



2019

Annual Activity Report

Annexes

**DG Employment, Social
Affairs and Inclusion**

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ANNEX 1: Statement of the Resources Director¹

I declare that in accordance with the Commission's communication on the internal control framework², 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 complete.

Brussels, 24 April 2020

(e-signed)

Anne GRISARD

¹ The statement is based on the end-of-year reports provided by DG EMPL directors, the management opinions provided by the heads of unit of DG EMPL geographical units, the reports provided by the entrusted entities and the auditors' reports. Detailed information is provided in the AAR narratives.

² C(2017)2373 of 19.04.2017.

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

A. Human Resource Management

Objective: The DG deploys effectively its resources in support of the delivery of the Commission's priorities and core business, has a competent and engaged workforce, which is driven by an effective and gender-balanced management and which can deploy its full potential within supportive and healthy working conditions.			
Indicator 1: Percentage of female representation in middle management			
Source of data: HR Analytics Platform (QlikView)			
Baseline (2014)	Target 2019	Latest known results 2019	
26%	40%	56%	
Indicator 2: Percentage of staff who feel that the Commission cares about their well-being			
Source of data: Commission staff satisfaction survey			
Baseline (2014)	Target 2020	Latest known results 2018	
24.2%	40%	49%	
Indicator 3: Staff engagement index			
Source of data: Commission staff satisfaction survey			
Baseline (2014)	Target 2020	Latest known results 2018	
63.7%	At least equal to Commission average in 2020 survey	72% (for reference, Commission average in 2018 was 69%)	
Main outputs in 2019:			
Output	Indicator	Target	Status end-year³
Female talent development	Number of individual coaching packages offered	At least 3 – Q1/Q4	Completed: 7 packages offered
Staff engagement	Staff engagement as recorded in the Staff Survey 2018	Increase staff engagement – baseline Staff survey 2016 63%	Completed: Staff engagement increased to 72%
Action plan as follow-up to Staff Survey 2018	Approval of action plan by Director-General	By end of Q2 of 2019	Completed: Action plan approved and announced in June
Staff informed about HR issues, in particular training opportunities	Number of newsletters issued	At least 8 newsletters - Q1/Q4	Completed: but with 7 newsletters published
Internal training sessions	Number of training sessions carried out	At least 35 training sessions - Q1/Q4	Completed: Well above 100 sessions

³ 'Completed' – 'Postponed to quarter/year' – 'Cancelled'

B. Financial Management

Objective 1: Effective and reliable internal control system giving the necessary guarantees concerning the legality and the regularity of the underlying transactions

Main outputs in 2019:			
Description	Indicator	Target	Status end-year ⁴
Shared management			
Assessment reliance that can be placed on the work of national Audit Authorities	Analysis of Member States Annual Control Reports	100% by the end of 2019	Completed
	Implementation of audit plan		Completed
Protect EU budget	% timely interruption and suspensions of payments notified to Member States	> 80%	Completed
	% timely implementation of financial corrections (implemented by Member States resulting from Commission audit work)	100%	Completed
Direct management			
Audit activity of the DG	Implementation of audit plan	100% by the end of 2019	Completed

Objective 2: Effective and reliable internal control system in line with sound financial management

Main outputs in 2019:			
Output	Indicator	Target	Status end-year ⁵
Further implementation of the Simplification plan: simplified internal procedures to launch tenders	Reduction of the number of workflows	20% less by end of 2019	Completed
Alleviation of the checks on the financial capacity of grant's applicants for calls published in 2019	Reduction of the number of financial viability checks	50% less compared to 2018 by the end of 2019	Completed
Implementation of the new Internal Control System	Framework in place and operational	By end of 2019	Completed

⁴ 'Completed' - 'Postponed to quarter/year' - 'Cancelled'

⁵ 'Completed' - 'Postponed to quarter/year' - 'Cancelled'

Objective 3: Minimisation of the risk of fraud through application of effective anti-fraud measures, integrated in all activities of the DG, based on the DG's anti-fraud strategy (AFS) aimed at the prevention, detection and correction of fraud

Main outputs in 2019:			
Description	Indicator	Target	Status end-year⁶
Up-date of the "Joint Anti-Fraud Strategy 2015-2020"	Anti-fraud strategy revised	1 st semester of 2019	Completed
Ongoing implementation of DG EMPL's anti-fraud strategy for direct management	Establishment of red flags, provision of related and introduction of IT tool for detection of plagiarism	1 st semester of 2019	Completed
Roll-out and training of the Arachne tool	Number of roll-outs	> 80% of volunteering programmes by end of 2019	Completed

C. 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

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 DG EMPL to the Regulatory Scrutiny Board that received a favourable opinion on first submission			
<i>Source of data: EMPL unit G4</i>			
Baseline (2015)		Target 2020	Latest known results 2018
0% of IA received a positive opinion		100%	60%
Indicator 2: Percentage of the DG's regulatory acquis covered by ex post evaluations and Fitness Checks not older than five years			
<i>Source of data: EMPL unit G4</i>			
Baseline (2015)	Interim Milestone 2016	Target 2020	Latest known results 2019
14%	Positive trend compared to baseline	Positive trend compared to interim milestone	77%

