



2019

Annual Activity Report

Annexes

**DG Regional and
Urban Policy**



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

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

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

Brussels, 24 April 2020

Agnès Monfret f.f.

"Signed"

¹ C(2017)2373 of 19.04.2017

² For an assessment of the reliability of performance data, please see main AAR section 2.1.1.1, chapter *Reliability of reporting* → *Shared management: Audits on the reliability of performance data indicators*

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

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

Human resources management

Objective: REGIO 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 2019)
43.2%	3 new appointments of female Heads of Units, based on SEC(2017)505	34%

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 2019)
34% (EC average: 35%)	At least equal to the baseline or to the EC average, if higher	55% (EC average: 52%)

Indicator 3: Staff engagement index

Source of data: DG HR - Commission staff survey

Baseline (2014)	Target (2020)	Latest known results (end 2019)
66% (EC average: 65.3%)	At least equal to the baseline or to the EC average, if higher	72% (EC average: 69%)

Main outputs in 2019:

Description	Indicator	Target	Latest known results
Workforce Planning exercise	Identification of workforce per priority area	July 2019	Workforce planning analysis presented at the Board of Directors of 1 July 2019.
	Assessment of staffing situation and implementation of workforce planning exercise	End year	Board of Directors meeting of 9 December 2019: Priorities and general orientation of resources in 2020.
Training plan to be developed by the BC	Identification of learning needs	Nov-Dec 2018	Training plan developed by the HR Business Correspondent.
	Approval of training plan	January 2019	Training plan adopted by the Board of Directors on 21 January 2019.
	Rolling out of training plan 2019	According to schedule	82% of trainings included in REGIO training plan delivered according to plan

Main outputs in 2019:			
Description	Indicator	Target	Latest known results
Internal mobility	Implementation of new mobility policy	More than 50% of mobile staff has a new assignment by the end of 2019	26% of the colleagues who were mobile in 2019 changed jobs by end year

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 (2018)
N/A (no IA submitted in recent years)	Improvement compared to 2016 (i.e. no less than 68%)	0% (1 IA on the post 2020 legislative package)

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 (2018)
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 filed³ (ratio)

Source of data: *DG DIGIT - Hermes-Ares-Nomcom (HAN)⁴ statistics*

Baseline (2015)	Target	Latest known results (end 2019)
14.1% (2.3%)	Below 1%	0.4%

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 2019)
69.4%	75%	58.9% (adjusted 81%)

Indicator 3: Number of HAN files shared with other DGs

³ 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.

⁴ Suite of tools designed to implement the [e-Domec policy rules](#).

Source of data: DG DIGIT - HAN statistics		
Baseline (2015)	Target	Latest known results (end 2019)
3.1%	70%	36.9% (adjusted 66%)

Indicator 2: When access to a sub-file is restricted, the whole of the file is considered not accessible 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 81%.

Indicator 3: For the adjusted indicator, the calculation was be done at sub-file level. The adjusted percentage is 66% close to the target of 70%. The remaining files cannot be open without a decision at corporate level on financial and contract files (nearly 3000 files).

Main outputs in 2019:			
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	Training/information sessions addressed to all staff, especially hands-on sessions Setting-up of the users' committee of RegioWiki	Training sessions organised on a regular basis. The users' committee met on 30 September 2019, during the Knowledge Week
Improvement of internal communication and collaborative working methods	WIKI fully operational and actively used	Keeping stable the amount of REGIO users (100% = over 700). Full opening of RegioWiki to all Commission DGs.	Full achievement of targets for 2019. RegioWiki fully opened to all Commission DGs; REGIO use stable at 100% of staff; external users now overcome REGIO users (6 051 > 700)
Document Management			
Description	Indicator	Target	Latest known results
Filing of documents created by REGIO	Number of non-filed documents	Less than 1%	0,36%
Follow-up of paper and electronic archival action plans	Yearly, all paper files are listed and prepared for transfer to HAS or elimination.	100% of closed paper files are either prepared or transferred/eliminated. All electronic files are properly managed.	100%

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 (2019)
Total "Positive": 39% Neutral: 37 % Total "Negative": 22%	Positive image of the EU ≥ 50%	Positive: 42% Neutral: 37 % Negative": 20%
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 (2019)
34% awareness 75% positive perceptions	>34% awareness >75% positive perceptions	40% awareness 81% 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

Data from the latest Standard Eurobarometer survey (November 2019) suggests that the percentage of EU citizens that have a positive image of the EU is stable: 42% of them have a positive image, 37% neutral and 20% negative, while in 2014 these percentages were 39%, 37% and 22% respectively. This survey also suggests that the percentage of EU citizens that are aware of EU funded projects in their region is steadily increasing (40% of awareness in 2019, for 34% in 2015). In addition, 81% of those citizens who are aware about regional policy have a positive opinion about the impact of our investments at regional and local level, for 75% in 2015. Consequently, REGIO is on track to reach the targets set in the 2017-2020 Strategic Plan in the area of external communication.

Annual communication spending (based on estimated commitments):

Baseline (Year n-1)	Total amount spent	Total of FTEs working on external communication
EUR 20 million	EUR 24.7 million	27.9FTE

Achievements:

Main communication actions in 2019:

Description	Indicator	Target	Result
Partnership with media	Entities supported	25	25
EU delivers in the regions	Sum of the audiences reached	10 million	759 million contacts generated

Main communication actions in 2019:

Description	Indicator	Target	Result
Citizens engagement activities by EDICs	N° of EDICs	250	266
Road Trip Project Campaign	N° of video views	20 million	25 million
Europe in My Region "campaign" (Europe-wide, May)	N° events organised N° visitors of the projects Facebook impressions Facebook reach	>1,700 >470,000 >10 million >4 million	>2,000 >485,000 >27 million >11 million
Macro Regional Strategies	N° journalists attending	50	53
European Week of Regions and Cities (Brussels, 7-11 October)	N° participants N° journalists attending Media reach	>7,000 >200 >5 million	>9,000 >303 TBC
RegioStars Awards (Brussels, October)	N° of submitted projects	>120	199
Euronews – Smart Regions (12 Episodes in 2019)	Reached Audience Social media reach	>5 million 6,5 million	TBC
Publications (incl. 4 issues of Panorama magazine)	Number of contributions from the stakeholders (for panorama, for each issue) Number of subscribers	>6 >30,000	>10 >30,000
Regio Flash	Number of Flash sent Number of subscribers	>50 >30,000	>50 >30,000
Social media activities	Reach:	190 million 73,300 followers on Twitter 160 million 7,500 fans on Facebook YouTube: 130 million InfoRegio: 1.8 million visitors	TBC 76,400 followers on Twitter TBC 54,100 fans on Facebook YouTube: TBC InfoRegio: 2.6 million visitors

ANNEX 3: Draft annual accounts and financial reports

AAR 2019 Version 1

Annex 3 Financial Reports - DG REGIO - Financial Year 2019

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

Table 4 : Balance Sheet

Table 5 : Statement of Financial Performance

Table 5 Bis: Off Balance Sheet

Table 6 : Average Payment Times

Table 7 : Income

Table 8 : Recovery of undue Payments

Table 9 : Ageing Balance of Recovery Orders

Table 10 : Waivers of Recovery Orders

Table 11 : Negotiated Procedures

Table 12 : Summary of Procedures

Table 13 : Building Contracts

Table 14 : Contracts declared Secret

Table 15 : FPA duration exceeds 4 years

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2019 (in Mio €) for DG REGIO					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 02 Internal market, industry, entrepreneurship and SMEs					
02	02 02	Competitiveness of enterprises and small and medium-sized enterprises (COSME)	0	0	0,00 %
Total Title 02			0	0	0,00 %
Title 04 Employment, social affairs and inclusion					
04	04 02	European Social Fund (ESF)	0,72581427	0,72581427	100,00 %
	04 03	Employment, Social Affairs and Inclusion	0	0	0,00 %
Total Title 04			0,72581427	0,72581427	100,00 %
Title 05 Agriculture and rural development					
05	05 04	Rural development	0,5	0,5	100,00 %
Total Title 05			0,5	0,5	100,00 %
Title 11 Maritime affairs and fisheries					
11	11 06	European Maritime and Fisheries Fund (EMFF)	0,50021854	0,50012857	99,98 %
Total Title 11			0,50021854	0,50012857	99,98 %
Title 13 Regional and urban policy					
13	13 01	Administrative expenditure of the 'Regional and urban policy' policy area	15,86239401	8,41944164	53,08 %
	13 03	European Regional Development Fund and other regional operations	35336,76649	35255,42255	99,77 %
	13 04	Cohesion Fund (CF)	11577,63804	11549,72537	99,76 %
	13 05	Instrument for Pre-Accession Assistance - Regional development and regional and territorial cooperation	108,801082	91,52760837	84,12 %
	13 06	Solidarity Fund	373,300429	294,828316	78,98 %
Total Title 13			47412,36844	47199,92329	99,55 %
Title 18 Migration and home affairs					
18	18 01	Administrative expenditure of the 'Migration and home affairs' policy area	0,19913594	0,19876914	99,82 %
Total Title 18			0,19913594	0,19876914	99,82 %
Title 22 Neighbourhood and enlargement negotiations					
22	22 02	Enlargement process and strategy		0	
	22 04	European Neighbourhood Instrument (ENI)		0	
Total Title 22				0	
Total DG REGIO			47414,29361	47201,848	99,55 %

* 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).

% Outturn on Commitment Appropriations in 2019 for DG REGIO

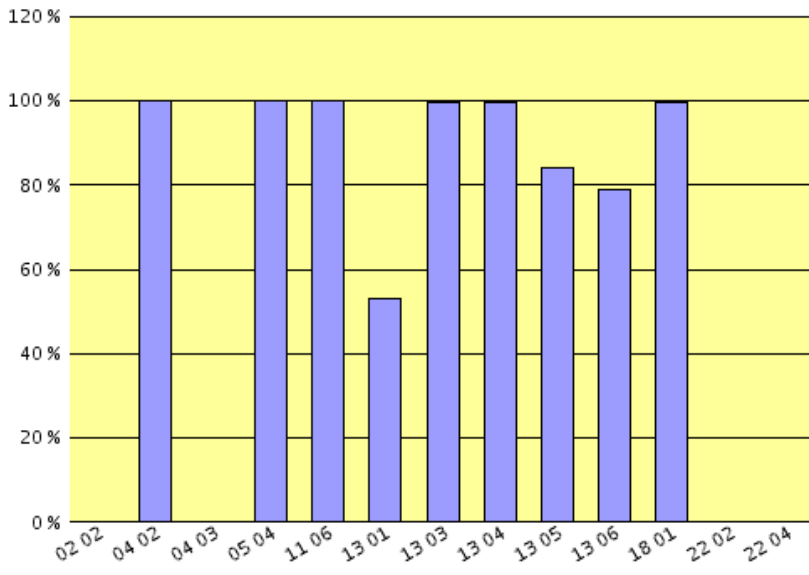


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2019 (in Mio €) for DG REGIO					
			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 02 Internal market, industry, entrepreneurship and SMEs					
02	02 02	Competitiveness of enterprises and small and medium-sized enterprises (COSME)	0,50983659	0,50983659	100,00 %
Total Title 02			0,50983659	0,50983659	100,00%
Title 04 Employment, social affairs and inclusion					
04	04 02	European Social Fund (ESF)	1,68730206	1,58730193	94,07 %
	04 03	Employment, Social Affairs and Inclusion	1,90849921	1,90849921	100,00 %
Total Title 04			3,59580127	3,49580114	97,22%
Title 05 Agriculture and rural development					
05	05 04	Rural development	3,06433278	3,06433278	100,00 %
Total Title 05			3,06433278	3,06433278	100,00%
Title 11 Maritime affairs and fisheries					
11	11 06	European Maritime and Fisheries Fund (EMFF)	0,47597758	0,47597758	100,00 %
Total Title 11			0,47597758	0,47597758	100,00%
Title 13 Regional and urban policy					
13	13 01	Administrative expenditure of the 'Regional and urban policy' policy area	24,03048739	8,56967597	35,66 %
	13 03	European Regional Development Fund and other regional operations	31109,19166	29544,15981	94,97 %
	13 04	Cohesion Fund (CF)	9816,848279	8808,479565	89,73 %
	13 05	Instrument for Pre-Accession Assistance - Regional development and regional and territorial cooperation	93,83578761	84,23139589	89,76 %
	13 06	Solidarity Fund	295,3366146	294,828316	99,83 %
Total Title 13			41339,24283	38740,26876	93,71%
Title 18 Migration and home affairs					
18	18 01	Administrative expenditure of the 'Migration and home affairs' policy area	0,19913594	0	0,00 %
Total Title 18			0,19913594	0	0,00%
Total DG REGIO			41347,08792	38747,81471	93,71 %

* 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).

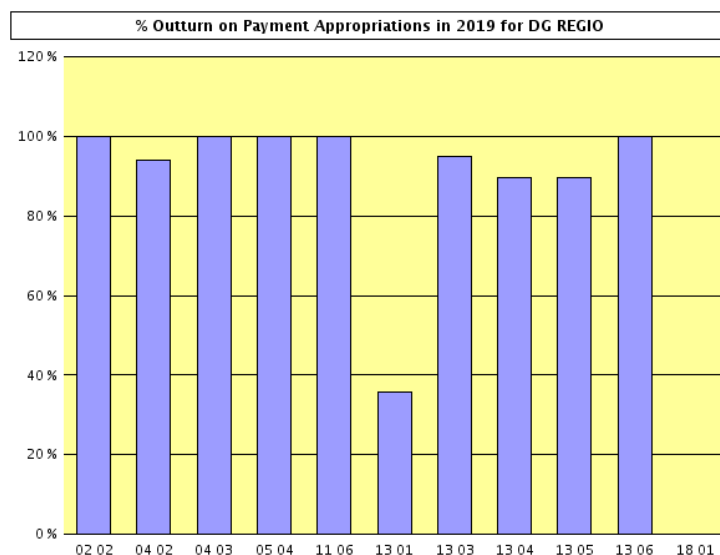


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG REGIO									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
02	02 02	Competitiveness of enterprises and small and medium-sized enterprises (COSME)	0,00	0,00	0,00	0,00%	0,19	0,19	0,70
Total Title 02			0,00	0,00	0,00	0,00%	0,19	0,19	0,70

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG REGIO									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
04	04 02	European Social Fund (ESF)	0,73	0,00	0,73	100,00%	1,23	1,96	2,82
	04 03	Employment, Social Affairs and Inclusion	0,00	0,00	0,00	0,00%	0,01	0,01	1,92
Total Title 04			0,73	0,00	0,73	100,00%	1,24	1,97	4,74

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG REGIO									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
05	05 04	Rural development	0,50	0,00	0,50	100,00%	2,54	3,04	5,60
Total Title 05			0,50	0,00	0,50	100,00%	2,54	3,04	5,60

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG REGIO									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
11	11 06	European Maritime and Fisheries Fund (EMFF)	0,50	0,03	0,47	93,19%	0,11	0,58	0,55
Total Title 11			0,50	0,03	0,47	93,19%	0,11	0,58	0,55

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG REGIO									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
13	13 01	Administrative expenditure of the 'Regional and urban policy' policy area	8,42	2,54	5,88	69,82%	0,00	5,88	6,37
	13 03	European Regional Development Fund and other regional operations	35.255,42	222,25	35.033,17	99,37%	64.799,50	99.832,67	94.333,98
	13 04	Cohesion Fund (CF)	11.549,73	396,86	11.152,87	96,56%	17.449,94	28.602,81	25.867,71
	13 05	Instrument for Pre-Accession Assistance - Regional development and regional and territorial cooperation	91,53	1,13	90,40	98,76%	348,10	438,50	492,07
	13 06	Solidarity Fund	294,83	294,83	0,00	0,00%	0,00	0,00	0,00
Total Title 13			47.199,92	917,61	46.282,31	98,06%	82.597,55	128.879,86	120.700,13

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG REGIO									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
18	18 01	Administrative expenditure of the 'Migration and home affairs' policy area	0,20		0,20	100,00%	0,00	0,20	0,00
Total Title 18			0,20		0,20	100,00%	0,00	0,20	0,00

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Mio €) for DG REGIO									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2018	Total of commitments to be settled at end of financial year 2019	Total of commitments to be settled at end of financial year 2018
			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
22	22 02	Enlargement process and strategy	0,00		0,00	0,00%	0,27	0,27	0,27
	22 04	European Neighbourhood Instrument (ENI)	0,00		0,00	0,00%	6,56	6,56	6,56
Total Title 22			0,00		0,00	0,00%	6,82	6,82	6,82

Total for DG REGIO			47201,848	917,64	46284,20391	98,06 %	82608,44476	128892,6487	120718,539
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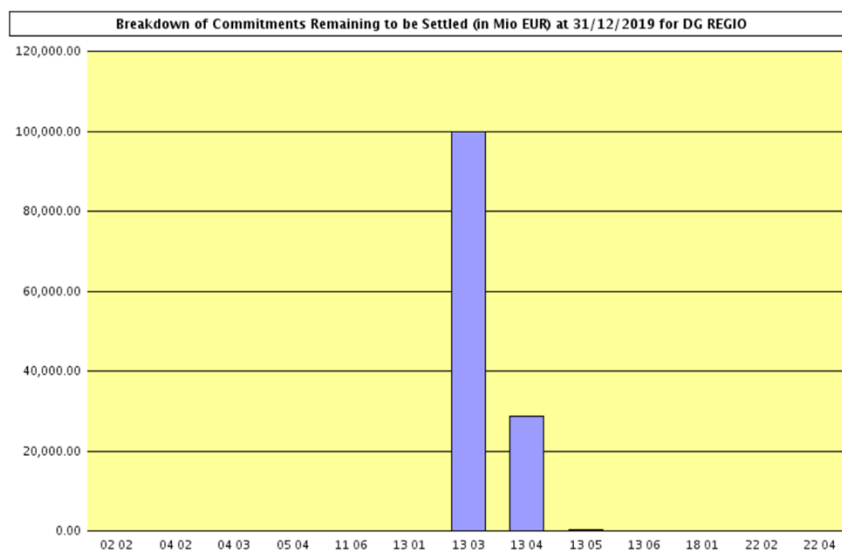


TABLE 4 : BALANCE SHEET for DG REGIO

BALANCE SHEET	2019	2018
A.I. NON CURRENT ASSETS	12.506.203.756,35	13.221.404.873,12
A.I.1. Intangible Assets	11.351.383,51	13.146.279,23
A.I.5. Non-Current Pre-Financing	12.494.852.372,84	13.208.258.593,89
A.II. CURRENT ASSETS	8.820.917.932,84	8.303.326.343,83
A.II.2. Current Pre-Financing	7.503.864.616,22	7.097.758.923,21
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	1.317.053.316,62	1.205.567.420,62
ASSETS	21.327.121.689,19	21.524.731.216,95
P.I. NON CURRENT LIABILITIES	0,00	
P.I.3. Non-Current Financial Liabilities	0,00	
P.II. CURRENT LIABILITIES	-15.646.063.330,70	-13.251.451.359,18
P.II.2. Current Provisions		0,00
P.II.4. Current Payables	-5.542.595.383,23	-7.375.830.326,48
P.II.5. Current Accrued Charges & Defrd Income	-10.103.467.947,47	-5.875.621.032,70
LIABILITIES	-15.646.063.330,70	-13.251.451.359,18
NET ASSETS (ASSETS less LIABILITIES)	5.681.058.358,49	8.273.279.857,77
P.III.2. Accumulated Surplus/Deficit	215.876.178.808,77	185.647.805.596,55
Non-allocated central (surplus)/deficit*	-221.557.237.167,26	-193.921.085.454,32
TOTAL DG REGIO	0,00	0,00

It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

Additionally, the figures included in tables 4 and 5 are provisional since they are, at this date, still

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for DG REGIO

STATEMENT OF FINANCIAL PERFORMANCE	2019	2018
II.1 REVENUES	-915.569.853,98	-1.201.418.299,64
II.1.1. NON-EXCHANGE REVENUES	-923.317.620,36	-1.206.339.342,92
II.1.1.5. RECOVERY OF EXPENSES	-923.317.620,36	-1.186.013.028,23
II.1.1.6. OTHER NON-EXCHANGE REVENUES		-20.326.314,69
II.1.2. EXCHANGE REVENUES	7.747.766,38	4.921.043,28
II.1.2.2. OTHER EXCHANGE REVENUE	7.747.766,38	4.921.043,28
II.2. EXPENSES	36.315.863.861,47	31.429.791.511,86
II.2. EXPENSES	36.315.863.861,47	31.429.791.511,86
II.2.10. OTHER EXPENSES	10.940.083,14	11.058.757,46
II.2.1. EXP IMPLM BY MEMBER STATES (SHARED)	36.206.309.343,25	31.171.185.821,92
II.2.2. EXP IMPLM BY COMMISS&EX.AGENC. (DM)	86.420.432,67	109.841.348,01
II.2.4. EXP IMPL BY 3RD CNTR & INT ORG (IM)	158.983,09	134.462.652,91
II.2.5. EXP IMPLM BY OTHER ENTITIES (IM)	12.035.019,32	3.242.438,77
II.2.8. FINANCE COSTS		492,79
STATEMENT OF FINANCIAL PERFORMANCE	35.400.294.007,49	30.228.373.212,22

TABLE 5bis : OFF BALANCE SHEET for DG REGIO

OFF BALANCE	2019	2018
OB.1. Contingent Assets	2.376.883,01	1.906.965,45
GR for performance	0,00	0,00
GR for pre-financing	2.376.883,01	1.906.965,45
OB.2. Contingent Liabilities	-341.140.303,70	-25.535.005,06
OB.2.5. CL legal cases COHESION	-341.140.303,70	-25.535.005,06
OB.2.7. CL Legal cases OTHER	0,00	0,00
OB.3. Other Significant Disclosures	-155.206.912.855,13	-190.050.900.942,89
OB.3.2. Comm against app. not yet consumed	-113.246.990.781,13	-107.473.292.512,89
OB.3.3.1 Structural operations	-41.959.922.074,00	-82.577.608.430,00
OB.4. Balancing Accounts	155.545.676.275,82	190.074.528.982,50
OB.4. Balancing Accounts	155.545.676.275,82	190.074.528.982,50
OFF BALANCE	0,00	0,00

TABLE 6: AVERAGE PAYMENT TIMES in 2019 for 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	989	956	96,66 %	15,99476987	33	3,34 %	35,27272727
60	1764	1728	97,96 %	19,32175926	36	2,04 %	125,9722222
90	14	14	100,00 %	50,71428571			
180	319	319	100,00 %	26,55485893			

Total Number of Payments	3086	3017	97,76 %		69	2,24 %	
Average Net Payment Time	20,59591704			19,17799138			82,5942029
Average Gross Payment Time	32,95106935			30,98143852			119,0724638

Suspensions							
Average Report Approval Suspension Days	Average Payment Suspension Days	Number of Suspended Payments	% of Total Number	Total Number of Payments	Amount of Suspended Payments	% of Total Amount	Total Paid Amount
0	23	1657	53,69 %	3086	29.790.497.525,38	89,57 %	33.260.683.217,89

TABLE 7 : SITUATION ON REVENUE AND INCOME in 2019 for DG REGIO

Chapter		Revenue and income recognized			Revenue and income cashed from			Outstanding balance
		Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total	
		1	2	3=1+2	4	5	6=4+5	
61	REPAYMENT OF MISCELLANEOUS EXPENDITURE	6.328.917.508,28	14.935.262,68	6.343.852.770,96	5.913.512.816,01	14.935.262,68	5.928.448.078,69	415.404.692,27
65	FINANCIAL CORRECTIONS	17.144.012,35	0,00	17.144.012,35	16.906.482,96	0,00	16.906.482,96	237.529,39
Total DG REGIO		6346061521	14935262,68	6360996783	5930419299	14935262,68	5945354562	415642221,7

**TABLE 8 : RECOVERY OF PAYMENTS in 2019 for DG REGIO
(Number of Recovery Contexts and corresponding Transaction Amount)**

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2019	Irregularity		OLAF notified		Total undue payments recovered		Total transactions in recovery context(incl. non- qualified)		% Qualified/Total RC	
	Year of Origin (commitment)	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr
1999							2	18171,5		
2001							1	228708,39		
2003							1	476173,75		
2004							1	180392,68		
2007	2	1233236,74			2	1233236,74	18	30500166,11	11,11%	4,04%
2008							3	4977162,34		
2009	2	577806,27			2	577806,27	2	577806,27	100,00%	100,00%
2010							1	71411,21		
2011							3	3809845,8		
2013	1	2994,23			1	2994,23	4	1418624,85	25,00%	0,21%
2014							27	94279985,06		
2015							316	4663205573		
2016							103	1490375975		
2017							29	38050404,26		
2018							6	4131646,27		
No Link			1	75173	1	75173	10	12929460,14	10,00%	0,58%
Sub-Total	5	1814037,24	1	75173	6	1889210,24	527	6345231507	1,14%	0,03%

EXPENSES BUDGET	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
INCOME LINES IN INVOICES										
NON ELIGIBLE IN COST CLAIMS	2	38963,51			2	38963,51	649	657.458.542,10	0,31%	0,01%
CREDIT NOTES							69	698.334,63		
Sub-Total	2	38963,51			2	38963,51	718	658156876,7	0,28%	0,01%

GRAND TOTAL	7	1853000,75	1	75173	8	1928173,75	1245	7003388384	0,64%	0,03%
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TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2019 for DG REGIO

	Number at 01/01/2019	Number at 31/12/2019	Evolution	Open Amount (Eur) at 01/01/2019	Open Amount (Eur) at 31/12/2019	Evolution
2018	2		-100,00 %	14.935.262,68		-100,00 %
2019		11			415.642.221,66	
	2	11	450,00 %	14.935.262,68	415.642.221,66	2682,96 %

TABLE 10 :Recovery Order Waivers >= 60 000 € in 2019 for DG REGIO

Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
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Total DG REGIO	
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Number of RO waivers	
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TABLE 11 :Negociated Procedures in 2019 for DG REGIO

Internal Procedures > € 60,000

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Annex 1 - 11.1 (b) - Artistic/technical reasons or exclusive rights or technical monopoly/captive market	4	1.658.790,00
Total	4	1.658.790,00

TABLE 12 : Summary of Procedures in 2019 for DG REGIO

External Procedures > € 20,000

Procedure Legal base	Number of Procedures	Amount (€)
Call for expressions of interest - Pre-selection of candidates (Art. 136.1(a) RAP)	0	0,00
Total	0	0,00

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)	0	0,00
Negotiated procedure middle value contract (Annex 1 - 14.2)	1	107.400,00
Negotiated procedure without prior publication (Annex 1 - 11.1)	4	1.658.790,00
Open procedure (FR 164 (1)(a))	6	4.118.279,25
Total	11	5.884.469,25

TABLE 13 : BUILDING CONTRACTS in 2019 for DG REGIO

No data reported.

TABLE 14 : CONTRACTS DECLARED SECRET in 2019 for DG REGIO

No data reported.

TABLE 15 : FPA duration exceeds 4 years - DG REGIO

No data reported

ANNEX 4: Materiality criteria

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

As from 2019⁵, a 'de minimis' threshold for financial reservations is introduced. Quantified AAR reservations related to residual error rates above the 2% materiality threshold, are deemed not substantial for segments representing less than 5% of a DG's total payments and with a financial impact below EUR 5 million. In such cases, quantified reservations are no longer needed.

The implementation of this 'de minimis' threshold applies at the level of the AAR reservations, i.e. not at all affecting the detailed reservations at the level of the Payment Agency(s)/Operational Programme(s). Given the amounts involved, this threshold has no effect on the AAR reservations of REGIO for 2019.

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

➤ **The assessment at closure**

At closure the Annual Control Reports were submitted as part of the closure packages. 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 risk rate).

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

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

➤ **Materiality criteria and reservations**

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

Following the in-depth assessment of closure documents, a non-financial reservation is made for those programmes, where either additional audit work is requested or financial corrections may need to be applied exceeding the retention (5% or less for underspent programmes of the overall allocation made at programme level)⁶.

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.

To calculate the amount at risk for programmes under reservation, the residual risk rate is applied to the payments made during the year. For a reservation made at sub-programme level, a flat rate depending on the deficiencies identified is applied to the relevant expenditure⁷. No financial corrections are taken into account for the quantification of the reservation, as the financial corrections already implemented are mainly linked to expenditure declared in previous years. In case of no payments were made during the year, the reservation will be non-financial.

⁵ Agreement of the Corporate Management Board of 30/4/2019

⁶ The decision on whether to issue a reservation will be made taking into account the cumulative residual risk.

⁷ i.e. paid in the relevant year in relation to the concerned sub-programme

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

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

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

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

➤ **The assessment of each 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 programme authorities).
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). The residual total error rate is the best indicator of the corrective capacity of the programme's management and control system and represents the remaining risk present in the amounts certified in the accounts taking into account the already applied financial corrections.

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

- Total Error Rates and Residual Total Error Rates for the accounting year 2017-2018 are confirmed which takes into account all available information and audit results assessed through desk review and, where necessary and conclusions are already available, risk-based on the spot compliance audits. Following the 2014-2020 legal framework, the Commission can in subsequent years (during the documents retention period of at least three years after the accounts were accepted) continue to carry out on the spot audits to address specific risks or programmes.
- In relation to the Total Error Rates and Residual Total Error Rates for the accounting year 2018-2019 communicated by the audit authorities by 1st March 2020, first preliminary consistency review is carried out to identify potential inconsistencies or clerical mistakes. The resulting adjusted total error rates and residual total error rates are disclosed in annex 10 B of the AAR for information purposes and to identify the need to issue additional reservations. If no error rates are reported by the audit authorities or reported error rates are not considered reliable at this stage, the Directorate General uses flat rates instead.

➤ **Materiality criteria and reservations**

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

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

As a general rule, a programme will be put under reservation if at least one of the following conditions applies, based on the 2018/2019⁸ assurance packages received by 1 March 2020:

- 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 applicable to the other activities under the same programme.

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

In addition, reputational reservations are made for deficiencies of a qualitative nature (e.g. significant systemic deficiencies or major control failures) which have a significant impact on the reputation of the Commission.

The programmes are classified in four categories:

▪ **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 issues concerning either legality and regularity of expenditure (residual total error rate <2%) or 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 where there are no material issues with either the legality and regularity of the expenditure (residual total error rate < 2%) or the accounts;
- **Limited assurance with medium risk** of irregularities covers programmes with deficiencies in key elements of the systems with no material risk for the EU budget (e.g. programme with a total error rate between 5% and 10% and where adequate financial corrections have been implemented).

▪ **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 where no adequate financial corrections have been implemented yet); 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

⁸ No reservation is made for cases where the Residual Total Error Rate for the accounting year 2017/2018 is confirmed above 2 % given that additional financial corrections will be applied.

- 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.

For the calculation of the amounts impacted by a reservation, the reportable residual error rate for the 2018/2019 accounts is applied to the 2019 relevant expenditure of the programmes concerned.

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

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

The **amount at risk at payment** is calculated by applying the KPI 5 (weighted residual total error rate of the accounting year 2017-2018 as confirmed by the Commission services⁹) to the "relevant expenditure" of the Commission reporting year (i.e. payments made during 2019, after excluding new pre-financing and including the 10% retained, and including the cleared pre-financing minus the retentions released and any deductions applied in the accounts covering the expenditure of the period 1st July 2018 to 30th June 2019).

The **amount at risk at closure** indicates the remaining risk to the 2019 relevant expenditure once the Commission will apply the financial corrections that it considers necessary to bring the confirmed total residual error rates for all programmes down to 2%. REGIO has been able to identify for which programmes additional financial corrections will be required upon finalisation of the ongoing audit contradictory procedures for the accounting year 2017-2018.

For direct and indirect management

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

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

⁹ After neutralizing the impact of the advances paid into financial instruments and included in the sample of audit authorities based on declared expenditure (in line with Article 127 CPR)

ANNEX 5: Relevant Control Systems Templates for budget implementation

Shared Management

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

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

REGIO estimates that the **annual overall Commission costs incurred amounts to approximately 0.2%** of total appropriations. This is made up of:

- The annual cost of audit work (internal team and outsourced contract) which covers the assessment by the Commission of management and control systems in Member States, including analysis of Audit Authorities reports and ACRs, own audit work¹⁰ 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	Cost-Effectiveness indicators
The programmes financed do not adequately reflect the policy objectives or priorities.	Internal consultation, hierarchical validation at DG-level of each programme. Inter-service consultation (including all relevant DGs) Adoption by Commission Decision, where foreseen by EU law.	Coverage / Frequency: 100%. Depth: checklist, guidelines, lists of requirements in the relevant regulatory provisions and reflection of policy objectives and priorities in position papers and Country Specific Recommendations.	Effectiveness: - % of programmes adopted/ approved Benefits: adopted programmes focus on challenges Member States and regions are facing (as identified in European Semester) and have a clear intervention logic, allowing the Commission to evaluate their impact [<i>non-quantifiable individually</i>] Efficiency: - average time to adopt/ approve an programme ¹¹ Economy (costs): estimation of cost of staff involved in the validation of the programmes put forward by the Member States.

¹⁰ Systems audit, re-performance of annual control reports (ACR), follow-up of audit authorities, closure audits, fact finding audits, etc.

¹¹ Impacted by the time required by Member States to react

Stage 2 – Implementation of operations (Member States):

A. Setting up of the systems

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

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

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

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

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators
Periodic expenditure declarations submitted to the Commission include expenditure, which is irregular or non-compliant with EU and/or national eligibility rules and legislation.	Management verifications: first level checks by Managing Authorities (MA). Certification, 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 & on the spot). - <u>audit opinion</u> : system audits on the checks already carried out, where necessary with re-performance of on-the-spot checks; where applicable, audits of operations (on a statistical basis) and additional substantive testing on expenditure.	Effectiveness: error rates as reported by the Member States., annual audit opinions (or certificate opinions) of the Member States, Member States' recoveries (if applicable) Efficiency: time to lift interruption of payments ¹²

¹² 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	Cost-Effectiveness 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 Member States' expenditure declarations. Commission assessment of management and control systems in the Member States, in particular of work done and/or reported by the 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 Member States <p>Interruptions and suspensions of payments 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 Member States 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 programmes]</i></p>	<p>Effectiveness:</p> <ul style="list-style-type: none"> - cumulative residual risk (EU and per Member State) - number of programmes with a reported error rate assessed as reliable (unchanged or re-calculated) - Number and amount of interruptions / suspensions of payments - corrections made resulting from Commission audit work (decided and implemented) - % of the expenditure for which the Commission can rely on the work of the AA (based on ACRs unchanged or adjusted exchange rates) - weighted average error rate after Commission analysis <p>Benefits: errors prevented [<i>unquantifiable</i>], errors detected or corrected (amount of financial corrections); the impact of the Commission's adjustments made on the error rates reported by the Member States following its own audit work and the total amount of expenditure for which the Commission has assurance</p> <p>Efficiency:</p> <ul style="list-style-type: none"> - overall cost of control/financial management of the Commission checks and assessment (% of total appropriations) – stages 1 to 3 - % of Commission payments on time - % interruptions of payments notified to Member States within 2 months - % suspensions of payments notified to Member States within 6 months <p>Economy (costs): cost of Commission staff checking Member States expenditure (financial circuits); estimation of cost of Commission staff involved in the assessment of management and control systems in Member States, including analysis of Annual Control Reports / Annual Audit Opinion, own audit work, and drafting of interruption/suspension/financial correction letters</p>

ANNEX 6: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission

Not applicable.

ANNEX 7: EAMR of the Union Delegations

Not applicable.

ANNEX 8: Decentralised agencies

Not applicable.

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

Project ID	Title	Internal ID	Overview	Reason ¹³ (in terms of type of measure / initiative evaluated)	Associated services	Study Cost (€)	Note ¹⁴	Title of the deliverable ¹⁵
I. Evaluations finalised or cancelled in 2019								
a. Evaluations finalised in 2019								
6632	Ex post evaluation of the European Union Solidarity Fund 2002-2016.	2017CE16 AAD011	The purpose of the ex-post evaluation was to assess the implementation and performance of the EUSF over the period 2002-2016. The evaluation assessed also the synergies between the reformed EUSF instrument and other EU policy instruments and other international instruments in contributing to strengthened measures for the prevention and management of disasters in EU Member States and accession countries which received EUSF support during the period 2014-2016. The evaluation underlined the high added value of the Fund to support emergency and recovery efforts and to alleviate the financial burden on national and regional authorities. The Fund has provided more than €5 billion of support since its creation, including a record-high €1.2 billion for the 2016/2017 earthquakes in Central Italy. Based on an analysis of the Fund implementation and performance, the evaluation found that the EUSF got faster and more flexible in responding to natural disasters, and that it efficiently complements other EU instruments addressing disaster risk management, reconstruction operations and regeneration of economic activity, especially Cohesion Policy funds. In terms of room for improvement, the evaluation highlighted the need that the Commission and the Member States work together to improve the speed and thoroughness of damage assessment and preparedness for coping with disasters.	MFF (economic growth)	None	289.625		https://ec.europa.eu/regional_policy/sources/docgener/evaluation/pdf/eusf_2002_2016_e_l_case_en.pdf

¹³ L – legal; CWP – Commission Work Programme item; MFF – linked to spending programmes under the Multiannual Financial Framework; O – other – please specify in the Comments

¹⁴ Comments in relation to the item, changes compared to the planning. Compulsory for cancelled items.

¹⁵ 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.

