 Outermost Regions (Açores, Canary Islands, Guadeloupe, Guyane, La Réunion, Madeira, Martinique, St. Martin, Mayotte) in line with Article 349 of the TFUE and with the specific partnership put in place by the Commission with the Outermost Regions and the concerned MS.		Related to spending programme ERDF	
Indicator 1: Number of new legislative and non-legislative specific measures adopted to ensure effective implementation of the outermost regions strategy in various areas (e.g. cohesion policy, agriculture, fisheries, taxation, trade, competition, transport)			
Source of data: REGIO monitoring data			
Baseline (2015)	Interim Milestone (2017)	Target (2020)	Latest known results (2017)
0	11	20	16

Specific objective 4.4:
To support candidate countries and potential candidates ('beneficiary countries') in implementing the political, institutional, legal, administrative, social and economic reforms required to bring the countries closer to Union values, to progressively align to Union rules, standards, policies and practices and to prepare for the management of Union structural, cohesion funds, with a view to Union membership.

Related to spending programme IPA (Pre-accession assistance)

Indicator 1: Commission Decisions on Conferral of Management (Decentralized Implementation System under IPA Component III in place for all 5 Operational Programmes of the former Yugoslav Republic of Macedonia, Montenegro, Turkey)

Source of data: *Source: (Article 14 of Commission Regulation (EC) No 718/2007 of 12 June 2007)*

Baseline (2007)	Interim Milestones			Target (2017) ³³	Latest known results (2017)
	2013	2014	2015		
0	4 (1 FYROM, 3 Turkey)	5 (1 FYROM, 3 Turkey, 1 Montenegro)	5 (1 FYROM, 3 Turkey, 1 Montenegro)	5 (1 FYROM, 3 Turkey, 1 Montenegro)	5 (1 FYROM, 3 Turkey, 1 Montenegro)

Indicator 2: Screening Reports (SR), Opening Benchmarks (OB), and EU Common Positions (EUCP) adopted relative to the accession of individual candidate countries

Source of data: *DG NEAR data*

Baseline (2007)	Interim Milestones			Target (2019) ³⁴	Latest known results (2017)
	2013	2015	2016		
1 (Turkey)	7 Iceland: SR+OB+EUCP Turkey: SR+OB + EUCP Montenegro: SR	8 Iceland: SR+OB+EUCP Turkey: SR+OB + EUCP Montenegro: SR+OB	10 Iceland: SR+OB+EUCP Turkey: SR+OB + EUCP Montenegro: SR+OB Serbia: SR+OB	9 Turkey: SR+OB + EUCP Montenegro: SR+OB+ EUCP Serbia: SR+OB+ EUCP	8 Turkey: SR+OB+EUCP Montenegro: SR+OB+EUCP Serbia: SR+OB

³³ End of eligibility period throughout which it is necessary not only to achieve but also to maintain budget management powers under IPA 2007-2013

³⁴ End of mandate of present Commission; end of mandate of IPA/accession negotiations sector

General objective 8 - Towards a New Policy on Migration

General objective 8: Towards a New Policy on Migration		
29. Impact indicator: Gap between the employment rates of third-country nationals compared to EU nationals ³⁵ , age group 20-64 Source of the data: Eurostat		
Baseline (2014)	Latest known value (2016)	Target (2020)
Gap: 13.4 points EU nationals: 69.8% Third-country nationals: 56.4%	Gap: 15.3 points EU nationals: 71.8% Third-country nationals: 56.5%	Decrease
Bookmark		

Associated specific objective and indicator

Specific objective 8.1: Support to Member States for identifying possible scope for assistance towards effective integration policies through ERDF 2014-2020 programmes		Related to spending programme ERDF
Indicator 1: Production of guidance/supporting documents for Member States highlighting possibilities for supporting effective integration of third country nationals with ERDF Source of data: REGIO monitoring data		
Baseline (2014)	Target (2020)	Latest known results (2016)
0	1 document per year from 2014 to 2020	1 brochure about the ERDF support for integration of migrants

³⁵ Host-country nationals and other EU nationals counted together.

ANNEX 12: Contribution of Cohesion Policy to Sustainable Development Goals (SDGs)

Cohesion Policy is the main EU funding instrument for SDGs, with ERDF and Cohesion Fund dedicating 94% of resources to 11 SDGs.

Cohesion Policy is the main EU funding instrument supporting the Sustainable Development Goals, with 94% of its planned investments being allocated to 11 SDGs highly relevant for social, economic and environmental development (Table 1 below). The first 6 most prominent SDGs in Cohesion Policy include SDG9 (Industry, innovation, infrastructure) with planned EU contributions of 112 billion euro, SDG8 (Decent work and economic growth) with 85 billion euro, SDG4 (Quality education) with 34 billion euro, SDG7 (Energy) with 27 billion euro, SDG1 (No poverty) with 23 billion euro, and SDG6 (Clean water and sanitation) with 15 billion euro planned EU contribution.