⁶ 'Completed' – 'Postponed to quarter/year' – 'Cancelled'

D. Information management

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

Indicator 1: Percentage of registered documents that are not filed⁷ (ratio)

Source of data: Hermes-Ares-Nomcom (HAN)⁸ statistics

Baseline 2015	Target	Latest known results 2019
3.78%	0%	0.24 %

Indicator 2: Percentage of HAN files readable/accessible by all units in the DG

Source of data: HAN statistics

Baseline 2015	Target	Latest known results 2018
70.5%	100%	51.63%

Indicator 3: Percentage of HAN files shared with other DGs

Source of data: HAN statistics

Baseline 2015	Target	Latest known results 2018
0.09%	100%	7.66%

Main outputs in 2019:

Description	Indicator	Target	Status end-year ⁹
Analysis of situation and options for setting up basic knowledge management strategy for DG EMPL	Report available	By the end of 2019	Postponed for end 2020 ¹⁰
EMPL staff uses calendars and collaborative sites on MyIntraComm collaborative sites	75% of units use collaborative sites	By the end of 2019	Postponed for Q2 2020 (73% achieved by the end of 2019)
Participate in the next development phases of the EU Results web site (showcasing EU funded projects) by supporting next steps of DG BUDG (creating data lake)	Timely and adequate response to DG BUDG requests	By the end of Q2 2019	Completed
Use of Hermes Preservation System (HPS) for the transfer of files during the Administrative Retention Period, as well as for other preservation procedures as elimination of documents and files and transfer to the Historical Archives (HAS)	All transfers of eDomec files to DG EMPL intermediate archives and to HAS, as well as other preservation actions, such as official elimination of files, done through HPS	By the end of 2019	Completed

⁷ 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](#) (and by Internal Control System 11 requirements). The indicator is to be measured via reporting tools available in Ares.

⁸ Suite of tools designed to implement the [e-Domec policy rules](#)

⁹ 'Completed' - 'Postponed to quarter/year' - 'Cancelled'

¹⁰ DG EMPL organised two workshops in the framework of the Knowledge Week 2019: one on sharing policy knowledge and best practices with shareholders, which was successful, and one specifically on DG EMPL knowledge management and strategy, which was unfortunately cancelled due to lack of participants. Without this input, it was not possible to produce a report.

E. 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: Percentage of EU citizens having a positive image of the EU

Source of data: Standard Eurobarometer

Baseline November 2014	Target 2020	Latest known results 2019
Total "Positive": 39% Neutral: 37 % Total "Negative": 22%	Positive image of the EU \geq 50%	Positive: 42% Neutral: 37% Negative: 20% (Don't know:1%)

Main communication actions in 2019:

Description	Indicator	Target	Status end-year ¹¹
Campaign on the European Pillar of Social Rights	Number of stakeholders and multipliers reached through events co-organised with Commission Representations	1 000 stakeholders and multipliers	Completed
Online photo competition for young people on #MySocialEurope	Number of engagements	Number of valid entries: 300	Completed
Summer campaign on European Health Insurance Card	Website visits	50 000 website visits	Completed
European Vocational Skills Week 2019	Events and/or activities in Member States and number of participants	1 000 events 500 000 participants	Completed

Annual communication spending (based on estimated commitments):¹²

Baseline (2018)	Target (2019)	Total amount spent	Total of FTEs working on external communication
EUR 6 910 000	EUR 5 300 000 EMPL's communication budget is decentralised and made up of contributions from the different budget lines managed by DG EMPL (ESF, EaSI, prerogatives budget lines etc.)	EUR 6 642 133	9.8

¹¹ 'Completed' – 'Postponed to quarter/year' – 'Cancelled'

¹² These amounts cover the budget of DG EMPL's communication unit and the expenditure for communication activities of operational units in the DG.

ANNEX 3: Draft annual accounts and financial reports

Annex 3 Financial Reports - DG EMPL - Financial Year 2019

Table 1 : Commitments

Table 2 : Payments

Table 3 : Commitments to be settled

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Table 6 : Average Payment Times

Table 7 : Income

Table 8 : Recovery of undue Payments

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Table 14 : Contracts declared Secret