Project ID	Title	Internal ID	Overview	Reason ¹³ (in terms of type of measure / initiative evaluated)	Associated services	Study Cost (€)	Note ¹⁴	Title of the deliverable ¹⁵
	Ex-post evaluation of Major Projects in transport financed by the ERDF and CF between 2000-2013		The objective of this evaluation, which forms part of a set of two different evaluations in different sectors, was to analyse the long-term contribution of specific large-scale transport projects to economic development, quality of life and social well-being. The evaluation focused on a sample of 10 major projects in the transport sector from the 2000-2006 and 2007-2013 programmes. The projects are illustrative of large-scale transport projects and deliver insights into the long-term effects of such projects. It has confirmed the importance of EU support to large-scale projects in achieving broader EU and cohesion policy objectives. By supporting large-scale transport projects, cohesion policy has made a significant contribution to improving connectivity at EU and national level and encouraged the development of sustainable transport. In most cases, the objectives would not have been achieved – or their achievement would have been delayed – in the absence of a critical proportion of EU funding. The, assistance provided by the EU institutions contributed to the development of administrative capacity and institutional learning, particularly in EU 13 Member States, which joined the EU after 2004. Project quality at the moment of approval, forecasting capacity, project governance and project management proved to be the main determinants of success of each project and therefore the factors which require the greatest attention. On the other hand, the long-term financial sustainability of EU funded transport projects proved to be a challenge. These lessons will be taken into account when programming the next generation of EU cohesion policy funds, in particular in the area of transport.	MFF (economic growth)	None	462.160		https://ec.europa.eu/regional-policy/en/information/publications/evaluations/2020/ex-post-evaluation-of-major-projects-in-transport-financed-by-the-european-regional-development-fund-and-the-cohesion-fund-between-2000-and-2013
	Ex-post evaluation of Major Projects in environment financed by the ERDF and CF between 2000-2013		The objective of the evaluation, which forms part of a set of two evaluations in different sectors, was to analyse the long-term contribution of specific large-scale projects in the environmental sector to economic development, quality of life and social well-being. The evaluation focused on a sample of 10 major projects in the environment sector from the 2000-2006 and 2007-2013 programmes. The projects are illustrative of large-scale environmental projects and deliver insights into the long-term effects of such projects. The evaluation has confirmed the importance of EU support to large-scale projects in achieving broader EU and cohesion policy objectives. Large -scale environmental infrastructure projects have made a major contribution to compliance with the acquis and broader EU sustainable development strategies. In most cases, the objectives would not have been achieved – or their achievement would have been delayed – in the absence of a critical proportion of EU funding. The, assistance provided by the EU institutions contributed to the development of administrative capacity and institutional learning, particularly in EU 13 Member States, which joined the EU after 2004. Project quality at the moment of approval, forecasting capacity, project governance and project management proved to be the main determinants of success of each project and therefore the factors which require the greatest attention. These lessons will be taken into account when programming the next generation of EU cohesion policy funds, in particular in the area of environment.	MFF (economic growth)	None	462.160		https://ec.europa.eu/regional-policy/en/information/publications/evaluations/2020/ex-post-evaluation-of-major-projects-in-environment-financed-by-the-european-regional-development-fund-and-the-cohesion-fund-between-2000-and-2013

Project ID	Title	Internal ID	Overview	Reason ¹³ (in terms of type of measure / initiative evaluated)	Associated services	Study Cost (€)	Note ¹⁴	Title of the deliverable ¹⁵
b. Evaluations cancelled in 2019								
II. Other studies finalised or cancelled in 2019								
a. Other studies finalised in 2019								
10149	Les Régions Françaises en Transition Industrielle - Centre-Val de Loire, Grand Est et Hauts-de-France	2018CE16 BAT095	Contribution à la réflexion sur l'accompagnement des régions en transition industrielle, à partir de l'expérience de trois régions françaises pilotes : Centre-Val de Loire, Grand Est et Hauts-de-France	MFF (economic growth)	None	15.000		https://ec.europa.eu/regional_policy/fr/information/publications/studies/2019/les-regions-francaises-en-transition-industrielle-centre-val-de-loire-grand-est-et-hauts-de-france
9892	Measuring the quality of Government at the subnational level and comparing results with previous studies	2016CE16 BAT066	The document presents the latest of three rounds of the EQI data on regional governance in EU countries (Charron, Dijkstra and Lapuente 2014, 2015; Charron, Lapuente and Rothstein 2013). While this round of data largely builds on the work of previous rounds, there are several alterations based on suggestions from a Rauch analysis of the 2010, and 2013 rounds of the EQI data (Annoni and Charron 2017). Its highlights the sample, summary statistics and question items that are included in the 2017 round of the EQI. Together with national estimates from the World Bank Governance Indicators (Kaufmann, Kraay and Mastruzzi 2009), the study reports data on Quality of Government ('QoG') for all EU 28 countries and for NUTS 1 and NUTS 2 regions for 21 EU countries, totalling 185 regions. The QoG questions are aimed at capturing average citizens' perceptions and experiences with corruption, and the extent to which they rate their public services as impartial and of good quality. In addition, it highlights broad patterns as we see them in the data and more specifically analyse trend in the EQI over time within regions. Using several statistical and observational techniques, the study elucidated four interesting case studies from Spain and Poland, which were undertaken to better draw out 'best practices' to improve governance at the sub-national level in other EU regions.	MFF (economic growth)	None	1.183.000		https://ec.europa.eu/regional_policy/en/information/publications/studies/2019/measuring-the-quality-of-government-at-the-subnational-level-and-comparing-results-with-previous-studies
6665	Study on the specific additional allocation for	2017CE16 BAD113	The overall objective of this study is to conduct an analysis of the implementation of the specific additional allocation in the ERDF programmes of the 9 outermost regions; to examine to what extent this allocation has been effective at offsetting the additional costs they face due to their handicaps and how it has contributed to their	MFF (economic growth)	None	299.600		non-public

Project ID	Title	Internal ID	Overview	Reason ¹³ (in terms of type of measure / initiative evaluated)	Associated services	Study Cost (€)	Note ¹⁴	Title of the deliverable ¹⁵
	the outermost regions		development. The study will also look into the actions funded by the ESF in order to identify expenditures linked to the costs related to OR' handicaps covered by this Fund and reflect on possible alignments of the ERDF and ESF regulations.					
6663	Study on the physical accessibility of the Outermost Regions (OR)	2017CE16 OAT069	The overall purpose of the study is to conduct a comprehensive analysis of transport connections between the EU's mainland and the Outermost Regions, as well as between the Outermost Regions themselves and between the Outermost Regions and their neighbouring countries. The analysis will assess the current situation and identify regulatory, administrative, technical, financial and other bottlenecks along with missing links that should be considered for future investments through both public and private funding.	MFF (economic growth)	None	336.518		non-public
10167	City data from LFS and big data	2016CE16 BAT107	The project explores how data collection for cities and functional urban areas can be improved. The project consisted of two sets of activities. The first part was dedicated to the Labour Force Survey (LFS) to investigate if this source can provide a limited set of annual indicators for functional urban areas (FUA's) and whether gaps in the regional LFS time series could be filled by reattributing previous LFS respondents to the new NUTS regions. The second part dealt with the question if anonymised aggregated mobile phone data can be used to estimate commuting flows or population flows between municipalities or between statistical grid cells.	MFF (economic growth)	None	147.102		https://ec.europa.eu/regional-policy/en/newsroom/news/2019/06/26-06-2019-study-city-data-from-lfs-and-big-data

ANNEX 10: Specific annexes related to Financial Management

ANNEX 10A: 2014-2020 ERDF / CF programmes: brief introduction to shared management and architecture for building assurance

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

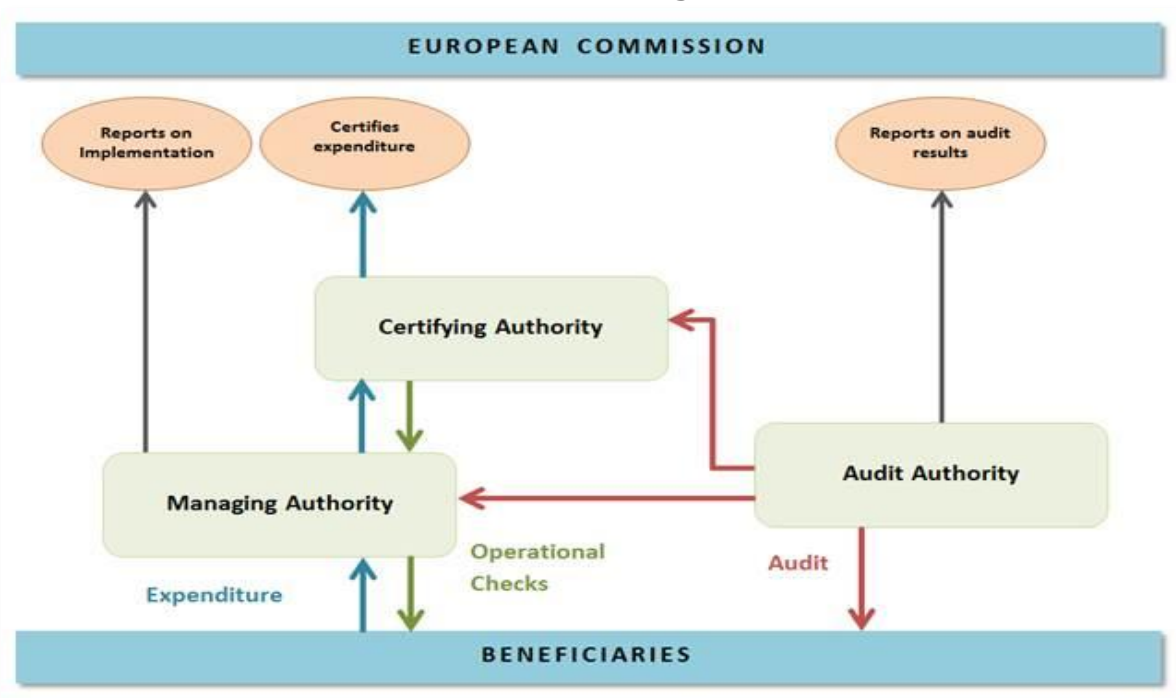
- the Commission negotiates and approves programmes proposed by EU Member States, and allocates resources accordingly;
- the EU Member States / regions manage the programmes, implement them by selecting projects, follow their implementation and perform controls;
- the Commission is involved in programme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

For each programme, the national authority appoints:

- a **managing authority** (national, regional or local public authority or public/private body to manage the programme);
- a **certifying authority** (national, regional or local public authority or body to prepare payment applications and to certify the accounts 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).

The Commission plays a supervisory role, ensuring arrangements for the effective functioning of the management and control systems. The Commission further verifies the effective functioning of the systems and if necessary, makes financial corrections.

Graph 1: Assurance architecture for shared management

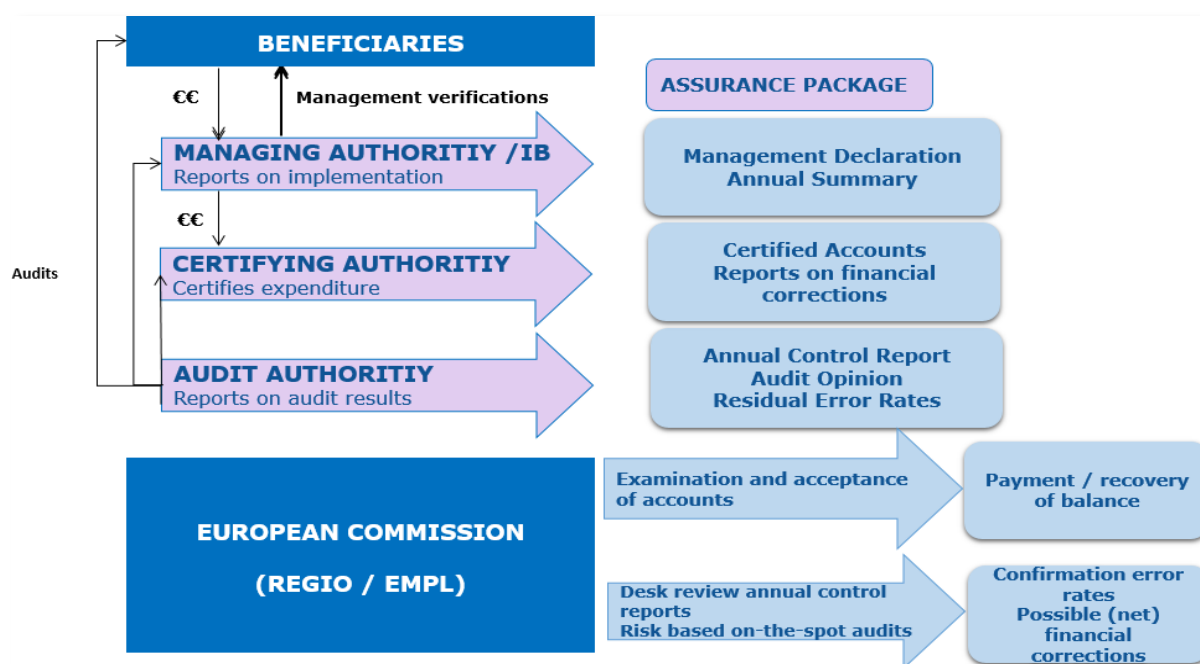


The Regulation for the 2014-2020 programming period introduces some major changes compared to the previous ones:

- 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 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, containing:
 - Management Declaration and Annual Summary, prepared by the Managing Authority;
 - Certified Accounts, prepared by the Certifying Authority;
 - 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.
- By 31 May, 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. 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. In justified cases, the Commission will not accept the accounts triggering a contradictory procedure with the Member State. By 30 June year, N+1 for the major part of programmes a payment/recovery of the balance is made.

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

Graph 2: Control system



1. Member States are in the first instance responsible for putting in place robust management and control systems, which are capable of preventing and detecting irregularities, and allowing for the reporting of the residual total error rates for each programme each year, whilst also having recourse to the imposition of financial corrections where necessary.

For each accounting year the Management and Control System (MCS) performs the following tasks:

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

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

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

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

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

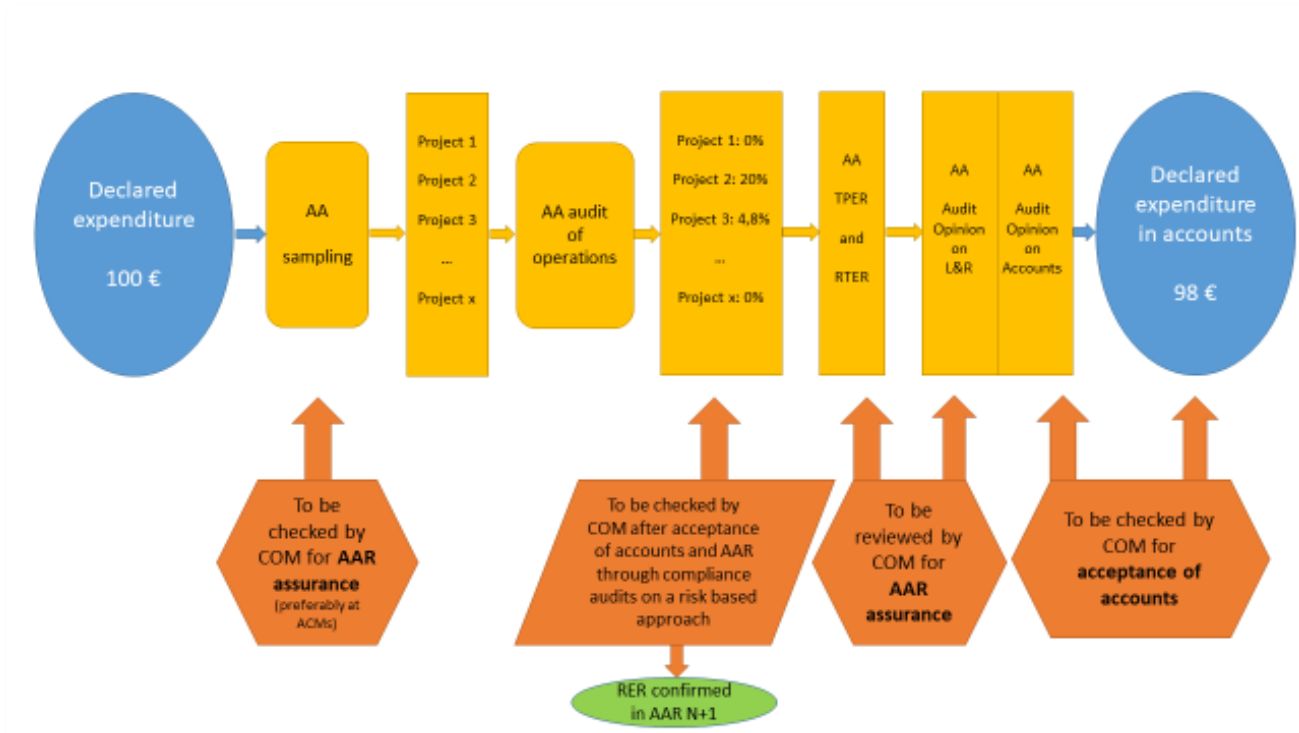
The Managing Authority finalises the verifications to ensure that the expenditure to be certified in the accounts is legal and regular. It takes account of findings of the audit authority and makes necessary financial corrections including flat rates corrections. It draws up the management declaration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

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

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

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

Graph 3: Annual assurance package and audits of operations



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

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

- Audit authorities' work and results on both systems and operations, reported to REGIO throughout the year (systems audit reports) or at year end (annual control reports and audit opinions);
- REGIO's desk and on-the-spot review of the work of audit authorities;
- REGIO'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.

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

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

Through the **single audit approach**, each year REGIO can rely on audit work and opinions carried out by audit authorities for each programme, complemented by REGIO's risk-based audits. The assessment of all available audit sources result in an Annual Audit Opinion of the Directorate General for each programme. This forms the basis for management opinions by the Authorising Officers by Sub-Delegation.

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

1. first a **desk review for the acceptance of accounts** and preliminary consistency checks of the reported total error rates and audit opinions for the assurance declaration in the AAR,

Example: Accounts 2017-2018 – audit work carried out to assess assurance packages received by 1 March 2019

For the purpose of this AAR, the Directorate-General has carried out an assessment of all available audit results as described below:

- Throughout the year, 543 national system audit reports submitted by the audit authorities, were assessed. As a result timely follow-up actions were carried out by REGIO to safeguard the EU budget, when needed (interrupting payments and/or requesting corrective measures, incl. systems improvements and financial corrections).
- A thorough and comprehensive desk review was carried out for annual control reports in relation to 258 ERDF/CF OPs with amounts certified in the accounts. Special attention was given to the sampling methodologies and parameters used, analysis and treatment of errors identified by audit authorities, the reporting of resulting financial corrections or expenditure withdrawn under Art. 137(2) CPR (on-going assessment), appropriate follow-up given to previous REGIO and ECA audits.
- The desk review was on some occasions complemented by pre or post ACR fact-finding missions.
- Results from REGIO audits under the 2019 audit plan, and from relevant audits from other Directorates general
- Audit results communicated by the ECA as part of DAS 2019, when available.

Following the analysis, an assessment letter was sent to the national authorities for each of the Annual Control Reports assessed, with observations and follow-up measures required.

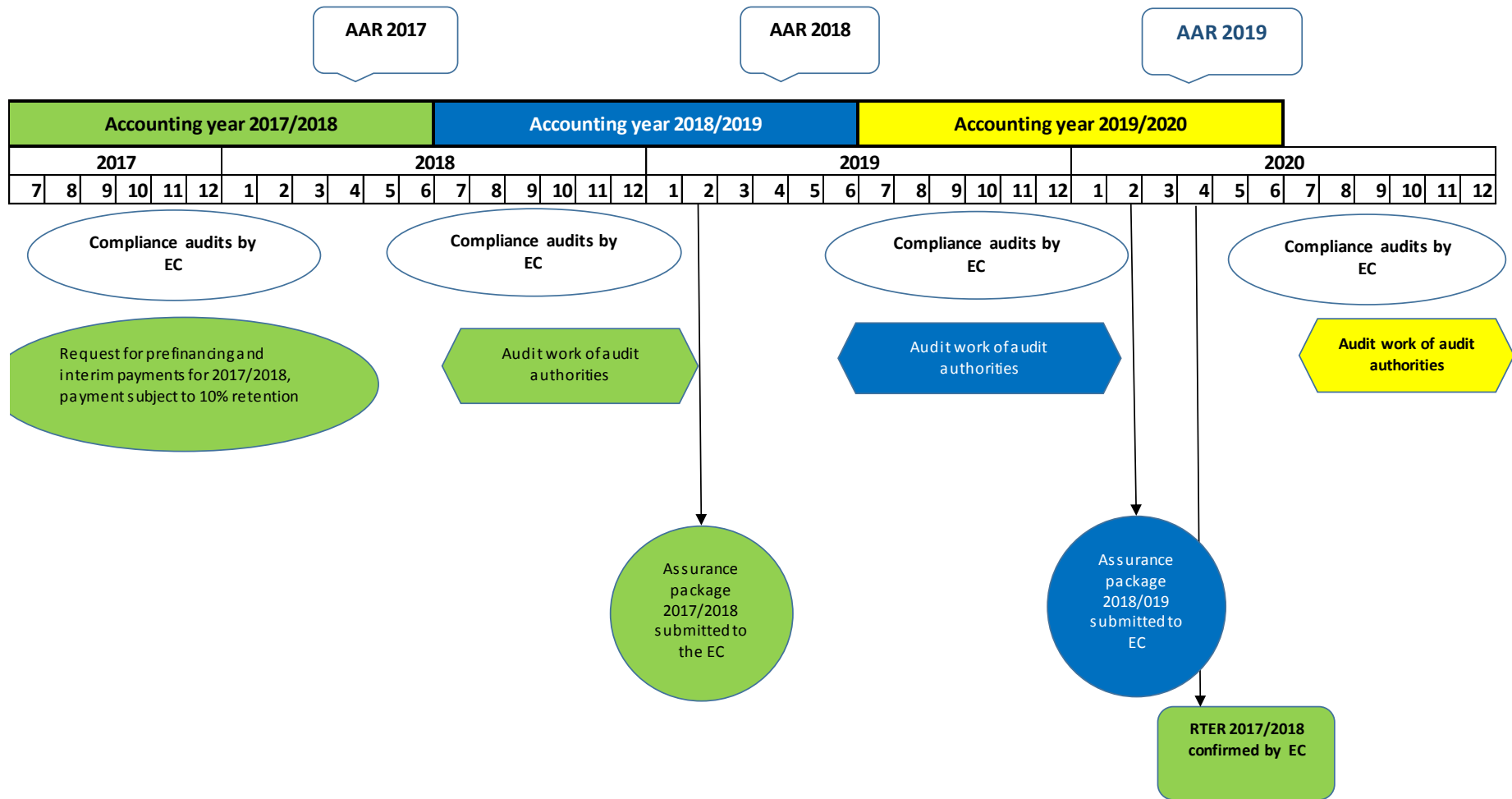
2. followed by a **thorough desk review of the Annual Control Reports**, audit opinions and error rates reported (ending after finalisation of the AAR) and,

3. as a consequence of the thorough desk review, for a number of programmes / audit authorities for which specific risks have been identified, **on-the-spot compliance audits** to re-perform the work done by the audit authorities.

When the Commission, through its desk review and on-the-spot compliance audits, still identifies further irregularities in the accepted accounts, it launches **financial correction procedures** which are met when the criteria in Article 145 (7) of Regulation (EC) 1303/2013 are fulfilled.

The graph below illustrates how REGIO assesses the certified expenditure:

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



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 2019, 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 principles, public procurement and simplified cost options took place in Brussels, Maastricht and Barcelona.

In addition, the Commission hosted annual coordination bilateral 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 and a bilateral discussion of the main type of findings and other methodological aspects of common interest.

Two technical meetings with all audit authorities took place in 2019: in May and December. These dedicated meetings provided the opportunity to compare the Commission and audit authorities' audit methodologies and points of view. During these meetings the audit authorities received information on audit aspects of the ongoing legal discussions for the period 2021-2027.

The Homologues Group meeting as most important annual event between the audit authorities and Commission auditors took place in Zagreb end-September/beginning-October 2019. The meeting was mainly dedicated to the audit work for the programming period 2014-2020, in particular the approach to audit documentation, excluding expenditure from the accounts under Art. 1372(2) CPR (ongoing assessment), the review of performance data as part of the audits of operations and simplified cost options.

Representatives of the European Court of Auditors participated as observers in the technical meetings and Homologues Group meeting.

REGIO participated as well in the annual meeting of the network of certifying authorities held in Vienna in October 2019. The main topic in the agenda was the lesson learnt from the assessment of the accounts received in 2018 and 2019 and the update on the negotiations for the period 2021-2027.

ANNEX 10B: 2014-2020 ERDF / CF programmes: Audit Opinion and Error Rates

MS	CCI Ref	Title	(1) MCS functioning effectively (Y/N/NA*); Y=Cat. 1-2; N=Cat. 3-4	Accounting year 2016-2017	Accounting year 2017-2018			Accounting year 2018-2019		Comments
				Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)	Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)			Reportable rates (reported by audit authorities and, where necessary, adjusted by EC following preliminary consistency checks)		
				(2) Total Error Rate	(3) Total Error Rate	(4) Residual Total Error Rate	(5) Residual Total Error Rate removing impact of advances to financial institutions	(6) Total Error Rate reportable by EC	(7) Residual Total Error Rate reportable by EC	
AT	2014AT16RFOP001	Investments in Growth and Employment Austria 2014-2020 - Operational Programme for the use of the ERDF funds	N	-	0.56%	0.36%	0.37%	25.00%	25.00%	
BE	2014BE16RFOP001	OP Brussels Capital Region	Y	0.20%	1.35%	0.00%	0.00%	3.35%	0.00%	
BE	2014BE16RFOP002	OP Flanders	Y	2.62%	2.26%	1.45%	1.45%	0.97%	0.63%	
BE	2014BE16RFOP003	OP Wallonia	Y	0.00%	3.04%	3.04%	3.80%	2.57%	0.77%	Ongoing audit contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2017-2018 down to 2%.
BG	2014BG05M2OP001	Operational Programme Science and Education for Smart Growth	Y	-	0.29%	0.17%	0.17%	0.53%	0.08%	
BG	2014BG16M1OP001	Operational programme "Transport and transport infrastructure"	Y	7.78%	0.23%	0.23%	0.23%	1.25%	0.00%	
BG	2014BG16M1OP002	Operational programme "Environment"	Y	0.92%	0.00%	0.00%	0.00%	0.87%	0.48%	
BG	2014BG16RFOP001	Operational programme "Regions in Growth"	Y	0.51%	0.97%	0.69%	0.69%	1.85%	1.23%	
BG	2014BG16RFOP002	Operational programme "Innovations and Competitiveness"	Y	1.33%	1.22%	0.36%	0.36%	4.20%	1.99%	
BG	2015BG16RFSM001	Operational Programme under the SME Initiative	Y	0.00%	0.00%	0.00%	-	0.00%	0.00%	
CY	2014CY16M1OP001	Competitiveness and sustainable development	Y	0.11%	0.10%	0.01%	0.01%	0.09%	0.02%	
CZ	2014CZ05M2OP001	OP Research, Development and Education	Y	0.18%	0.18%	0.05%	0.05%	0.43%	0.40%	
CZ	2014CZ16CFTA001	Technical assistance	Y	2.95%	0.45%	0.28%	0.28%	0.13%	0.08%	
CZ	2014CZ16M1OP001	Transport	Y	7.26%	0.93%	0.33%	0.33%	0.39%	0.34%	

MS	CCI Ref	Title	(1) MCS functioning effectively (Y/N/NA*); Y=Cat. 1-2; N=Cat. 3-4	Accounting year 2016-2017	Accounting year 2017-2018			Accounting year 2018-2019		Comments
				Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)	Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)			Reportable rates (reported by audit authorities and, where necessary, adjusted by EC following preliminary consistency checks)		
				(2) Total Error Rate	(3) Total Error Rate	(4) Residual Total Error Rate	(5) Residual Total Error Rate removing impact of advances to financial instruments	(6) Total Error Rate reportable by EC	(7) Residual Total Error Rate reportable by EC	
CZ	2014CZ16M1OP002	Environment	Y	0.16%	0.16%	0.15%	0.15%	0.87%	0.85%	
CZ	2014CZ16M2OP001	OP Prague – Growth Pole	Y	-	0.00%	0.00%	0.00%	0.10%	0.10%	
CZ	2014CZ16RFOP001	Enterprise and Innovation for Competitiveness	N	6.58%	7.80%	2.00%	2.00%	5.70%	0.94%	MCS in category 2 except for the prevention of conflict of interest and selection / management verifications for a group of operations
CZ	2014CZ16RFOP002	Integrated Regional Operational Programme	Y	0.38%	0.27%	0.22%	0.22%	0.16%	0.16%	
DE	2014DE16M2OP001	OP Niedersachsen ERDF/ESF 2014-2020	Y	-	4.89%	1.12%	1.12%	1.20%	1.19%	MCS in category 2 except for ERDF Measure 1.3.2.1 "Innovation through universities - cooperation/networking"
DE	2014DE16RFOP001	OP Baden-Württemberg ERDF 2014-2020	Y	0.01%	2.61%	2.54%	2.54%	1.05%	1.02%	Ongoing audit contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2017-2018 down to 2%. MCS in category 2 except for R&D measures
DE	2014DE16RFOP002	OP Bayern ERDF 2014-2020	Y	0.15%	3.03%	2.99%	2.99%	2.00%	2.00%	
DE	2014DE16RFOP003	OP Berlin ERDF 2014-2020	Y	-	3.58%	3.00%	3.67%	1.31%	1.13%	
DE	2014DE16RFOP004	OP Brandenburg ERDF 2014-2020	N	5.08%	1.57%	1.55%	1.97%	5.00%	5.00%	
DE	2014DE16RFOP005	OP Bremen ERDF 2014-2020	Y	-	0.00%	0.00%	0.00%	1.32%	1.06%	
DE	2014DE16RFOP006	OP Hamburg ERDF 2014-2020	Y	-	1.41%	1.33%	1.47%	1.20%	1.12%	MCS in category 2 except for IB BGV and financial instruments (category 3)
DE	2014DE16RFOP007	OP Hessen ERDF 2014-2020	Y	-	1.00%	1.00%	1.00%	1.85%	1.71%	
DE	2014DE16RFOP008	OP Mecklenburg-Vorpommern ERDF 2014-2020	Y	-	2.05%	1.13%	1.90%	1.36%	1.10%	

MS	CCI Ref	Title	(1) MCS functioning effectively (Y/N/NA*); Y=Cat. 1-2; N=Cat. 3-4	Accounting year 2016-2017	Accounting year 2017-2018			Accounting year 2018-2019		Comments
				Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)	Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)			Reportable rates (reported by audit authorities and, where necessary, adjusted by EC following preliminary consistency checks)		
				(2) Total Error Rate	(3) Total Error Rate	(4) Residual Total Error Rate	(5) Residual Total Error Rate removing impact of advances to financial institutions	(6) Total Error Rate reportable by EC	(7) Residual Total Error Rate reportable by EC	
DE	2014DE16RFOP009	OP Nordrhein-Westfalen ERDF 2014-2020	Y	0.90%	1.56%	1.54%	1.54%	1.55%	1.52%	
DE	2014DE16RFOP010	OP Rheinland-Pfalz ERDF 2014-2020	Y	-	0.00%	0.00%	0.00%	0.51%	0.29%	
DE	2014DE16RFOP011	OP Saarland ERDF 2014-2020	Y	-	1.35%	1.14%	1.14%	4.73%	3.00%	RTER > 2% as provisionally recalculated by REGIO due to the impact of a public procurement issue; exact impact under assessment by the programme authorities
DE	2014DE16RFOP012	OP Sachsen ERDF 2014-2020	N	1.51%	7.30%	7.29%	7.90%	5.00%	5.00%	Ongoing audit contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2017-2018 down to 2%.
DE	2014DE16RFOP013	OP Sachsen-Anhalt ERDF 2014-2020	Y	-	5.53%	2.61%	3.12%	1.44%	1.42%	Ongoing audit contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2017-2018 down to 2%. MCS in category 2 except for all operations implemented under public procurement rules for which the assessment is category 3.
DE	2014DE16RFOP014	OP Schleswig-Holstein ERDF 2014-2020	Y	-	4.35%	1.92%	2.61%	2.57%	1.22%	
DE	2014DE16RFOP015	OP Thüringen ERDF 2014-2020	Y	0.57%	1.76%	1.72%	1.74%	4.98%	3.02%	RTER > 2% as provisionally recalculated by REGIO due to the impact of a public procurement issue; exact impact under assessment by the programme authorities
DK	2014DK16RFOP001	Innovation and Sustainable Growth in Businesses. National Programme for the European Regional Fund – 2014-2020	Y	0.85%	0.98%	0.85%	0.85%	2.06%	1.89%	

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				Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)	Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)			Reportable rates (reported by audit authorities and, where necessary, adjusted by EC following preliminary consistency checks)		
				(2) Total Error Rate	(3) Total Error Rate	(4) Residual Total Error Rate	(5) Residual Total Error Rate removing impact of advances to financial institutions	(6) Total Error Rate reportable by EC	(7) Residual Total Error Rate reportable by EC	
EE	2014EE16M3OP001	Operational Programme for Cohesion Policy Funding 2014-2020	Y	1.46%	0.73%	0.64%	0.64%	0.94%	0.80%	
ES	2014ES16RFOP002	Multiregional OP for Spain ERDF 2014-20	N	-	5.00%	4.99%	4.99%	5.00%	4.95%	Ongoing audit contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2017-2018 down to 2%.
ES	2014ES16RFOP003	Andalucía ERDF 2014-20 OP	N	-	4.41%	1.14%	1.14%	5.00%	3.24%	
ES	2014ES16RFOP004	Aragón ERDF 2014-20 OP	Y	-	0.00%	0.00%	0.00%	2.00%	2.00%	
ES	2014ES16RFOP005	Asturias ERDF 2014-20 OP	Y	-	3.41%	2.97%	2.97%	2.00%	1.77%	Financial correction to be applied to bring the RTER 2017-2018 down to 2%
ES	2014ES16RFOP006	Baleares ERDF 2014-20 OP	Y	-	2.31%	2.31%	2.31%	2.00%	2.00%	Financial correction to be applied to bring the RTER 2017-2018 down to 2%
ES	2014ES16RFOP007	Canary Islands ERDF 2014-20 OP	N	-	13.04%	11.85%	11.85%	5.00%	3.27%	Ongoing audit contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2017-2018 down to 2%.
ES	2014ES16RFOP008	Cantabria ERDF 2014-20 OP	N	-	3.14%	3.14%	3.14%	5.00%	2.37%	Financial correction to be applied to bring the RTER 2017-2018 down to 2%
ES	2014ES16RFOP009	Castilla y León ERDF 2014-20 OP	Y	-	0.00%	0.00%	0.00%	2.00%	1.96%	
ES	2014ES16RFOP010	Castilla-La Mancha ERDF 2014-20 OP	N	-	7.54%	0.58%	0.58%	5.00%	3.30%	
ES	2014ES16RFOP011	Cataluña ERDF 2014-20 OP	N	-	0.00%	0.00%	0.00%	10.00%	2.57%	
ES	2014ES16RFOP012	Ceuta ERDF 2014-20 OP	Y	-	0.00%	0.00%	0.00%	15.00%	1.10%	MCS in category 2 except for IB Desarrollo Urbano (category 4)
ES	2014ES16RFOP013	Comunidad Valenciana ERDF 2014-20 OP	N	-	0.00%	0.00%	0.00%	15.00%	3.92%	
ES	2014ES16RFOP014	Extremadura ERDF 2014-	N	-	1.25%	1.18%	1.18%	10.00%	1.72%	

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		20 OP								
ES	2014ES16RFOP015	Galicia ERDF 2014-20 OP	Y	-	4.49%	4.45%	4.45%	2.00%	1.81%	Ongoing audit contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2017-2018 down to 2%.
ES	2014ES16RFOP016	La Rioja ERDF 2014-20 OP	Y	-	4.06%	0.98%	0.98%	2.00%	2.00%	
ES	2014ES16RFOP017	Madrid ERDF 2014-20 OP	N	-	0.00%	0.00%	0.00%	15.00%	2.84%	
ES	2014ES16RFOP018	Melilla ERDF 2014-20 OP	Y	-	0.00%	0.00%	0.00%	2.00%	1.46%	MCS in category 2 except for IB Desarrollo Urbano (category 4)
ES	2014ES16RFOP019	Murcia ERDF 2014-20 OP	Y	-	0.00%	0.00%	0.00%	2.00%	1.35%	
ES	2014ES16RFOP020	Navarra ERDF 2014-20 OP	Y	-	0.26%	0.18%	0.18%	2.00%	1.53%	
ES	2014ES16RFOP021	País Vasco ERDF 2014-20 OP	N	-	0.80%	0.51%	0.51%	5.00%	1.35%	
ES	2014ES16RFSM001	SME Initiative ERDF 2014-20 OP	N	-	-	-	-	-	-	Ongoing remedial action plan following ECA audit
FI	2014FI05M2OP001	Entrepreneurship and skills, Åland Structural Fund Programme 2014-2020	Y	-	1.49%	0.94%	0.94%	0.00%	0.00%	
FI	2014FI16M2OP001	Sustainable growth and jobs 2014-2020 - Structural Funds Programme of Finland	Y	1.93%	0.67%	0.65%	0.65%	1.31%	1.29%	
FI	2016FI16RFSM001	SME Initiative: Finnish guarantee scheme to improve access to finance for high-growth firms	Y	-	-	-	-	-	-	
FR	2014FR05M0OP001	Operational Programme ERDF-ESF ile-de-France et Seine 2014-2020	N	40.89%	36.10%	2.00%	2.35%	0.00%	0.00%	
FR	2014FR05M2OP001	Operational Programme ERDF-ESF Guadeloupe et St Martin Etat 2014-2020	Y	-	11.50%	2.00%	2.00%	2.19%	1.88%	

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FR	2014FR16M0OP001	Regional programme Aquitaine 2014-2020	N	5.11%	3.64%	2.00%	2.00%	7.29%	2.00%	
FR	2014FR16M0OP002	Regional programme Auvergne 2014-2020	N	0.94%	3.13%	0.83%	0.83%	18.21%	1.59%	
FR	2014FR16M0OP003	Regional programme Centre 2014-2020	Y	4.22%	3.35%	2.88%	2.88%	2.69%	2.00%	Ongoing audit contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2017-2018 down to 2%.
FR	2014FR16M0OP004	Regional programme Champagne-Ardenne 2014-2020	Y	10.00%	4.83%	2.00%	2.00%	1.33%	0.83%	
FR	2014FR16M0OP005	Regional programme Haute-Normandie 2014-2020	N	-	2.98%	2.00%	2.00%	5.99%	2.00%	
FR	2014FR16M0OP006	Regional programme Languedoc-Roussillon 2014-2020	N	1.72%	1.99%	1.40%	1.40%	5.71%	2.00%	
FR	2014FR16M0OP007	Regional programme Midi-Pyrénées et Garonne 2014-2020	N	5.00%	1.04%	0.70%	0.79%	5.71%	2.00%	
FR	2014FR16M0OP008	Regional programme Picardie 2014-2020	Y	5.00%	5.34%	2.00%	2.00%	0.94%	0.65%	
FR	2014FR16M0OP009	Regional programme Guadeloupe Conseil Régional 2014-2020	N	-	0.38%	0.32%	0.32%	2.22%	1.37%	
FR	2014FR16M0OP011	Regional programme Martinique Conseil Régional 2014-2020	N	2.05%	9.22%	8.54%	8.54%	21.88%	21.72%	Audits not completed; Financial correction to be applied to bring the RTER 2018-2019 down to 2%
FR	2014FR16M0OP012	Regional programme Nord-Pas de Calais 2014-2020	Y	4.16%	0.59%	0.41%	0.41%	0.94%	0.65%	
FR	2014FR16M0OP013	Regional programme Provence Alpes Côte d'Azur 2014-2020	N	2.67%	1.31%	0.76%	1.20%	7.03%	2.00%	
FR	2014FR16M0OP014	Regional programme Bourgogne 2014-2020	N	5.70%	4.26%	2.00%	2.00%	17.74%	17.23%	Audits not completed; Financial correction to be applied to bring the RTER 2018-2019 down to 2%