Table 1: Contribution of Cohesion Policy to SDGs (planned EU amounts 2014-2020)

SDG	SDG title	EU amount (million euro)	Share in total (%)
SDG9	Industry, innovation, infrastructure	111,717	31%
SDG8	Decent work and economic growth	84,247	24%
SDG4	Quality education	34,298	10%
SDG7	Affordable and clean energy	27,309	8%
SDG1	No poverty	23,022	6%
SDG6	Clean water and sanitation	15,390	4%
SDG3	Good health and well being	9,824	3%
SDG12	Responsible consumption and production	7,703	2%
SDG15	Life on land	7,204	2%
SDG13	Climate action	6,786	2%
SDG11	Sustainable cities and communities	4,858	1%
<i>No SDG assigned</i>		22,853	6%
Total		355,210	100%

(1) Due to the overlap of the SDGs, SDG11 is highly underestimated since many of the investments in urban areas are included in the thematic SDGs such as SDG9, SDG8, SDG13, SDG6 and SDG7.

Source: REGIO SFC, 07 May 2017

ERDF and Cohesion Fund contribute directly to 11 SDGs,³⁶ with the distribution of investments across SDGs similar the one for cohesion policy (Table 2). Of these, as illustrated also in Figure 1, almost 80% of investments are planned for objectives under the goals of innovation, infrastructure and economic growth (SDG9 and SDG8), energy (SDG7), and clean water and sanitation and responsible production and consumption in the circular economy (SDG6 and SDG12).

As regards implementation by December 2017, the data for projects selection indicates a distribution of selected projects across the relevant SDGs in line with the planned investment for the period (Figure 2), with slightly higher shares for the first two SDGs relevant for the Funds SDG9 and SDG8.

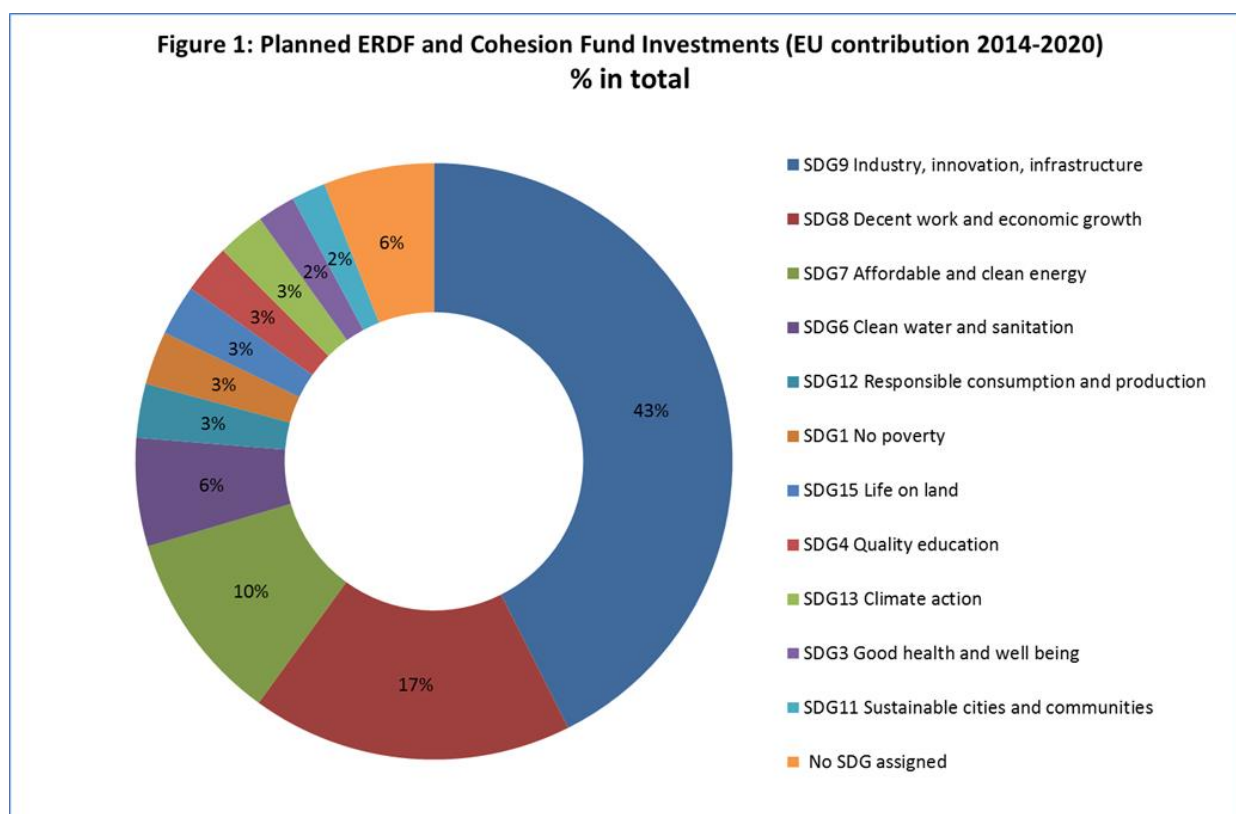
³⁶ The overall mission of the Funds is to reduce economic, social, and environmental territorial disparities, therefore targeting SDG10 on reduced inequalities on medium to long term.