Table 15 : FPA duration exceeds 4 years

TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2019 (in Million EUR)					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
Title 04 Employment, social affairs and inclusion					
			1	2	3=2/1
04	04 01	Administrative expenditure of the 'Employment, social affairs and inclusion' policy area	7.10187745	5.14024209	72.38 %
	04 02	European Social Fund (ESF)	15574.4287	15472.93755	99.35 %
	04 03	Employment, Social Affairs and Inclusion	327.0892389	299.0640658	91.43 %
	04 04	European Globalisation Adjustment Fund (EGF)	23.71940696	0	0.00 %
	04 05	Instrument for Pre-Accession Assistance - Employment, Social Policies and Human Resources Development	0.0201	0.0201	100.00 %
	04 06	Fund for European Aid to the Most Deprived (FEAD)	590.7514208	590.0709508	99.88 %
Total Title 04			16,523.11074	16367.2329	99.06 %
Title 05 Agriculture and rural development					
			1	2	3=2/1
05	05 04	Rural development	1.34979821	1.15616335	85.65 %
Total Title 05			1.34979821	1.15616335	85.65 %
Title 09 Communications networks, content and technology					
			1	2	3=2/1
09	09 03	Connecting Europe Facility (CEF) - Telecommunications networks	5	5	100.00 %
Total Title 09			5	5	100.00 %
Title 11 Maritime affairs and fisheries					
			1	2	3=2/1
11	11 06	European Maritime and Fisheries Fund (EMFF)	0	0	0.00 %
Total Title 11			0	0	0.00%
Title 13 Regional and urban policy					
			1	2	3=2/1
13	13 01	Administrative expenditure of the 'Regional and urban policy' policy area	0.21191675	0.21191675	100.00 %
	13 03	European Regional Development Fund and other regional operations	0.9029279	0.9029279	100.00 %
	13 04	Cohesion Fund (CF)	0.33121322	0.33121322	100.00 %
Total Title 13			1.44605787	1.44605787	100.00 %

Title 15 Education and culture					
			1	2	3=2/1
15	15 01	Administrative expenditure of the 'Education and culture' policy area	0.22039272	0.22039272	100.00 %
	15 02	Erasmus+ programme	9.95675269	9.9068422	99.50 %
Total Title 15			10.17714541	10.12723492	99.51 %

Title 18 Migration and home affairs					
			1	2	3=2/1
18	18 01	Administrative expenditure of the 'Migration and home affairs' policy area	0.391309	0.391309	100.00 %
Total Title 18			0.391309	0.391309	100.00 %

Title 19 Foreign policy instruments					
			1	2	3=2/1
19	19 05	Cooperation with third countries under the Partnership Instrument (PI)	0	0	0.00 %
Total Title 19			0	0	0.00 %

Title 22 Neighbourhood and enlargement negotiations					
			1	2	3=2/1
22	22 02	Enlargement process and strategy	5	5	100.00 %
Total Title 22			5	5	100.00 %

Title 26 Commission's administration					
			1	2	3=2/1
26	26 03	Services to public administrations, businesses and citizens	0.13987293	0.13987293	100.00 %
Total Title 26			0.13987293	0.13987293	100.00 %

Title 33 Justice and consumers					
			1	2	3=2/1
33	33 01	Administrative expenditure of the 'Justice and consumers' policy area	0.14535	0.14215254	97.80 %
	33 02	Rights, equality and citizenship	6.71979504	6.65395861	99.02 %
Total Title 33			6.86514504	6.79611115	99.00 %

Total DG EMPL			16553.48007	16397.28965	99.06 %
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* Commitment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous commitment appropriations for the period (e.g. internal and external assigned revenue).