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FR	2014FR16M0OP015	Regional programme Lorraine et Vosges 2014-2020	Y	10.00%	4.83%	2.00%	2.00%	1.33%	0.83%	
FR	2014FR16M2OP001	Regional programme Basse-Normandie 2014-2020	N	-	1.49%	1.14%	1.14%	6.24%	4.94%	
FR	2014FR16M2OP003	Regional programme Bretagne 2014-2020	Y	0.85%	1.51%	1.39%	1.45%	0.28%	0.02%	
FR	2014FR16M2OP004	Regional programme Corse 2014-2020	N	0.00%	36.16%	2.00%	2.00%	54.01%	51.05%	Audits not completed; Financial correction to be applied to bring the RTER 2018-2019 down to 2%
FR	2014FR16M2OP005	Regional programme Franche-Comté et Jura 2014-2020	N	17.66%	7.07%	2.00%	2.00%	17.74%	17.23%	Audits not completed; Financial correction to be applied to bring the RTER 2018-2019 down to 2%
FR	2014FR16M2OP006	Regional programme Limousin 2014-2020	N	0.00%	0.19%	0.18%	0.18%	7.29%	2.00%	
FR	2014FR16M2OP008	Regional programme Pays de la Loire 2014-2020	Y	1.26%	1.98%	0.05%	0.05%	4.35%	2.00%	
FR	2014FR16M2OP009	Regional programme Poitou Charentes 2014-2020	N	17.01%	0.00%	0.00%	0.00%	7.29%	2.00%	
FR	2014FR16M2OP010	Regional programme Rhône Alpes 2014-2020	N	0.00%	2.22%	2.00%	2.78%	18.21%	1.59%	
FR	2014FR16M2OP011	Regional programme Guyane Conseil Régional 2014-2020	Y	1.43%	0.00%	0.00%	0.00%	0.58%	0.54%	
FR	2014FR16M2OP012	Regional programme Mayotte 2014-2020	Y	-	0.41%	0.29%	0.29%	0.00%	0.00%	
FR	2014FR16M2TA001	National technical assistance programme 2014-2020	Y	11.25%	0.00%	0.00%	0.00%	0.25%	0.21%	
FR	2014FR16RFOP001	Interregional programme Alpes 2014-2020	Y	4.89%	0.00%	0.00%	0.00%	0.83%	0.76%	
FR	2014FR16RFOP002	Interregional programme Loire 2014-2020	Y	0.00%	0.04%	0.04%	0.04%	2.69%	2.00%	
FR	2014FR16RFOP003	Interregional programme Massif Central 2014-2020	Y	6.23%	2.87%	2.00%	2.00%	0.13%	0.11%	

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FR	2014FR16RFOP004	Interregional programme Pyrénées 2014-2020	N	-	1.07%	0.75%	0.75%	5.71%	2.00%	
FR	2014FR16RFOP005	Interregional programme Rhône 2014-2020	N	0.00%	1.08%	0.93%	0.93%	18.21%	1.59%	
FR	2014FR16RFOP006	Interregional programme Alsace 2014-2020	Y	10.00%	4.83%	2.00%	2.00%	1.33%	0.83%	
FR	2014FR16RFOP007	Interregional programme Réunion Conseil Régional 2014-2020	N	0.04%	0.26%	0.24%	0.24%	43.05%	43.04%	Audits not completed; Financial correction to be applied to bring the RTER 2018-2019 down to 2%
GR	2014GR05M2OP001	Reform of the Public Sector	Y	3.99%	2.99%	1.75%	1.84%	3.56%	1.98%	
GR	2014GR16M1OP001	TRANSPORT INFRASTRUCTURE, ENVIRONMENT AND SUSTAINABLE DEVELOPMENT OP	Y	3.99%	2.99%	1.75%	1.84%	3.56%	1.98%	
GR	2014GR16M2OP001	COMPETITIVENESS, ENTREPRENEURSHIP AND INNOVATION OP	Y	3.99%	2.99%	1.75%	1.84%	3.56%	1.98%	
GR	2014GR16M2OP002	CENTRAL MACEDONIA OP	Y	3.99%	2.99%	1.75%	1.84%	3.56%	1.98%	
GR	2014GR16M2OP003	THESSALY OP	Y	3.99%	2.99%	1.75%	1.84%	3.56%	1.98%	
GR	2014GR16M2OP004	EPIRUS OP	Y	3.99%	2.99%	1.75%	1.84%	3.56%	1.98%	
GR	2014GR16M2OP005	WESTERN GREECE OP	Y	3.99%	2.99%	1.75%	1.84%	3.56%	1.98%	
GR	2014GR16M2OP006	WESTERN MACEDONIA OP	Y	3.99%	2.99%	1.75%	1.84%	3.56%	1.98%	

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GR	2014GR16M2OP007	CONTINENTAL GREECE OP	Y	3.99%	2.99%	1.75%	1.84%	3.56%	1.98%	
GR	2014GR16M2OP008	PELOPONNESUS OP	Y	3.99%	2.99%	1.75%	1.84%	3.56%	1.98%	
GR	2014GR16M2OP009	IONIAN ISLANDS OP	Y	3.99%	2.99%	1.75%	1.84%	3.56%	1.98%	
GR	2014GR16M2OP010	NORTH AEGEAN OP	Y	3.99%	2.99%	1.75%	1.84%	3.56%	1.98%	
GR	2014GR16M2OP011	CRETE OP	Y	2.46%	2.99%	1.75%	1.84%	3.56%	1.98%	
GR	2014GR16M2OP012	ATTICA OP	Y	3.99%	2.99%	1.75%	1.84%	3.56%	1.98%	
GR	2014GR16M2OP013	SOUTH AEGEAN OP	Y	3.99%	2.99%	1.75%	1.84%	3.56%	1.98%	
GR	2014GR16M2OP014	EASTERN MACEDONIA-THRACE OP	Y	3.99%	2.99%	1.75%	1.84%	3.56%	1.98%	
GR	2014GR16M3TA001	Technical Assistance Programme	Y	3.99%	2.99%	1.75%	1.84%	3.56%	1.98%	
HR	2014HR16M1OP001	Competitiveness and Cohesion OP	Y	-	9.51%	7.05%	8.02%	0.44%	0.41%	Ongoing audit contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2017-2018 down to 2%. MCS in category 2 except for two IBs, Croatian Waters and EPEFF (category 3)

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HU	2014HU05M2OP001	Human Resources Development Operational Programme	Y	-	3.45%	0.00%	0.00%	5.04%	0.96%	MCS in category 1 except for priority axes 1 and 5 (category 3 for ESF)
HU	2014HU05M3OP001	Public Administration and Civil Service Development OP	N	-	11.80%	1.99%	1.99%	5.61%	0.24%	
HU	2014HU16M0OP001	Economic Development and Innovation Operational Programme	Y	2.06%	3.06%	1.99%	3.59%	3.84%	1.99%	MCS in category 2 except for Venture capital measures (PA 8 in category 3)
HU	2014HU16M1OP001	Environmental and Energy Efficiency OP	Y	0.01%	8.18%	1.64%	1.64%	4.73%	1.99%	MCS in category 2 except for priority axis 3 (category 3)
HU	2014HU16M1OP003	Integrated Transport OP	Y	-	1.01%	0.00%	0.00%	0.67%	0.00%	
HU	2014HU16M2OP001	Territorial and settlement development OP	N	53.92%	11.19%	0.00%	0.00%	13.19%	8.14%	
HU	2014HU16M2OP002	Competitive Central-Hungary OP	N	-	11.19%	0.00%	0.00%	13.19%	8.14%	
IE	2014IE16RFOP001	Border, Midland and Western Regional Operational Programme 2014-2020	N	0.00%	5.00%	5.00%	5.00%	25.00%	25.00%	Ongoing audit contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2017-2018 and 2018-2019 down to 2%.
IE	2014IE16RFOP002	Southern & Eastern Regional Operational Programme	N	0.00%	5.00%	5.00%	5.00%	25.00%	25.00%	Ongoing audit contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2017-2018 and 2018-2019 down to 2%.
IT	2014IT05M2OP001	National Operational Programme on Education	Y	0.90%	1.63%	1.60%	1.60%	1.34%	1.14%	
IT	2014IT05M2OP002	National Operational Programme on Governance and Institutional Capacity	Y	0.00%	1.16%	1.16%	1.16%	1.38%	1.37%	
IT	2014IT16M2OP001	ROP Molise ERDF ESF	Y	1.48%	1.72%	1.72%	1.72%	1.28%	1.09%	

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IT	2014IT16M2OP002	ROP Puglia ERDF ESF	Y	-	10.00%	10.00%	10.00%	4.20%	2.59%	Ongoing audit contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2017-2018 down to 2%. RTER > 2% as provisionally recalculated by REGIO due to the impact of a public procurement issue; exact impact under assessment by the programme authorities
IT	2014IT16M2OP003	National Operational Programme on Legality	Y	-	2.62%	1.78%	1.78%	1.42%	1.42%	
IT	2014IT16M2OP004	National Operational Programme on Metropolitan Cities	Y	0.00%	2.50%	2.50%	2.50%	3.71%	2.52%	RTER > 2% as provisionally recalculated by REGIO due to the impact of a public procurement issue; exact impact under assessment by the programme authorities
IT	2014IT16M2OP005	National Operational Programme on Research and Innovation	Y	-	0.00%	0.00%	0.00%	1.07%	0.87%	
IT	2014IT16M2OP006	ROP Calabria ERDF ESF	N	8.46%	15.00%	5.00%	5.00%	8.98%	3.13%	Financial correction to be applied to bring the RTER down to 2%
IT	2014IT16RFOP001	National Operational Programme on Culture	Y	0.00%	3.59%	3.54%	3.54%	3.66%	2.48%	RTER > 2% as provisionally recalculated by REGIO due to the impact of a public procurement issue; exact impact under assessment by the programme authorities
IT	2014IT16RFOP002	National Operational Programme on Infrastructures and Networks	Y	8.87%	2.50%	2.50%	2.50%	4.03%	3.40%	RTER > 2% as provisionally recalculated by REGIO due to the impact of a public procurement issue; exact impact under assessment by the programme authorities

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IT	2014IT16RFOP003	National Operational Programme on Enterprises and Competitiveness	Y	0.00%	0.20%	0.20%	1.31%	1.13%	1.12%	
IT	2014IT16RFOP004	ROP Abruzzo ERDF	Y	-	0.41%	0.40%	1.11%	2.72%	1.61%	
IT	2014IT16RFOP005	ROP PA Bolzano ERDF	N	-	0.00%	0.00%	0.00%	5.26%	3.66%	RTER > 2% as provisionally recalculated by REGIO due to the impact of a public procurement issue; exact impact under assessment by the programme authorities
IT	2014IT16RFOP007	ROP Campania ERDF	Y	0.00%	3.91%	3.91%	3.91%	4.56%	3.69%	RTER > 2% as provisionally recalculated by REGIO due to the impact of a public procurement issue; exact impact under assessment by the programme authorities
IT	2014IT16RFOP008	ROP Emilia Romagna ERDF	Y	0.52%	2.07%	1.87%	1.87%	2.60%	2.53%	RTER > 2% as provisionally recalculated by REGIO due to the impact of a public procurement issue; exact impact under assessment by the programme authorities
IT	2014IT16RFOP009	ROP Friuli Venezia Giulia ERDF	Y	0.00%	1.18%	1.18%	1.18%	1.77%	1.72%	
IT	2014IT16RFOP010	ROP Lazio ERDF	N	0.00%	0.01%	0.01%	0.06%	9.84%	3.97%	
IT	2014IT16RFOP011	ROP Liguria ERDF	Y	0.93%	1.39%	1.39%	1.41%	1.52%	1.52%	
IT	2014IT16RFOP012	ROP Lombardia ERDF	Y	0.28%	0.35%	0.18%	0.95%	2.20%	2.13%	RTER > 2% as provisionally recalculated by REGIO due to the impact of a public procurement issue; exact impact under assessment by the programme authorities MCS in category 2 except for SCOs (category 3)
IT	2014IT16RFOP013	ROP Marche ERDF	N	0.00%	1.01%	0.97%	1.19%	7.40%	1.53%	

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				Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)	Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)			Reportable rates (reported by audit authorities and, where necessary, adjusted by EC following preliminary consistency checks)		
				(2) Total Error Rate	(3) Total Error Rate	(4) Residual Total Error Rate	(5) Residual Total Error Rate removing impact of advances to financial institutions	(6) Total Error Rate reportable by EC	(7) Residual Total Error Rate reportable by EC	
IT	2014IT16RFOP014	ROP Piemonte ERDF	Y	0.00%	0.42%	0.41%	1.85%	0.68%	0.68%	
IT	2014IT16RFOP015	ROP Sardegna ERDF	Y	0.63%	5.16%	3.39%	3.45%	2.51%	2.42%	RTER > 2% as provisionally recalculated by REGIO due to the impact of a public procurement issue; exact impact under assessment by the programme authorities
IT	2014IT16RFOP016	ROP Sicilia ERDF	Y	-	2.50%	2.50%	2.50%	8.67%	1.68%	Financial correction to be applied to bring the RTER 2017-2018 down to 2% MCS in category 2 except for priority axis 4 (Tratta B in category 3).
IT	2014IT16RFOP017	ROP Toscana ERDF	Y	0.00%	1.13%	1.11%	1.41%	2.91%	2.90%	RTER > 2% as provisionally recalculated by REGIO due to the impact of a public procurement issue; exact impact under assessment by the programme authorities
IT	2014IT16RFOP018	ROP PA Trento ERDF	Y	4-	1.50%	1.50%	1.50%	2.55%	2.32%	RTER > 2% as provisionally recalculated by REGIO due to the impact of a public procurement issue; exact impact under assessment by the programme authorities
IT	2014IT16RFOP019	ROP Umbria ERDF	Y	-	1.85%	1.76%	2.17%	1.44%	1.43%	
IT	2014IT16RFOP020	ROP Valle d'Aosta ERDF	Y	-	1.50%	1.50%	1.50%	1.38%	1.38%	
IT	2014IT16RFOP021	ROP Veneto ERDF	Y	-	2.94%	2.74%	2.74%	1.81%	1.79%	Financial correction to be applied to bring the RTER 2017-2018 down to 2%
IT	2014IT16RFOP022	ROP Basilicata ERDF	Y	10.96%	0.00%	0.00%	0.00%	2.28%	2.28%	RTER > 2% as provisionally recalculated by REGIO due to the impact of a public procurement issue; exact impact under assessment by the programme

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				Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)	Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)			Reportable rates (reported by audit authorities and, where necessary, adjusted by EC following preliminary consistency checks)		
				(2) Total Error Rate	(3) Total Error Rate	(4) Residual Total Error Rate	(5) Residual Total Error Rate removing impact of advances to financial institutions	(6) Total Error Rate reportable by EC	(7) Residual Total Error Rate reportable by EC	
										authorities
IT	2015IT16RFSM001	National operational programme SME Initiative	Y	-	0.00%	0.00%	-	0.00%	0.00%	
LT	2014LT16MAOP001	Operational Programme for EU Structural Funds Investments for 2014-2020	N	8.79%	5.00%	5.00%	5.00%	5.00%	5.00%	Ongoing audit contradictory procedure, including on the impact of a public procurement issue (the exact impact of which is under assessment by the programme authorities). Once finalised and, if necessary, financial corrections will be applied to bring RTER down to 2%.
LU	2014LU16RFOP001	Operational Programme ERDF Luxembourg 2014-2020	Y	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
LV	2014LV16MAOP001	Growth and Employment	Y	0.02%	2.07%	1.55%	1.55%	0.54%	0.53%	
MT	2014MT16M1OP001	Fostering a competitive and sustainable economy to meet our challenges	Y	-	0.02%	0.01%	0.01%	0.00%	0.00%	
MT	2014MT16RFSM001	Stimulate private sector investment for economic growth	Y	-	0.00%	0.00%	-	0.00%	0.00%	
NL	2014NL16RFOP001	OP North Netherlands ERDF 2014-2020	Y	-	0.23%	0.00%	0.00%	2.12%	1.96%	
NL	2014NL16RFOP002	OP West Netherlands ERDF 2014-2020	Y	-	0.04%	0.03%	0.08%	0.42%	0.37%	
NL	2014NL16RFOP003	OP South Netherlands ERDF 2014-2020	Y	-	0.86%	0.60%	0.60%	1.61%	1.55%	
NL	2014NL16RFOP004	OP East Netherlands ERDF 2014-2020	Y	-	0.93%	0.42%	0.42%	0.10%	0.06%	
PL	2014PL16CFTA001	OP Technical Assistance	Y	0.05%	0.02%	0.01%	0.01%	0.10%	0.09%	
PL	2014PL16M1OP001	OP Infrastructure and Environment	Y	0.20%	0.00%	0.00%	0.00%	0.88%	0.87%	

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				Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)	Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)			Reportable rates (reported by audit authorities and, where necessary, adjusted by EC following preliminary consistency checks)		
				(2) Total Error Rate	(3) Total Error Rate	(4) Residual Total Error Rate	(5) Residual Total Error Rate removing impact of advances to financial instruments	(6) Total Error Rate reportable by EC	(7) Residual Total Error Rate reportable by EC	
PL	2014PL16M2OP001	ROP 1 Regional Operational Programme for Dolnośląskie Voivodeship 2014-2020	Y	0.50%	0.50%	0.26%	0.26%	0.25%	0.13%	
PL	2014PL16M2OP002	ROP 2 Regional Operational Programme for Kujawsko-Pomorskie Voivodeship 2014-2020	Y	1.33%	0.59%	0.00%	0.00%	3.79%	2.00%	
PL	2014PL16M2OP003	ROP 3 Regional Operational Programme for Lubelskie Voivodeship 2014-2020	Y	1.07%	1.42%	0.76%	0.76%	0.57%	0.27%	
PL	2014PL16M2OP004	ROP 4 Regional Operational Programme for Lubuskie Voivodeship 2014-2020	Y	1.12%	1.84%	1.13%	1.13%	0.15%	0.01%	
PL	2014PL16M2OP005	ROP 5 Regional Operational Programme for Łódzkie Voivodeship 2014-2020	Y	0.65%	1.75%	1.105%	1.05%	0.22%	0.00%	
PL	2014PL16M2OP006	ROP 6 Regional Operational Programme for Małopolskie Voivodeship 2014-2020	Y	1.58%	4.44%	3.90%	3.90%	0.71%	0.57%	Ongoing audit contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2017-2018 down to 2%.
PL	2014PL16M2OP007	ROP 7 Regional Operational Programme for Mazowieckie Voivodeship 2014-2020	Y	0.57%	2.77%	2.06%	2.08%	1.75%	1.56%	Ongoing audit contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2017-2018 down to 2%.
PL	2014PL16M2OP008	ROP 8 Regional Operational Programme for Opolskie Voivodeship	Y	0.51%	9.70%	9.19%	11.05%	2.45%	1.77%	Ongoing audit contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2017-2018 down to 2%. MCS in category 2 except for financial instruments (category 4)

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				Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)	Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)			Reportable rates (reported by audit authorities and, where necessary, adjusted by EC following preliminary consistency checks)		
				(2) Total Error Rate	(3) Total Error Rate	(4) Residual Total Error Rate	(5) Residual Total Error Rate removing impact of advances to financial institutions	(6) Total Error Rate reportable by EC	(7) Residual Total Error Rate reportable by EC	
PL	2014PL16M2OP009	ROP 9 Regional Operational Programme for Podkarpackie Voivodeship	Y	1.50%	1.17%	0.48%	0.48%	0.36%	0.16%	
PL	2014PL16M2OP010	ROP 10 Regional Operational Programme for Podlaskie Voivodeship	Y	1.15%	0.75%	0.27%	0.27%	0.85%	0.54%	
PL	2014PL16M2OP011	ROP 11 Regional Operational Programme for Pomorskie Voivodeship	Y	0.83%	2.82%	2.00%	2.14%	1.15%	0.76%	
PL	2014PL16M2OP012	ROP 12 Regional Operational Programme for Śląskie Voivodeship	Y	1.05%	5.55%	3.60%	3.60%	3.21%	2.94%	Ongoing audit contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2017-2018 down to 2%.
PL	2014PL16M2OP013	ROP 13 Regional Operational Programme for Świętokrzyskie Voivodeship	Y	2.35%	0.88%	0.19%	0.19%	0.68%	0.43%	
PL	2014PL16M2OP014	ROP 14 Regional Operational Programme for Warmińsko-Mazurskie Voivodeship	Y	0.41%	2.19%	1.31%	1.31%	0.62%	0.32%	
PL	2014PL16M2OP015	ROP 15 Regional Operational Programme for Wielkopolskie Voivodeship	N	0.08%	1.91%	1.48%	1.48%	5.62%	4.20%	
PL	2014PL16M2OP016	ROP 16 Regional Operational Programme for Zachodniopomorskie Voivodeship	Y	0.79%	0.52%	0.10%	0.10%	0.42%	0.25%	
PL	2014PL16RFOP001	OP Smart growth	Y	3.59%	8.32%	7.89%	7.89%	0.36%	0.33%	Ongoing audit contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2017-2018 down to 2%. MCS in category 2 except for measure 4.3 (category 3)
PL	2014PL16RFOP002	OP Digital Poland	Y	0.61%	0.06%	0.00%	0.00%	0.01%	0.01%	

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				Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)	Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)			Reportable rates (reported by audit authorities and, where necessary, adjusted by EC following preliminary consistency checks)		
				(2) Total Error Rate	(3) Total Error Rate	(4) Residual Total Error Rate	(5) Residual Total Error Rate removing impact of advances to financial institutions	(6) Total Error Rate reportable by EC	(7) Residual Total Error Rate reportable by EC	
PL	2014PL16RFOP003	OP Development of Eastern Poland	Y	0.68%	1.70%	1.53%	1.53%	0.12%	0.12%	
PT	2014PT16CFOP001	Sustainability and Resource Use Efficiency OP	N	1.71%	10.22%	9.88%	10.10%	6.04%	2.00%	Ongoing audit contradictory procedure (ECA and REGIO audits). Financial correction to be applied to bring the RTER 2017-2018 down to 2%
PT	2014PT16M2OP001	Regional OP Norte	N	1.71%	10.22%	9.88%	10.10%	6.04%	2.00%	
PT	2014PT16M2OP002	Regional OP Centro	N	1.71%	10.22%	9.88%	10.10%	6.04%	2.00%	
PT	2014PT16M2OP003	Regional OP Alentejo	N	1.71%	10.22%	9.88%	10.10%	6.04%	2.00%	
PT	2014PT16M2OP004	Regional OP Azores (Autonomous Region)	N	1.71%	10.22%	9.88%	10.10%	6.04%	2.00%	
PT	2014PT16M2OP005	Regional OP Lisboa	N	1.71%	10.22%	9.88%	10.10%	6.04%	2.00%	
PT	2014PT16M2OP006	Regional OP Madeira (Autonomous Region)	N	1.71%	10.22%	9.88%	10.10%	6.04%	2.00%	
PT	2014PT16M2OP007	Regional OP Algarve	N	1.71%	10.22%	9.88%	10.10%	6.04%	2.00%	
PT	2014PT16M3OP001	Competitiveness and Internationalisation OP	N	1.71%	10.22%	9.88%	10.10%	6.04%	2.00%	
PT	2014PT16RFTA001	OP Technical Assistance	N	1.71%	10.22%	9.88%	10.10%	6.04%	2.00%	
RO	2014RO16M1OP001	Large Infrastructure Operational Programme	Y	-	2.42%	2.31%	2.31%	2.00%	2.00%	Ongoing audit contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2017-2018 down to 2%.
RO	2014RO16RFOP001	Competitiveness Operational Programme	Y	-	0.00%	0.00%	0.00%	0.14%	0.01%	
RO	2014RO16RFOP002	Regional Operational Programme	N	-	4.11%	0.50%	0.55%	5.33%	1.88%	
RO	2014RO16RFTA001	Technical Assistance Operational Programme	Y	-	0.01%	0.00%	0.00%	0.00%	0.00%	

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				Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)	Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)			Reportable rates (reported by audit authorities and, where necessary, adjusted by EC following preliminary consistency checks)		
				(2) Total Error Rate	(3) Total Error Rate	(4) Residual Total Error Rate	(5) Residual Total Error Rate removing impact of advances to financial institutions	(6) Total Error Rate reportable by EC	(7) Residual Total Error Rate reportable by EC	
SE	2014SE16M2OP001	Community-led local development programme with support from ERDF and ESF 2014-2020	Y	0.00%	0.17%	0.11%	0.11%	0.00%	0.00%	
SE	2014SE16RFOP001	South Sweden	Y	0.03%	0.28%	0.27%	0.41%	0.07%	0.07%	
SE	2014SE16RFOP002	Småland and islands	Y	0.03%	0.28%	0.27%	0.37%	0.07%	0.07%	
SE	2014SE16RFOP003	West Sweden	Y	0.03%	0.28%	0.27%	0.36%	0.07%	0.07%	
SE	2014SE16RFOP004	East-Central Sweden	Y	0.03%	0.28%	0.27%	0.32%	0.07%	0.07%	
SE	2014SE16RFOP005	Stockholm	Y	0.03%	0.28%	0.27%	0.47%	0.07%	0.07%	
SE	2014SE16RFOP006	North-Central Sweden	Y	0.03%	0.28%	0.27%	0.27%	0.07%	0.07%	
SE	2014SE16RFOP007	Central Norrland	Y	0.03%	0.28%	0.27%	0.27%	0.07%	0.07%	
SE	2014SE16RFOP008	Upper Norrland	Y	0.03%	0.28%	0.27%	0.29%	0.07%	0.07%	
SE	2014SE16RFOP009	National regional fund programme for investments in growth and jobs 2014-2020	Y	0.03%	0.28%	0.27%	0.27%	0.07%	0.07%	
SI	2014SI16MAOP001	Operational Programme for the Implementation of the EU Cohesion Policy in the period 2014 – 2020	Y	0.62%	0.90%	0.49%	0.72%	2.50%	2.38%	
SK	2014SK05M0OP001	Operational Programme Human Resources	N	0.00%	0.17%	0.00%	0.00%	0.42%	0.15%	Deficiencies for ERDF part of the system
SK	2014SK16M1OP001	Integrated Infrastructure	N	5.43%	0.74%	0.00%	0.00%	10.54%	3.10%	Ongoing audit contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER down to 2%.
SK	2014SK16M1OP002	Quality of Environment	Y	6.58%	6.86%	6.32%	6.32%	4.18%	4.08%	Ongoing audit contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER down to

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				Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)	Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)			Reportable rates (reported by audit authorities and, where necessary, adjusted by EC following preliminary consistency checks)		
				(2) Total Error Rate	(3) Total Error Rate	(4) Residual Total Error Rate	(5) Residual Total Error Rate removing impact of advances to financial institutions	(6) Total Error Rate reportable by EC	(7) Residual Total Error Rate reportable by EC	
										2%.
SK	2014SK16RFOP001	Research and Innovation	N	0.12%	1.87%	0.61%	0.66%	0.15%	0.02%	
SK	2014SK16RFOP002	Integrated Regional Operational Programme	N	0.00%	0.45%	0.44%	0.94%	1.11%	0.63%	
SK	2014SK16RFTA001	Technical Assistance	Y	0.00%	0.00%	0.00%	0.00%	3.29%	3.29%	
TC	2014TC16M4TN001	Mediterranean	Y	-	0.66%	0.63%	0.63%	0.18%	0.13%	
TC	2014TC16M4TN002	Adriatic-Ionian	Y	-	0.00%	0.00%	0.00%	0.56%	0.56%	
TC	2014TC16M4TN003	Balkan-Mediterranean	Y	-	0.00%	0.00%	0.00%	23.19%	23.15%	MCS category 2 except for partner in Cyprus (category 3)
TC	2014TC16M5TN001	Baltic Sea	Y	0.60%	0.55%	0.53%	0.53%	0.03%	0.03%	
TC	2014TC16M6TN001	Danube	Y	-	0.32%	0.17%	0.17%	1.71%	1.57%	
TC	2014TC16RFCB001	Interreg V-A - Belgium-Germany-The Netherlands (Euregio Meuse-Rhin/Euregio Maas-Rijn/Euregio Maas-Rhein)	Y	-	0.16%	0.00%	0.00%	1.10%	0.89%	
TC	2014TC16RFCB002	Interreg V-A - Austria-Czech Republic	Y	-	0.00%	0.00%	0.00%	2.54%	1.80%	
TC	2014TC16RFCB003	Interreg V-A - Slovakia-Austria	Y	-	0.00%	0.00%	0.00%	1.18%	0.96%	
TC	2014TC16RFCB004	Interreg V-A - Austria-Germany/Bavaria (Bayern-Österreich)	Y	-	0.70%	0.55%	0.55%	0.49%	0.44%	
TC	2014TC16RFCB005	Interreg V-A - Spain-Portugal (POCTEP)	Y	-	0.00%	0.00%	0.00%	2.00%	1.72%	
TC	2014TC16RFCB006	Interreg V-A - Spain-France-Andorra (POCTEFA)	Y	-	0.00%	0.00%	0.00%	2.00%	1.88%	
TC	2014TC16RFCB007	Interreg V-A - Spain-Portugal (Madeira-Açores-Canarias (MAC))	N	-	0.00%	0.00%	0.00%	2.00%	2.00%	

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				Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)	Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)			Reportable rates (reported by audit authorities and, where necessary, adjusted by EC following preliminary consistency checks)		
				(2) Total Error Rate	(3) Total Error Rate	(4) Residual Total Error Rate	(5) Residual Total Error Rate removing impact of advances to financial institutions	(6) Total Error Rate reportable by EC	(7) Residual Total Error Rate reportable by EC	
TC	2014TC16RFCB008	Interreg V-A - Hungary-Croatia	Y	-	0.00%	0.00%	0.00%	0.55%	0.19%	
TC	2014TC16RFCB009	Interreg V-A - Germany/Bavaria-Czech Republic	Y	-	0.00%	0.00%	0.00%	1.09%	0.99%	
TC	2014TC16RFCB010	Interreg V-A - Austria-Hungary	Y	-	0.00%	0.00%	0.00%	0.24%	0.23%	
TC	2014TC16RFCB011	Interreg V-A - Germany/Brandenburg-Poland	Y	-	0.00%	0.00%	0.00%	0.24%	0.21%	
TC	2014TC16RFCB012	Interreg V-A - Poland-Slovakia	Y	0.05%	0.87%	0.83%	0.83%	0.87%	0.83%	
TC	2014TC16RFCB013	Interreg V-A - Poland-Denmark-Germany-Lithuania-Sweden (South Baltic)	Y	0.00%	0.14%	0.12%	0.32%	1.33%	1.29%	
TC	2014TC16RFCB014	Interreg V-A - Finland-Estonia-Latvia-Sweden (Central Baltic)	Y	14.61%	0.61%	0.07%	0.07%	1.76%	1.63%	
TC	2014TC16RFCB015	Interreg V-A - Slovakia-Hungary	Y	-	0.00%	0.00%	0.00%	0.01%	0.01%	
TC	2014TC16RFCB016	Interreg V-A - Sweden-Norway	Y	0.11%	0.00%	0.00%	0.00%	0.00%	0.00%	
TC	2014TC16RFCB017	Interreg V-A - Germany/Saxony-Czech Republic	Y	2.82%	2.15%	1.83%	1.83%	2.32%	2.25%	
TC	2014TC16RFCB018	Interreg V-A - Poland-Germany/Saxony	Y	0.15%	1.17%	0.96%	0.96%	0.74%	0.66%	
TC	2014TC16RFCB019	Interreg V-A - Germany/Mecklenburg-Vorpommern-Brandenburg-Poland	Y	-	0.00%	0.00%	0.00%	0.11%	0.08%	
TC	2014TC16RFCB020	Interreg V-A - Greece-Italy	Y	-	0.95%	0.95%	0.95%	0.95%	0.95%	
TC	2014TC16RFCB021	Interreg V-A - Romania-Bulgaria	N	0.62%	0.33%	0.00%	0.00%	20.01%	19.93%	
TC	2014TC16RFCB022	Interreg V-A - Greece-Bulgaria	Y	-	0.00%	0.00%	0.00%	1.10%	0.89%	

MS	CCI Ref	Title	(1) MCS functioning effectively (Y/N/NA*); Y=Cat. 1-2; N=Cat. 3-4	Accounting year 2016-2017	Accounting year 2017-2018			Accounting year 2018-2019		Comments
				Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)	Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)			Reportable rates (reported by audit authorities and, where necessary, adjusted by EC following preliminary consistency checks)		
				(2) Total Error Rate	(3) Total Error Rate	(4) Residual Total Error Rate	(5) Residual Total Error Rate removing impact of advances to financial institutions	(6) Total Error Rate reportable by EC	(7) Residual Total Error Rate reportable by EC	
TC	2014TC16RFCB023	Interreg V-A - Germany-The Netherlands (Deutschland-Nederland)	Y	0.86%	0.26%	0.17%	0.17%	0.07%	0.06%	
TC	2014TC16RFCB024	Interreg V-A - Germany-Austria-Switzerland-Liechtenstein (Alpenrhein-Bodensee-Hochrhein)	Y	-	0.28%	0.18%	0.18%	0.28%	0.27%	
TC	2014TC16RFCB025	Interreg V-A - Czech Republic-Poland	Y	0.07%	0.43%	0.30%	0.30%	0.14%	0.03%	
TC	2014TC16RFCB026	Interreg V-A - Sweden-Denmark-Norway (Øresund-Kattegat-Skagerrak)	Y	0.22%	0.38%	0.35%	0.35%	0.20%	0.19%	
TC	2014TC16RFCB027	Interreg V-A - Latvia-Lithuania	Y	0.00%	1.06%	1.05%	1.05%	1.00%	1.00%	
TC	2014TC16RFCB028	Interreg V-A - Sweden-Finland-Norway (Botnia-Atlantica)	Y	0.15%	0.05%	0.04%	0.04%	0.29%	0.26%	
TC	2014TC16RFCB029	Interreg V-A - Slovenia-Croatia	Y	-	2.91%	0.00%	0.00%	0.00%	0.00%	
TC	2014TC16RFCB030	Interreg V-A - Slovakia-Czech Republic	Y	-	0.00%	0.00%	0.00%	0.10%	0.00%	
TC	2014TC16RFCB031	Interreg V-A - Lithuania-Poland	Y	-	0.00%	0.00%	0.00%	0.01%	0.01%	
TC	2014TC16RFCB032	Interreg V-A - Sweden-Finland-Norway (Nord)	Y	0.10%	0.15%	0.13%	0.13%	0.17%	0.15%	
TC	2014TC16RFCB033	Interreg V-A - Italy-France (Maritime)	Y	-	0.63%	0.63%	0.63%	0.72%	0.71%	
TC	2014TC16RFCB034	Interreg V-A - France-Italy (ALCOTRA)	N	-	0.25%	0.22%	0.22%	5.54%	2.70%	RTER > 2% as provisionally recalculated by REGIO due to the impact of a public procurement issue on the IT partners; exact impact under assessment by the programme authorities
TC	2014TC16RFCB035	Interreg V-A - Italy-Switzerland	Y	-	0.00%	0.00%	0.00%	2.58%	2.40%	RTER > 2% as provisionally recalculated by REGIO due to the impact of a public procurement issue on the IT partners; exact

MS	CCI Ref	Title	(1) MCS functioning effectively (Y/N/NA*); Y=Cat. 1-2; N=Cat. 3-4	Accounting year 2016-2017	Accounting year 2017-2018			Accounting year 2018-2019		Comments
				Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)	Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)			Reportable rates (reported by audit authorities and, where necessary, adjusted by EC following preliminary consistency checks)		
				(2) Total Error Rate	(3) Total Error Rate	(4) Residual Total Error Rate	(5) Residual Total Error Rate removing impact of advances to financial institutions	(6) Total Error Rate reportable by EC	(7) Residual Total Error Rate reportable by EC	
										impact under assessment by the programme authorities
TC	2014TC16RFCB036	Interreg V-A - Italy-Slovenia	Y	-	0.63%	0.63%	0.63%	2.20%	1.93%	
TC	2014TC16RFCB037	Interreg V-A - Italy-Malta	Y	-	0.00%	0.00%	0.00%	0.77%	0.75%	
TC	2014TC16RFCB038	Interreg V-A - France-Belgium-The Netherlands-United Kingdom (Les Deux Mers/Two seas/Twee Zeeën)	Y	-	0.06%	0.06%	0.06%	0.29%	0.26%	
TC	2014TC16RFCB039	Interreg V-A - France-Germany-Switzerland (Rhin supérieur/Oberrhein)	Y	-	0.00%	0.00%	0.00%	1.17%	1.17%	
TC	2014TC16RFCB040	Interreg V-A - France-United Kingdom (Manche/Channel)	Y	0.05%	0.32%	0.18%	0.18%	0.13%	0.12%	
TC	2014TC16RFCB041	Interreg V-A - France-Switzerland	Y	-	5.95%	2.00%	2.00%	0.18%	0.16%	
TC	2014TC16RFCB042	Interreg V-A - Italy-Croatia	Y	-	0.00%	0.00%	0.00%	0.97%	0.68%	
TC	2014TC16RFCB043	Interreg V-A - France (Saint Martin-Sint Maarten)	NA	-	0.00%	0.00%	0.00%	0.00%	0.00%	
TC	2014TC16RFCB044	Interreg V-A - Belgium-France (France-Wallonie-Vlaanderen)	Y	-	1.19%	1.08%	1.08%	0.61%	0.53%	
TC	2014TC16RFCB045	Interreg V-A - France-Belgium-Germany-Luxembourg (Grande Région/Großregion)	Y	-	0.00%	0.00%	0.00%	0.05%	0.05%	
TC	2014TC16RFCB046	Interreg V-A - Belgium-The Netherlands (Vlaanderen-Nederland)	Y	0.96%	0.86%	0.77%	0.77%	1.73%	1.70%	
TC	2014TC16RFCB047	Interreg V-A - United Kingdom-Ireland (Ireland-Northern Ireland-Scotland)	Y	0.00%	0.23%	0.14%	0.14%	1.72%	1.69%	