Table 2: Contribution of ERDF + Cohesion Fund to SDGs (planned EU amounts 2014-2020)

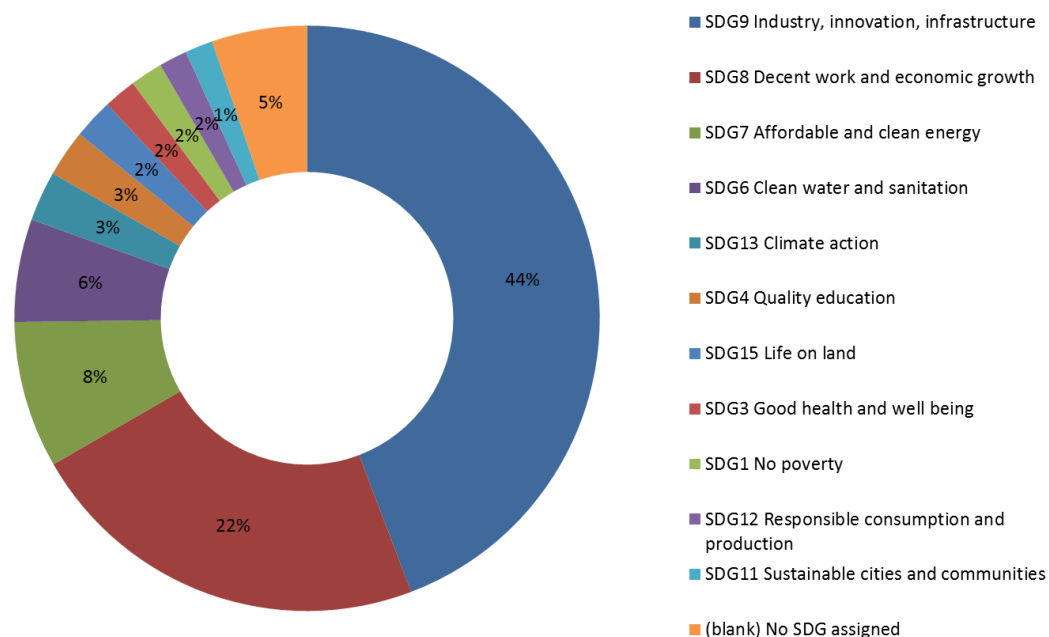
SDG	SDG title	EU amount (million euro)	Share in total (%)
SDG9	Industry, innovation, infrastructure	111,717	43%
SDG8	Decent work and economic growth	45,693	17%
SDG7	Affordable and clean energy	27,309	10%
SDG6	Clean water and sanitation	15,390	6%
SDG12	Responsible consumption and production	7,703	3%
SDG1	No poverty	7,600	3%
SDG15	Life on land	7,204	3%
SDG4	Quality education	7,004	3%
SDG13	Climate action	6,786	3%
SDG3	Good health and well being	5,416	2%
SDG11	Sustainable cities and communities	4,858	2%
<i>No SDG assigned</i>		15,707	6%
Total ERDF+CF		262,386	100%

(1) Due to the overlap of the SDGs, SDG11 is highly underestimated since many of the investments in urban areas are included in the thematic SDGs such as SDG9, SDG8, SDG13, SDG6 and SDG7.

Source: REGIO SFC, 22 May 2017



**Figure 2: Selected ERDF and Cohesion Fund Investments (total cost by end 2017)
% in total project selection**



In terms of rate of project selection, however, most advanced are investments for economic growth (65%), clean water and sanitation (60%), and industry, climate action, innovation, infrastructure, education and sustainable cities and communities (all with selection rates above 51%) (Table 3).

Table 3: ERDF and Cohesion Fund -rate of project selection by SDG (total cost, December 2017)

SDG	SDG title	Total planned (EU+National) (mill euro)	Total selected projects (mill euro)	Rate selection (%)
		(1)	(2)	=(2)/(1)
SDG8	Decent work and economic growth	66,888	43,589	65%
SDG6	Clean water and sanitation	18,459	11,006	60%
SDG13	Climate action	8,999	5,364	60%
SDG9	Industry, innovation, infrastructure	148,052	85,732	58%
SDG4	Quality education	8,997	5,037	56%
SDG11	Sustainable cities and communities	5,816	2,984	51%
SDG3	Good health and well being	7,162	3,497	49%
SDG15	Life on land	10,084	4,283	42%
SDG7	Affordable and clean energy	38,773	15,735	41%
SDG1	No poverty	10,015	3,488	35%
SDG12	Responsible consumption and production	10,471	3,019	29%
	<i>No SDG assigned</i>	20,479	10,198	50%
Total ERDF+CF (EU+National)		354,195	193,932	55%

(1) Due to the overlap among SDGs, SDG11 is most likely underestimated since the majority of investments assigned to SDG9, SDG12. SDG6, for instance, are planned for urban areas.

Source: DG REGIO SFC, 22 May 2017