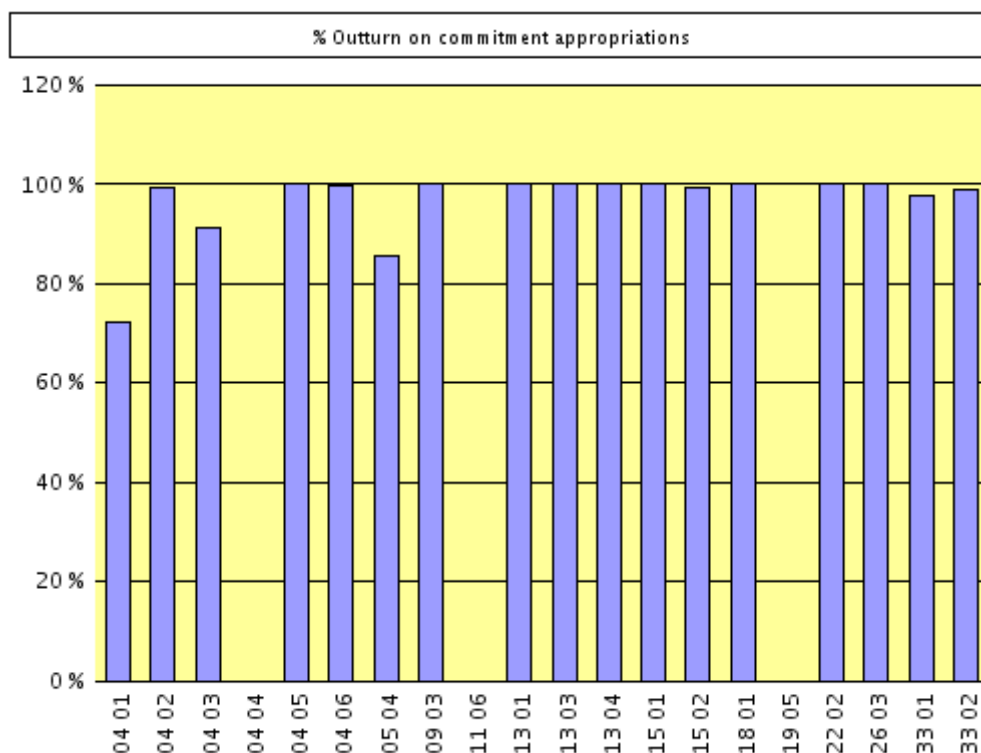


TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS IN 2019 (in Million EUR)					
Chapter			Payment appropriations authorised *	Payments made	%
			1	2	3=2/1
Title 04 Employment, social affairs and inclusion					
04	04 01	Administrative expenditure of the 'Employment, social affairs and inclusion' policy area	13.94528735	3.43775309	24.65 %
	04 02	European Social Fund (ESF)	14054.45296	13923.79531	99.07 %
	04 03	Employment, Social Affairs and Inclusion	296.5723165	248.2223638	83.70 %
	04 04	European Globalisation Adjustment Fund (EGF)	23.71940696	0	0.00 %
	04 05	Instrument for Pre-Accession Assistance - Employment, Social Policies and Human Resources Development	0.0201	0.02	99.50 %
	04 06	Fund for European Aid to the Most Deprived (FEAD)	505.4276098	503.360789	99.59 %
Total Title 04			14894.13768	14678.83622	98.55%
Title 05 Agriculture and rural development					
05	05 04	Rural development	0.77632306	0.69605331	89.66 %
Total Title 05			0.77632306	0.69605331	89.66%
Title 09 Communications networks, content and technology					
09	09 03	Connecting Europe Facility (CEF) - Telecommunications networks	4.01771481	4.01771481	100.00 %
Total Title 09			4.01771481	4.01771481	100.00%
Title 11 Maritime affairs and fisheries					
11	11 06	European Maritime and Fisheries Fund (EMFF)	0.16088151	0.1608815	100.00 %
Total Title 11			0.16088151	0.1608815	100.00%

Title 13 Regional and urban policy					
13	13 01	Administrative expenditure of the 'Regional and urban policy' policy area	0.21191675	0.30413338	143.52 %
	13 03	European Regional Development Fund and other regional operations	0.49162	0.49162	100.00 %
	13 04	Cohesion Fund (CF)	0.22581755	0.22581755	100.00 %
Total Title 13			0.9293543	1.02157093	109.92%
Title 15 Education and culture					
15	15 01	Administrative expenditure of the 'Education and culture' policy area	0.37777559	0.1460307	38.66 %
	15 02	Erasmus+ programme	13.69960672	13.64969623	99.64 %
Total Title 15			14.07738231	13.79572693	98.00%
Title 18 Migration and home affairs					
18	18 01	Administrative expenditure of the 'Migration and home affairs' policy area	0.391309	0.63519365	162.33 %
Total Title 18			0.391309	0.63519365	162.33%
Title 19 Foreign policy instruments					
19	19 05	Cooperation with third countries under the Partnership Instrument (PI)	0.0728888	0.0728888	100.00 %
Total Title 19			0.0728888	0.0728888	100.00%
Title 22 Neighbourhood and enlargement negotiations					
22	22 02	Enlargement process and strategy	2.784742	2.784742	100.00 %
Total Title 22			2.784742	2.784742	100.00%
Title 26 Commission's administration					
26	26 03	Services to public administrations, businesses and citizens	0	0.15974	#DIV/0
Total Title 26			0	0.15974	#DIV/0
Title 33 Justice and consumers					
33	33 01	Administrative expenditure of the 'Justice and consumers' policy area	0.17566256	0.09751964	55.52 %
	33 02	Rights, equality and citizenship	5.28300254	5.18635405	98.17 %
Total Title 33			5.4586651	5.28387369	96.80%
Total DG EMPL			14922.80694	14707.46461	98.56 %

* 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).

"=% Outturn on payment appropriations"