MS	CCI Ref	Title	(1) MCS functioning effectively (Y/N/NA*); Y=Cat. 1-2; N=Cat. 3-4	Accounting year 2016-2017	Accounting year 2017-2018			Accounting year 2018-2019		Comments
				Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)	Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)			Reportable rates (reported by audit authorities and, where necessary, adjusted by EC following preliminary consistency checks)		
				(2) Total Error Rate	(3) Total Error Rate	(4) Residual Total Error Rate	(5) Residual Total Error Rate removing impact of advances to financial institutions	(6) Total Error Rate reportable by EC	(7) Residual Total Error Rate reportable by EC	
TC	2014TC16RFCB048	Interreg V-A - United Kingdom-Ireland (Ireland-Wales)	Y	0.03%	0.01%	0.01%	0.01%	0.00%	0.00%	
TC	2014TC16RFCB049	Interreg V-A - Romania-Hungary	Y	-	0.00%	0.00%	0.00%	3.21%	2.00%	
TC	2014TC16RFCB050	Interreg V-A - Estonia-Latvia	Y	0.00%	2.20%	1.97%	1.97%	0.61%	0.55%	
TC	2014TC16RFCB051	Interreg V-A - France (Mayotte-Comores-Madagascar)	NA	-	0.00%	0.00%	0.00%	0.00%	0.00%	
TC	2014TC16RFCB052	Interreg V-A - Italy-Austria	Y	-	0.00%	0.00%	0.00%	0.68%	0.64%	
TC	2014TC16RFCB053	Interreg V-A - Slovenia-Hungary	Y	-	0.05%	0.03%	0.03%	1.87%	0.10%	
TC	2014TC16RFCB054	Interreg V-A - Slovenia-Austria	Y	-	0.14%	0.12%	0.12%	0.39%	0.31%	
TC	2014TC16RFCB055	Interreg V-A - Greece-Cyprus	Y	-	0.00%	0.00%	0.00%	0.20%	0.16%	
TC	2014TC16RFCB056	Interreg V-A - Germany-Denmark	Y	0.07%	0.57%	0.49%	0.49%	1.64%	1.50%	
TC	2014TC16RFIR001	INTERREG EUROPE	Y	-	0.07%	0.07%	0.07%	0.26%	0.26%	
TC	2014TC16RFIR002	INTERACT	Y	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
TC	2014TC16RFIR003	URBACT	Y	-	0.33%	0.31%	0.31%	1.36%	1.29%	
TC	2014TC16RFIR004	ESPON	Y	-	0.00%	0.00%	0.00%	0.00%	0.00%	
TC	2014TC16RFPC001	Ireland-United Kingdom (PEACE)	Y	0.00%	0.23%	0.14%	0.14%	1.72%	1.69%	
TC	2014TC16RFTN001	Alpine Space	Y	-	0.75%	0.71%	0.71%	0.54%	0.53%	
TC	2014TC16RFTN002	Atlantic Area	Y	-	0.00%	0.00%	0.00%	0.18%	0.13%	
TC	2014TC16RFTN003	Central Europe	N	-	0.00%	0.00%	0.00%	5.96%	5.94%	
TC	2014TC16RFTN004	Northern Periphery and Arctic	Y	0.92%	0.00%	0.00%	0.00%	0.02%	0.02%	

MS	CCI Ref	Title	(1) MCS functioning effectively (Y/N/NA*); Y=Cat. 1-2; N=Cat. 3-4	Accounting year 2016-2017	Accounting year 2017-2018			Accounting year 2018-2019		Comments
				Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)	Confirmed error rates after EC's assessment (desk review of all OPs and risk-based compliance audits)			Reportable rates (reported by audit authorities and, where necessary, adjusted by EC following preliminary consistency checks)		
				(2) Total Error Rate	(3) Total Error Rate	(4) Residual Total Error Rate	(5) Residual Total Error Rate removing impact of advances to financial institutions	(6) Total Error Rate reportable by EC	(7) Residual Total Error Rate reportable by EC	
TC	2014TC16RFTN005	North Sea	Y	0.46%	1.22%	1.12%	1.12%	2.47%	2.00%	
TC	2014TC16RFTN006	North West Europe	Y	-	0.07%	0.04%	0.04%	0.10%	0.02%	
TC	2014TC16RFTN007	South West Europe	Y	-	0.45%	0.43%	0.43%	0.05%	0.04%	
TC	2014TC16RFTN008	Caribbean Area	Y	-	0.00%	0.00%	0.00%	0.00%	0.00%	
TC	2014TC16RFTN009	Indian Ocean Area	N	0.00%	0.00%	0.00%	0.00%	67.06%	67.06%	Audits not completed; Financial correction to be applied to bring the RTER 2018-2019 down to 2%
TC	2014TC16RFTN010	Amazonia	Y	-	0.00%	0.00%	0.00%	0.41%	0.00%	
UK	2014UK16RFOP001	United Kingdom - ERDF England	Y	0.07%	0.93%	0.62%	0.73%	2.44%	1.96%	
UK	2014UK16RFOP002	United Kingdom - ERDF Gibraltar	N	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	
UK	2014UK16RFOP003	United Kingdom - ERDF Northern Ireland	Y	0.00%	1.14%	0.22%	0.22%	0.11%	0.08%	
UK	2014UK16RFOP004	United Kingdom - ERDF Scotland	N	-	24.13%	1.99%	1.99%	0.00%	0.00%	
UK	2014UK16RFOP005	United Kingdom - ERDF West Wales and The Valleys	Y	6.94%	2.07%	2.05%	2.20%	0.67%	0.28%	Ongoing audit contradictory procedure. Once finalised and, if necessary, financial corrections will be applied to bring RTER 2017-2018 down to 2%.
UK	2014UK16RFOP006	United Kingdom - ERDF East Wales	Y	6.94%	2.07%	2.05%	2.20%	0.67%	0.28%	MCS in category 2 except for Network Rail (category 3).
KPI 5 confirmed for accounting year 2017-2018									2.7%	
Amount at risk at closure (where all RTERs 2017-2018 > 2 % are brought down to 2%)									1.1%	

ANNEX 10C: 2014/2020 ERDF / CF Programmes: Financial corrections applied by the Member States

The table below lists the **financial corrections performed for the accounting year 2018-2019** by the Member States in Euro, in total amounts and amounts due to audits.

(EUR)	Total withdrawals and recoveries	Total deductions from accounts	Total	Out of which amounts corrected as results of audits
	A	B	(A+B)	
AT	0	17.506.390	17.506.390	14.770.404
BE	972.003	18.764.736	19.736.739	2.313.204
BG	851.898	21.500.692	22.352.590	11.932.242
CY	1.389	89.761	91.150	86.377
CZ	1.906.490	51.263.384	53.169.874	6.957.029
DE	1.642.816	64.791.631	66.434.447	16.043.118
DK	0	12.405.820	12.405.820	0
EE	627.102	24.092.571	24.719.673	1.302.687
ES	16.621.359	561.479.526	578.100.884	76.257.261
FI	280.244	15.057.008	15.337.251	65.128
FR	54.997	132.734.164	132.789.162	65.328.258
GR	10.135.302	30.809.832	40.945.134	27.913.097
HR	63.168.193	16.025.596	79.193.789	97.326
HU	162.582.239	749.849.208	912.431.447	13.120.686
IE	0	1.473.003	1.473.003	1.473.003
IT	9.551.301	132.900.657	142.451.958	52.651.916
LT	449.999	134.041.496	134.491.495	3.336.215
LU	0	0	0	0
LV	485.903	69.912.204	70.398.107	51.140
MT	39.291	4.154.805	4.194.096	1.408
NL	61.331	445.426	506.757	124.585
PL	12.320.090	223.718.392	236.038.482	8.816.585
PT	10.872.038	141.387.857	152.259.896	109.550.208
RO	970.242	144.258.495	145.228.737	69.655.051
SE	163.749	142.735	306.483	2.336
SI	455.793	77.259.309	77.715.102	1.034.881
SK	1.048.987	367.373.072	368.422.059	34.843.983
TC	913.898	22.192.862	23.106.760	1.878.181
UK	3.172.353	70.078.670	73.251.023	7.367.215
TOTAL	299.349.004	3.105.709.304	3.405.058.308	526.973.523

In 2019 a total of EUR 3.41 billion was deducted either from interim payment applications or directly from the accounts. Out of this around 15.5 % was corrected as a result of audits. The remaining amounts removed from the accounts were mainly¹⁶ due to different on-going assessments under Article 137(2) of CPR of expenditure previously declared during the accounting year, but also due to additional management verifications and corrections of clerical errors.

The table below lists the **financial corrections reported cumulatively** since the beginning of the period 2014-2020 by the Member States, in total amounts and amounts due to audits.

¹⁶ At least 55%

	Total withdrawals and recoveries	Total deductions from accounts	Total	Out of which amounts corrected as results of audits
	A	B	(A+B)	
AT	0	18.042.490	18.042.490	15.052.833
BE	1.250.312	21.584.261	22.834.573	2.993.285
BG	1.804.736	41.688.584	43.493.320	16.131.930
CY	65.054	510.403	575.457	182.503
CZ	2.106.174	130.363.036	132.469.209	27.831.536
DE	2.249.636	114.181.784	116.431.419	31.760.113
DK	0	13.024.254	13.024.254	0
EE	2.107.963	49.560.631	51.668.594	12.336.697
ES	16.621.359	652.333.122	668.954.481	80.973.736
FI	294.824	31.608.500	31.903.325	268.374
FR	58.054	159.139.267	159.197.320	82.018.499
GR	30.324.811	135.266.487	165.591.298	45.848.298
HR	63.168.193	33.878.014	97.046.207	9.773.821
HU	162.689.301	1.993.402.241	2.156.091.542	49.656.529
IE	0	2.533.688	2.533.688	2.536.688
IT	10.074.167	300.696.689	310.770.856	58.433.225
LT	684.353	255.370.461	256.054.815	17.693.947
LU	0	0	0	0
LV	505.888	87.371.473	87.877.361	1.424.433
MT	43.322	4.222.011	4.265.333	7.224
NL	61.331	661.703	723.034	217.320
PL	37.861.437	609.327.506	647.188.944	40.952.851
PT	11.325.570	181.703.975	193.029.546	113.755.650
RO	2.131.960	229.782.100	231.914.060	82.679.202
SE	244.230	4.435.596	4.679.826	18.607
SI	1.107.187	78.309.944	79.417.131	2.085.516
SK	2.049.733	457.352.176	459.401.909	56.711.947
TC	1.163.252	27.873.064	29.036.316	3.198.326
UK	5.065.845	115.410.244	120.476.089	49.687.007
TOTAL	355.058.694	5.749.633.704	6.104.692.397	804.230.096

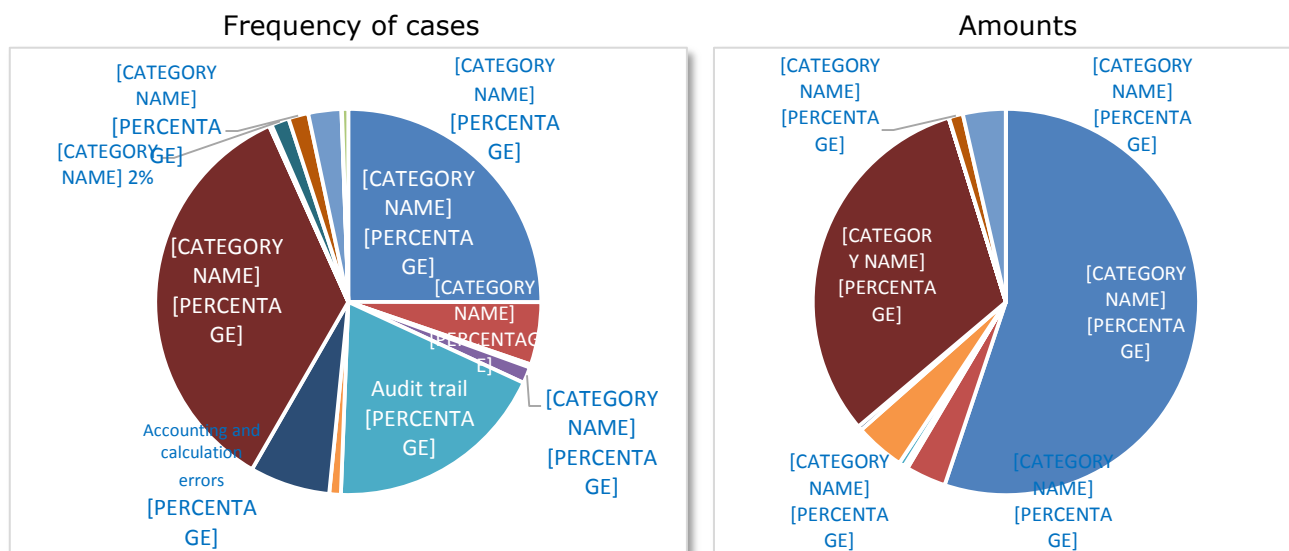
ANNEX 10D: 2014-2020 ERDF / CF programmes: Typologies of irregularities reported by Member States with the 2017-2018 assurance packages, by REGIO auditors and by ECA¹⁷

1) Typologies of irregularities reported by Member States in their 2019 annual control reports related to the 2017-2018 assurance packages

Category	Frequency (number of cases)	Amount of the reported irregularities (total costs, in million EUR)
Public Procurement	569	103
Ineligible expenditure / project	817	66,4
Missing supporting information or documentation	426	0,9
Accounting and calculation errors at project level	153	0,7
State aid	119	6,3
Sound Financial Management	63	6,7
Simplified Cost Options	38	2,2
Information and publicity measures	34	0,02
Financial instruments	31	0,4
Revenue Generating projects	6	0,2
Sub TOTAL	2,256	186,9

Other non-quantifiable irregularities reported	
Performance indicators	12
Equal Opportunities / Non discrimination	4
Data protection	1
Environmental rules	1
Sub TOTAL	18
Grant total (quantifiable and non quantifiable)	2,274

Audit authorities' results: in frequency and amounts (% of total)

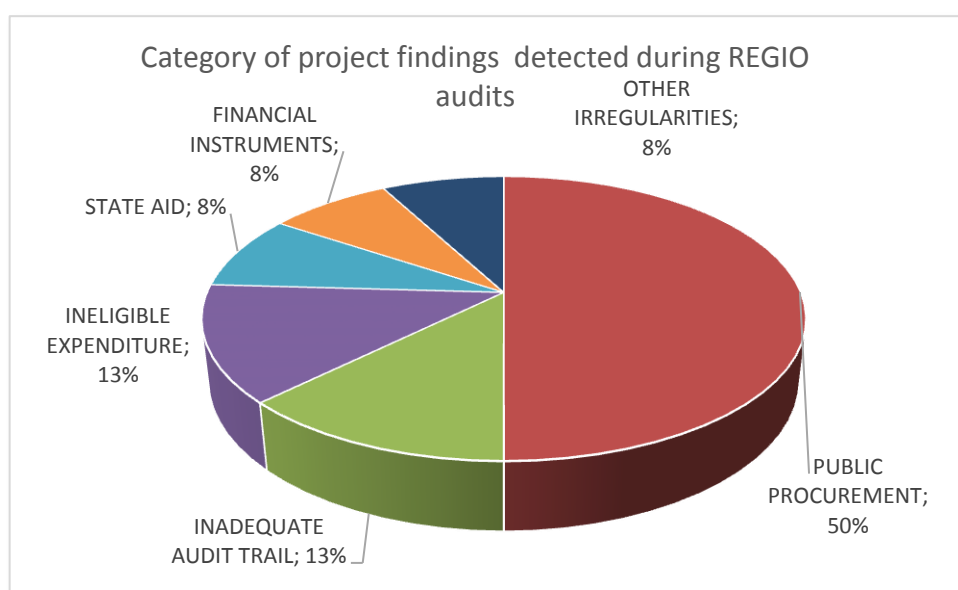


¹⁷ The data on ECA findings available at the moment of the signature of this AAR is related to the accounting year 2016-2017.

2) Typologies of irregularities reported in REGIO audits in 2019 (related mostly but not exclusively to the 2017-2018 assurance packages)

The different types of audits carried out in 2019 by REGIO also led to the identification of **126 system and 166 project findings in relation to the 266 ERDF/CF operations that REGIO audited** on the spot. In line with the joint typology of errors agreed with audit authorities, the vast majority of the 166 project audit findings related to **public procurement irregularities (50%)**, ineligible expenditure/project (13%) and inadequate audit trail (missing documentation, 13%).

For the accounting year 2017-2018, audit results from both audit authorities and REGIO concern the same main categories: ineligible expenditure, public procurement, audit trail and State aid. These categories show the main risky areas for the ESI Funds implementation.



There are, however, some differences between the results obtained by the audit authorities and REGIO auditors:

- In 2019 REGIO identified a high frequency of public procurement irregularities in its audits compared to 2018 and to audit authorities' results. This is mainly due to a systemic issue detected in Spain due to the wrong transposition of the public procurement Directives into the prior national law¹⁸, the use of standards or brands without the mention "or equivalent" in Spain, Poland and Romania but also to a high number of such irregularities detected this year in Germany (22% of all public procurement irregularities). These irregularities were not detected or not sufficiently quantified by the audit authorities.
- In 2019 REGIO started with the first audits on financial instruments for the period 2014-2020 as in the 2017-2018 accounts programmes authorities started to report significant

¹⁸ Limitation of subcontracting. However, this issue has been solved with the adoption of the public procurement law in 2017 transposing the 2014 Directives.

amounts implemented. The findings relate mainly to ineligible investments¹⁹, but also to ineligible companies or management costs and fees at the level of individual instruments.

Category of detected irregularity	Number	Proportion
Public Procurement	83	50%
* Discriminatory technical specifications	24	14%
* Unlawful and/or discriminatory selection and/or award criteria laid down in the contract notice or tender documents + Evaluation of tenderers/candidates using unlawful selection or award criteria	18	11%
* Other public procurement - national rules	9	5%
* Artificial splitting of works/services/supplies contracts.	6	4%
* Failure to state: - the grounds for exclusion; and/or - the selection criteria in the contract notice; and/or - the award criteria (and their weighting) in the contract notice or in the tender specifications	4	2%
* Irregular award of additional works/services/supplies contracts + Substantial modification of the contract elements set out in the contract notice or tender specifications + Additional works or services exceeding the limit laid down in the relevant provisions	6	4%
* Other public procurement	16	10%
Missing supporting information or documentation (Inadequate audit trail)	21	13%
Ineligible expenditure	20	12%
* Ineligible VAT or other taxes	4	2%
* Expenditure not related to the project	3	2%
* Expenditure incurred before or after the eligibility period	1	1%
* Other ineligible expenditure	12	7%
Ineligible projects	2	1%
State Aid	14	8%
Financial Instruments	13	8%
Information and publicity measures	4	2%
Sound financial management	3	2%
Revenue Generating projects	2	1%
Performance Indicators	2	1%
Accounting and calculation errors at project level	2	1%
Total	166	100%

¹⁹ that the fund manager can replace by eligible investments, up to closure, in line with Article 42 CPR

ANNEX 10E: 2007-2013 and 2000-2006 ERDF/CF programmes: Assurance at closure

2007-2013 ERDF / CF programmes

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

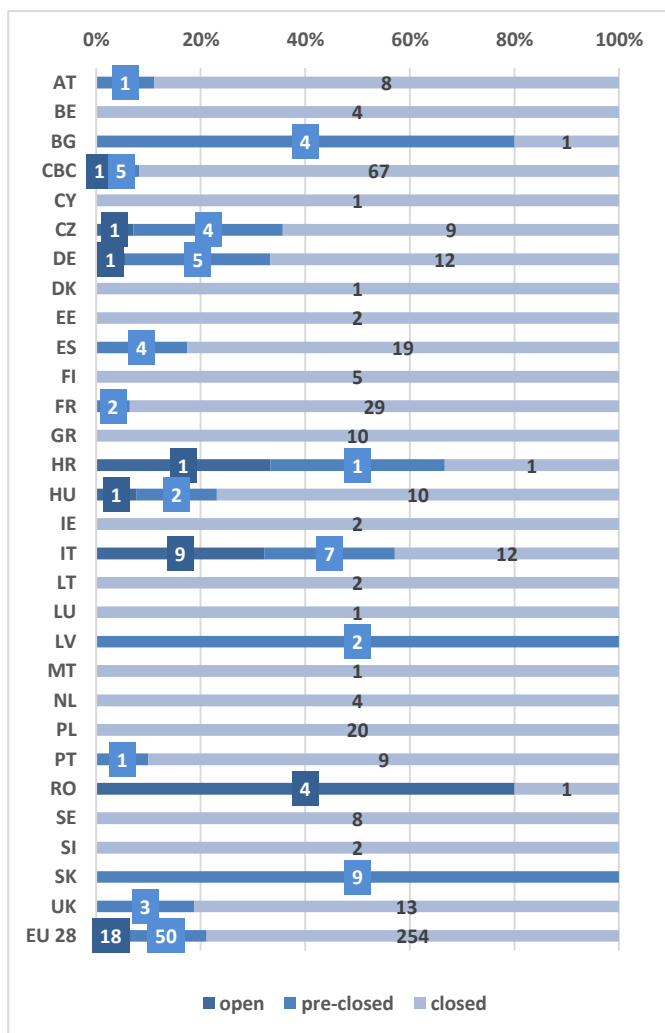
Indicator	2019
Cumulative number of programmes pre-closed/closed by end 2019	304
RAL (open commitments) - at 31/3/2017 (initial situation)	14.9bn
- at 31/12/2017 (- 5.8bn)	9.1bn
- at 31/12/2018 (- 6.2bn)	2.9 bn
- at 31/12/2019 (- 0.8bn)	2.1 bn

If there are no pending issues identified in the programme or all pending issues have been resolved, the final balance can be determined and paid. Consequently, a closure letter can be sent accepting the closure documents. However, if there are pending issues (such as on-going OLAF/national investigations, open audit findings, pending recoveries, etc.) identified

in the programme, the final balance cannot yet be determined, the Commission pays only the uncontested amount to the Member State. A pre-closure letter shall be sent. Once the pending issues are resolved, a closure letter can be sent to the Member State.

Article 89(4) of the General Regulation provides that subject to available funding, the Commission shall pay the final balance within no more than 45 days from the latter of the following dates: the date of the acceptance of the Final Implementation Report and the date of the acceptance of the Closure Declaration.

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



Graph 5: State of closure as at 31/12/2019

Indicator (programming period 2007-2013)	2019
Reviewed audit authorities by REGIO	52 ²⁰ in charge of >98% of ERDF/CF allocations ²¹
Reliance on reviewed audit authorities by REGIO	100% of reviewed audit authorities (after action plans, where necessary)

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

Enquiry planning memorandum	Number of audits
Review of the work of audit authorities	242
Monitoring of Article 73	21
Fact finding audits on annual control reports and final control reports	72
Bridging the assurance gap	156
Reliability of reporting of withdrawals and recoveries	36
Financial instruments	15
Audit of the management verifications in ETC programmes	20
Audits to estimate an error rate at the beginning of the programming period (2009)	14
Performance audits (pilot exercise)	9
TOTAL	585

The validated error rates reported annually by the audit authorities reflect the effective functioning of the management and control systems and, together with the cumulative residual risk (taking account of the financial corrections implemented by Member States), constitute the cornerstone of the assurance process and of the methodology to estimate the residual amount at risk at closure.

Therefore, REGIO's audit effort focused in first instance to ascertain the reliability to be put in the work of audit authorities. Since 2009, 335 audits to review the audit authorities' work were carried out. These audits contributed to capacity building, when need for improvements or weaknesses were identified and allowed to bring all concerned audit authorities to a common level playing field. As a result of this exhaustive audit work, REGIO was eventually able to rely on the work of 52 audit authorities, in charge of auditing 98% of the ERDF/CF expenditure in the programming period.

Over **580 REGIO audits**
since 2009
335 to review the audit
authorities' work

Reliance on work
of **52 audit authorities**
(auditing >98 % of ERDF/CF)

²⁰ The on the spot audits by Directorate General of Regional and Urban Policy covered the following ERDF/CF audit authorities responsible for audit of mainstream programmes: (1 AT, 2 BE (out of 3 AAs), 1 BG, 1 CY, 1 CZ, 11 DE (out of 17 AAs), 1 DK, 1 EE, 1 ES, 1 FI (out of 2 AAs), 1 FR, 1 EL, 1 HR, 1 HU, 1 IE, 12 IT (out of 25 AAs), 1 LT, 1 LV, 1 MT, 1 NL, 1 PL, 1 PT, 1 RO, 1 SE, 1 SI, 1 SK and 4 UK (out of 5 AAs). LU was the only Member States without on-the-spot audit by REGIO. In addition, 7 audit authorities responsible for ETC programmes only were indirectly covered by the specific ETC audits as well (the latter representing 0.36% of total ERDF allocation).

²¹ ERDF/CF allocation for both mainstream and ETC programmes under the audit responsibility of 75 ERDF/CF audit authorities.

Where the work of the audit authorities could not be fully relied upon, or where specific risks were not addressed in a timely way by the audit authorities' audit strategies, REGIO carried out its own audit work to obtain direct assurance (under the "Bridging the assurance gap" audit enquiry).

Where serious deficiencies have been detected, either through the work of the audit authorities or from the work of the REGIO audit directorate, timely corrective actions have been taken. In particular, through procedures for the interruption and suspension of Commission payments and appropriate reservations entered in the annual activity reports, REGIO has systematically requested national authorities to implement appropriate action plans to ensure the effective functioning of the management and control systems for newly declared expenditure (to avoid repetition of the same types of irregularities) and to make proportionate financial corrections for expenditure already declared to the Commission, when needed. The audit directorate has closely monitored and assessed the system improvements and the corrective actions taken by the national authorities. More than 200 of the 322 ERDF/CF programmes have gone through a warning, interruption or suspension procedure since the beginning of the programming period.

Detailed reports on the results of audit activities were systematically disclosed in each annual activity report since 2009.

Targeted audits for preparation to closure in case of remaining risks

From 2016 and until end-2020, REGIO also carried out/will carry out targeted audits to address any risk that it considered remaining high in view of the preparation for closure. These audits could cover any of the enquiries available under the REGIO audit strategy and were tailor-made.

The audit work to prepare for closure was based on the following enquiries:

- *Reliance on the work of audit authorities and monitoring Article 73*

From 2016 until 2019 REGIO auditors carried out the following audits to assess the reliance that could be placed on the work of the audit authorities in view of closure:

- 4 audits re-performing the audits of operations carried out by the audit authorities in CZ, HR, IT and SK;
- 5 audits to prepare for closure in DE, IT (2), SI and SK;
- 22 fact-finding audits to assess the reliability of the 2015 annual control reports and the final control reports in BG (2), CZ, DE (3), DK, EL (2), ES, FR, HU (2), IT (3), RO(3), SK and UK (2) and one fact finding in relation to the 2016 annual control report in HR;
- 4 audits in DE, 2 in EE and PL to monitor the work of audit authorities for programmes that were granted Article 73.

- *Bridging the assurance gap*

From 2016 till 2019, 10 audits were carried out under this enquiry in BG, DE, HU (3), IT (2), RO (2) and for ETC (1). Audits aimed to obtain direct assurance in view of closure declarations, ensuring that identified risks were appropriately treated and adequately mitigated. 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 reduced time for audit authorities to complete their audits of operations.

- *Withdrawals and recoveries*

In 2017, two audits on the spot (in Romania and Slovakia) at the level of the certifying and

managing authorities and three desk audits covering Greece, France and Italy were carried out. In all cases, the audit work focused on the accuracy and reliability of the data reported by the Member States on withdrawals and recoveries submitted by 31 March 2016 and in previous years with the aim to ensure that the residual risk rate to be calculated and reported by audit authorities at closure is reliable.

The cumulative audit work carried out throughout the programming period and the related corrective actions taken by the national authorities have thus paved the way to closure and have contributed significantly to limiting the risks remaining at closure.

Assessment of the final implementation reports and reported information on performance of programmes

The Final Implementation Report (FIR) enables the Commission to check whether the programme, as approved by the Commission, was properly implemented and whether the programme's objectives have been reached. It presents aggregated data and information for the entire implementing period, as per Article 67(2) of the General Regulation. Before being sent to the Commission, the FIR should have been examined and approved by the Monitoring Committee.

The analysis of the FIR was carried out within the regulatory deadline of the five months of its receipt by the Commission and where necessary observations were sent to the Member State for improvement of the document. Particular attention was given to the analysis of the outputs and results described against the programmes' objectives.

In the course of the examination of the closure of the 2007-2013 programmes the Commission has also examined with the Managing Authorities the final values reported under selected "core" indicators. All values show important increases in the final year(s) of the eligibility period (2015 for most programmes with implementation continuing into 2016 for Croatian, Romanian and Slovak programmes). For instance, aggregate gross job created is now reported at 1.3 million. It is particularly striking how values for indicators linked to major infrastructures (multi annual projects) showed significant increases in the final report, i.e. population covered by broadband access, or served by water and waste water projects have increased almost 3 times in comparison with 2014 values. This could be explained by the fact that certain type of interventions take more time to produce tangible results, and also by the pressure to complete within the eligibility period.

Assessment of the final control reports and closure declarations (audit opinions) reported by audit authorities at closure and assessment of the residual risk rate per programme

REGIO's audit directorate has reviewed all final control reports in 2018. It has validated the error rates communicated by the audit authorities or requested additional information or audit work to be performed. The assessment was performed based on desk review of all documents transmitted and taking into account the results of the targeted audits for preparation to closure described above. For the desk review, a standard checklist was applied to all programmes. A particular attention was paid to some risks (in particular confirmation of audits on the eligible amounts reported for financial instruments, verification that State aid or contractual advances were covered by real expenditure at closure, appropriate coverage of programmes by audit activities over the programming period, appropriate controls of the reliability of financial corrections used for the purpose of the calculation of the residual risk rate at closure, etc.).

At closure, audit authorities have disclosed a residual risk rate (RRR) for each programme. It is estimated by considering for each programme or group of programmes the multi-annual impact of the validated error rates calculated since the beginning of the programming period, after deduction of the financial corrections reported by the certifying authority and audited/validated by the audit authorities at closure. This was their best estimate of the expenditure that was considered not in full conformity with contractual or regulatory provisions and whether the financial risk for programmes has been kept at a tolerable level at closure.

Safeguarding the EU budget by corrective actions

The purpose of financial corrections is to ensure that the risk on the legality and regularity of the expenditure declared for co-financing at programme level is below materiality, either through corrections of individual irregularities detected or through extrapolated corrections in case of material representative error rates. These must be based on evidence. The Commission bears the (initial) burden of proof for system deficiencies, irregularities and breaches of the obligations under Articles 98 and 15(4).

The principal sources of evidence for the reported financial corrections are:

- REGIO audits;
- Reports by national audit bodies (annual control report and audit opinion submitted according to Article 62(1)(d)(i) and (ii) of Regulation (EC) No 1083/2006; national audit reports);
- Audits by the European Court of Auditors (ECA);
- OLAF final case reports.

Following this methodology, the reporting of financial corrections in this section provide only information on amounts of financial corrections carried out by the Member States at the Commission request resulting from EU bodies' audit work. These amounts of financial corrections confirmed and implemented by Member States at the Commission's request are reported on bi-annual basis to the European Parliament. The Commission's annual Communications on the protection of the EU budget provide the details on an accrual and cash basis²².

Financial corrections as a result of the Commission supervisory role

Indicator	2019 (EUR million)	Cumulative since 2007 (EUR million)
Financial corrections as a result of the Commission supervisory role (Decided/Confirmed) ²³	511.0	4,274,5
Financial corrections as a result of the Commission supervisory role (implemented)		3,995,3
Rate of implementation of financial corrections 2007-2013		93,5%

Financial corrections reported by Member States relating to 2007-2013 period

Indicator (ERDF and Cohesion Fund)	Cumulative since 2007 (EUR million)
Financial corrections 2007-2013 reported by Member States	10,154.2
Out of which additional to the EC reporting ²⁴	6,106.2

The detailed tables of financial corrections 2007-2013 by Member State can be found in Annex 10 G. In addition, Annex 10 H discloses detailed information of the closure of financial instruments.

The amount of financial corrections reported above do not reflect the total amount of corrections accepted by Member States as a result of the Commission's supervisory role. Remedial action plans are requested by the Commission from Member States when deficiencies are identified. These also have a **preventive effect** on expenditure already incurred by beneficiaries and

²² The Communications on the protection of the EU Budget is integrated in the Annual Management and Performance report (AMPR).

²³ Excluding financial corrections at source

²⁴ As a result of comparison for each Member State between national and EU reporting of implemented financial corrections

registered at national level in the certifying authority's accounts, but not yet declared to the Commission. For such expenditure, the certifying authority applies the financial correction requested by the Commission prior to declaring expenditure ('ex ante' or 'at source'). Expenditure declared to the Commission is therefore net from irregular amounts. We estimate the cumulative amount of such corrections "at source" since 2007 to be 1.4 billion EURO.

Similarly, warning letters sent out by the DG when system deficiencies are identified before a payment claim is submitted to the Commission may also have the same preventive effect on the protection of the EU budget. However, as no amount is reported to the European Commission by the Member States in this case, this effect is more difficult to quantify.

IPA-CBC 2007-2013

In 2019, REGIO paid EUR 0.9 million for IPA-CBC 2007-2013.

Indicator	2019
Residual risk rate at closure (average IPA-CBC programmes)	0.91%
Number of IPA-CBC programmes from the 2007-2013 programming period in reservation	0

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

The closure documents for all 8 IPA-CBC programmes were submitted in line with the regulatory deadline of end-March 2018. REGIO assessed these within 5 months. All programmes are closed or ready to be closed, except two programmes for which agreement on proposed financial corrections is awaited. In one case the proposed financial corrections result from the desk audit work (Romania-Serbia, 2007CB161PO005). The second case is IPA Adriatic (2007CB16IPO001), for which a reputational reservation was issued in the 2018 AAR. An audit on the spot was performed for this programme concluding with a 5% flat rate correction of the final payment claim. No reservation is considered necessary for the 2019 AAR.

In one programme, some amounts remain open due to judicial investigations²⁵.

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

2000-2006 ERDF / CF programmes

In 2019, REGIO has made the following financial transactions for the 2000-2006 ERDF programmes and for the Cohesion fund projects:

Fund	Payments (EUR)	Recoveries (EUR)
CF 2000-2006 / ISPA	38,803,189.12	8,329,800.07
ERDF 2000-2006	14,773,457.35	16,815,353.49
TOTAL	43,576,646.47	25,145,153.56

State of play of closures

ERDF 2000-2006

²⁵ Bulgaria-North Macedonia (2007CB161PO007)

In 2019, closure procedure was completed for 4 programmes (1 CZ, 1 FR, 1 IT (from 1994-1999 period) and 1 PL).

Currently, out of 379 programmes, 20 remain partially closed. Their full closure was mostly not possible as they are awaiting the decision of national institutions under administrative and/or legal procedures (including court cases) for a number of projects. Depending on the decision of national authorities, they may result in the recovery of financial amounts or a decision to charge the amounts to the EU budget. Final closure of these programmes is not decided as long as no court decision is taken at national level. Therefore there is no risk on EU payments.

The Directorate General can conclude that it has reasonable assurance on all ERDF 2000-2006 payments made in 2019.

Cohesion Fund 2000-2006

In 2019, 13 projects out of the remaining 26 were closed, following additional clarifications and financial corrections reported by the Member States. Thus, 13 Cohesion Fund projects 2000-2006 remained open at the end of 2019 out of the 1,121 Cohesion Fund decided projects²⁶.

Open projects per country as of 31 December 2019

BG	ES	GR	LT	RO	Total
1	1	5	3	3	13

The Directorate General can conclude that it has reasonable assurance on all the final Cohesion Fund 2000-2006 payments it has made in 2019.

²⁶ For a Fund contribution of EUR 32.5 Billion.

ANNEX 10F: 2007-2013 ERDF / CF programmes: Error Rates

	MS	Ref	Title	Reserve AAR 2019	Closure status at end-March 2020	Relevant expenditure 2019 (in mln Euro)	Residual error rate reported at closure	Residual error rate validated by REGIO ²⁷	Rate of risk on payment
1	AT	2007AT161PO001	Burgenland		closed		0,00%	0,00%	
2	AT	2007AT162PO001	Niederösterreich		closed		0,00%	0,00%	
3	AT	2007AT162PO002	Oberösterreich		closed		0,00%	0,00%	
4	AT	2007AT162PO003	Vorarlberg		closed		0,00%	0,00%	
5	AT	2007AT162PO004	Wien		closed		0,00%	0,00%	
6	AT	2007AT162PO005	Kärnten		pre-closed		0,00%	0,00%	
7	AT	2007AT162PO006	Salzburg		closed		0,00%	0,00%	
8	AT	2007AT162PO007	Steiermark		closed		0,00%	0,00%	
9	AT	2007AT162PO008	Tirol		closed		0,00%	0,00%	
10	BE	2007BE161PO001	Hainaut		closed	22,46	0,40%	0,36%	0,36%
11	BE	2007BE162PO001	Région de Bruxelles-Capitale		closed		0,90%	1,41%	
12	BE	2007BE162PO002	Vlaanderen		closed		0,63%	0,63%	
13	BE	2007BE162PO003	Wallonie (hors Hainaut)		closed	14,13	0,40%	0,36%	0,36%
14	BG	2007BG161PO001	Regional Development		pre-closed		0,19%	0,19%	
15	BG	2007BG161PO002	Technical Assistance		closed		0,12%	0,12%	
16	BG	2007BG161PO003	Bulgarian Economy		pre-closed		0,39%	0,39%	
17	BG	2007BG161PO004	Transport		pre-closed		0,00%	0,00%	
18	BG	2007BG161PO005	Environment		pre-closed	59,17	0,00%	0,00%	0,00%
19	CY	2007CY16UP0001	Sustainable Development and Competitiveness		closed		0,10%	0,00%	
20	CZ	2007CZ161PO001	South East		closed		0,00%	0,00%	
21	CZ	2007CZ161PO002	Central Moravia		closed		0,30%	0,28%	
22	CZ	2007CZ161PO004	Enterprise and Innovation				0,21%	0,21%	
23	CZ	2007CZ161PO005	North East		closed		0,00%	0,00%	
24	CZ	2007CZ161PO006	Environment		closed		1,34%	1,34%	
25	CZ	2007CZ161PO007	Transport		closed		0,00%	0,00%	
26	CZ	2007CZ161PO008	North-West		pre-closed	67,13	1,85%	1,85%	1,85%
27	CZ	2007CZ161PO009	Central Bohemia		closed		0,24%	0,24%	

²⁷ Except for 5 cases where additional audits/information was required at the time of this report and for the 4 Croatian programmes (three mainstream and one ETC) with the closure packages sent in March 2018.

	MS	Ref	Title	Reserve AAR 2019	Closure status at end-March 2020	Relevant expenditure 2019 (in mln Euro)	Residual error rate reported at closure	Residual error rate validated by REGIO ²⁷	Rate of risk on payment
28	CZ	2007CZ161PO010	Moravia Silesia		closed		0,00%	0,00%	
29	CZ	2007CZ161PO012	Research and Development for Innovation		pre-closed	0,30	0,00%	0,00%	0,00%
30	CZ	2007CZ161PO013	South West		pre-closed		0,00%	0,00%	
31	CZ	2007CZ162PO001	Prague		closed		0,00%	0,00%	
32	CZ	2007CZ16UPO001	Technical Assistance		closed		0,55%	15,91%	
33	CZ	2007CZ16UPO002	Integrated OP		pre-closed	7,28	0,00%	0,00%	0,00%
34	DE	2007DE161PO001	Thüringen		closed		0,00%	0,00%	
35	DE	2007DE161PO002	Brandenburg		pre-closed		0,00%	0,00%	
36	DE	2007DE161PO003	Mecklenburg - Vorpommern		closed		0,00%	0,00%	
37	DE	2007DE161PO004	Sachsen		pre-closed	60,47	0,00%	0,00%	0,00%
38	DE	2007DE161PO005	Verkehr		closed		0,00%	0,00%	
39	DE	2007DE161PO006	Niedersachsen - Region Lüneburg		closed		0,00%	0,00%	
40	DE	2007DE161PO007	Sachsen - Anhalt	Partial non-financial			1,60%	2,00%	
41	DE	2007DE162PO001	Bayern		closed		0,15%	0,15%	
42	DE	2007DE162PO002	Saarland		closed		0,00%	0,00%	
43	DE	2007DE162PO003	Schleswig - Holstein		pre-closed		0,00%	0,00%	
44	DE	2007DE162PO004	Berlin		pre-closed		0,00%	0,00%	
45	DE	2007DE162PO005	Hessen		closed		0,00%	0,04%	
46	DE	2007DE162PO006	Bremen		closed		0,00%	0,00%	
47	DE	2007DE162PO007	Nordrhein - Westfalen		pre-closed		1,63%	1,60%	
48	DE	2007DE162PO008	Baden - Württemberg		closed		0,00%	0,00%	
49	DE	2007DE162PO009	Hamburg		closed		0,00%	0,00%	
50	DE	2007DE162PO010	Niedersachsen (ohne Region Lüneburg)		closed		0,00%	0,00%	
51	DE	2007DE162PO011	Rheinland - Pfalz		closed		0,00%	0,00%	
52	DK	2007DK162PO001	Innovation og Viden		closed		0,39%	0,39%	
53	EE	2007EE161PO001	Economic Environment		closed	73,15	0,00%	0,00%	0,00%
54	EE	2007EE161PO002	Living Environment		closed	77,44	0,00%	0,00%	0,00%
55	ES	2007ES161PO001	Región de Murcia		closed		0,45%	0,45%	
56	ES	2007ES161PO002	Melilla		closed		1,96%	1,97%	
57	ES	2007ES161PO003	Ceuta		closed		0,00%	0,01%	

	MS	Ref	Title	Reserve AAR 2019	Closure status at end-March 2020	Relevant expenditure 2019 (in mln Euro)	Residual error rate reported at closure	Residual error rate validated by REGIO ²⁷	Rate of risk on payment
58	ES	2007ES161PO004	Asturias		closed		0,77%	0,76%	
59	ES	2007ES161PO005	Galicia		closed		0,00%	2,00%	
60	ES	2007ES161PO006	Extremadura		closed		0,00%	0,00%	
61	ES	2007ES161PO007	Castilla La Mancha		closed		0,38%	0,21%	
62	ES	2007ES161PO008	Andalucía		pre-closed		0,00%	0,50%	
63	ES	2007ES161PO009	Fondo de Cohesión - FEDER		pre-closed		0,00%	0,00%	
64	ES	2007ES162PO001	Cantabria		closed		0,00%	0,00%	
65	ES	2007ES162PO002	País Vasco		closed		1,67%	1,67%	
66	ES	2007ES162PO003	Navarra		closed		1,35%	1,35%	
67	ES	2007ES162PO004	Madrid		closed		0,00%	0,00%	
68	ES	2007ES162PO005	La Rioja		closed		0,00%	0,00%	
69	ES	2007ES162PO006	Cataluña		closed		0,00%	0,00%	
70	ES	2007ES162PO007	Baleares		closed		0,00%	0,00%	
71	ES	2007ES162PO008	Aragón		closed		0,70%	0,64%	
72	ES	2007ES162PO009	Castilla y León		closed		0,00%	0,00%	
73	ES	2007ES162PO010	Comunidad Valenciana		pre-closed		0,00%	0,00%	
74	ES	2007ES162PO011	Canarias		closed		0,35%	0,29%	
75	ES	2007ES16UPO001	Investigación, Desarrollo e innovación		pre-closed		0,32%	0,80%	
76	ES	2007ES16UPO002	Asistencia Técnica y Gobernanza		closed		0,32%	0,80%	
77	ES	2007ES16UPO003	Economía basada en el Conocimiento		closed		0,32%	0,80%	
	ES	2007ESNAT-PART	Spain – National Part of 19 Regional OPs ²⁸				0.20%	0.09%	
78	ETC	2007CB163PO001	EUREGIO Maas Rijn		closed	0.88	0,85%	0,85%	
79	ETC	2007CB163PO002	Austria-Czech Republic		closed		0,48%	0,48%	
80	ETC	2007CB163PO003	Slovakia-Austria		closed		0,06%	0,10%	
81	ETC	2007CB163PO004	Austria-Bavaria		closed		0,26%	0,27%	

²⁸ 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 2019	Closure status at end-March 2020	Relevant expenditure 2019 (in mln Euro)	Residual error rate reported at closure	Residual error rate validated by REGIO ²⁷	Rate of risk on payment
82	ETC	2007CB163PO005	España - Portugal		closed		0,17%	0,13%	
83	ETC	2007CB163PO006	España - Francia		closed		1,59%	1,77%	
84	ETC	2007CB163PO007	Madeira - Azores - Canarias		closed		0,32%	0,32%	
85	ETC	2007CB163PO008	South West Europe		closed		0,75%	0,75%	
86	ETC	2007CB163PO009	Bavaria - Czech Republic		closed		0,30%	0,30%	
87	ETC	2007CB163PO010	Austria - Hungary		closed		0,33%	0,33%	
88	ETC	2007CB163PO011	Lubuskie - Branderburg		pre-closed		0,04%	0,04%	
89	ETC	2007CB163PO012	Poland-Slovakia		pre-closed		0,01%	0,01%	
90	ETC	2007CB163PO013	South Baltic		pre-closed		0,00%	0,00%	
91	ETC	2007CB163PO014	Alpine Space		closed		0,87%	0,87%	
92	ETC	2007CB163PO015	INTERACT		closed		0,05%	0,05%	
93	ETC	2007CB163PO016	Sweden - Norway		closed		1,18%	1,18%	
94	ETC	2007CB163PO017	Saxony-CZ Republic		closed		0,83%	1,21%	
95	ETC	2007CB163PO018	Sachsen - Polen		closed		0,61%	0,61%	
96	ETC	2007CB163PO019	MV/BB - Polen		closed		0,00%	0,00%	
97	ETC	2007CB163PO020	Baltic Sea Region		closed		0,53%	0,53%	
98	ETC	2007CB163PO021	Romania - Bulgaria				0,52%	0,60%	
99	ETC	2007CB163PO022	ESPON 2013		closed		0,15%	0,15%	
100	ETC	2007CB163PO023	Deutschland-Niederlande		closed		0,62%	0,62%	
101	ETC	2007CB163PO024	Alpenrhein-Bodensee-Hochrhein		closed		0,42%	0,42%	
102	ETC	2007CB163PO025	Ceská republika - Polsko		closed		0,83%	0,83%	
103	ETC	2007CB163PO026	Öresund - Kattegatt - Skagerrak		closed		0,00%	0,00%	
104	ETC	2007CB163PO027	Northern Periphery		closed		0,70%	0,70%	
105	ETC	2007CB163PO028	Botnia-Atlantica		closed		0,90%	0,90%	
106	ETC	2007CB163PO029	Atlantic Area		closed		0,44%	0,52%	
107	ETC	2007CB163PO030	Slowacja - Ceská Republika		pre-closed		0,00%	0,00%	
108	ETC	2007CB163PO031	Lithuania - Poland		closed		0,00%	0,00%	
109	ETC	2007CB163PO032	Nord Interreg		closed		0,85%	0,85%	
110	ETC	2007CB163PO033	Italia - Francia frontiera marittima		closed		0,46%	0,45%	
111	ETC	2007CB163PO034	Italia - Francia Alpi		closed		0,78%	0,71%	
112	ETC	2007CB163PO035	Italia - Svizzera		closed		0,12%	0,00%	

	MS	Ref	Title	Reserve AAR 2019	Closure status at end-March 2020	Relevant expenditure 2019 (in mln Euro)	Residual error rate reported at closure	Residual error rate validated by REGIO ²⁷	Rate of risk on payment
113	ETC	2007CB163PO036	Italia - Slovenia		closed		0,88%	1,25%	
114	ETC	2007CB163PO037	Italia - Malta		closed		0,33%	0,33%	
115	ETC	2007CB163PO038	Les 2 mers		closed		0,82%	0,82%	
116	ETC	2007CB163PO039	Rhin supérieur		closed		0,36%	0,36%	
117	ETC	2007CB163PO040	Manche		closed		0,47%	0,47%	
118	ETC	2007CB163PO041	France - Suisse		closed		1,87%	1,84%	
119	ETC	2007CB163PO042	Réunion		closed		1,17%	1,17%	
120	ETC	2007CB163PO043	Caraïbes		closed		1,32%	1,32%	
121	ETC	2007CB163PO044	Nord Ouest Européen		closed		0,48%	0,48%	
122	ETC	2007CB163PO045	Méditerranée		closed		0,81%	0,81%	
123	ETC	2007CB163PO046	Interreg IV C		closed		0,49%	0,49%	
124	ETC	2007CB163PO047	Ireland - Northern Ireland - Scotland		closed		0,00%	0,00%	
125	ETC	2007CB163PO048	URBACT		closed		0,19%	0,19%	
126	ETC	2007CB163PO049	Peace III		closed		0,00%	0,00%	
127	ETC	2007CB163PO050	Estonia - Latvia		closed		0,09%	0,09%	
128	ETC	2007CB163PO051	Amazonie		closed		1,13%	1,13%	
129	ETC	2007CB163PO052	Italia - Austria		closed		0,77%	0,79%	
130	ETC	2007CB163PO053	Slovenia - Hungary		closed		1,29%	1,21%	
131	ETC	2007CB163PO054	Slovenia - Austria		closed		0,00%	0,00%	
132	ETC	2007CB163PO055	North Sea		closed		1,08%	1,08%	
133	ETC	2007CB163PO056	Syddanmark-Schleswig		closed		0,40%	0,40%	
134	ETC	2007CB163PO057	Fehmarnbeltregion		closed		1,09%	1,09%	
135	ETC	2007CB163PO058	Greece - Cyprus		closed		0,38%	0,38%	
136	ETC	2007CB163PO059	Greece - Bulgaria		closed		1,10%	1,10%	
137	ETC	2007CB163PO060	Greece - Italy		closed		0,37%	0,21%	
138	ETC	2007CB163PO061	Central Europe		closed		0,84%	0,84%	
139	ETC	2007CB163PO062	Ireland Wales		closed		0,18%	0,36%	
140	ETC	2007CB163PO063	France - Wallonie - Vlaanderen		closed		0,46%	0,50%	
141	ETC	2007CB163PO064	Grande Région		closed		2,00%	2,00%	
142	ETC	2007CB163PO065	Vlaanderen - Nederland		closed		0,99%	0,99%	
143	ETC	2007CB163PO066	Central Baltic		closed		0,60%	0,60%	
144	ETC	2007CB163PO067	Hungary - Romania		pre-closed		0,50%	0,50%	
145	ETC	2007CB163PO068	Hungary - Slovakia		closed		0,34%	0,34%	
146	ETC	2007CB163PO069	South East Europe		closed	0,01	0,15%	0,15%	0,15%
147	ETC	2007CB163PO070	Latvia - Lithuania		closed		0,00%	0,00%	

	MS	Ref	Title	Reserve AAR 2019	Closure status at end-March 2020	Relevant expenditure 2019 (in mln Euro)	Residual error rate reported at closure	Residual error rate validated by REGIO ²⁷	Rate of risk on payment
148	ETC	2013CB163PO001	Slovenia-Croatia		closed	0,88	0,00%	0,37%	0,37%
149	ETC	2013CB163PO002	Hungary-Croatia		closed		0,00%	0,00%	
150	ETC	2008CB163PO001	España - Fronteras Exteriores		closed		0,62%	0,56%	
151	FI	2007FI162PO001	Itä		closed	2,82	0,00%	0,00%	0,00%
152	FI	2007FI162PO002	Pohjois		closed		0,00%	0,00%	
153	FI	2007FI162PO003	Länsi		closed		0,00%	0,00%	
154	FI	2007FI162PO004	Etelä		closed		0,00%	0,00%	
155	FI	2007FI162PO005	Åland		closed		1,87%	1,87%	
156	FR	2007FR161PO001	Guyane		closed		1,84%	1,84%	
157	FR	2007FR161PO002	Guadeloupe		pre-closed	14,22	1,84%	1,84%	1,84%
158	FR	2007FR161PO003	Martinique		closed	0,49	1,84%	1,84%	1,84%
159	FR	2007FR161PO004	Réunion		closed		1,84%	1,84%	
160	FR	2007FR162PO001	Aquitaine		closed		1,84%	1,84%	
161	FR	2007FR162PO002	Centre		closed		1,84%	1,84%	
162	FR	2007FR162PO003	Alsace		closed		1,84%	1,84%	
163	FR	2007FR162PO004	Auvergne		closed		1,84%	1,84%	
164	FR	2007FR162PO005	Basse-Normandie		closed		1,84%	1,84%	
165	FR	2007FR162PO006	Bourgogne		closed		1,84%	1,84%	
166	FR	2007FR162PO007	Bretagne		closed		1,84%	1,84%	
167	FR	2007FR162PO008	Champagne-Ardenne		closed		1,84%	1,84%	
168	FR	2007FR162PO009	Corse		closed		1,84%	1,84%	
169	FR	2007FR162PO010	Franche-Comté		closed		1,84%	1,84%	
170	FR	2007FR162PO011	Haute-Normandie		closed		1,84%	1,84%	
171	FR	2007FR162PO012	Ile-De-France		closed		1,84%	1,84%	
172	FR	2007FR162PO013	Languedoc-Roussillon		closed		1,84%	1,84%	
173	FR	2007FR162PO014	Limousin		closed		1,84%	1,84%	
174	FR	2007FR162PO015	Lorraine		closed		1,84%	1,84%	
175	FR	2007FR162PO016	Pays De La Loire		closed		1,84%	1,84%	
176	FR	2007FR162PO017	Nord Pas-De-Calais		pre-closed		1,84%	1,84%	
177	FR	2007FR162PO018	Picardie		closed	9,93	1,84%	1,84%	1,84%
178	FR	2007FR162PO019	Poitou-Charentes		closed		1,84%	1,84%	
179	FR	2007FR162PO020	PACA		closed		1,84%	1,84%	
180	FR	2007FR162PO021	Midi-Pyrénées		closed		1,84%	1,84%	
181	FR	2007FR162PO022	Rhône-Alpes		closed		1,84%	1,84%	
182	FR	2007FR162PO023	Alpes		closed		1,84%	1,84%	
183	FR	2007FR162PO024	Loire		closed		1,84%	1,84%	
184	FR	2007FR162PO025	Massif Central		closed		1,84%	1,84%	

	MS	Ref	Title	Reserve AAR 2019	Closure status at end-March 2020	Relevant expenditure 2019 (in mln Euro)	Residual error rate reported at closure	Residual error rate validated by REGIO ²⁷	Rate of risk on payment
185	FR	2007FR162PO026	Rhône		closed		1,84%	1,84%	
186	FR	2007FR16UPO001	Europact		closed		1,84%	1,84%	
187	GR	2007GR161PO001	Competitiveness		closed		0,00%	0,00%	
188	GR	2007GR161PO002	Digital convergence		closed		0,00%	0,00%	
189	GR	2007GR161PO003	Technical assistance		closed		0,00%	0,00%	
190	GR	2007GR161PO004	Accessibility		closed		0,00%	0,00%	
191	GR	2007GR161PO005	Environment - sustainable development		closed		0,00%	0,00%	
192	GR	2007GR161PO006	Attica		closed		0,00%	0,00%	
193	GR	2007GR161PO007	Western Greece - Peloponese - Ionian islands		closed		0,00%	0,00%	
194	GR	2007GR161PO008	Macedonia - Thrace		closed		0,00%	0,00%	
195	GR	2007GR16UPO001	Thessaly - Continental Greece - Epirus		closed		0,00%	0,00%	
196	GR	2007GR16UPO002	Crete & Aegean islands		closed		0,00%	0,00%	
197	HR	2007HR161PO001	Environment		pre-closed	13,09	1,90%	1,91%	1,91%
198	HR	2007HR161PO002	Transport	Full non-financial			not reported	16,64%	
199	HR	2007HR161PO003	Regional Competitiveness		closed	9,39	0,00%	0,04%	0,04%
200	HU	2007HU161PO001	Economic Competitiveness		closed		0,44%	0,44%	
201	HU	2007HU161PO002	Environment and Energy		closed	694,15	0,17%	0,17%	0,17%
202	HU	2007HU161PO003	West Pannon		closed		0,00%	0,00%	
203	HU	2007HU161PO004	South Great Plain		closed		0,00%	0,00%	
204	HU	2007HU161PO005	Central Transdanubia		closed		0,00%	0,00%	
205	HU	2007HU161PO006	North Hungary		closed		0,00%	0,00%	
206	HU	2007HU161PO007	Transport		pre-closed		0,32%	0,32%	
207	HU	2007HU161PO008	Social Infrastructure		closed		1,04%	1,04%	
208	HU	2007HU161PO009	North Great Plain		closed		0,00%	0,00%	
209	HU	2007HU161PO010	Implementation	Partial non-financial	pre-closed		0,95%	5,00%	
210	HU	2007HU161PO011	South Transdanubia		closed		0,00%	0,00%	
211	HU	2007HU162PO001	Central Hungary		closed		0,09%	0,09%	
212	HU	2007HU16UPO001	Electronic Public	Full non-			0,98%	2,00%	

	MS	Ref	Title	Reserve AAR 2019	Closure status at end-March 2020	Relevant expenditure 2019 (in mln Euro)	Residual error rate reported at closure	Residual error rate validated by REGIO ²⁷	Rate of risk on payment
			Administration	financial					
213	IE	2007IE162PO001	Border, Midland and Western Operational Programme		closed		1,29%	0,00%	
214	IE	2007IE162PO002	Southern and Eastern		closed		1,39%	0,00%	
215	IT	2007IT161PO001	Attrattori Culturali		closed		0,00%	0,00%	
216	IT	2007IT161PO002	Renewable Energy				0,00%	0,00%	
217	IT	2007IT161PO003	Governance e AT		pre-closed		0,00%	0,00%	
218	IT	2007IT161PO004	Ambienti per l'apprendimento		pre-closed		0,62%	0,67%	
219	IT	2007IT161PO005	Reti e mobilita	Full non-financial			0,00%	12,44%	
220	IT	2007IT161PO006	Ricerca e competitivita	Full non-financial			0,00%	2,96%	
221	IT	2007IT161PO007	Sicurezza per lo Sviluppo		closed		0,00%	0,00%	
222	IT	2007IT161PO008	Calabria				0,88%	1,25%	
223	IT	2007IT161PO009	Campania		pre-closed	88,17	0,00%	1,00%	1,00%
224	IT	2007IT161PO010	Puglia		pre-closed	130,95	0,85%	0,85%	0,85%
225	IT	2007IT161PO011	Sicilia				0,49%	0,76%	
226	IT	2007IT161PO012	Basilicata				0,79%	0,71%	
227	IT	2007IT162PO001	Abruzzo				0,00%	0,00%	
228	IT	2007IT162PO002	Emilia Romagna		closed		0,00%	0,00%	
229	IT	2007IT162PO003	Friuli Venezia Giulia		pre-closed		0,00%	0,00%	
230	IT	2007IT162PO004	Lazio				1,99%	1,31%	
231	IT	2007IT162PO005	Liguria		closed		0,00%	0,00%	
232	IT	2007IT162PO006	Lombardia		closed		0,13%	0,00%	
233	IT	2007IT162PO007	Marche		closed		0,41%	0,41%	
234	IT	2007IT162PO008	Molise		pre-closed		0,00%	0,00%	
235	IT	2007IT162PO009	Provincia Autonoma di Bolzano		closed		0,12%	0,03%	
236	IT	2007IT162PO010	Trento		pre-closed		0,00%	0,00%	
237	IT	2007IT162PO011	Piemonte		closed		0,00%	0,00%	
238	IT	2007IT162PO012	Toscana		closed		0,26%	0,00%	
239	IT	2007IT162PO013	Umbria		closed		0,28%	0,28%	
240	IT	2007IT162PO014	Valle d'Aosta		closed		0,01%	0,00%	
241	IT	2007IT162PO015	Veneto		closed	10,30	0,69%	1,00%	1,00%
242	IT	2007IT162PO016	Sardegna		pre-closed		1,43%	1,30%	
243	LT	2007LT161PO001	Promotion of		closed		0,37%	0,00%	

	MS	Ref	Title	Reserve AAR 2019	Closure status at end-March 2020	Relevant expenditure 2019 (in mln Euro)	Residual error rate reported at closure	Residual error rate validated by REGIO ²⁷	Rate of risk on payment
			Cohesion						
244	LT	2007LT161PO002	Economic Growth		closed		0,37%	0,00%	
245	LU	2007LU162PO001	Compétitivité & emploi		closed		0,00%	0,00%	
246	LV	2007LV161PO001	Entrepreneurship and Innovations		pre-closed		0,00%	0,00%	
247	LV	2007LV161PO002	Infrastructure and Services		pre-closed		0,00%	0,00%	
248	MT	2007MT161PO001	Competitiveness		closed	36,41	0,05%	0,05%	0,05%
249	NL	2007NL162PO001	Noord		closed		0,38%	0,38%	
250	NL	2007NL162PO002	West		closed		0,00%	0,00%	
251	NL	2007NL162PO003	Zuid		closed		0,00%	0,00%	
252	NL	2007NL162PO004	Oost		closed		0,36%	0,36%	
253	PL	2007PL161PO001	Innovative Economy		closed		0,00%	0,00%	
254	PL	2007PL161PO002	Infrastructure & Environment		closed		0,00%	0,00%	
255	PL	2007PL161PO003	Eastern Poland		closed		0,00%	0,00%	
256	PL	2007PL161PO004	Technical Assistance		closed		0,15%	0,15%	
257	PL	2007PL161PO005	Dolnoslaskie		closed		0,00%	0,29%	
258	PL	2007PL161PO006	Kujawsko-Pomorskie		closed		0,00%	0,00%	
259	PL	2007PL161PO007	Lubelskiego		closed		0,00%	0,00%	
260	PL	2007PL161PO008	Lubuskie		closed		0,00%	0,00%	
261	PL	2007PL161PO009	Lódzkie		closed		0,00%	0,00%	
262	PL	2007PL161PO010	Malopolskie		closed		0,00%	0,88%	
263	PL	2007PL161PO011	Mazowieckie		closed	93,43	0,00%	0,00%	0,00%
264	PL	2007PL161PO012	Opolskie		closed		1,10%	1,07%	
265	PL	2007PL161PO013	Podkarpackie		closed		0,00%	0,35%	
266	PL	2007PL161PO014	Podlaskie		closed		0,00%	0,00%	
267	PL	2007PL161PO015	Pomorskie		closed		0,00%	0,00%	
268	PL	2007PL161PO016	Zachodniopomorskie		closed		0,00%	0,00%	
269	PL	2007PL161PO017	Wielkopolskie		closed		0,00%	0,00%	
270	PL	2007PL161PO018	Swietokrzyskie		closed		0,00%	0,00%	
271	PL	2007PL161PO019	Slaskie		closed		0,00%	0,00%	
272	PL	2007PL161PO020	Warminsko-Mazurskie		closed		0,00%	0,00%	
273	PT	2007PT161PO001	Factores de Competitividade		closed		0,01%	0,01%	
274	PT	2007PT161PO002	Norte		closed		0,01%	0,01%	
275	PT	2007PT161PO003	Centro		closed		0,01%	0,01%	

	MS	Ref	Title	Reserve AAR 2019	Closure status at end-March 2020	Relevant expenditure 2019 (in mln Euro)	Residual error rate reported at closure	Residual error rate validated by REGIO ²⁷	Rate of risk on payment
276	PT	2007PT161PO004	Alentejo		closed		0,01%	0,01%	
277	PT	2007PT161PO005	Algarve		closed		0,01%	0,01%	
278	PT	2007PT161PO006	Açores		closed		0,01%	0,01%	
279	PT	2007PT162PO001	Lisboa		closed		0,01%	0,01%	
280	PT	2007PT162PO002	Madeira		closed		0,01%	0,01%	
281	PT	2007PT16UPO001	Valorização do Território		pre-closed		0,00%	0,00%	
282	PT	2007PT16UPO002	Assistência Técnica		closed		0,00%	0,00%	
283	RO	2007RO161PO001	Regional Operational Programme				0,00%	0,00%	
284	RO	2007RO161PO002	Increase of Economic Competitiveness				0,00%	0,25%	
285	RO	2007RO161PO003	Transport	Full non-financial			0,00%	0,00%	
286	RO	2007RO161PO004	Environment	Full non-financial			0,00%	0,00%	
287	RO	2007RO161PO005	Technical Assistance		closed	8.51	0,38%	0,43%	0,43%
288	SE	2007SE162PO001	Skåne-Blekinge		closed		0,15%	0,15%	
289	SE	2007SE162PO002	Småland och Öarna		closed		0,15%	0,15%	
290	SE	2007SE162PO003	Västsvrige		closed		0,15%	0,15%	
291	SE	2007SE162PO004	Östra Mellansverige		closed		0,15%	0,15%	
292	SE	2007SE162PO005	Stockholm		closed		0,15%	0,15%	
293	SE	2007SE162PO006	Norra Mellansverige		closed		0,15%	0,15%	
294	SE	2007SE162PO007	Mellersta Norrland		closed		0,15%	0,15%	
295	SE	2007SE162PO008	Övre Norrland		closed		0,15%	0,15%	
296	SI	2007SI161PO001	Regional Potentials		closed		0,00%	0,00%	
297	SI	2007SI161PO002	Environment & Transport Infrastructure		closed		0,00%	0,00%	
298	SK	2007SK161PO001	Information Society		pre-closed	27.30	0,20%	0,20%	0,20%
299	SK	2007SK161PO002	Environment		pre-closed	2.22	1,10%	1,18%	1,18%
300	SK	2007SK161PO003	Regional OP		pre-closed		0,98%	0,98%	0,98%
301	SK	2007SK161PO004	Transport		pre-closed	121.67	0,00%	0,00%	
302	SK	2007SK161PO005	Health		pre-closed		0,00%	2,00%	
303	SK	2007SK161PO006	Competitiveness		pre-closed		0,44%	0,44%	
304	SK	2007SK161PO007	Technical Assistance	Partial non-financial	pre-closed		0,61%	20,51%	
305	SK	2007SK162PO001	Bratislava		pre-closed	0.05	0,00%	0,00%	0,00%

	MS	Ref	Title	Reserve AAR 2019	Closure status at end-March 2020	Relevant expenditure 2019 (in mln Euro)	Residual error rate reported at closure	Residual error rate validated by REGIO ²⁷	Rate of risk on payment
306	SK	2007SK16UPO001	Research and Development		pre-closed		0,00%	0,00%	
307	UK	2007UK161PO001	Highlands and Islands		closed		0,80%	0,00%	
308	UK	2007UK161PO002	West Wales and the Valleys		pre-closed		0,05%	0,11%	
309	UK	2007UK161PO003	Cornwall and the Isles of Scilly		pre-closed		0,92%	0,92%	
310	UK	2007UK162PO001	Lowlands and Uplands		pre-closed		1,33%	0,39%	
311	UK	2007UK162PO002	South East England		closed		0,92%	0,92%	
312	UK	2007UK162PO003	Northern Ireland		closed		0,00%	0,00%	
313	UK	2007UK162PO004	East of England		closed		0,92%	0,92%	
314	UK	2007UK162PO005	North East England		closed		0,92%	0,92%	
315	UK	2007UK162PO006	London		closed		0,92%	0,92%	
316	UK	2007UK162PO007	West Midlands		closed	19.99	0,92%	0,92%	0,92%
317	UK	2007UK162PO008	North West England		closed		0,92%	0,92%	
318	UK	2007UK162PO009	Yorkshire and Humberside		closed		0,92%	0,92%	
319	UK	2007UK162PO010	East Midlands		closed		0,92%	0,92%	
320	UK	2007UK162PO011	South West England		closed		0,92%	0,92%	
321	UK	2007UK162PO012	East Wales		closed	3.62	0,05%	0,11%	0,11%
322	UK	2007UK162PO013	Gibraltar		closed		0,00%	0,00%	
Total						1 669,14			
Weighted average residual risk based on the expenditure declared at closure								0,37%	
Average residual risk at payment/at closure									0,34%

ANNEX 10G: 2007-2013 ERDF / CF programmes: Financial Corrections, Withdrawals and Recoveries

1. Commission supervisory role - Financial corrections confirmed/decided in 2019 (excluded at source corrections) by programming period, in EUR million (adjustments/corrections to reporting of previous years are directly reflected in the cumulative amounts)

Member State	1994-99	2000-06	2007-13			Cumulative (ERDF + CF) end of 2019	Total Cumulative (ERDF + CF) end of 2019
	Cumulative (ERDF + CF) end of 2019	Cumulative (ERDF + CF) end of 2019	2019		Total 2019		
			ERDF	CF			
Austria	0,2	0,7				16,2	17,1
Belgium	9,1	8,2	10,3		10,3	13,3	30,6
Bulgaria		25,7		4,1	4,1	124,7	150,4
Croatia		1,0		0,5	0,5	0,9	1,9
Cyprus							
Czech Republic		45,0	0,8		0,8	378,6	423,6
Denmark	1,8	0,5					2,3
Estonia		2,2	4,0	2,6	6,6	16,3	18,5
ETC	1,8	69,1	1,4		1,4	12,1	83,0
Finland	0,5						0,5
France	32,7	112,3	4,3		4,3	19,0	164,0
Germany	48,6	26,6	0,3		0,3	161,5	236,7
Greece	519,6	1 235,4				412,6	2 167,6
Hungary		64,9	62,5	57,5	120,0	819,1	884,0
Ireland	11,2	64,9				2,4	78,5
Italy	338,9	1 312,6	125,0		125,0	433,1	2 084,6
Latvia		17,9				61,1	79,0
Lithuania		8,4					8,4
Luxembourg	0,3						0,3
Malta						11,0	11,0
Netherlands	8,2	0,2					8,4
Poland		303,5	59,7		59,7	585,8	889,3
Portugal	85,0	240,3	8,5		8,5	81,1	406,4
Romania		27,4	1,6		1,6	74,1	101,5
Slovakia		119,8	-0,4	3,0	2,6	376,2	496,0
Spain	225,9	2 918,4	153,9		153,9	552,6	3 696,9
Slovenia		2,9				49,4	52,3
Sweden	0,5	0,1				0,7	1,3
United Kingdom	126,9	159,9	11,4		11,4	72,8	359,6
TOTAL	1 411,2	6 767,9	443,3	67,7	511,0	4 274,5	12 453,7
Implemented	1 409,3	6 738,3				3 995,3	12 168,2
%	99,9%	99,6%				93,5%	97,7%

2. Commission supervisory role - Financial corrections implemented in 2019 (excluded at source corrections) by programming period, in EUR million (adjustments/corrections to reporting of previous years are directly reflected in the cumulative amounts)

Member State	1994-99	2000-06				2007-13				Total			
	Cumulative (ERDF + CF) end of 2019	2019			Cumulative (ERDF + CF) end of 2019	2019			Cumulative (ERDF + CF) end of 2019	2019			Cumulative (ERDF + CF) end of 2019
		ERDF	CF	Total 2019		ERDF	CF	Total 2019		ERDF	CF	Total 2019	
Austria	0,2				0,7	7,9		7,9	16,2	7,9		7,9	17,0
Belgium	9,1				8,2	10,3		10,3	13,3	10,3		10,3	30,6
Bulgaria					25,7				120,6				146,3
Croatia					1,0		1,0	1,0	1,0		1,0	1,0	2,0
Cyprus													
Czech Republic					45,0	86,5		86,5	442,6	86,5		86,5	487,7
Denmark	1,8				0,5								2,4
Estonia					2,2	4,0	2,6	6,6	16,3	4,0	2,6	6,6	18,5
ETC	1,8				69,1	1,4		1,4	12,1	1,4		1,4	83,0
Finland	0,5												0,5
France	32,7				112,3	6,4		6,4	19,0	6,4		6,4	164,0
Germany	48,6	0,3		0,3	26,6				160,7	0,3		0,3	235,9
Greece	517,7				1 235,5				412,6				2 165,7
Hungary					64,9	32,0	74,5	106,5	680,0	32,0	74,5	106,5	744,9
Ireland	11,2				64,9				2,4				78,5
Italy	338,9				1 312,7	104,2		104,2	410,1	104,2		104,2	2061,7
Latvia					17,9	0,2		0,2	61,1	0,2		0,2	79,0
Lithuania					8,4								8,4
Luxembourg	0,3												0,4
Malta									11,0				11,0
Netherlands	8,2				0,2								8,4
Poland					303,5	82,6		82,6	585,8	82,6		82,6	889,3
Portugal	85,0				240,3	8,5		8,5	85,7	8,5		8,5	411,0
Romania			8,3	8,3	27,4				71,6		8,3	8,3	99,0
Slovakia		16,5		16,5	119,8	6,3	1,9	8,2	346,9	22,8	1,9	24,7	466,7
Slovenia					2,9				46,8				49,8
Spain	225,9				2 913,5	11,3		11,3	408,40	11,3		11,3	3 547,9
Sweden	0,5				0,1				0,7				1,3
United Kingdom	126,9				159,9	11,4		11,4	70,4	11,4		11,4	357,2
TOTAL	1 409,3	16,8	8,3	25,1	6 763,2	373,0	80,0	453,0	3 995,3	389,8	88,3	478,1	12 168,2
ERDF	1 143,1				5 916,0				3 318,8				10 377,8
CF	266,2				847,2				676,7				1 790,4

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 ²⁹
	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	18,0
Belgium	0,4	0,9	1,3	3,2	3,3	6,4	3,4
Bulgaria	55,3	5,1	60,5	207,3	19,9	227,2	106,6
Croatia	0,1	0,3	0,4	8,5	2,0	10,4	10,4
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	381,4
Denmark					0,8	0,8	0,8
Estonia	5,4	1,1	6,5	14,7	20,5	35,2	25,5
ETC	14,3	9,8	24,1	38,1	24,2	62,2	51,5
Finland	0,4	0,4	0,8	0,5	2,3	2,8	2,8
France	73,2		73,2	239,4	0,5	239,9	227,3
Germany	225,0	32,1	257,0	453,5	173,0	626,6	465,9
Greece	282,7		282,7	904,2		904,2	491,6
Hungary	257,7	16,8	274,5	741,7	75,7	817,4	243,9
Ireland	5,3		5,3	6,0	0,1	6,1	3,7
Italy	383,2	5,4	388,6	792,6	57,0	849,5	543,6
Latvia	2,6	42,4	45,0	2,7	87,8	90,5	29,6
Lithuania	0,4	1,4	1,8	6,4	14,3	20,7	20,7
Luxembourg				2,0		2,0	2,0
Malta	6,5	0,2	6,7	8,2	0,6	8,8	0,0
Netherlands	6,3		6,3	24,3		24,3	24,3
Poland	333,7	56,6	390,2	851,5	198,3	1 049,7	546,5
Portugal	75,9		75,9	321,0		321,0	243,8
Romania	3,4	144,6	148,0	61,5	392,9	454,4	382,8
Slovakia	65,1	14,1	79,3	390,5	54,9	445,4	106,8
Slovenia	14,0	17,3	31,3	83,0	55,1	138,1	91,3
Spain	838,4	0,6	839,0	2 220,3	1,5	2 221,8	1830,1
Sweden	1,0	0,1	1,2	7,9	1,1	9,0	8,3
United Kingdom	90,9		90,9	295,9		295,9	237,0
Total	2 803,8	358,2	3 162,0	8 375,7	1 267,9	9 643,2	6 106,2

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

²⁹ As a result of comparison for each Member State between national and EU reporting of implemented corrections.