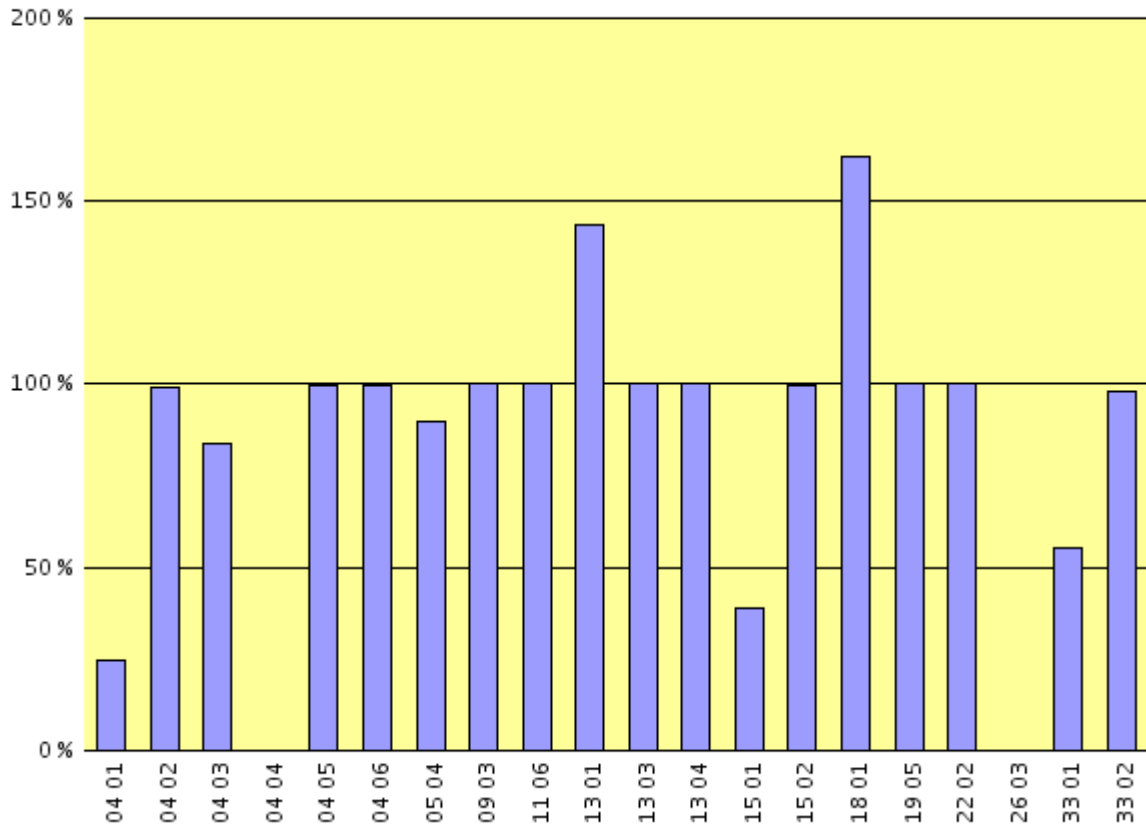


TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Million EUR)

			Commitments to be settled				Commitments to be settled from	Total of commitments to be settled at end	Total of commitments to be settled at end
Chapter			Commitments	Payments	RAL	% to be settled	financial years previous to 2018	of financial year 2019	of financial year 2018
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
04	04 01	Administrative expenditure of the 'Employment, social affairs and inclusion' policy area	5.14	0.94	4.20	81.64%	0.00	4.20	3.19
	04 02	European Social Fund (ESF)	15,472.94	74.53	15,398.41	99.52%	28,263.61	43,662.01	42,500.58
	04 03	Employment, Social Affairs and Inclusion	299.06	124.45	174.61	58.39%	144.36	318.97	303.47
	04 04	European Globalisation Adjustment Fund (EGF) Instrument for Pre-Accession Assistance -							
	04 05	Employment, Social Policies and Human Resources Development	0.02	0.02	0.00	0.50%	15.36	15.36	47.35
	04 06	Fund for European Aid to the Most Deprived (FEAD)	590.07	20.70	569.37	96.49%	820.38	1,389.75	1,303.90
Total Title 04			16,367.23	220.65	16,146.59	98.65%	29,243.70	45,390.29	44,158.48

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Million EUR)									
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	1.16	0.03	1.13	97.82%	0.13	1.26	0.80
Total Title 05			1.16	0.03	1.13	97.82%	0.13	1.26	0.80

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Million EUR)									
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
09	09 03	Connecting Europe Facility (CEF) - Telecommunications networks	5.00	0.00	5.00	100.00%	0.53	5.53	4.56
Total Title 09			5.00	0.00	5.00	100.00%	0.53	5.53	4.56

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Million EUR)									
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)	0.00	0.00	0.00	0.00%	0.02	0.02	0.18
Total Title 11			0.00	0.00	0.00	0.00%	0.02	0.02	0.18

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Million EUR)									
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	0.21	0.06	0.15	72.13%	0.00	0.15	0.25
	13 03	European Regional Development Fund and other regional operations	0.90	0.00	0.90	100.00%	0.19	1.10	0.81
	13 04	Cohesion Fund (CF)	0.33	0.00	0.33	100.00%	0.06	0.39	0.35
Total Title 13			1.45	0.06	1.39	95.92%	0.26	1.64	1.41

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Million EUR)									
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
15	15 01	Administrative expenditure of the 'Education and culture' policy area	0.22	0.03	0.19	84.61%	0.04	0.22	0.15
	15 02	Erasmus+ programme	9.91	0.40	9.50	95.93%	10.13	19.63	24.91
Total Title 15			10.13	0.44	9.69	95.69%	10.17	19.86	25.06

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Million EUR)									
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	0.39	0.00	0.39	98.83%	0.02	0.41	0.65
Total Title 18			0.39	0.00	0.39	98.83%	0.02	0.41	0.65

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Million EUR)									
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
19	19 05	Cooperation with third countries under the Partnership Instrument (PI)	0.00	0.00	0.00	0.00%	0.33	0.33	0.40
Total Title 19			0.00	0.00	0.00	0.00%	0.33	0.33	0.40

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Million EUR)									
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	5.00	2.78	2.22	44.31%	0.30	2.52	0.30
Total Title 22			5.00	2.78	2.22	44.31%	0.30	2.52	0.30

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Million EUR)									
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
26	26 03	Services to public administrations, businesses and citizens	0.14	0.00	0.14	100.00%	0.00	0.14	0.16
Total Title 26			0.14	0.00	0.14	100.00%	0.00	0.14	0.16

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2019 (in Million EUR)									
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
33	33 01	Administrative expenditure of the 'Justice and consumers' policy area	0.14	0.07	0.07	51.59%	0.00	0.07	0.03
	33 02	Rights, equality and citizenship	6.65	0.33	6.32	95.02%	5.68	12.00	11.38
Total Title 33			6.80	0.40	6.40	94.12%	5.68	12.08	11.41

Total :			16397.28965	224.36	16172.93221	98.63 %	29261.07563	45434.00784	44203.42056
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= "Breakdown of Commitments remaining to be settled (in Mio EUR)"

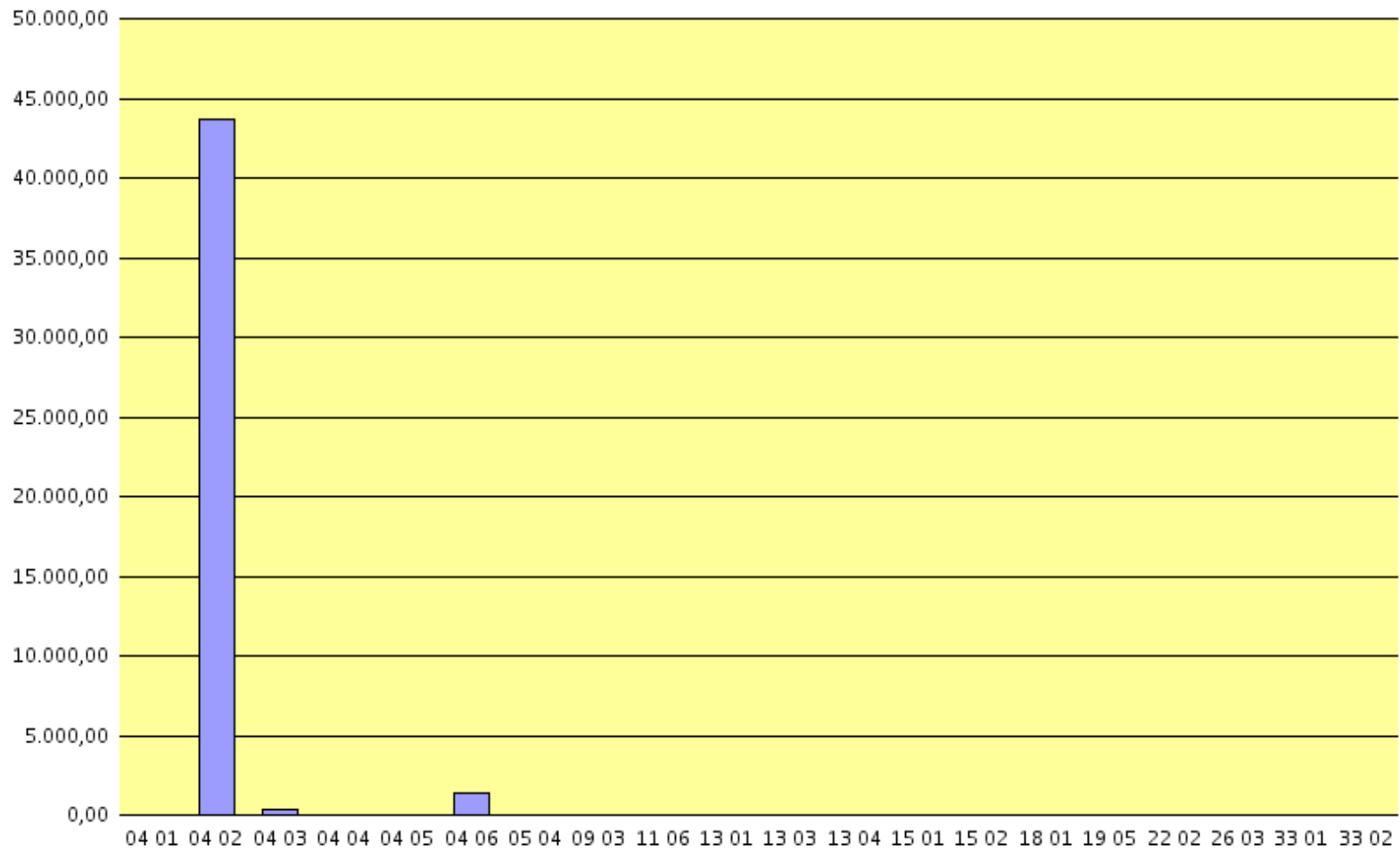


TABLE 4 : BALANCE SHEET for DG EMPL

BALANCE SHEET	2019	2018
A.I. NON CURRENT ASSETS	4027281538	3985816074
A.I.1. Intangible Assets	3,485,344.13	
A.I.4. Non-Current Financial Assets	68,738,970.07	61,825,317.37
A.I.5. Non-Current Pre-Financing	3,955,057,223.49	3,923,990,756.37
A.II. CURRENT ASSETS	2693968211	2258206764
A.II.2. Current Pre-Financing	1,959,745,119.94	2,051,599,041.04
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	664,402,504.89	129,891,338.44
A.II.6. Cash and Cash Equivalents	69,820,586.00	76,716,384.60
ASSETS	6721249749	6244022838
P.I. NON CURRENT LIABILITIES	-45735193	-19618844.73
P.I.2. Non-Current Provisions	-37,635,193.00	-19,618,844.73
P.I.3. Non-Current Financial Liabilities	-8,100,000.00	
P.III. NET ASSETS/LIABILITIES	-1351241.62	-810824.37
P.III.1. Reserves	-1,351,241.62	-810,824.37
P.II. CURRENT LIABILITIES	-5609661003	-6686794348
P.II.2. Current Provisions	-33,089,229.00	-19,579,894.04
P.II.4. Current Payables	-2,474,657,544.42	-4,138,465,947.11
P.II.5. Current Accrued Charges & Defrd Income	-3,101,914,229.97	-2,528,748,507.02
LIABILITIES	-5656747438	-6707224017
NET ASSETS (ASSETS less LIABILITIES)	1064502311	-463,201,179.45

P.III.2. Accumulated Surplus/Deficit	65,420,512,820.99	52924396162
Non-allocated central (surplus)/deficit*	-66,485,015,131.50	-52461194983
TOTAL DG EMPL	0.00	0.00

It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this AAR represent only the assets, liabilities, expenses and revenues that are under the control of this DG EMPL. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in DG EMPL'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 DGs, it can be seen that the balance sheet presented here is not in equilibrium.

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

TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for DG EMPL

STATEMENT OF FINANCIAL PERFORMANCE	2019	2018