ANNEX 10H: 2007-2013 ERDF / CF programmes: Financial Engineering Instruments

MS	CCI	OP	closure status on 31.12.2019	Financial engineering instruments (In EUR)		Corrections made on eligible expenditure for FEI	
				Total Expenditure	Public Contribution		
1	AT	2007AT161PO001	OP Burgenland 2007-2013: Ziel Konvergenz/Phasing Out / EFRE	closed	12.473.170,12	7.944.694,34	0,00 €
2	AT	2007AT162PO002	OP Oberösterreich 2007-2013: Ziel Regionale Wettbewerbsfähigkeit & Beschäftigung / EFRE	closed	7.166.454,01	3.583.227,00	0,00 €
3	BE	2007BE161PO001	Programme opérationnel 'Convergence' Hainaut - FEDER	closed	233.401.121,30	233.401.121,30	
4	BE	2007BE162PO001	Programme opérationnel 'Compétitivité régionale et emploi' de la Région de Bruxelles-Capitale 'Cohésion et compétitivité territoriale' - FEDER	closed	5.637.188,00	5.637.188,00	10.710,66 €
5	BE	2007BE162PO003	Programme opérationnel 'Compétitivité régionale et emploi' - Wallonie (hors Hainaut) - FEDER	closed	169.996.987,17	169.996.987,17	0,00 €
6	BG	2007BG161PO001	Operational Programme Regional Development	pre-closed	33.000.506,19	33.000.506,19	0,00 €
7	BG	2007BG161PO003	Operational Programme Development of the Competitiveness of the Bulgarian Economy	pre-closed	349.005.353,31	349.005.353,31	0,00 €
8	CB	2007CB163PO064	Programme transfrontalier Grande Région	closed	1.509.572,89	457.098,67	0,00 €
9	CY	2007CY16UPO001	Sustainable Development and Competitiveness CF+ERDF	closed	20.000.000,00	20.000.000,00	0,00 €
10	CZ	2007CZ161PO004	OP Podnikání a inovace	open	163.458.035,47	124.617.060,25	
11	CZ	2007CZ161PO010	ROP NUTS II Moravskoslezsko	closed	19.575.684,48	19.575.684,48	0,00 €
12	CZ	2007CZ16UPO002	Integrovaný operační program	pre-closed	24.368.769,09	24.368.769,09	0,00 €
13	DE	2007DE161PO001	Operationelles Programm EFRE Thüringen 2007 bis 2013	closed	167.538.691,66	167.538.691,66	0,00 €
14	DE	2007DE161PO002	Operationelles Programm EFRE Brandenburg 2007-2013	pre-closed	99.109.441,23	99.109.441,23	0,00 €
15	DE	2007DE161PO003	Operationelles Programm EFRE 2007 - 2013 Mecklenburg-Vorpommern	closed	41.390.221,93	41.390.221,93	0,00 €

MS	CCI	OP	closure status on 31.12.2019	Financial engineering instruments (In EUR)		Corrections made on eligible expenditure for FEI	
				Total Expenditure	Public Contribution		
16	DE	2007DE161PO004	Operationelles Programm EFRE Sachsen 2007-2013	pre-closed	81.046.046,55	78.677.621,55	
17	DE	2007DE161PO006	Operationelles Programm EFRE Niedersachsen - Region Lüneburg 2007-2013	closed	16.000.000,00	16.000.000,00	0,00 €
18	DE	2007DE161PO007	Operationelles Programm EFRE Sachsen-Anhalt 2007-2013	open	403.120.644,92	403.120.644,92	
19	DE	2007DE162PO001	Operationelles Programm EFRE Bayern 2007 - 2013	closed	102.223.352,97	87.223.352,97	0,00 €
20	DE	2007DE162PO003	Operationelles Programm EFRE Schleswig-Holstein 2007-2013	pre-closed	53.851.595,06	43.501.595,06	0,00 €
21	DE	2007DE162PO004	Operationelles Programm EFRE Berlin 2007-2013	pre-closed	222.850.534,55	222.850.534,55	0,00 €
22	DE	2007DE162PO005	Operationelles Programm EFRE Hessen 2007-2013	closed	57.908.777,34	57.908.777,34	0,00 €
23	DE	2007DE162PO007	Operationelles Programm EFRE Nordrhein-Westfalen 2007-2013	pre-closed	108.387.849,26	108.387.849,26	0,00 €
24	DE	2007DE162PO008	Operationelles Programm EFRE Baden-Württemberg 2007-2013	closed	1.650.000,00	1.650.000,00	0,00 €
25	DE	2007DE162PO009	Operationelles Programm EFRE Hamburg 2007-2013	closed	13.400.000,00	13.400.000,00	0,00 €
26	DE	2007DE162PO010	Operationelles Programm EFRE Niedersachsen (ohne Region Lüneburg) 2007-2013	closed	62.200.000,00	62.200.000,00	0,00 €
27	DE	2007DE162PO011	Operationelles Programm EFRE Rheinland-Pfalz 2007-2013	closed	28.658.055,13	28.658.055,13	0,00 €
28	DK	2007DK162PO001	Innovation og Viden	closed	40.730.176,95	27.079.112,42	0,00 €
29	EE	2007EE161PO001	Operational Programme for the Development of Economic Environment	closed	127.273.698,29	127.273.698,29	
30	EE	2007EE161PO002	Operational Programme for the Development of Living Environment	closed	49.736.539,73	49.736.539,73	
31	ES	2007ES161PO001	Programa Operativo FEDER de la Región de Murcia	closed	7.064.916,21	7.064.916,21	0,00 €
32	ES	2007ES161PO002	Programa Operativo FEDER de Melilla	closed	8.055,20	8.055,20	0,00 €
33	ES	2007ES161PO003	Programa Operativo FEDER de Ceuta	closed	510.544,45	510.544,45	0,00 €
34	ES	2007ES161PO004	Programa Operativo FEDER de Asturias	closed	738.910,99	738.910,99	0,00 €

MS	CCI	OP	closure status on 31.12.2019	Financial engineering instruments (In EUR)		Corrections made on eligible expenditure for FEI	
				Total Expenditure	Public Contribution		
35	ES	2007ES161PO005	Programa Operativo FEDER de Galicia	closed	28.048.986,48	28.048.986,48	31.317,00 €
36	ES	2007ES161PO006	Programa Operativo FEDER de Extremadura	closed	37.367.903,29	37.367.903,29	0,00 €
37	ES	2007ES161PO007	Programa Operativo FEDER de Castilla la Mancha	closed	25.082.334,68	25.082.334,68	0,00 €
38	ES	2007ES161PO008	Programa Operativo FEDER de Andalucía	pre-closed	195.101.724,02	195.101.724,02	6 810 848.97
39	ES	2007ES162PO006	Programa Operativo FEDER de Cataluña	closed	51.746.453,95	51.746.453,95	0,00 €
40	ES	2007ES162PO009	Programa Operativo FEDER de Castilla y León	closed	8.222.594,76	8.222.594,76	0,00 €
41	ES	2007ES162PO010	Programa Operativo FEDER de la Comunitat Valenciana	pre-closed	14.038.449,63	14.038.449,63	0,00 €
42	ES	2007ES162PO011	Programa Operativo FEDER de Canarias	closed	9.838.425,46	9.838.425,46	0,00 €
43	ES	2007ES16UPO001	Programa Operativo FEDER de Investigación, Desarrollo e innovación por y para el beneficio de las Empresas - Fondo Tecnológico	pre-closed	356.368.900,69	356.368.900,69	0,00 €
44	FI	2007FI162PO001	Itä-Suomen EAKR-toimenpideohjelman 2007-2013	closed	30.364.923,01	22.158.663,04	0,00 €
45	FI	2007FI162PO002	Pohjois-Suomen EAKR-toimenpideohjelman 2007-2013	closed	25.617.568,99	18.786.791,91	0,00 €
46	FI	2007FI162PO003	Länsi-Suomen EAKR-toimenpideohjelman 2007-2013	closed	17.565.395,25	13.037.429,25	0,00 €
47	FI	2007FI162PO004	Etelä-Suomen EAKR-toimenpideohjelman 2007-2013	closed	8.197.186,43	5.288.479,62	0,00 €
48	FR	2007FR161PO001	Programme opérationnel FEDER Guyane	closed	12.262.887,79	10.867.364,07	0,00 €
49	FR	2007FR161PO002	Programme opérationnel FEDER Guadeloupe	pre-closed	10.124.794,60	9.786.900,72	0,00 €
50	FR	2007FR161PO003	Programme opérationnel FEDER Martinique	closed	18.535.228,00	17.858.204,00	1.044.339,00 €
51	FR	2007FR161PO004	Programme opérationnel FEDER Réunion	closed	29.067.631,98	29.067.631,98	0,00 €
52	FR	2007FR162PO001	Programme opérationnel FEDER AQUITAINE	closed	17.637.130,14	10.249.580,82	0,00 €
53	FR	2007FR162PO002	Programme opérationnel FEDER CENTRE	closed	21.101.967,72	11.439.433,13	0,00 €
54	FR	2007FR162PO003	Programme opérationnel FEDER ALSACE	closed	26.349.304,65	13.688.309,95	0,00 €
55	FR	2007FR162PO004	Programme opérationnel FEDER AUVERGNE	closed	25.051.678,71	25.051.678,71	0,00 €
56	FR	2007FR162PO005	Programme opérationnel FEDER BASSE-NORMANDIE	closed	17.427.401,44	8.283.851,79	0,00 €

MS	CCI	OP	closure status on 31.12.2019	Financial engineering instruments (In EUR)		Corrections made on eligible expenditure for FEI	
				Total Expenditure	Public Contribution		
57	FR	2007FR162PO006	Programme opérationnel FEDER BOURGOGNE	closed	14.702.447,11	5.927.949,38	0,00 €
58	FR	2007FR162PO007	Programme opérationnel FEDER BRETAGNE	closed	7.945.563,00	3.972.781,60	0,00 €
59	FR	2007FR162PO008	Programme opérationnel FEDER CHAMPAGNE-ARDENNE	closed	11.986.821,50	5.982.190,28	0,00 €
60	FR	2007FR162PO009	Programme opérationnel FEDER CORSE	closed	55.488.000,00	36.388.000,00	4.267.455,21 €
61	FR	2007FR162PO010	Programme opérationnel FEDER FRANCHE-COMTE	closed	5.329.339,25	3.852.783,42	0,00 €
62	FR	2007FR162PO011	Programme opérationnel FEDER HAUTE-NORMANDIE	closed	2.687.211,46	2.687.211,46	0,00 €
63	FR	2007FR162PO012	Programme opérationnel FEDER ILE-DE-FRANCE	closed	12.532.405,86	9.532.405,86	0,00 €
64	FR	2007FR162PO013	Programme opérationnel FEDER LANGUEDOC-ROUSSILLON	closed	30.000.000,00	30.000.000,00	0,00 €
65	FR	2007FR162PO014	Programme opérationnel FEDER LIMOUSIN	closed	22.459.943,00	16.620.951,26	126.592,00 €
66	FR	2007FR162PO015	Programme opérationnel FEDER LORRAINE	closed	20.251.762,00	14.172.443,57	0,00 €
67	FR	2007FR162PO016	Programme opérationnel FEDER PAYS DE LA LOIRE	closed	2.000.000,00	2.000.000,00	0,00 €
68	FR	2007FR162PO017	Programme opérationnel FEDER NORD PAS-DE-CALAIS	pre-closed	22.094.106,68	18.935.186,57	0,00 €
69	FR	2007FR162PO018	Programme opérationnel FEDER PICARDIE	closed	0,00	0,00	
70	FR	2007FR162PO019	Programme opérationnel FEDER POITOU-CHARENTES	closed	9.498.984,50	9.498.984,50	0,00 €
71	FR	2007FR162PO020	Programme opérationnel FEDER PROVENCE ALPES COTE D'AZUR	closed	38.585.030,00	38.585.030,00	0,00 €
72	FR	2007FR162PO021	Programme opérationnel FEDER MIDI-PYRENEES	closed	6.462.010,00	6.392.010,00	0,00 €
73	FR	2007FR162PO022	Programme opérationnel FEDER RHONE-ALPES	closed	6.961.517,00	6.031.842,00	0,00 €
74	GR	2007GR161PO001	Ανταγωνιστικότητα και Επιχειρηματικότητα	closed	302.015.917,66	302.015.917,66	0,00 €
75	GR	2007GR161PO002	Ψηφιακή Σύγκλιση	closed	13.886.339,17	13.886.339,17	0,00 €
76	GR	2007GR161PO005	Περιβάλλον - Αειφόρος Ανάπτυξη ERDF+CF	closed	15.585.238,31	15.585.238,31	0,00 €

MS	CCI	OP	closure status on 31.12.2019	Financial engineering instruments (In EUR)		Corrections made on eligible expenditure for FEI	
				Total Expenditure	Public Contribution		
77	GR	2007GR161PO006	Αττική	closed	338.499.933,35	338.499.933,35	0,00 €
78	GR	2007GR161PO007	Δυτική Ελλάδα - Πελοπόννησος - Ιόνιοι Νήσοι	closed	4.025.255,15	4.025.255,15	0,00 €
79	GR	2007GR161PO008	Μακεδονία - Θράκη	closed	240.738.745,46	240.738.745,46	0,00 €
80	GR	2007GR16UPO001	Θεσσαλία - Στερεά Ελλάδα - Ήπειρος	closed	61.173.634,91	61.173.634,91	0,00 €
81	GR	2007GR16UPO002	Κρήτη & Νήσοι Αιγαίου	closed	39.842.635,52	39.842.635,52	0,00 €
82	HU	2007HU161PO001	Economic Development Operational Programme	closed	687.382.773,99	687.382.773,99	5.932.789,82 €
83	HU	2007HU161PO003*	Operational Programme for West Pannon	closed	6.880.361,00	6.880.361,00	353.258,17 €
84	HU	2007HU161PO004*	Operational Programme for South Great Plain	closed	6.880.361,00	6.880.361,00	359.926,81 €
85	HU	2007HU161PO005*	Operational Programme for Central Transdanubia	closed	6.880.361,00	6.880.361,00	348.176,86 €
86	HU	2007HU161PO006*	Operational Programme for North Hungary	closed	6.880.361,00	6.880.361,00	349.054,32 €
87	HU	2007HU161PO009*	Operational Programme for North Great Plain	closed	6.880.361,00	6.880.361,00	359.940,09 €
88	HU	2007HU161PO011	Operational Programme for South Transdanubia	closed	6.705.817,34	6.705.817,34	338.017,40 €
89	HU	2007HU162PO001	Operational Programme for Central Hungary	closed	131.714.787,67	131.714.787,67	914.522,51 €
90	IT	2007IT161PO001	Poin Attrattori culturali, naturali e turismo	closed	74.305.611,42	74.305.611,42	0,00 €
91	IT	2007IT161PO002	Programma Operativo Interregionale "Energie rinnovabili e risparmio energetico" 2007-2013	open	77.838.785,41	77.838.785,41	
92	IT	2007IT161PO006	Pon Ricerca e competitività - Riprogrammazione - 30 ottobre 2014	open	1.454.500.000,00	1.454.500.000,00	
93	IT	2007IT161PO008	POR Calabria FESR 2007 - 2013	open	77.100.923,59	77.100.923,59	
94	IT	2007IT161PO009	Por Campania FESR	pre-closed	416.892.111,05	416.892.111,05	
95	IT	2007IT161PO010	Programma Operativo FESR Puglia 2007-2013	pre-closed	283.376.135,98	283.376.135,98	8.182.071,00 €
96	IT	2007IT161PO011	Por Sicilia FESR	open	220.715.577,58	220.715.577,58	
97	IT	2007IT161PO012	Por Basilicata ST FESR	open	21.999.999,18	21.999.999,18	
98	IT	2007IT162PO001	Por Abruzzo FESR 2007-2013 riprogrammazione	open	39.565.717,88	39.565.717,88	
99	IT	2007IT162PO002	Por Emilia Romagna FESR Versione approvata dal Comitato di Sorveglianza 2015	closed	42.314.098,76	42.314.098,76	0,00 €

MS	CCI	OP	closure status on 31.12.2019	Financial engineering instruments (In EUR)		Corrections made on eligible expenditure for FEI	
				Total Expenditure	Public Contribution		
100	IT	2007IT162PO003	Por Friuli Venezia Giulia FESR versione 6	pre-closed	21.896.131,35	21.896.131,35	
101	IT	2007IT162PO004	Por Lazio FESR 2007-2013	open	153.942.433,08	153.942.433,08	
102	IT	2007IT162PO005	Por Liguria FESR	closed	4.242.427.317,00	4.242.427.317,00	0,00 €
103	IT	2007IT162PO006	POR FESR 2007-2013 Lombardia	closed	134.755.617,62	134.755.617,62	0,00 €
104	IT	2007IT162PO007	Por Marche FESR	closed	16.958.876,37	16.958.876,37	274.331,74 €
105	IT	2007IT162PO008	POR Molise FESR Versione 5 - dicembre 2015	pre-closed	35.582.974,60	35.582.974,60	13.472.468,48 €
106	IT	2007IT162PO011	PO Regione Piemonte FESR - versione 6	closed	71.301.148,80	71.301.148,80	0,00 €
107	IT	2007IT162PO012	POR Toscana CReO(vers.n.7-Settembre2015)	closed	208.497.080,05	208.497.080,05	0,00 €
108	IT	2007IT162PO013	Por Umbria FESR	closed	32.204.609,07	32.204.609,07	0,00 €
109	IT	2007IT162PO015	Por Veneto FESR	closed	140.698.700,27	140.698.700,27	
110	IT	2007IT162PO016	Por Sardegna ST FESR	pre-closed	367.264.806,98	367.264.806,98	175.879.658,00 €
111	LT	2007LT161PO001	2007-2013 m. Sanglaudos skatinimo veiksmų programa - ERDF + CF	closed	173.420.793,91	173.420.793,91	0,00 €
112	LT	2007LT161PO002	2007-2013 m. Ekonomikos augimo veiksmų programa - ERDF + CF	closed	265.838.739,57	265.838.739,57	0,00 €
113	LV	2007LV161PO001	Entrepreneurship and Innovations	pre-closed	192.490.329,87	161.933.103,00	0,00 €
114	MT	2007MT161PO001	Operational Programme I - Investing in Competitiveness for a Better Quality of Life	closed	12.000.000,00	12.000.000,00	
115	NL	2007NL162PO001	Operationeel Programma Noord 2007-2013	closed	0	0	0,00 €
116	NL	2007NL162PO002	Operationeel Programma West 2007-2013	closed	30.259.562,42	30.114.937,67	0,00 €
117	NL	2007NL162PO004	Operationeel Programma Oost 2007-2013	closed	17.636.364,00	16.636.364,00	0,00 €
118	PL	2007PL161PO001	Program Operacyjny Innowacyjna Gospodarka, 2007-2013	closed	136.708.885,24	136.708.885,24	0,00 €
119	PL	2007PL161PO003	Program Operacyjny Rozwój Polski Wschodniej 2007-2013	closed	47.947.328,85	47.947.328,85	0,00 €
120	PL	2007PL161PO005	Regionalny Program Operacyjny dla Województwa Dolnośląskiego na lata 2007-2013	closed	99.273.973,00	99.273.973,00	0,00 €
121	PL	2007PL161PO006	Regionalny Program Operacyjny Województwa Kujawsko-Pomorskiego na lata 2007 - 2013	closed	44.932.941,35	44.932.941,35	0,00 €

MS	CCI	OP	closure status on 31.12.2019	Financial engineering instruments (In EUR)		Corrections made on eligible expenditure for FEI	
				Total Expenditure	Public Contribution		
122	PL	2007PL161PO007	Regionalny Program Operacyjny Województwa Lubelskiego	closed	48.426.171,76	41.232.488,69	0,00 €
123	PL	2007PL161PO008	Regionalny Program Operacyjny Województwa Lubuskiego	closed	10.972.330,72	10.419.699,96	0,00 €
124	PL	2007PL161PO009	Regionalny Program Operacyjny Województwa Łódzkiego na lata 2007-2013	closed	51.820.707,76	51.820.707,76	0,00 €
125	PL	2007PL161PO010	Małopolski Regionalny Program Operacyjny na lata 2007-2013	closed	41.859.991,36	41.206.544,68	0,00 €
126	PL	2007PL161PO011	Regionalny Program Operacyjny Województwa Mazowieckiego	closed	72.856.862,37	72.856.862,37	0,00 €
127	PL	2007PL161PO012	Regionalny Program Operacyjny Województwa Opolskiego na lata 2007-2013	closed	24.973.306,38	24.973.306,38	0,00 €
128	PL	2007PL161PO013	Regionalny Program Operacyjny Województwa Podkarpackiego	closed	32.916.947,30	30.870.740,81	0,00 €
129	PL	2007PL161PO014	Regionalny Program Operacyjny Województwa Podlaskiego na lata 2007-2013	closed	40.967.875,56	40.329.354,89	416.895,21 €
130	PL	2007PL161PO015	Regionalny Program Operacyjny Województwa Pomorskiego	closed	145.009.542,02	142.982.645,90	0,00 €
131	PL	2007PL161PO016	Regionalny Program Operacyjny Województwa Zachodniopomorskiego na lata 2007-2013	closed	103.643.739,17	103.643.739,17	0,00 €
132	PL	2007PL161PO017	Regionalny Program Operacyjny Województwa Wielkopolskiego	closed	197.682.870,39	197.682.870,39	0,00 €
133	PL	2007PL161PO018	Regionalny Program Operacyjny Województwa Świętokrzyskiego	closed	35.425.588,25	29.087.261,79	0,00 €
134	PL	2007PL161PO019	Regionalny Program Operacyjny Województwa Śląskiego Operational Programme for Region Silesia	closed	87.531.974,48	82.851.631,02	0,00 €
135	PL	2007PL161PO020	Regionalny Program Operacyjny Województwa Warmińsko-Mazurskiego	closed	30.567.675,63	30.567.675,63	0,00 €
136	PT	2007PT161PO001	PO Factores de Competitividade 2007-2013	closed	418.406.877,32	262.810.747,69	0,00 €
137	PT	2007PT161PO002	PO Regional do Norte 2007-2013	closed	67.582.418,00	67.582.418,00	0,00 €

MS	CCI	OP	closure status on 31.12.2019	Financial engineering instruments (In EUR)		Corrections made on eligible expenditure for FEI	
				Total Expenditure	Public Contribution		
138	PT	2007PT161PO003	PO Regional do Centro 2007-2013	closed	46.570.471,00	46.570.471,00	0,00 €
139	PT	2007PT161PO004	PO Regional do Alentejo 2007-2013	closed	26.566.087,00	26.566.087,00	0,00 €
140	PT	2007PT161PO005	PO Regional do Algarve 2007-2013	closed	30.401.898,91	23.865.898,91	0,00 €
141	PT	2007PT161PO006	Programa Operacional dos Açores para a Convergência 2007-2013	closed	2.745.343,52	2.745.343,52	0,00 €
142	PT	2007PT162PO001	PO Regional de Lisboa 2007-2013	closed	45.923.392,58	34.380.392,58	0,00 €
143	PT	2007PT162PO002	PO Valorização do Potencial Económico e Coesão Territorial da RAM 2007-2013	closed	5.351.747,13	5.351.747,13	2.062.190,60 €
144	RO	2007RO161PO002	Sectoral Operational Programme Increase of Economic Competitiveness	open	225.000.000,00	225.000.000,00	
145	SE	2007SE162PO001	Skåne-Blekinge	closed	12.825.617,42	11.103.481,94	0,00 €
146	SE	2007SE162PO002	Småland och Öarna	closed	11.420.018,41	11.373.250,99	0,00 €
147	SE	2007SE162PO003	Västsvrige	closed	24.270.534,20	22.365.725,37	0,00 €
148	SE	2007SE162PO004	Östra Mellansverige	closed	16.267.905,71	16.267.905,04	0,00 €
149	SE	2007SE162PO005	Stockholm	closed	12.897.393,71	12.896.840,15	0,00 €
150	SE	2007SE162PO006	Norra Mellansverige	closed	14.446.543,14	14.446.543,14	0,00 €
151	SE	2007SE162PO007	Mellersta Norrland	closed	27.283.864,66	27.283.864,66	0,00 €
152	SE	2007SE162PO008	Övre Norrland	closed	16.330.461,89	14.310.122,51	0,00 €
153	SI	2007SI161PO001	Operativni program krepitve regionalnih razvojnih potencialov za obdobje 2007 - 2013	closed	188.733.414,16	188.733.414,16	365.163,77 €
154	SK	2007SK161PO003	Regional Operational Programme	pre-closed	164.986.660,00	164.986.660,00	0,00 €
155	SK	2007SK161PO006	OP Competitiveness and Economic Growth	pre-closed	150.722.435,33	150.722.435,33	13.483,96 €
156	SK	2007SK162PO001	OP Bratislava Region	pre-closed	24.061.819,25	24.061.819,25	1.107.031,44 €
157	SK	2007SK16UP0001	OP Research and Development	pre-closed	22.700.896,20	22.700.896,20	59,02 €
158	UK	2007UK161PO001	Highlands and Islands of Scotland ERDF phasing out Convergence programme	closed	5.809.581,41	5.809.581,41	0,00 €
159	UK	2007UK161PO002	West Wales and the Valleys ERDF Convergence programme	pre-closed	104.745.368,38	52.372.684,18	0,00 €
160	UK	2007UK161PO003	Cornwall and the Isles of Scilly ERDF Convergence programme	pre-closed	5.381.551,00	5.381.551,00	0,00 €
161	UK	2007UK162PO001	Lowlands and Uplands of Scotland ERDF Regional Competitiveness and Employment programme	pre-closed	204.937.023,09	204.937.023,09	36.333.478,97 €

MS	CCI	OP	closure status on 31.12.2019	Financial engineering instruments (In EUR)		Corrections made on eligible expenditure for FEI	
				Total Expenditure	Public Contribution		
162	UK	2007UK162PO002	South East England ERDF Regional Competitiveness and Employment programme	closed	3.596.852,47	3.596.852,47	0,00 €
163	UK	2007UK162PO003	Northern Ireland ERDF Regional Competitiveness and Employment programme	closed	10,981,374	10,981,374	0,00 €
164	UK	2007UK162PO004	East of England ERDF Regional Competitiveness and Employment programme	closed	82.419.003,60	82.419.003,60	0,00 €
165	UK	2007UK162PO005	North East England ERDF Regional Competitiveness and Employment programme	closed	206.725.905,00	206.725.905,00	0,00 €
166	UK	2007UK162PO006	London England ERDF Regional Competitiveness and Employment Programme	closed	158.445.486,32	158.445.486,32	0,00 €
167	UK	2007UK162PO007	West Midlands England ERDF Regional Competitiveness and Employment programme	closed	93.786.335,24	93.786.335,24	0,00 €
168	UK	2007UK162PO008	North West England ERDF Regional Competitiveness and Employment Operational Programme	closed	353.092.877,34	353.092.877,34	0,00 €
169	UK	2007UK162PO009	Yorkshire and Humberside England ERDF Regional Competitiveness and Employment programme	closed	230.305.664,06	230.305.664,06	0,00 €
170	UK	2007UK162PO010	East Midlands England ERDF Regional Competitiveness and Employment programme	closed	5.055.625,78	5.055.625,78	0,00 €
171	UK	2007UK162PO011	South West England ERDF Regional Competitiveness and Employment programme	closed	8.182.676,44	8.182.676,44	0,00 €
172	UK	2007UK162PO012	East Wales ERDF Regional competitiveness and Employment programme	closed	65.147.672,10	38.130.776,58	0,00 €
				TOTAL	19.017.498.370,18	18.491.388.357,22	252.542.932,04 €

* 5 OPs contributed to 1 instrument with the same amounts

ANNEX 10I: Assurance for EU Solidarity Fund

In 2019 the Commission paid out EU Solidarity Fund (EUSF) contributions totalling about EUR 294 million for the flooding in Romania, severe weather in Italy and Austria. In addition an advance was paid to Greece for the rain disaster in Crete.

The main steps leading to the payment of an aid under the EUSF are the following:

- Applications are made by Member States and assessed by the Commission.
- If the application is accepted, the Commission proposes an amount of aid to the European Parliament and the Council for approval before it can be paid out. An advance payment may be requested by the Member State.
- Once appropriations become available in the EU budget, the Commission adopts a decision awarding the aid, which is then paid out immediately in a single instalment.
- The beneficiary is responsible for implementation including the selection of operations and their audit and control.
- With the closure of the intervention the beneficiary provides an implementation report and an audit opinion confirming the payments made, no further payment is done to the beneficiary at closure

The main inherent risk as regards the EUSF is that due to the unpredictable and urgent nature of the events and related expenditures, there is no prior assessment of the management and control systems in place³⁰. The assurance on the legality and regularity of the EUSF expenditure is therefore mainly obtained *ex post*, i.e. after the Fund has been received by the beneficiary country and the projects have been completed. Such assurance is based on management checks and audit work performed by the national authorities concerned, as described in the implementation reports and audit opinions³¹ submitted to the Commission for the closure of each EUSF assistance.

At the level of the Commission, assurance on the legality and regularity of EUSF spending is mainly obtained through desk review of the validity statements (audit opinions). These reviews are complemented by on the spot audits on a risk basis by the Audit Directorate.

In 2019, 5 implementation reports and validity statements / audit opinions were submitted to REGIO for disasters for which EUSF assistance was paid in 2016. These are currently being assessed. In 2019, the Commission closed one EUSF intervention concerning the intervention of 2011 related to the flooding in Liguria and Tuscany (Italy).

The Commission performs in general one audit on the spot with regard to EUSF actions per year. In 2019 an audit was performed in the Republic of Serbia and closed. The findings with financial impact did not result in the need for a recovery due to eligible expenditure above the required amount of the grant agreement (overbooking) for the intervention.

From previous audits there are no major findings and most of the audits are already closed. The only exception is an audit from 2015 in Slovakia (flooding of 2010). The final audit report concluded to the need for a recovery of EUR 11 million, mostly related to the fact that the legal threshold for the aid was exceeded. The national authorities disagree with the finding. A technical contradictory meeting is under preparation in order to clarify the positions before deciding to launch a Commission decision for recovery, if necessary.

Based on the received audit opinions and audit work carried out so far, the Directorate-General can conclude that it has reasonable assurance on the compliance of EUSF expenditure that was accepted in 2019. No reservation is made.

³⁰ The legal framework introduced by the Council Regulation (EU) No 661/2014, amending the Council Regulation (EC) No 1261/2002, introduced some improvements in this regard, namely by allowing the Member States to use the same national authorities designated for ESIF to manage and control EUSF assistance. However, the provisions of the amended Regulation are applicable only to the EUSF assistance granted after its entry into force on 28/06/2014.

³¹ For EUSF assistance granted up to June 2014, the audit opinions were submitted in the form of "statements of validity".

ANNEX 10J: Assurance for direct and indirect management

Indirect management: Urban Innovative Actions

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

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

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

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

The spending is audited by an independent External Auditor who carries out audits on systems and operations by way of sampling. The results are provided to the Commission every year by the 15th of February in the form of an audit opinion and a control report. Audits are carried out according to a multiannual audit strategy sent to and approved by the Commission services, which is reviewed annually.

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

Four calls for proposals on Urban Innovative Actions have been completed in 2015, 2016, 2017 and 2019 with a total budget of EUR 322 million (86% of the total ERDF allocation) leading to the selection of 75 projects from 18 Member States, which are at different stages of implementation. A fifth and final call for proposals was launched in September 2019 (EUR 50 million) yielding some 222 project application which will be evaluated by June 2020. It covers the following topics: Air quality, Circular economy, Culture and cultural heritage and Demographic change.

In 2019, REGIO paid in indirect management EUR 44 million for Urban Innovative Actions.

The Annual Control Report and the audit opinion for 2019 was submitted by 15 February 2020. A limited amount of expenditure was declared by the Certifying Authority for the reference period. The external auditor reports a low amount of error and issues an unqualified opinion. REGIO auditors have analysed the documents and need some additional clarifications in order to be able to reach final conclusions. Based on the information available the REGIO auditors' conclusion is qualified with limited impact.

In 2019 the entrusted entity improved the first level controls based on recommendations by REGIO auditors. Recommendations to the external auditors were issued likewise. Some elements are still under discussion and will be further clarified with the communication related to the assurance package.

Indirect management: Instrument for Pre-Accession

IPA (for Turkey, North Macedonia and Montenegro) are managed under indirect management, with the EU delegations carrying-out ex-ante controls on the tendering of contracts, launch of calls for proposals and the award of contracts and grants. This represents an important mitigating element in the overall assessment of the functioning of management and control systems in candidate countries. There are five³² IPA programmes.

The control system is built on multiannual and multilevel control whereby one level of control may rely on the work of previous controls performed by other bodies.

Indicator	2019
Weighted average error rate on 2019 payments as reported by the audit authorities (based on 2017 error rates) – Estimate	0.01%

REGIO has assessed for all three countries (Montenegro, Turkey and North Macedonia) the NAO's statement of assurance, the system audit reports, the annual audit work plan, the annual audit opinion and the annual audit activity report, which were submitted at the end of 2019.

On this basis, REGIO can conclude that the management and control systems are functioning effectively and obtained reasonable assurance on the legality and regularity of underlying transactions for all five programmes.

Direct management

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

The assurance system for direct management comprises the following blocks:

Programming: overall and individual action

For technical assistance, assurance that operations cover the needs of the DG and are carried out according to priorities is derived from the programming exercise. The main objectives and priorities for technical assistance interventions in the 2014-2020 period are spelled out in the TA strategy, which is linked to the objectives set out in the REGIO's Management Plan, the Juncker's Commission priorities and Europe 2020 objectives. Specific actions implementing the TA strategy are identified by REGIO services and are consolidated and assessed against the overall strategy through the preparation of the annual Financing decision and its mid-year modification. Reporting on the implementation of the TA strategy (financial execution of the yearly Financing Decision and annual progress in implementing the TA strategy) gives additional assurance that TA funds were used for their intended purpose.

Tendering and contracting

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

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

To provide assurance to the AO(S)D the 4-eyes principle is applied for all procedures in the TA Cell, and an additional ex-ante verification is performed by the Legal Unit before awarding

³² Three programmes in Turkey, one in North Macedonia and one in Montenegro.

contracts above the Directive ceiling.

Monitoring of implementation and payments

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

Ex-post controls

Additional assurance is provided through the performance of ex-post controls on a sample of payments (including both mainstream and direct payments) systematically selected from the different budget lines, to ensure that these were duly authorised, paid to the right beneficiaries, properly accounted for and materially correct. There were no critical or very important findings identified for 2019 payments.

Indicator	2019
Ex-post review of payments	16 direct management payments

In 2019, REGIO paid EUR 76.4 million in direct management. In 2019, the budget under direct management was used mainly for operational and administrative technical assistance for ERDF and the Cohesion Fund.

In 2019, two direct grants representing 84% of the total amount of the projects closed in 2018 were object of ex-post verification. The detected error (amount) was EUR 92 representing an error rate of 0.002%. On this basis, REGIO can conclude that it obtained reasonable assurance about the legality and regularity of the expenditure related to direct grants.

Budget implementation tasks entrusted to other services and entities.

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

No cross-sub-delegations were given to other Directors-General in 2019.

REGIO received co-delegation arrangements from other DGs and services:

- AGRI (EUR 0.5m): contribution for FI Compass;
- EMPL (EUR 0.4m) for IT support activities and a contribution to the Evaluation Helpdesk;
- HOME (EUR 0.2 m) for IT support activities;
- MARE (EUR 0.5 m) for IT support activities.

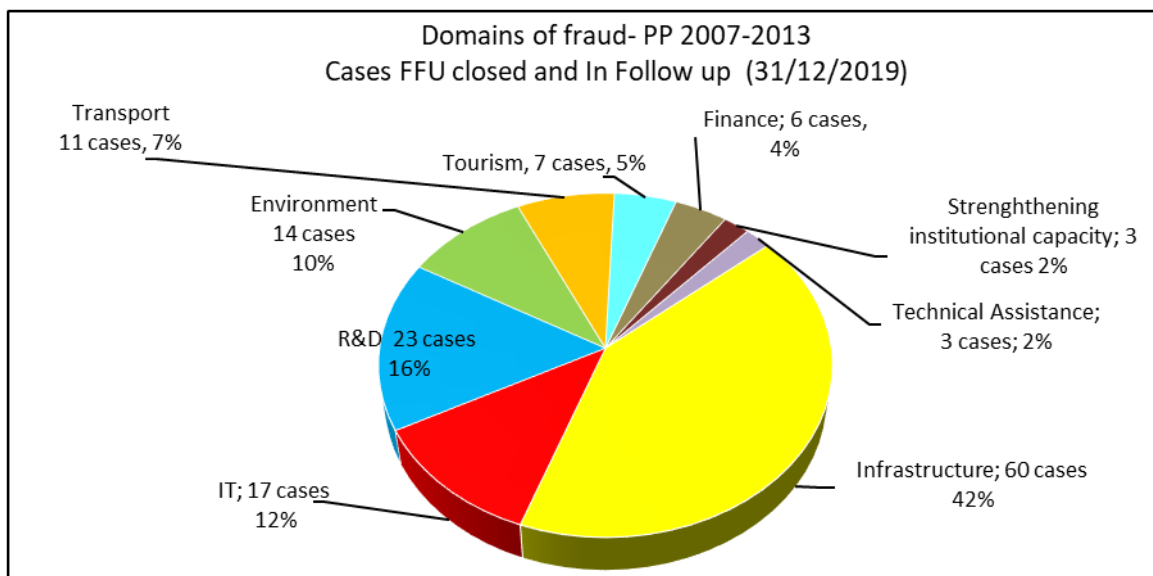
A total of EUR 6.8 million was disbursed on behalf of REGIO by DG Human Resources (EUR 0.4m), the Paymasters Office (EUR 6.2m) and Publications office (EUR 0.1m) for staff-related expenditure such as staff reinforcements via short-term contracts, contract agents, seconded national experts, committees and missions and publications.

The heads of Commission services (AODs) are required to implement the appropriations subject to the same rules, responsibilities and accountability arrangements.

ANNEX 10K: Fraud prevention and detection

Overall, programme authorities have undertaken qualitative risk assessments and some have started to use IT tools to detect potential fraud using red flags. The guidelines and tools offered by REGIO have yielded increased risk awareness.

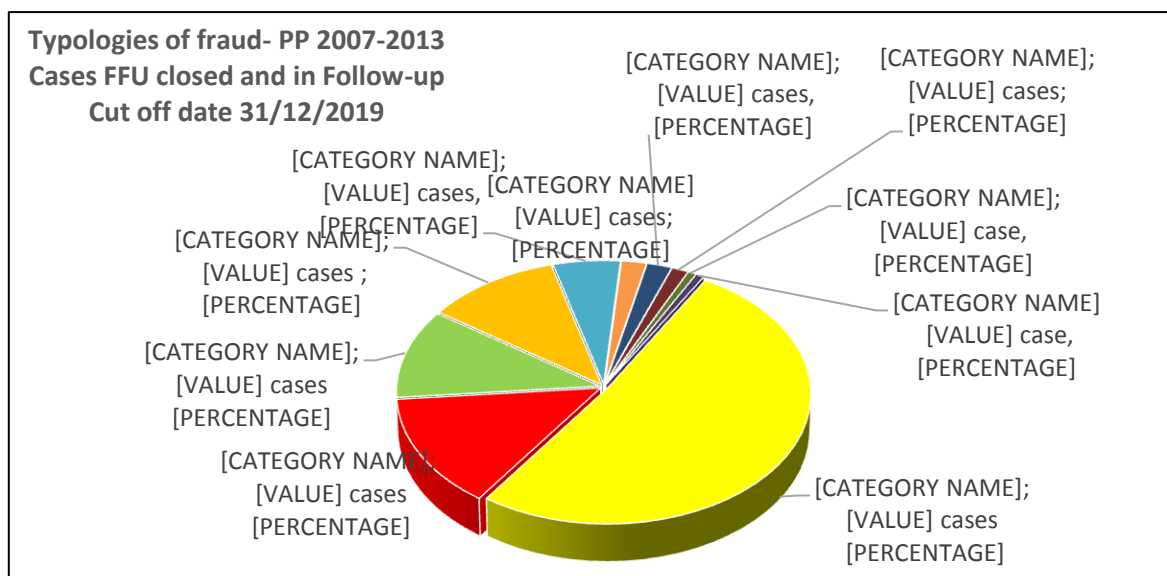
But more can be done to curb fraud in EU funds. Using all available sources of information, including Member States reporting, OLAF investigations and the result of the Commission compliance audits, the JAFS 2019 presents an updated fraud risk assessment for REGIO, MARE and EMPL.



The Commission is analysing data of OLAF cases and draws statistics to increase the knowledge of the areas in which most fraud cases occur and the corresponding modus operandi.

Based on OLAF cases for the period 2007-2013, it was possible to draw some useful statistics. The above chart shows the most recurrent domains of fraud (based on OLAF cases at end 2019).

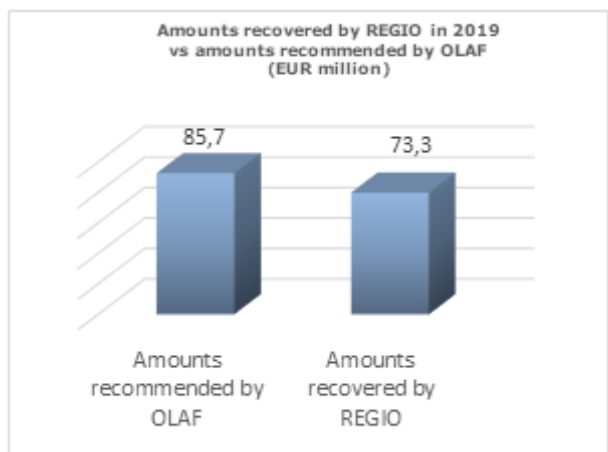
The below chart shows the most recurrent types of fraud (same basis as above):



REGIO has monitored all shared management expenditure cases within its responsibilities on which follow up action was completed in 2019.

REGIO has gathered complete and systematic information on follow up to OLAF financial recommendations by management authorities. In 2019 the follow up for 24 cases in the field of Structural/Cohesion funds shared management, has been closed. The monitoring table below includes information on the Programming period, the Fund(s) affected, the Member State and project concerned, extensive information about REGIO follow up action taken, the programme, as well as the date of transmission of the OLAF final report and the amount of financial recommendation by OLAF. REGIO has each time established the amount concerned and the type of recovery accepted by the Member State, the date of closure and information that is more specific for statistical and internal purposes.

After analysis of the Member States position contesting OLAF findings and recommendations, the geographical desk and the legal unit may conclude that REGIO does not have sufficient legal grounds to pursue a financial correction/recovery. Further progress was made in 2019.



In the year 2019, the implementation rate of OLAF recommendations reaches 86%. This is the consequence of our increased collaboration with OLAF. As a result, since 2017, the fact findings and the financial recommendations by OLAF are more targeted and better reflect than in previous years the specific legal framework in Structural Funds, thus allowing REGIO recoveries in nearly all cases with OLAF financial recommendations.

List of OLAF case financial recommendations for which follow up was completed in 2019 by REGIO:

OLAF N°	REGIO Status	Period	Fund	MS	Programme	Date of final report (if any)	Financial impact in OLAF (final case report)	Amount recovered	Amount prevented from being unduly spent	Type of recovery (Withdrawal at closure, Withdrawal-De-certification by MS, Financial correction)	Date of closure
OF/2015/1047	FFU closed	2007-2013	ERDF/ESF	ES	OP Castilla y Leon	26-02-2018	10.668	12.065		withdrawal (De-certification)	25-02-2019
OF/2016/0766	FFU closed	2007-2013	ERDF	ES	2007ES16UPOO01	21-12-2017	53.022	52.565,63		withdrawal (De-certification)	25-02-2019
OF/2015/1390	FFU closed	2000-2006 2007-2013	INTERREG	ETC - GR	2007CB163PO060	15-11-2018	1.143.218	546.482		withdrawal (De-certification)	20-09-2019
OF/2013/0354	FFU closed	2007-2013	ERDF	ETC, FR	2007UK162PO002 2007CB163PO044 2007CB163PO038 2007CB163PO040 2007CB163PO044	02-09-2016	2.427.750	1.224.641		Financial correction + Withdrawal at closure	29-04-2019
OF/2014/0855	FFU closed	2007-2013	ERDF	ETC, FR	Interreg IV (FR-UK-Channel/La Manche (CCI:2007CB163PO040) FR-NL-BE-UK-Manche-Mer du Nord (Les Deux Mers) (CCI: 2007CB163PO038) 2SEAS and Channel programmes	30-06-2017	42.023	189.002		Financial correction + Withdrawal at closure	29-04-2019
OF/2014/1446	FFU closed	2007-2013	ERDF/CF	GR	2007GR161PO005	13-08-2018	2.088.691	173.992		Withdrawal at closure	08-02-2019
OF/2016/0428	FFU Closed	2007-2013	ERDF/EA FRD	HU	2007HU161PO001	02-06-2017	327.776	380.156		Withdrawal at closure	26-03-2019
OF/2014/0047	FFU closed	2007-2013	ERDF	HU	2007-2013 Economic Development OP (EDOP) 2007-2013 West Pannon OP (WPOP)	16-12-2016	976.182	1.096.943	1.067.889	Withdrawal at closure	22-03-2019
OF/2014/0568	FFU Closed	2007-2013	ERDF	HU	2007HU161PO001	08-06-2016	1.114.575	1.114.575		Withdrawal at closure	15-03-2019
OF/2015/1377	FFU Closed	2007-2013		HU	2007HU161PO001	24-05-2017	1.500.000	1.603.093		Withdrawal at closure	15-03-2019
OF/2015/1158	FFU Closed	2007-2013	ERDF	HU	2007HU161PO001	09-12-2016	1.800.000	1.704.111		Withdrawal at closure	15-03-2019
OF/2014/0680	FFU closed	2007-2013	ERDF/ESF	HU	2007HU161PO008 (TIOP) 2007HU162PO001 (KMOP) 2007HU05OP001 (TA'MOP)	10-07-2018	1.800.000	1.721.258		Withdrawal at closure	20-02-2019
OF/2014/0016	FFU closed	2007-2013		HU	2007HU161PO001	11-03-2016	19.410.650	5.932.789		Withdrawal at closure	15-03-2019
OC/2016/0104	FFU closed	2007-2013	ERDF	HU	2007HU161PO001	21-12-2018	7.460.000	8.525.306		Withdrawal at closure	15-03-2019
OF/2015/1028	FFU closed	2007-2013	ERDF	HU	2007HU161PO001	20-12-2017	28.323.902	29.830.218		Withdrawal at closure	15-03-2019
OF/2016/0317	FFU closed	2007-2013 2014-2020	ERDF	HU	2007HU161PO001 2014HU16M0OP001	16-11-2018	708.269	3.120.731		Withdrawal at closure	15-03-2019
OC/2018/0336	FFU closed	2014-2020	ERDF	HU	2014HU16M0OP001	no FCR	6.000.000	5.946.832		Withdrawal at closure	15-03-2019
OF/2013/1117	FFU closed	2007-2013	ERDF	PL	2007PL161PO001	05-12-2016	1.623.686	1.623.868		Withdrawal at closure	29-01-2019
OF/2014/1254	FFU closed	2007-2013	ERDF	PL	2007PL161PO001	18-08-2016	165.000	165.000		withdrawal (De-certification)	24-09-2019
OF/2015/0390	FFU closed	2007-2013 2014-2020	ERDF	PL	2007PL161PO001	21-12-2017	4.000.485	3.580.000		withdrawal (De-certification)	04-10-2019
OF/2016/0040	FFU closed	2007-2013	ERDF	PT	2007PT162OP002	12-11-2018	271.688	271.688		withdrawal (De-certification)	15-05-2019
OF/2014/1140	FFU closed	2007-2013	ERDF	PT	2007PT161PO001	14-10-2016	679.755	679.755		Withdrawal at closure	24-01-2019
OF/2014/0901	FFU closed	2007-2013	ERDF	RO	2007RO161PO002		460.000	460.000		Withdrawal at closure	05-07-2019
OF/2016/0032	FFU Closed	2007-2013	ERDF	SK	2007-2013 Operational Sectorial Programme "Increase of economic competitiveness" 2007SK161PO006	27-11-2018	3.384.770	3.399.957		Withdrawal at closure	15-04-2019
						TOTAL	85.772.111	73.355.027			

ANNEX 10L: European Court of Auditors: Audit observations and recommendations

Annual report for 2018

The European Court of Auditors (the Court) published its Annual Report for the budgetary year 2018 beginning of October 2019, based on its 2018 Statement of Assurance audits. Chapter 6 of the report is dedicated to economic, social and territorial Cohesion policy, with REGIO and EMPL's funds accounting for respectively 74% and 26% of the spending covered by this chapter. The audit sample drawn by the Court was composed of payments relating both to the closure of the 2007-2013 programming period (33% of the audited population) and the implementation of the 2014-2020 programming period (67% of the audited population) under the revised control and assurance framework, including annual accounts and annual residual total error rates for these accounts once financial corrections were applied at programme level.

The Court decided to pursue its new (pilot) approach for Cohesion policy initiated in its 2017 Statement of Assurance, consisting in assessing the controls and the audit work already performed on relevant programme expenditure at both national and European level, and the extent to which these audits can be relied upon and led to the appropriate levels of financial corrections for the accepted accounts.

The Commission welcomes this new approach of the Court in line with the principles of single auditing and proportionality of controls with the aim to efficiently use resources while avoiding the unnecessary repetition of audits for beneficiaries. This evolution is made possible thanks to the new features of the current programming period but also the continuous improvement of the reliability of the information provided by audit authorities and validated by the Commission.

In its 2018 Statement of Assurance, the Court examined a sample of 220 transactions selected from 15 assurance packages from 2014-2020 and 9 closure packages from 2007-2013, the work done by audit authorities to validate the information contained in those packages and the Commission's work when reviewing and validating the assurance and closure packages received in 2017.

Main conclusions based on the review of the sampled transactions:

The Court identified and quantified 36 errors that had not previously been detected by the audit authorities and estimated the level of error to be 5%, applying to both 2014-2020 payments and 2007-2013 closure balances. It is higher than in the previous year (3%) but remains much lower than the levels reported under the 2007-2013 period. The upwards trend observed compared to the previous year can be explained by an increased number of programmes with certified amounts between the two years, and the increase in the volume of declared expenditure with a higher inherent risk.

The decreasing trend in the Court's calculated error rate over previous years reflects a general improvement in tackling errors in Cohesion policy. Expertise developed over the successive programming periods have increased the administrative capacity of programme authorities and the reliability of their work, contributing to the reduction of the error rate over the years. The 2014-2020 revised control and assurance framework requires to apply the necessary financial corrections for each programme on an annual basis, which is a significant improvement. It does not prevent the Commission from addressing the situation of individual programmes, following up all remaining errors identified by the Court and applying further corrections where necessary.

In 2018, for the second year audit authorities have reported errors following the agreed typology with the Commission. This allows showing that national and Commission audits conclude on the same types of errors, in line also with the Court. The audit authorities reported 60 quantifiable errors for the transactions sampled by the Court. The main sources of the errors identified by both the Court and the audit authorities were linked to ineligible expenditure, project activities, participants or VAT (44% of all errors, accounting for almost 2% of the ECA error rate). Other

main errors relate to internal market rules (public procurement and state aid, accounting for 40% of all errors identified). The majority of errors linked to public procurement were identified by the audit authorities, showing the impact of the Commission's capacity building actions in this area and the better detective capacity of programme authorities. However, the most frequent types of errors found show that management verifications, as the first line of defense, still need to be strengthened to prevent errors.

The Commission and the Court experienced, however, divergent views on methodological aspects and legal interpretations of national or EU provisions. It led the Commission to disagree on five errors identified and quantified by the ECA in their 2018 Statement of Assurance, for which the Commission had a divergent assessment. Such divergent assessments might have an impact on the calculated error rate. In that respect, the Commission referred to the 'worst-case scenario' it transparently disclosed in the 2018 Annual Activity Reports where based on our professional judgement, REGIO mentioned that the residual risk of error for accounts accepted in 2018 could still raise up to a maximum of 2.7%, taking account of either possible additional errors or the final outcome of on-going contradictory procedures. Taking into account the agreed errors, the Commission considers that the worst-case scenario disclosed in the 2018 AAR reflect a fair estimate of the error rate.

Regarding the financial instruments, the Court reported a few cases of ineligible loans or ineligible beneficiaries, with however a marginal impact on the error rates. They assessed that the new requirement introduced by the Omnibus regulation will address the weaknesses previously identified in the audit arrangements for financial instruments managed by the EIB/EIF Group, except for six SME Initiative programmes which were approved before its entry into force.

They also identified some cases of withholding of EU funds by managing authorities in two Member States, in breach of the legal requirement to pay beneficiaries the full amount of public contribution no later than 90 days after the submission of their payment request (Article 132 of the Common Provisions Regulation).

The Commission services will continue to work in close collaboration with the ECA to overcome difficulties experienced and to further align audit methodologies and interpretation of legal texts. Programme authorities need a consistent and stable interpretation of the legal and audit framework to ensure legal certainty for all actors, including beneficiaries.

The Commission has already taken several actions to further decrease the risk of errors in the areas pointed at by the ECA. In particular, it has addressed updated guidance to Member States for the 2014-2020 programming period which, combined with the required use of the simplified cost options, should contribute to improving further the quality of management verifications. It has provided clarifications on the eligibility of VAT to Member States and proposed a simpler rule for post 2020. The Commission continues with the implementation of its updated Public Procurement Action Plan, which aims at improving the compliance of public procurement procedures in cohesion policy. It also recently updated the guidance for standardized financial corrections of public procurement errors. Finally, in the particular field of state aid, three of the errors quantified by the ECA refer to a national aid scheme which had provisions not compatible with the EU state aid rules. The Commission had previously identified this issue and had already requested the necessary changes in the national legislation. The national legislation has been now changed accordingly, putting an end to this specific systemic weakness.

Assessment of the work of audit authorities:

The Court assessed in 2018 the work of 15 audit authorities in reviewing 24 assurance/closure packages. Based on the additional errors they identified as mentioned above, they consider that the residual error rate should be above the materiality threshold for four assurance packages of the 2014-2020 period and one of the closure package. In six packages, they found weaknesses likely to affect the representativeness of the audit samples and consequently the accuracy of the reported error rates. They acknowledged some improvement in the way audit authorities

document their work and reported some good practices. In line with previous Court's recommendation, the Commission has established an informal working group with the participation of several audit authorities and the Court as observer, with a view to establishing a common understanding and appropriate practices on audit documentation.

The Commission notes that further improvements are necessary in some management and control systems to ensure that all errors are timely detected and corrected. It considers however that neither the additional errors found by the Court, nor diverging professional judgements or interpretations of EU or national rules indicate a widespread failure in the functioning of audit authorities. It continues working intensively with all audit authorities to ensure that they work up to expected standards. Such cooperation includes various guidance notes on assurance packages, the elaboration of a methodology for auditing financial instruments, technical meetings to discuss methodological issues, the development of jointly shared and agreed sampling techniques to ensure representative and reliable error rates and the adoption of joint audit tools and checklists. In parallel, the Commission will also continue its technical dialogue with the Court in order to avoid, whenever possible, a divergent understanding of the applicable rules and guidance and provide a stable and predictable audit framework against which audit authorities are assessed.

The Commission's assurance work and reporting in its Annual Activity Reports (AAR):

The Court acknowledged the efforts made by the Commission to improve its reporting on regularity, pointing at its revised key performance indicator which, starting from last reporting year, covers expenditure for which the Commission could obtain the necessary assurance both from audit authorities and its own audit work. This key performance indicator also neutralises the impact of advances paid to financial instruments, in line with the previous Court's recommendation. It also acknowledged the prudent approach of reporting of a 'worst-case scenario' residual error rate in order to take account of relevant ongoing Commission's and Court's audit work.

In order to contribute to the corporate reporting, the Commission estimated the risk at payment and at closure on the expenditure of the year concerned by using the most conservative approach, based on the confirmed residual error rates or the non-confirmed residual error rates of the upcoming accounting year in case they would be higher than the confirmed ones. The Court considers that this figure underestimates the risk of irregularity.

The Court is of the opinion that even though Commission audits help the Commission to assess the regularity of the expenditure, the residual error rate reported as a Key performance indicator can only be considered a minimum. It also stresses that the Commission's conclusion on its audits of the reported accounting year are not final. The Commission considers that its assurance based on a cost-efficient two-step audit approach (systematic desk review of all programmes and complementary risk-based audits on the spot) provide reasonable assurance on the legality and regularity of the underlying expenditure, except for programmes for which it reported potential additional financial corrections.

Finally, the Court assessed the closure arrangements, both for the 2007-2013 period and the 2014-2020 period.

Performance assessment of projects:

The Court assessed elements of the performance system and the reliability the performance data reported for 208 transactions.

The Court's review showed that in 95% of the examined projects, output indicators or both output and result indicators were set at project level, in line with the requirements of the EU regulation. In addition, 81% of projects had fully or partially met their performance indicators.

The Court made the same statement as previous years that result indicators are not always part of the design of performance systems at project level. It is important to recall that result

indicators are likely to be affected by different factors outside the control of managing authorities; therefore, their relevance at project level is to be assessed on a case-by-case basis but is not systematically required under the regulation.

It should be stressed that the Court's sample concerned a mixture of 2007-2013 and 2014-2020 projects, with a significant change to the performance approach and intervention logic under the 2014-2020 regulation. The latter strengthened both the focus on result-orientation with a comprehensive system of obligatory indicators for outputs and results at programme level and the reliability and exhaustiveness of the performance data reported by Member States. The reported results are therefore providing a limited view of the specific results for 2014-2020 so far.

Finally, the Court reported that monitoring systems to record information on performance were in place in all Member States they examined. Audit authorities are now required to include the aspect of performance data reliability in their audits of operations, in addition to system audits. The Commission carries out audits on the reliability of the performance data reported by Member States and recommends, whenever necessary, improvements to the reporting or correction of the performance data.

Recommendations issued by the Court:

The Court issued the following recommendations in its 2018 Annual report:

Recommendation 1 – Audit arrangements for SME Initiative programmes

Ensure that:

(a) regular checks, based on a representative sample of disbursements to final recipients, are carried out at the level of financial intermediaries either by the audit authority or by an auditor selected by the EIB Group;

(b) where such checks were insufficient, develop and implement appropriate control measures to prevent the possibility of material irregular expenditure at closure.

Target implementation date: immediate

Commission Reply: The Commission accepts this recommendation.

(a) A revised Article 40 of the CPR sets out a new assurance model, which includes in particular control reports, as well as audit reports from external auditors of EIB/EIF, whose models are approved by an Implementing Act.

(b) The EIF has confirmed that it is prepared to voluntarily extend the use of the new types of audit reports to all SME Initiative programmes. The new CPR assurance model and the voluntary implementation of the audit reports to the Small and Medium Enterprises (SME) Initiatives is considered to address the recommendation.

Recommendation 2 – Irregular withholding of payments

Take the necessary steps to ensure that the checklists used by managing and audit authorities include verifications of compliance with Article 132 of the Common Provisions Regulation, which states that beneficiaries must receive the total amount of eligible expenditure due no later than 90 days from the date of submission of the related payment claim. Where relevant, make appropriate recommendations to programme authorities and encourage them to follow correct practice in the future.

Target implementation date: immediate

Commission Reply: The Commission accepts the recommendation and will take the necessary steps to ensure that managing and audit authorities pay the necessary attention to compliance with Article 132 CPR.

Recommendation 3 – 2014-2020 closure arrangements

Address weaknesses and ensure that no programme can be closed with a material level of irregular expenditure. The Commission should:

- (a) identify the main risks that may affect the regular closure of programmes;
- (b) where appropriate, develop targeted guidance on the arrangements for closure which includes adequate and timely corrective measures.

Target implementation date: (a) May 2020 and (b) December 2022

Commission Reply: The Commission systematically scrutinizes each programme before closure to safeguard that the level of irregular expenditure is below materiality. This will also be the case for 2014-2020 programmes, the closure of which is planned in the regulation for 2025.

(a) The Commission accepts the recommendation and will identify the main risks that may affect the closure of 2014-2020 programmes, based on the lessons learnt during programme implementation, in view of its future closure guidelines to Member States.

(b) The Commission accepts as a matter of principle this part of the recommendation, but considers that there is no urgency to develop such guidance due to the regulatory timetable for closure foreseen in 2025. Moreover, such guidelines for closure should take account of experience drawn from the implementation of programmes.

Finally, in its Chapter 2 dedicated to Budgetary and financial management, the Court also pointed at the risk of insufficient payment appropriations for the future budgets, due to the delays encountered in the implementation of ESI funds in the current MFF. In order to tackle this risk, the Court recommended several measures to avoid undue pressure on the level of payment appropriations in the first years of the next MFF, such as the facilitation of the timely adoption of the legal frameworks and the promotion of early planning of programmes by Member States. The Commission considers that it has already taken the necessary actions by presenting its legislative proposals on cohesion policy and launching the informal dialogue with the Member States to prepare the programmes well in advance of the start of the 2021-2027 period.

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 2018 Annual report, the Court assessed that the recommendations issued in 2015 and 2017 have been implemented, either fully or in most/some respects, except one recommendation on the VAT eligibility in cohesion policy. The Commission considers that it has addressed the Court's concern on this issue through an alternative proposal for post-2020.

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	Number of recommendations issued	DONE/CLOSED	OPEN
2014	7*	6	1
2015	6*	5	1
2016	7	7	0
2017	7	6	1

* 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 reports published in 2019 involving cohesion policy and its funding

SR 06/2019 "Tackling fraud in EU cohesion spending: managing authorities need to strengthen detection, response and coordination"

In cohesion policy, under shared management, responsibility for fighting fraud lies primarily with the Member States. In this audit the ECA assessed whether managing authorities and anti-fraud coordination services in Member States have properly met their responsibilities at each stage of the 'anti-fraud management process', from prevention and detection to response, including reporting on detected cases and recovery of funds unduly paid.

The ECA acknowledged improvements over recent years, but still considered that EU Member States' efforts to tackle fraud in cohesion spending remain to be strengthened. It issued a number of recommendations addressed to both Member States and the Commission in order to strengthen detection, response and coordination and therefore prevent, detect and deter fraudsters more effectively.

The Commission continues to practice zero tolerance for fraud and corruption with EU funds and has deployed substantial efforts to fight fraud over the last years. It reformed the system for financial management and control in the Common Provisions Regulation for 2014-2020, thereby strengthening assurance. The Member States authorities have improved their fraud risk assessment using the Commission's data mining and flagging tool put at their disposal. The Commission therefore supports the ECA's recommendations for Member States to make the necessary efforts in that direction. It will continue to support the Member States in fraud prevention and detection.

SR 8/2019 Wind and solar power for electricity generation: significant action needed if EU targets to be met"

The EU aims to generate a fifth of its energy from renewables for electricity, heating and cooling and transport use by the end of 2020. In this audit the ECA assessed the progress made by the EU and Member States towards the renewables targets. They went to Germany, Greece, Spain and Poland to examine whether financial support for electricity generation from wind and solar power had been effective.

The ECA made the following recommendations to improve the situation: focus on closing gaps to meet the 2020 targets; simplify procedures and improve timeliness of statistics; plan sufficient auctions and promote investment in grid infrastructure; ensure better monitoring.

REGIO will implement the recommendations which concern its policy and related funding.

Briefing Paper "Delivering performance in Cohesion"

The briefing paper looked at the evolution of the EU's efforts to make cohesion spending more performance-oriented. Overall, the ECAD welcomed the progress made in recent years and acknowledged the steps taken by the Commission to include key design features such as defining good performance and the conditions necessary to achieve it, how to measure performance and how to report on and evaluate it.

In terms of the Commission's proposals for the next programme period (2021-2027), the ECA praised the way that EU funds are targeted to where they can have most impact, as well as the

efforts made to strengthen the performance measurement framework, even though the ECA sees a risk that programme revisions will not be informed by performance considerations.

Finally, the ECA stressed the importance of the legislative framework being adopted in good time by the European Parliament and the Council. Cumulative delays in implementation, together with overlapping eligibility periods, tend to shift Member States' focus away from performance considerations towards spending EU money quickly so that they do not lose it.

Rapid case review "Allocations of Cohesion policy funding to Member States in 2021-2027"

In this report, the ECA acknowledges that the Commission has been more transparent about how EU Cohesion Policy funds will be allocated, even though the process remains similar and "relatively complex".

The Commission has published all its allocation method proposals as part of its much broader proposals for a "Common Provisions Regulation" (CPR), as well as for the resulting allocations,

The EU auditors also pointed out that, for the first time, migration and greenhouse gas emissions are included in the allocation process, in addition to socio-economic and environmental factors such as the youth unemployment rate or the level of education achieved.

Follow-up to previous ECA recommendations:

The Court conducted in 2019 a follow-up of six special reports published in 2016 and involving directly or indirectly REGIO (SR 08/2016 on rail freight, SR 19/2016 on financial instruments, SR 24/2016 on state aid in cohesion policy, SR 23/2016 on maritime transport, SR 31/2016 on climate action objectives and SR 36/2016 on arrangements for 2007-2013 closure – cohesion and rural development programmes).

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.

ANNEX 10M: Details about cost of controls

The detailed figures on the cost of control at Commission³³ level are reported below.

Overview of the estimated cost of controls at Commission (EC) level:

Shared management							
Ex ante controls			Ex post controls			Total**	
EC total costs (in EUR)	funds managed (in EUR)*	Ratio (%)*: Total ex ante control cost in EUR ÷ funds managed in EUR	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%): Total ex post control cost in EUR ÷ total value verified and/or audited in EUR	EC total estimated cost of controls (in EUR)	Ratio (%)*: Total cost of controls ÷ funds managed
N/A ³⁴	N/A	N/A	73.292.000	38.609.877.000	0,19%	73.292.000	0,19%
Indirect Management							
Ex ante controls			Ex post controls			Total	
EC total cost (in EUR)	funds managed (in EUR)	Ratio (%): Total ex ante control cost in EUR ÷ funds managed in EUR	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%): Total ex post control cost in EUR ÷ total value verified and/or audited in EUR	EC total estimated cost of controls (in EUR)	Ratio (%): Total cost of controls ÷ funds managed
N/A	N/A	N/A	467.500	44.188.000	1.06%	467.500	1.06%
Direct Management							
Ex ante controls			Ex post controls			Total	
EC total cost (in EUR)	funds managed (in EUR)	Ratio (%): Total ex ante control cost in EUR ÷ funds managed in EUR	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%): Total ex post control cost in EUR ÷ total value verified and/or audited in EUR	EC total estimated cost of controls (in EUR)	Ratio (%): Total cost of controls ÷ funds managed
N/A	N/A	N/A	2.529.600	93.750.000	2.70%	2.529.600	2.70%
Total cost of controls							
Ex ante controls			Ex post controls			Total	
EC total cost (in EUR)	funds managed (in EUR)	Ratio (%): Total ex ante control cost in EUR ÷ funds managed in EUR	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%): Total ex post control cost in EUR ÷ total value verified and/or audited in EUR	EC total estimated cost of controls (in EUR)	Ratio (%): Total cost of controls ÷ funds managed
N/A	N/A	N/A	76.289.190	38.747.814.710	0.20%	76.289.190	0.20%

³³ The costs at Entrusted Entity level (e.g. the management fees paid, as a proxy) and/or at Member States level (in shared management) are also reported in the beginning of the AAR body sub-section 2.1.1.3 "Economy".

³⁴ After the OPs adoption process, the ex-ante controls are not any longer deployed: then in the current phase of the programming period the controls are only ex post.

ANNEX 10N: Conclusions on the assurance: List of Reservations in the AAR 2019 and Targeted Actions

2014-2020 ERDF/CF/IPA-CBC – 67 programmes

	MS	Ref	Title	Reservation 2019	Reasons for Reservations/Comments	Quantification based on Risk amount average in m EUR	Targeted Actions
1	AT	2014AT16RFOP001	Investments in Growth and Employment Austria 2014-2020	Full	Total error rate above 10%. Residual total error rate above 2%.	€ 1.45	<p>Improve the management and control system.</p> <p>Carry out appropriate financial corrections.</p> <p>Confirm the implementation of corrective actions.</p>
2	CZ	2014CZ16RFOP001	Enterprise and Innovation for Competitiveness	Partial Non-fin	Deficiencies in the selection and management verifications for a group of operations under one group company; ongoing conflict of interest case for part of the programme operations	€ -	
3	DE	2014DE16RFOP004	OP Brandenburg ERDF 2014-2020	Full	Residual total error rate above 2%.	€ 7.31	
4	DE	2014DE16RFOP011	OP Saarland ERDF 2014-2020	Full	Residual total error rate above 2% (as provisionally recalculated by REGIO due to the impact of a public procurement issue; exact impact under assessment by the programme authorities).	€ 0.27	
5	DE	2014DE16RFOP012	OP Sachsen ERDF 2014-2020	Full	Residual total error rate above 2%.	€ 11.07	
6	DE	2014DE16RFOP013	Sachsen-Anhalt	Partial fin	Deficiencies in management and control system (KR 2 and KR 4) in relation to operations with public procurement. Risk estimated above 10% for these operations.	€ 2.15	
7	DE	2014DE16RFOP015	OP Thüringen ERDF 2014-2020	Full	Residual total error rate above 2% (as provisionally recalculated by REGIO due to the impact of a public procurement issue; exact impact under assessment by the programme authorities).	€ 3.76	
8	ES	2014ES16RFOP002	Multiregional OP for Spain ERDF 2014-20	Full	Residual total error rate above 2%.	€ 10.01	
9	ES	2014ES16RFOP003	Andalucía ERDF 2014-20 OP	Full	Residual total error rate above 2%.	€ 6.83	
10	ES	2014ES16RFOP007	Canary Islands ERDF 2014-20 OP	Full	Residual total error rate above 2%.	€ 1.88	

	MS	Ref	Title	Reservation 2019	Reasons for Reservations/Comments	Quantification based on Risk amount average in m EUR	Targeted Actions
11	ES	2014ES16RFOP008	Cantabria ERDF 2014-20 OP	Full	Residual total error rate above 2%.	€ 0.25	
12	ES	2014ES16RFOP010	Castilla-La Mancha ERDF 2014-20 OP	Full	Residual total error rate above 2%.	€ 1.53	
13	ES	2014ES16RFOP011	Cataluña ERDF 2014-20 OP	Full	Total error rate above 10%. Residual total error rate above 2%.	€ 0.54	
14	ES	2014ES16RFOP012	Ceuta ERDF 2014-20 OP	Partial fin	Total error rate above 2%. Deficiencies in the intermediate body SG Desarrollo Urbano.	€ 0.01	
15	ES	2014ES16RFOP013	Comunidad Valenciana ERDF 2014-20 OP	Full	Total error rate above 10%.Residual total error rate above 2%.	€ 0.26	
16	ES	2014ES16RFOP017	Madrid ERDF 2014-20 OP	Full	Total error rate above 10%. Residual total error rate above 2%.	€ 0.12	
17	ES	2014ES16RFOP018	Melilla ERDF 2014-20 OP	Partial fin	Deficiencies in the intermediate body SG Desarrollo Urbano	€ 0.02	
18	ES	2014ES16RFSM001	SME Initiative	Full	Deficiencies in the management and control system.	€ 0.05	
19	FR	2014FR05M0OP001	Ile-De-France And Seine	Full Non-fin	Deficiencies in the management and control system (KR 2 and KR 4). Risk above 10%.	€ -	
20	FR	2014FR16M0OP002	Regional programme Auvergne 2014-2020	Partial fin	Total error rate above 10%. Deficiencies in the management and control system of financial instruments.	€ 0.01	
21	FR	2014FR16M0OP011	Martinique Conseil Régional	Full	Accounts cannot be accepted. Total error rate above 10%. Residual total error rate above 2%.	€ 11.51	
22	FR	2014FR16M0OP014	Bourgogne	Full	Accounts cannot be accepted. Total error rate above 10%. Residual total error rate above 2%.	€ 2.02	
23	FR	2014FR16M2OP001	Regional programme Basse-Normandie 2014-2020	Full	Residual total error rate above 2%.	€ 0.44	
24	FR	2014FR16M2OP004	Corse	Full	Accounts cannot be accepted. Total error rate above 10%. Residual total error rate above 2%. Residual total error rate above 2%.	€ 3.84	
25	FR	2014FR16M2OP005	Franche Comté et Jura	Full	Accounts cannot be accepted. Total error rate above 10%. Residual total error rate above 2%.	€ 3.13	
26	FR	2014FR16M2OP010	Regional programme Rhône Alpes 2014-2020	Partial fin	Total error rate above 10%. Deficiencies in the management and control system of financial instruments.	€ 0.02	

	MS	Ref	Title	Reservation 2019	Reasons for Reservations/Comments	Quantification based on Risk amount average in m EUR	Targeted Actions
27	FR	2014FR16RFOP007	Regional programme La Réunion Conseil Régional 2014-2020	Full	Accounts cannot be accepted. Total error rate above 10%. Residual total error rate above 2%.	€ 29.29	
28	HU	2014HU16M0OP001	Economic development and innovation	Partial Non-fin	Deficiencies in the management and control system of financial instruments (venture capital, PA8).	€ -	
29	HU	2014HU16M2OP001	Territorial And Settlement Development	Full	Total error rate above 10%. Residual total error rate above 2%.	€ 1.76	
30	HU	2014HU16M2OP002	Competitive Central-Hungary	Full	Total error rate above 10%. Residual total error rate above 2%.	€ - 35	
31	IE	2014IE16RFOP001	Border, Midland and Western Regional Operational Programme	Full	Total error rate above 10%. Residual total error rate above 2%.	€ 1.55	
32	IE	2014IE16RFOP002	Southern & Eastern Regional Operational Programme	Full	Total error rate above 10%. Residual total error rate above 2%.	€ 4.69	
33	IT	2014IT16M2OP002	ROP Puglia ERDF ESF	Full	Residual total error rate above 2% (as provisionally recalculated by REGIO due to the impact of a public procurement issue; exact impact under assessment by the programme authorities).	€ 6.96	
34	IT	2014IT16M2OP004	National Operational Programme on Metropolitan Cities	Full	Residual total error rate above 2% (as provisionally recalculated by REGIO due to the impact of a public procurement issue; exact impact under assessment by the programme authorities).	€ 1.21	
35	IT	2014IT16M2OP006	Calabria ERDF	Full	Total error rate above 10%. Residual total error rate above 2%.Deficiencies in management and control system.	€ 9.40	
36	IT	2014IT16RFOP001	National Operational Programme on Culture	Full	Residual total error rate above 2% (as provisionally recalculated by REGIO due to the impact of a public procurement issue; exact impact under assessment by the programme authorities).	€ 0.78	
37	IT	2014IT16RFOP002	National Operational Programme on Infrastructures and Networks	Full	Residual total error rate above 2% (as provisionally recalculated by REGIO due to the impact of a public procurement issue; exact impact under assessment by the programme authorities).	€ 5.44	

³⁵ Mitigation actions have already been implemented

	MS	Ref	Title	Reservation 2019	Reasons for Reservations/Comments	Quantification based on Risk amount average in m EUR	Targeted Actions
38	IT	2014IT16RFOP005	ROP PA Bolzano ERDF	Full	Residual total error rate above 2%.	€ 0.14	
39	IT	2014IT16RFOP007	ROP Campania ERD	Full	Residual total error rate above 2% (as provisionally recalculated by REGIO due to the impact of a public procurement issue; exact impact under assessment by the programme authorities).	€ 14.80	
40	IT	2014IT16RFOP008	ROP Emilia Romagna ERDF	Full	Residual total error rate above 2% (as provisionally recalculated by REGIO due to the impact of a public procurement issue; exact impact under assessment by the programme authorities).	€ 0.99	
41	IT	2014IT16RFOP010	ROP Lazio ERDF	Full	Residual total error rate above 2%.	€ 1.59	
42	IT	2014IT16RFOP012	ROP Lombardia ERDF	Full	Residual total error rate above 2% (as provisionally recalculated by REGIO due to the impact of a public procurement issue; exact impact under assessment by the programme authorities). Deficiencies in management and control system of Simplified Cost Options (KR 4).	€ 1.15	
43	IT	2014IT16RFOP015	ROP Sardegna ERDF	Full	Residual total error rate above 2% (as provisionally recalculated by REGIO due to the impact of a public procurement issue; exact impact under assessment by the programme authorities).	€ 1.09	
44	IT	2014IT16RFOP016	ROP Sicilia ERDF	Partial fin	Deficiencies in management and control system (PA 4).	€ 0.06	
45	IT	2014IT16RFOP017	ROP Toscana ERDF	Full	Residual total error rate above 2% (as provisionally recalculated by REGIO due to the impact of a public procurement issue; exact impact under assessment by the programme authorities).	€ 1.68	
46	IT	2014IT16RFOP018	ROP PA Trento ERDF	Full	Residual total error rate above 2% (as provisionally recalculated by REGIO due to the impact of a public procurement issue; exact impact under assessment by the programme authorities).	€ 0.11	

	MS	Ref	Title	Reservation 2019	Reasons for Reservations/Comments	Quantification based on Risk amount average in m EUR	Targeted Actions
47	IT	2014IT16RFOP022	ROP Basilicata ERDF	Full	Residual total error rate above 2% (as provisionally recalculated by REGIO due to the impact of a public procurement issue; exact impact under assessment by the programme authorities).	€ 2.56	
48	LT	2014LT16MAOP001	EU Structural Funds	Full	Residual total error rate above 2%, including the impact of a public procurement issue (exact impact under assessment by the programme authorities). Deficiencies in the management and control system (KR 1, KR 4 and KR 18).	€ 15.56	
49	PL	2014PL16M2OP008	ROP 8 Regional Operational Programme for Opolskie Voivodeship	Partial Non-fin	Deficiencies in the management and control system of financial instruments.	€ -	
50	PL	2014PL16M2OP012	ROP 12 Regional Operational Programme for Slaskie	Full	Residual total error rate above 2%.	€ 11.60	
51	PL	2014PL16M2OP015	ROP 15 Regional Operational Programme for Wielkopolskie Voivodeship	Full	Residual total error rate above 2%.	€ 14.58	
52	PL	2014PL16RFOP001	Smart Growth	Partial Non-fin	Deficiencies in the management and control system (measure 4.3, International Research agendas) and ongoing OLAF and Prosecutor's Office investigations. Risk estimated above 10%.	€ -	
53	SI	2014SI16MAOP001	Operational Programme for the Implementation of the EU Cohesion Policy in the period 2014 – 2020	Full	Residual total error rate above 2%.	€ 8.39	
54	SK	2014SK16M1OP001	Integrated Infrastructure	Full	Total error rate above 10%. Residual total error rate above 2%.	€ 0.02	
55	SK	2014SK16M1OP002	Quality of Environment	Full	Residual total error rate above 2%.	€ 12.26	
56	SK	2014SK16RFTA001	Technical Assistance	Full	Residual total error rate above 2%.	€ 0.82	
57	ETC	2014TC16M4TN003	Interreg V-B - Balkan-Mediterranean	Partial fin	Total error rate above 10%. Residual total error rate above 2%. Deficiencies in the management and control system of the Cypriot part of the system.	€ 0.01	
58	ETC	2014TC16RFCB017	Interreg V-A - Germany/Saxony-Czech Republic	Full	Residual total error rate above 2%.	€ 0.82	
59	ETC	2014TC16RFCB021	Interreg V-A – Romania-Bulgaria	Full	Total error rate above 10%. Residual total error rate above 2%.	€ 4.89	

	MS	Ref	Title	Reservation 2019	Reasons for Reservations/Comments	Quantification based on Risk amount average in m EUR	Targeted Actions
60	ETC	2014TC16RFCB034	Interreg V-A – France – Italy (ALCOTRA)	Full	Residual total error rate above 2% (as provisionally recalculated by REGIO due to the impact of a public procurement issue; exact impact under assessment by the programme authorities).	€ 0.414	
61	ETC	2014TC16RFCB035	Interreg V-A – Italy - Switzerland	Full	Residual total error rate above 2% (as provisionally recalculated by REGIO due to the impact of a public procurement issue; exact impact under assessment by the programme authorities).	€ 0.15	
62	ETC	2014TC16RFCB043	Interreg V-A - France (Saint Martin-Sint Maarten)	Reputational	No designation. No progress in implementation. N+3 decommitment.	€ -	
63	ETC	2014TC16RFTN003	Interreg V-B - Central Europe	Full	Residual total error rate above 2%.	€ 0.93	
64	ETC	2014TC16RFTN009	Interreg V-B - Indian Ocean area	Full	Accounts cannot be accepted. Total error rate above 10%. Residual total error rate above 2%.	€ 4.51	
65	UK	2014UK16RFOP004	Scotland	Full Non-fin	Deficiencies in the management and control system (KR 4). Programme under suspension decision.	€ -	
66	UK	2014UK16RFOP005	United Kingdom - ERDF West Wales and The Valleys	Partial fin	Deficiencies in the management and control system of projects managed by Network Rail. The risk for these projects is estimated above 10%.	€ 0.02	
67	UK	2014UK16RFOP006	United Kingdom - ERDF East Wales	Partial fin	Deficiencies in the management and control system of projects managed by Network Rail. The risk for these projects is estimated above 10%.	€ 0.01	

**Total quantification:
EUR 228.7 million**

2007-2013 ERDF/CF/IPA-CBC – 10 programmes

Res No.	MS	Ref	Title	Validated error rate by REGIO	Validated Residual error by REGIO	Reservation	Reasons for Reservations / Comments	Quantification of Reservation EURm	Targeted Actions
1	DE	2007DE161PO007	Sachsen – Anhalt	10.00%	0.70%	Partial Non-fin	Partial reservation at the level of one measure (11.16/41.16 IBG). OLAF report Dec 2017: potential significant financial impact for the FEI manager by IBG.	0.00	- Carry out appropriate financial corrections. - Confirm the implementation of corrective actions.
2	HR	2007HR161PO002	Transport	25.00%	16.64%	Full Non-Fin	Incomplete audit work at closure.	0.00	
3	HU	2007HU161PO010	Implementation	5.00%	5%	Partial Non-fin	Risk estimated above 5%	0.00	
4	HU	2007HU16UPO001	Electronic Public Administration	5.00%	2%	Full Non-Fin	Risk estimated above 5%	0.00	
5	IT	2007IT161PO005	Reti e mobilita	25.00%	12.44%	Full Non-Fin	Risk estimated above 5%	0.00	
6	IT	2007IT161PO006	Ricerca e competitivita	10.00%	2.96%	Full Non-Fin	Risk estimated above 5%	0.00	
7	RO	2007RO161PO003	Transport	4.88%	0.00%	Full Non-Fin	Risk estimated above retention.	0.00	
8	RO	2007RO161PO004	Environment	0.96%	0.00%	Full Non-Fin	Financial corrections still to be implemented. No retention for this OP.	0.00	
9	SK	2007SK161PO007	Technical Assistance	0.66%	20.51%	Partial Non-fin	Deficiencies in measure 1.5 (public procurement irregularities in IT projects. Risk is above 5%.	0.00	
10	IPA-CBC	2007CB16IPO001	Adriatic IPA CBC	0.31%	0.73%	Reputational	Reputational issues. Delays in payments to beneficiaries. Missing audit trail of payments.	0.00	

**Total quantification:
EUR 0.0**

ANNEX 11: Specific annexes related to "Assessment of the effectiveness of the internal control systems"

Latest results in relation to REGIO's Internal Control Monitoring Criteria.

Overall (Specific) Assessment of Internal Control System		
Internal control Component	Present and functioning (Category 1/2/3/4)	Explanation/Conclusion
CONTROL ENVIRONMENT	Category 2. The component is present and functioning but some improvements are needed	Based on the end-of-the-year assessment, considering the strengths identified in a number of principles, we esteem that the principles are operating together in an integrated manner in order to ensure a sound and robust control environment: indeed no significant weaknesses have been identified which could have seriously affected the control environment in REGIO in 2019. Nonetheless, room for improvements has been identified in the areas of commitment to integrity and ethical values (Principle 1). Therefore, further enhancement of the effectiveness and soundness of the DG arrangements in place in the control environment, by addressing in a targeted way the limited number of issues detected, is an ongoing effort that will continue and be intensified in 2020.
RISK ASSESSMENT	Category 2. The component is present and functioning but some improvements are needed	Based on the end-of-the-year assessment, no weaknesses have been identified which could have seriously affected the REGIO compliance and performance in 2019 with reference to the requirements foreseen for the component risk assessment. Regarding the findings on Principle 8 and taking into account the weakness detected in Component 1, anti-fraud measures must continue to receive major attention in 2020 in order to further ensure the functioning of the early warning and fraud prevention system in REGIO.
CONTROL ACTIVITIES	Category 1. The component is present and functioning well, only minor improvements needed	Based on the end-of-the-year assessment, no weaknesses have been identified which could have seriously affected the REGIO compliance and performance in 2019 with reference to the requirements foreseen for the component control activities.
INFORMATION AND COMMUNICATION	Category 1. The component is present and functioning well, only minor improvements needed	Based on the end-of-the-year assessment, no weaknesses have been identified which could have seriously affected the REGIO compliance and performance in 2019 with reference to the requirements foreseen for the component information and communication.
MONITORING ACTIVITIES	Category 1. The component is present and functioning well, only minor improvements needed	Based on the end-of-the-year assessment, no weaknesses have been identified which could seriously affect the REGIO compliance and performance in 2018 with reference to the requirements foreseen for the component monitoring activities.
OVERALL ASSESSMENT (1/2/3 or 4). Are all components operating together in an integrated manner? Assess globally the combination of the assessments of the internal control components.	Category 2. The internal control system is present and functioning but some improvements are needed	
Is the overall internal control system effective? Category 1. Minor- Yes Category 2. Moderate- Yes Category 3. Major- Partially Category 4. Critical- No	Yes	

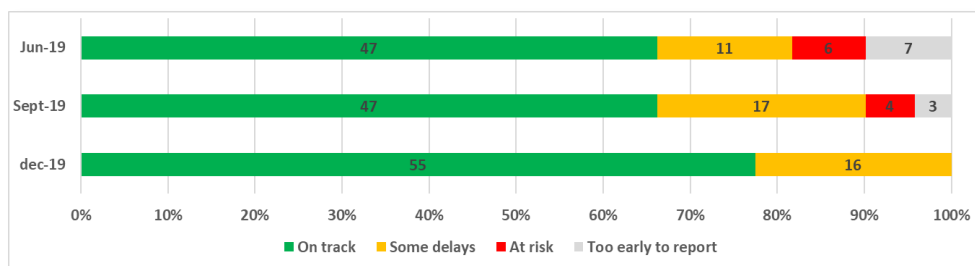
ANNEX 12A: Performance against Operational Priorities as per Management Plan 2019

Alignment between REGIO’s multiannual and operational priorities (2019 Management Plan) and Commission general objectives

REGIO identified 19 operational priorities. These are structured around six main multiannual priorities. The table below illustrates the link between policy objectives, operational objectives, general objectives, multiannual priorities and 2019 operational priorities:

DG Regional & Urban Policy			
	General Objectives	Multiannual Priorities	2019 Operational Priorities
Policy Objectives (Juncker priorities)	1 - Jobs, Growth & Investment 2 - Digital Single Market 3 - Energy Union & Climate	1. Contribute to deliver Commission priorities (Jobs, Growth and Investment, Digital Single market, Energy Union...)	1 - Support an accelerated delivery of the 2014-2020 programmes objectives by Member States ensuring quality of investment 2 - Encourage a wider uptake of financial instruments and promote complementarity with EFSI 3 - Provide specific support to improving Member States capacity to administer and implement the Funds
		2. Develop Cohesion policy and establish close links to other EU policies	4 - Negotiate the post-2020 cohesion policy legislative package and related MFF 5 - Prepare / start the (informal) negotiations on the post-2020 programmes with Member States 6 - Position Cohesion policy as major contributor to EU policies 7 - Prepare and support the next Commission and the next Commissioner
		3. Demonstrate and disseminate the EU added value of Cohesion policy	8 - Provide and report evidence on the effectiveness and EU added value of Cohesion policy 9 - Communicate to citizens and stakeholders the results of Cohesion policy programmes and their contribution to the delivery Commission political priorities.
	4 - Internal Market	4. Support territorial cohesion in Europe	10 - Enhance policy coordination in the area of territorial and urban development. 11 - Support the implementation of macro regional strategies and steer the outermost region strategy 12 - Implement measures to address remaining cross-border obstacles
	8 - Migration		Addressed through specific objective: <i>Support to Member States for identifying scope for assistance towards effective integration policies through ERDF 2014-2020 programmes.</i>
Operational Objectives	REGIO Internal Objectives	5. Ensure sound financial management of the funds	13 - Close the 2007-2013 programme and the remaining open 2000-2006 ERDF programmes and pre-2000 open irregularities 14 - 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 15 - Obtain complete and accurate accounts for the accounting year 16 - Safeguard EU funds through a rigorous policy on interruption and suspension of payments
		6. Improve Human resource management and the performance of internal processes	17 - Ensure systems, processes and reporting tools are efficiently supporting the implementation of 2014-2020 programmes and are prepared for post 2020 18 - Ensure effective sharing and reuse of information and knowledge within the DG 19 - Effectively deploy REGIO resources and ensure an engaged and productive workforce driven by effective and gender-balanced management

The outcomes of the final monitoring exercise of REGIO’s performance against the priorities of the Management Plan (MP) 2019: **three quarters** of the indicators of the 2019 MP **are delivered according to plan**. Overall, **23%** of the indicators present **tolerable delays**/shortfalls.



Status at end-December 2019 (number of indicators)

ANNEX 12B: Performance Tables - Policy³⁶

Methodology – measuring performance in REGIO

Performance information mainly comes from Member States reporting on common indicators on the implementation of 2014-2020 programmes, in line with the performance framework embedded in REGIO's Strategic Plan for 2016-2020. This information is important for assessing the achievement of objectives associated with ERDF/CF programmes.

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

The programme reports submitted in mid-2019 present a rich source of information on performance, in terms of common indicators. Generally, the reported values show a plausible relationship between the indicator targets and values from selected projects.

Where reporting inconsistencies are detected these are queried with the programmes. For example, the process of quality checking of the annual reports led to the correction of reporting errors in the second half of 2019. For some common indicators (i.e. those measuring population benefiting from risk prevention and health interventions) the national and regional programmes have difficulties in aggregating values from multiple projects to estimate the benefiting population. It also appears that the 2023 targets are in some cases likely to be exceeded by the forecasts from selected operations because the programmes set targets in 2014-2015, in the context of exiting the economic crisis and tight public budgets. A wave of programme modifications in 2020 is expected to see a rise in many of the target values.

Due to the time gap between project investment decisions and results, but also in terms of performance reporting by the Member States, the level of project selection has just started to translate into reported outputs. Typically, the rates of achievement are very low in early years of the programmes when selection processes were launched.

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

REGIO policy performance takes into account the following:

- **Forecasted achievement of selected projects:** based on the reporting on financial progress at the end of 2019³⁷, reflecting the most recent state of programmes' implementation on the ground. These data refer to the project selection rate (expressed in an amount of funds allocated to selected projects).
- **Reported achievements:** referring to already implemented projects. These results are communicated to the Commission in the Annual Implementation Report. The data reflects the situation at the end of 2018, as reported in the 2018 Annual Implementation Report in summer 2019³⁸.
- **Reporting on non-financing contribution:** In addition, non-financial contribution of REGIO to the achievement of specific objectives and to the Commission's priorities. This includes ex-ante conditionalities, integrated territorial solutions, capacity building,

³⁶ The performance indicators reported in this annex reflect the set of indicators of REGIO's Strategic Plan 2016-2020, a number of which are also included in other reporting documents such as the Programme Statements which accompany the Draft Budget for a given year.

³⁷ As required under Article 112 of "Common Provisions" Regulation (EU) No 1303/2013

³⁸ The data for 2019 will only be available with the 2019 annual implementation reports to be submitted by mid-2020.

cooperation mechanisms and technical assistance, which are all instrumental in ensuring proper investment conditions, durability of results and lasting structural changes.

All reported data (achievements and targets) are available on-line through the **ESIF Open data platform**³⁹ based on indicators reported by the Member States. It is consistently updated.

→ ERDF/CF-specific performance data can also be found in the **2021 Programme Statements**.

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 ⁴⁰ (table rd_e_gerdtot)		
Baseline (2012)	Latest known value (2018 - provisional)	Target (2020)
2.00%	2.12%	3%
Impact indicator 2: Employment rate population aged 20-64 Source of the data: Eurostat (table lfsi_emp_a)		
Baseline (2014)	Latest known value (2018)	Target (2020)
69.2%	73.2%	At least 75%
Impact indicator 3: Tertiary educational attainment, age group 30-34 Source of the data: Eurostat (table edat_lfse_03)		
Baseline (2013)	Latest known value (2018)	Target (2020)
37.1%	40.7%	At least 40%
Impact indicator 4: Share of early leavers from education and training (18-24) Source of the data: Eurostat (table edat_lfse_014)		
Baseline (2014)	Latest known value (2018)	Target (2020)
11.9%	10.6%	Less than 10%
Impact indicator 5: People at risk of poverty or social exclusion Source of the data: Eurostat (table ilc_peps01)		
Baseline (2013)	Latest known value (2018)	Target (2020)
122.85 million	110.2 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 (table nama10_gdp)		
Baseline (2014)	Latest known value (2018)	Target (2016-2020)
19.2%	20.4%	21%-22% Mean GFCF for the period 2016-2020 having reached the range of 21%-22%

³⁹ <https://cohesiondata.ec.europa.eu/>

⁴⁰ 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 2018 and it is the reference point for the AARs of Commission services.

REGIO-specific impact indicators		
Impact indicator 7: Increase in GDP (%) ⁴¹		
Source of the data: QUEST macroeconomic model		
Baseline (2014)	Latest known value	Target
	(2019)	(2023 – end of the implementation of the 2014-2020 programmes)
0	0.30%	0.46%
Impact indicator 8: Increase in employment		
Source of the data: QUEST macroeconomic model		
Baseline (2014)	Latest known value	Target
	(2018)	(2023 – end of the implementation of the 2014-2020 programmes)
0	363,698	414,815
Impact indicator 9: Increase in private investment (%) ⁴²		
Source of the data: QUEST macroeconomic model		
Baseline (2014)	Latest known value	Target
	(2018)	(2023 – end of the implementation of the 2014-2020 programmes)
0	0.27%	0.51%
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
	(2017)	(2020)
Euro area: 30.9%	31.5%	Reduce
EU 27: 36.6%	36.2%	Reduce
EU 28: 35.8%	35.5%	Reduce
Bookmark		

Note on the interpretation of the following tables

FRESHNESS OF DATA: figures presented below **result from the performance reporting of the 2014-2020 ERDF/CF programmes. The latest known results correspond to data at end 2018**, reported by Member States in the Annual Implementation Reports submitted in May 2019.

DATA SOURCE/STABILITY: **all data reported by the Member States in the programmes are of a dynamic nature** – by end 2018, certain values had been revised either because of reprogramming or due to manual corrections (clerical errors). This may explain the **change in certain indicator values compared to REGIO's AAR 2018**.

MILESTONES: **milestone figures are purely indicative estimates that should not be used to identify cases of underperformance**. Previous experience shows that the progression of reported achievements is relatively flat in the first years of implementation and usually increases radically in the last years, in this case towards 2023.

ACHIEVEMENTS: 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

⁴¹ The figure measures by how much the variable (GDP) is expected to increase (in %) thanks to Cohesion Policy support

⁴² The figure measures by how much the variable (investment) is expected to increase (in %) thanks to Cohesion Policy support

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) ⁴³	Target 2014-2023 (cumulative)	Latest known results (2018)
0	7,070	28,536	5,342
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)	Target 2014-2023 (cumulative)	Latest known results (2018)
0	11,270	62,181	19,671
Indicator 3: Number of researchers working in improved research infrastructure facilities Source of data: REGIO common indicator 25			
Baseline (2014)	Interim Milestone (estimate)	Target 2014-2023 (cumulative)	Latest known results (2018)
0	28,250	92,256	36,774

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)	Target 2014-2023 (cumulative)	Latest known results (2018)
0	181,800	1,092,405	414,302
Indicator 2: Employment increase in supported enterprises (FTEs) Source of data: REGIO common indicator 8			
Baseline (2014)	Interim Milestone (estimate)	Target 2014-2023 (cumulative)	Latest known results (2018)
0	109,600	402,588 ⁴⁴	108,654 ⁴⁵
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 (2018)
0	13,408,900	37,302,932	9,277,252

⁴³ For the 2014-20 programming period, milestones were only established for the year 2018. They lie thus in the past. 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 in the performance frameworks. The indicators presented are 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 estimates of the targeted achievements in 2014-2020 programmes.

⁴⁴ 330,316 is the disaggregated value for "Enhancing the competitiveness of small and medium-sized enterprises"

⁴⁵ 211,792 - 117,494 (Spanish value) = 94,298 is the disaggregated value for "Enhancing the competitiveness of small and medium-sized enterprises"

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	Latest known results
	(2018)	2014-2023 (cumulative)	(2018)
0	841,425	17,741,146	1,879,412
Indicator 2: Additional waste recycling capacity Source of data: REGIO common indicator 17			
Baseline (2014)	Interim Milestone (estimate)	Target	Latest known results
	(2018)	2014-2023 (cumulative)	(2018)
0	1,554,000	4,572,578	755,405
Indicator 3: Additional population served by improved water supply Source of data: REGIO common indicator 18			
Baseline (2014)	Interim Milestone (estimate)	Target	Latest known results
	(2018)	2014-2023 (cumulative)	(2018)
0	841,425	12,120,185	1,156,739
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	Latest known results
	(2018)	2014-2023 (cumulative)	(2018)
0	2,532,100	8,505,833	2,847,243

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	Latest known results
	(2018)	2014-2023 (cumulative)	(2018)
0	270	6,119	938
Indicator 2: Total length of reconstructed or upgraded roads Source of data: REGIO common indicator 14			
Baseline (2014)	Interim Milestone (estimate)	Target	Latest known results
	(2018)	2014-2023 (cumulative)	(2018)
0	1,100	9,601	3,124
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	Latest known results
	(2018)	2014-2023 (cumulative)	(2018)
0	150	441	64

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	Interim Milestone	Target	Latest known results

(2014)	(estimate)	2014-2023	(2018)
	(2018)	(cumulative)	
0	109,500	402,588 ⁴⁶	108,654 ⁴⁷

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) (2018)	Target 2014-2023 (cumulative)	Latest known results (2018)
0	21,867,000	54,452,564	27,458,607

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

Source of data: REGIO common indicator 39

Baseline (2014)	Interim Milestone (estimate) (2018)	Target 2014-2023 (cumulative)	Latest known results (2018)
0	164,900	2,436,979	277,935

Indicator 3: Rehabilitated housing in urban areas

Source of data: REGIO common indicator 40

Baseline (2014)	Interim Milestone (estimate) (2018)	Target 2014-2023 (cumulative)	Latest known results (2018)
0	2,770	21,487	1,837

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) (2018)	Target 2014-2023 (cumulative)	Latest known results (2018)
0	1,344,400	6,947,824	6,799,156

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 REGIO

Source of data: REGIO monitoring data

Baseline (2015)	Interim Milestone (2016)	Target 2014-2020	Latest known results (2019)
0	Fulfilment by all MS of action plans for the ex-ante conditionalities on Public Procurement and State Aid	Reporting by all MS concerned on fulfilment, i.e. complete implementation of all action plans for the ex-ante conditionalities on Public Procurement	All action implemented at end 2018 and no further actions expected.

⁴⁶ 4,136 is the disaggregated value for "Employment increase in supported enterprises"

⁴⁷ 586 is the disaggregated value for "Employment increase in supported enterprises"

		and State Aid by the regulatory deadline	
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General objective 2 - A Connected Digital Single Market

General objective 2: A Connected Digital Single Market		
<p>Impact indicator 1: Aggregate score in Digital Economy and Society Index (DESI) EU-28</p> <p>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.</p> <p>Source of the data: DESI</p>		
Baseline (DESI 2015)	Latest known value (DESI - 2019)	Target (2020)
41.8	52.5	Increase

Note on the interpretation of the following tables

FRESHNESS OF DATA: figures presented below **result from the performance reporting of the 2014-2020 ERDF/CF programmes. The latest known results correspond to data at end 2018**, reported by Member States in the Annual Implementation Reports submitted in May 2019.

DATA SOURCE/STABILITY: **all data reported by the Member States in the programmes are of a dynamic nature** – by end 2018, certain values had been revised either because of reprogramming or due to manual corrections (clerical errors). This may explain the **change in certain indicator values compared to REGIO's AAR 2018**.

MILESTONES: **milestone figures are purely indicative estimates that should not be used to identify cases of underperformance**. Previous experience shows that the progression of reported achievements is relatively flat in the first years of implementation and usually increases radically in the last years, in this case towards 2023.

ACHIEVEMENTS: 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	
<p>Indicator 1: Additional households with broadband access of at least 30 Mbps</p> <p>Source of data: REGIO common indicator 10 (additional population covered by broadband access)</p>			
Baseline (2014)	Interim Milestone (estimate) (2018)	Target 2014-2023 (cumulative)	Latest known results (2018)
0	4,835,000	11,028,096	2,989,418

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
<p>Impact indicator 1: Greenhouse gas emissions (index 1990=100)</p> <p>Source of the data: European Environmental Agency</p>

Baseline (2013)	Latest known value (2018 estimates by EEA)	Target (2020)
80.5%	76.81%	At least 20% reduction (index ≤ 80% of 1990 emissions)

Impact indicator 2: Share of renewable energy in gross final energy consumption Source of the data: Eurostat (table nrg_ind_ren)					
Baseline (2013)	Interim Milestone			Latest known value (2018)	Target (2020)
	(2013/2014)	(2015/2016)	(2017/2018)		
15.4%	15.6%	16.9%	17.7%	18%	20%

Impact indicator 3: Increase in energy efficiency - Primary energy consumption Source of the data: Eurostat (table nrg_ind_eff)					
Baseline (2013)	Latest known value (2018)			Target (2020)	
1 577.40 million tonnes of oil equivalent (Mtoe)	1 551.92 million tonnes of oil equivalent (Mtoe)			20% increase in energy efficiency (No more than 1 483 Mtoe of primary energy consumption)	
Impact indicator 4: Increase in energy efficiency - Final energy consumption Source of the data: Eurostat (table nrg_ind_eff)					
Baseline (2013)	Latest known value (2018)			Target (2020)	
1 115.45 million tonnes of oil equivalent (Mtoe)	1 124.14 million tonnes of oil equivalent (Mtoe)			20% increase in energy efficiency (No more than 1 086 Mtoe of final energy consumption)	

Note on the interpretation of the following tables

FRESHNESS OF DATA: figures presented below **result from the performance reporting of the 2014-2020 ERDF/CF programmes. The latest known results correspond to data at end 2018**, reported by Member States in the Annual Implementation Reports submitted in May 2019.

DATA SOURCE/STABILITY: **all data reported by the Member States in the programmes are of a dynamic nature** – by end 2018, certain values had been revised either because of reprogramming or due to manual corrections (clerical errors). This may explain the **change in certain indicator values compared to REGIO's AAR 2018**.

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Specific objective 3.1: Supporting the shift towards a low-carbon economy in all sectors				Related to spending programme ERDF/CF	
Indicator 1: Additional capacity of renewable energy production-MW Source of data: REGIO common indicator 30					
Baseline (2014)	Interim Milestone (estimate)		Target 2014-2023	Latest known results (2018)	

	(2018)	(cumulative)	
0	19,590	7,120	1,016
Indicator 2: Number of households with improved energy consumption classification			
Source of data: REGIO common indicator 31			
Baseline (2014)	Interim Milestone (estimate)	Target 2014-2023 (cumulative)	Latest known results (2018)
	(2018)		
0	121,100	707,482	173,688
Indicator 3: Decrease of annual primary energy consumption of public buildings			
Source of data: REGIO common indicator 32			
Baseline (2014)	Interim Milestone (estimate)	Target 2014-2023 (cumulative)	Latest known results (2018)
	(2018)		
0	550,260,700	6,503,798,941	536,204,041

Specific objective 3.2: Promoting climate change adaptation, risk prevention and management		Related to spending programme ERDF/CF	
Indicator 1: Population benefiting from flood protection measures			
Source of data: REGIO common indicator 20			
Baseline (2014)	Interim Milestone (estimate)	Target 2014-2023 (cumulative)	Latest known results (2018)
	(2018)		
0	4,541,100	16,553,577	4,127,995

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 (table bop_gdp6_q)		
Baseline (2014)	Latest known value (2018)	Target (2020)
20.3%	21.7%	Increase
Impact indicator 2: Intra-EU trade in services (% of GDP)		
Source of the data: Eurostat (table bop_gdp6_q)		
Baseline (2014)	Latest known value (2018)	Target (2020)
6.4%	7.4%	Increase
Impact indicator 3: Share of mobile EU citizens as % of the labour force		
Source of the data: Eurostat (table lfsa_pganws (age group 15-64))		
Baseline (2014)	Latest known value (2018)	Target (2020)
3.4%	4.1%	Increase
Impact indicator 4: Composite indicator of financial integration in Europe (FINTEC) ⁴⁸		
Source of the data: European Central Bank		
Baseline (2014)	Latest known value (11/2019 and 6/2018)	Target (2020)
0.5/0.3	0.58/0.33	Increase

⁴⁸ 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.

The first entry is the price-based, the second the volume-based indicator value.		
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REGIO-specific impact indicators		
Indicator 5: Increase in productivity levels in less developed Member States (%) ⁴⁹		
Source of the data: QUEST macroeconomic model [requested to B1]		
Baseline (2014)	Interim Milestone (2019)	Target (2023 – end of the implementation of the 2014-2020 OPs)
0	1.39%	2.52%
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 (2017)	Target (2020)
Euro area: 30.9%	31.5%	Reduce
EU 27: 36.6%	36.2%	Reduce
EU 28: 35.8%	35.5%	Reduce
Bookmark		

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 [requested to B2]			
Baseline (2014)	Interim Milestone	Target 2014-2023	Latest known results (2019)
0	N/A	100%	36.9%

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 (2018)
0	N/A	238,640	55,960

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 Member States.		Related to spending programme ERDF	
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⁴⁹ Increase in productivity thanks to Cohesion Policy programmes.

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 (2019)
0	11	20	33

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 Programmes of the Republic of North 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) ⁵⁰	Latest known results (2019)
	2013	2014	2015		
0	4 (1 North Macedonia, 3 Turkey)	5 (1 North Macedonia, 3 Turkey, 1 Montenegro)	5 (1 North Macedonia, 3 Turkey, 1 Montenegro)	5 (1 North Macedonia, 3 Turkey, 1 Montenegro)	5 (1 North Macedonia, 3 Turkey, 1 Montenegro)

Indicator 2: Screening Reports (SR), Opening Benchmarks fulfilment reports (OB), and opening/closing 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) ⁵¹	Latest known results (2019)
	2013	2015	2016		
1 (Turkey)	7 Iceland: SR+O B+EUCP Turkey: SR+O B+EUCP Montenegro: SR	8 Iceland: SR+O B+EUCP Turkey: SR+O B+EUCP Montenegro: SR+OB	10 Iceland: SR+OB +EUCP Turkey: SR+OB +EUCP Montenegro: SR+OB Serbia: SR+OB	9 Turkey: SR+OB+ opening EUCP Montenegro: SR+OB+ opening EUCP Serbia: SR+OB+ opening EUCP	8 Turkey: SR+OB+ opening EUCP Montenegro: SR+OB+ opening EUCP Serbia: SR+ draft Action plan for meeting the EU Cohesion policy requirements (opening benchmark)

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 nationals⁵², age group 20-64

Source of the data: Source of the data: Eurostat (Eurostat online data code: lfsa_ergan), based on the EU

⁵⁰ End of eligibility period throughout which it is necessary not only to achieve but also to maintain budget management powers under IPA 2007-2013

⁵¹ End of mandate of present Commission; end of mandate of IPA/accession negotiations sector

⁵² Host-country nationals and other EU nationals counted together.

Labour Force Survey		
Baseline (2014)	Latest known value (2018)	Target (2020)
Gap: 13.5 points	Gap: 12.6 points	Decrease

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 (2018)
0	1 document per year from 2014 to 2020	Produced guide on migrants and a publication on Working together for local integrating of migrants and refugees (with OECD) in 2018. In 2019, organised three events based particularly on the guide from migrants.

ANNEX 13: Contribution of Cohesion Policy to the UN Sustainable Development Goals

Cohesion Policy is the main EU funding instrument for the UN Sustainability Development Goals (SDGs), with ERDF and Cohesion Fund dedicating 94% of resources to 11 SDGs.

Cohesion Policy's overall mission to reduce economic, social, and environmental territorial disparities between the EU regions is largely in line with the principles underpinning the SDGs, which allows for an assessment of how the Policy contributes to them.

Over the long term, Cohesion Policy contributes to SDG10 on reduced inequalities. Its contribution to SDG10 cannot however be calculated based on monitoring data and can only be estimated via evaluations. On the basis of the monitoring data it is possible however to assess how Cohesion Policy, through all its funds, (Cohesion Fund, European Regional Development Fund, European Social Fund, including the Youth Employment Initiative) contributes towards SDG thematic chapters, as explained below.

Overall, 94% of Cohesion policy investments contribute to eleven SDGs. As shown in Table 1 below, over half of these investments (approximately 200 billion EURO) promote modern economic growth in SDG 9 (Industry, innovation, infrastructure) and SDG 8 (Decent work and economic growth). Other significant areas of investment contribute to SDG 4 (Quality of education, almost 35 billion euro), SDG 12 (Responsible consumption and production 26 billion euro) and SDG 1 (No poverty 24.6 billion euro).

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	112,744	32%
SDG8	Decent work and economic growth	85,493	24%
SDG4	Quality education	34,760	10%
SDG12	Responsible consumption and production	26,365	7%
SDG1	No poverty	24,576	7%
SDG6	Clean water and sanitation	15,404	4%
SDG3	Good health and well being	9,211	3%
SDG15	Life on land	7,326	2%
SDG13	Climate action	7,239	2%
SDG7	Affordable and clean energy	7,029	2%
SDG11	Sustainable cities and communities	4,034	1%
Investment outside SDGs		22,796	6%
Total Cohesion Policy		356,978	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, 10 February 2020

The distribution of investments across SDGs is similar across all Cohesion policy funds. As emerging from Table 2 which illustrates the specific contribution of ERDF and CF to SDGs. Significant support was given to investments for innovative economic growth, social and responsible consumption and production dimensions of development.

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	112,744	43%
SDG8	Decent work and economic growth	47,598	18%
SDG12	Responsible consumption and production	26,365	10%
SDG6	Clean water and sanitation	15,404	6%
SDG1	No poverty	8,555	3%
SDG4	Quality education	7,352	3%
SDG15	Life on land	7,326	3%
SDG13	Climate action	7,239	3%
SDG7	Affordable and clean energy	7,029	3%
SDG3	Good health and well being	4,903	2%
SDG11	Sustainable cities and communities	4,034	2%
Investment outside SDGs		15,611	6%
Total ERDF + CF		264,160	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, 10 February 2020

Implementation has progressed in all SDGs concerned (Table 3). By December 2019, the selection rate was above 65% for all SDGs concerned.

Progress is particularly evident for SDG 6 (Clean water and sanitation), SDG 3 (Good health and wellbeing) and SDG 8 (Decent work and economic growth) where progress selection already accounts for the total amounts available. Project selection is also performing well in four other SDGs with rates above 90%: SDG 13 (Climate action), SDG9 (Industry, innovation, infrastructure), and SDG 4 (Quality education).

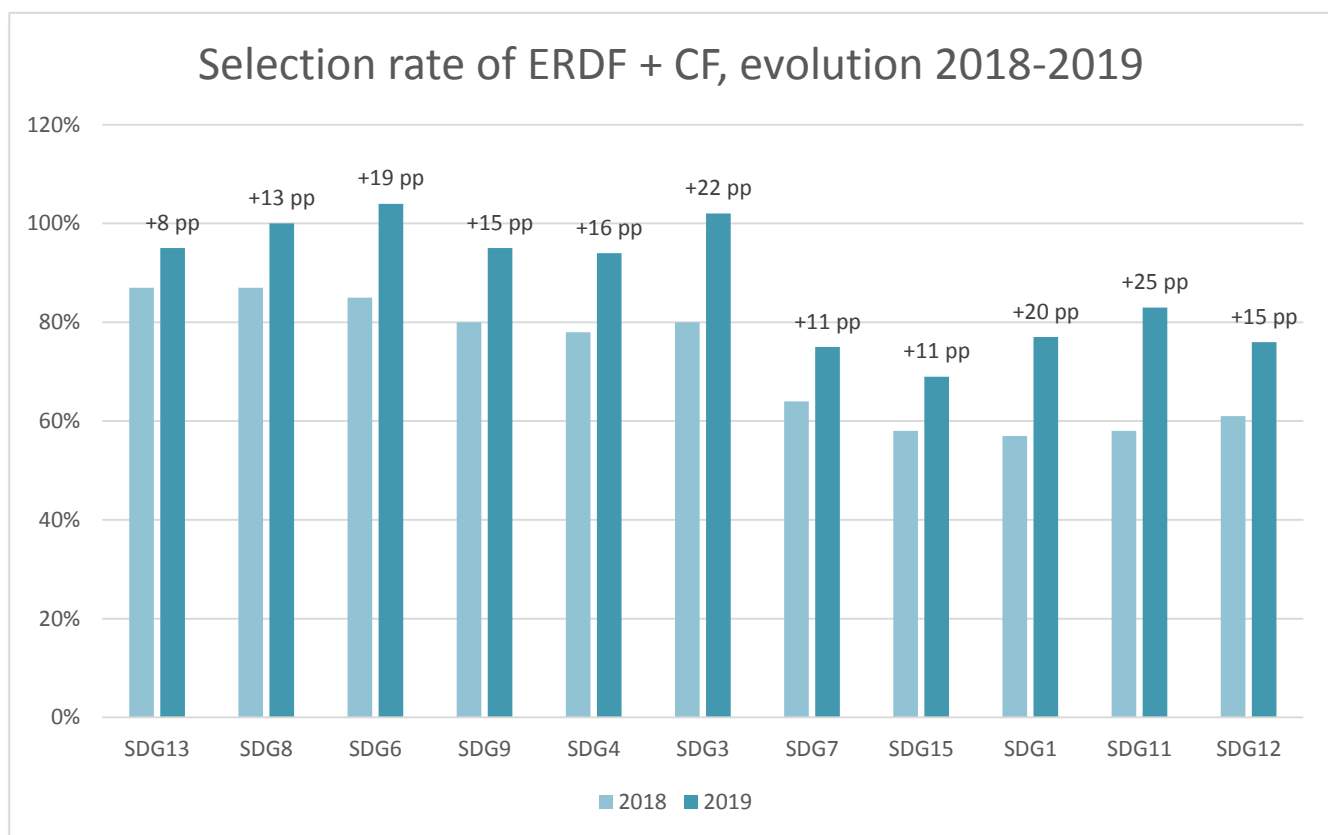
Table 3: ERDF and Cohesion Fund - rate of project selection by SDG (total cost, 12/2019)

SDG	SDG title	Total planned (EU and National, mil €)	Total selected projects (mil €)	Selection rate
SDG6	Clean water and sanitation	18,806	19,475	104%
SDG3	Good health and well being	6,369	6,467	102%
SDG8	Decent work and economic growth	69,764	69,857	100%
SDG13	Climate action	9,714	9,274	95%
SDG9	Industry, innovation, infrastructure	147,949	140,527	95%
SDG4	Quality education	9,350	8,828	94%
SDG11	Sustainable cities and communities	5,071	4,234	83%
SDG1	No poverty	11,539	8,862	77%
SDG12	Responsible consumption and production	37,201	28,420	76%

SDG	SDG title	Total planned (EU and National, mil €)	Total selected projects (mil €)	Selection rate
SDG7	Affordable and clean energy	9,721	7,304	75%
SDG15	Life on land	9,809	6,796	69%
Investment outside SDGs		20,425	16,863	83%
Total ERDF + CF		355,718	326,905	92%

(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: REGIO SFC, 10 February 2020



The increase in selection rates between end-2017 and end-2018 is shown in percentage points (pp).