II.1 REVENUES	-552865379.9	-172865654.6
II.1.1. NON-EXCHANGE REVENUES	-554024333.2	-173677838.3
II.1.1.5. RECOVERY OF EXPENSES	-553,224,333.16	-172,877,838.34
II.1.1.6. OTHER NON-EXCHANGE REVENUES	-800,000.00	-800,000.00
II.1.2. EXCHANGE REVENUES	1158953.23	812183.74
II.1.2.1. FINANCIAL INCOME	-605,671.00	-220,655.46
II.1.2.2. OTHER EXCHANGE REVENUE	1,764,624.23	1,032,839.20
II.2. EXPENSES	12014748903	12668982313
II.2. EXPENSES	12014748903	12668982313
II.2.10. OTHER EXPENSES	77,688,712.60	58,577,506.09
II.2.1. EXP IMPLM BY MEMBER STATES (SHARED)	11,720,822,020.10	12,339,838,546.81
II.2.2. EXP IMPLM BY COMMISS&EX.AGENC. (DM)	140,728,745.64	142,139,832.45
II.2.3. EXP IMPL BY OTH EU AGENC&BODIES (IM)	75,019,207.13	73,247,477.07
II.2.4. EXP IMPL BY 3RD CNTR & INT ORG (IM)	544,526.70	55,110,643.57
II.2.5. EXP IMPLM BY OTHER ENTITIES (IM)	-1,549.96	1,549.96
II.2.6. STAFF AND PENSION COSTS	-158,870.00	-82,050.00
II.2.8. FINANCE COSTS	106,110.98	148,807.22
STATEMENT OF FINANCIAL PERFORMANCE	11,461,883,523.26	12,496,116,658.57

TABLE 5bis : OFF BALANCE SHEET for DG EMPL

OFF BALANCE	2019	2018
OB.1. Contingent Assets	2429089.13	2863865.55
GR for performance	39,125.00	
GR for pre-financing	2,389,964.13	2,863,865.55
OB.3. Other Significant Disclosures	-54350176053	-66272454197
OB.3.2. Comm against app. not yet consumed	-39,862,589,462.62	-37,539,959,127.51
OB.3.3.1 Structural operations	-14,487,586,590.37	-28,732,495,069.37
OB.4. Balancing Accounts	54347746964	66269590331
OB.4. Balancing Accounts	54,347,746,963.86	66,269,590,331.33
OFF BALANCE	0.00	0.00

TABLE 6: AVERAGE PAYMENT TIMES FOR 2019 - DG EMPL

Legal Times							
Maximum Payment Time (Days)	Total Number of Payments	Nbr of Payments within Time Limit	Percentage	Average Payment Times (Days)	Nbr of Late Payments	Percentage	Average Payment Times (Days)
30	1690	1604	94.91 %	13.76371571	86	5.09 %	39.3255814
60	1169	1129	96.58 %	27.20549159	40	3.42 %	81.55
90	291	271	93.13 %	46.80811808	20	6.87 %	96.55
365	223	223	100.00 %	49.90134529			

Total Number of Payments	3373	3227	95.67 %		146	4.33 %	
Average Net Payment Time	25.25348355			23.73876666			58.73287671
Average Gross Payment Time	40.95879039			39.25069724			78.71232877

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	42	1251	37.09 %	3373	11,845,905,336.77	90.20 %	13,133,307,802.23

Late Interest paid in 2019			
DG	GL Account	Description	Amount (EUR)
EMPL	65010100	Interest on late payment of charges New FR	1 933.16
			1 933.16

TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2019 for DG EMPL

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	
60	CONTRIBUTIONS TO UNION PROGRAMMES	800,000.00	0.00	800,000.00	800,000.00	0.00	800,000.00	0.00
61	REPAYMENT OF MISCELLANEOUS EXPENDITURE	1,802,047,444.51	40,644.87	1,802,088,089.38	1,663,970,992.83	40,644.87	1,664,011,637.70	138,076,451.68
64	CONTRIBUTIONS FROM FINANCIAL INSTRUMENTS	41,401,032.80	0.00	41,401,032.80	41,401,032.80	0.00	41,401,032.80	0.00
65	FINANCIAL CORRECTIONS	2,915,730.75	109,294.88	3,025,025.63	2,915,730.75	109,294.88	3,025,025.63	0.00
66	OTHER CONTRIBUTIONS AND REFUNDS	5,081,130.34	5,865,988.40	10,947,118.74	4,273,542.88	5,484,381.24	9,757,924.12	1,189,194.62
Total DG EMPL		1852245338	6015928.15	1858261267	1713361299	5634320.99	1718995620	139265646.3

**TABLE 8 : RECOVERY OF PAYMENTS in 2019 for DG EMPL
(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
2006	3	112392.26	1	2948519.21	4	3060911.47	4	3060911.47	100.00%	100.00%
2007	1	88.78			1	88.78	6	7017160.33	16.67%	0.00%
2008	1	2018488.7			1	2018488.7	1	2018488.7	100.00%	100.00%
2013	1	7241.11			1	7241.11	5	41404100.03	20.00%	0.02%
2014	14	160650.37			14	160650.37	49	202477115.7	28.57%	0.08%
2015	2	2460.86			2	2460.86	219	1290604155	0.91%	0.00%
2016	4	57373.08			4	57373.08	74	246999485.1	5.41%	0.02%
2017	2	6715.05			2	6715.05	35	43282129.01	5.71%	0.02%
2018	1	8461.7			1	8461.7	19	14416579.21	5.26%	0.06%
2019	1	1299.48			1	1299.48	2	7886.94	50.00%	16.48%
Sub-Total	30	2375171.39	1	2948519.21	31	5323690.6	414	1851288011	7.49%	0.29%

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	30	289497197.4			30	289497197.4	520	538,693,445.43	5.77%	53.74%
CREDIT NOTES	99	4572231.03			99	4572231.03	107	5,081,674.89	92.52%	89.97%
Sub-Total	129	294069428.4			129	294069428.4	627	543775120.3	20.57%	54.08%

GRAND TOTAL	159	296444599.8	1	2948519.21	160	299393119	1041	2395063132	15.37%	12.50%
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TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 31/12/2019 FOR EMPL

	Number at 1/01/2019	Number at 31/12/2019	Evolution	Open Amount (Eur) at 1/01/2019	Open Amount (Eur) at 31/12/2019	Evolution
2013	1	1	0.00 %	146,358.80	146,358.80	0.00 %
2014	1	1	0.00 %	163,142.00	163,142.00	0.00 %
2015	1	1	0.00 %	72,106.36	72,106.36	0.00 %
2018	6		-100.00 %	5,634,320.99		-100.00 %
2019		15			138,884,039.14	
	9	18	100.00 %	6,015,928.15	139,265,646.30	2214.95 %

TABLE 10 :Recovery Order Waivers >= EUR 60 000 for DG EMPL in 2019

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

Internal Procedures > € 60,000

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
Annex 1 - 11.1 (a) - Follow-up of an open/restricted procedure where no (or no suitable) tenders/requests to participate have been submitted	1	599,852.00
Total	1	599,852.00

TABLE 12 : Summary of Procedures for DG EMPL

Internal Procedures > EUR 60,000

Procedure Legal base	Number of Procedures	Amount (EUR)
Negotiated procedure middle value contract (Annex 1 - 14.2)	1	125,800.00
Negotiated procedure without prior publication (Annex 1 - 11.1)	1	599,852.00
Open Procedure (Art. 104(1) (a) FR)	3	5,451,240.00
Open procedure (FR 164 (1)(a))	5	5,038,954.00
Total	10	11,215,846.00

TABLE 13 : BUILDING CONTRACTS

Legal base	Contract Number	Contractor Name	Description	Amount (EUR)

TABLE 14 : CONTRACTS DECLARED SECRET

LC Responsible Organisation DG Code	LC Contract/Grant Type	LC Date	Legal base	Contract Number	Contractor Name	Description	Amount (EUR)

TABLE 15 : FPA duration exceeds 4 years - EMPL

None of your FPA (if any) exceeds 4 years

ANNEX 4: Materiality criteria

As from 2019¹³, 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 the 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 affecting at all the detailed reservations at the level of the payment/operational programme. Given the amounts involved, this threshold has no effect on the AAR reservations of DG EMPL for 2019.

For ESF/YEI, FEAD and IPA

During the implementation period, all programmes are assessed against audit opinions at national and Commission level based on audits carried out on systems and representative samples of operations. In addition, operational line managers and authorising officers by sub-delegation also assess the level of assurance.

Assessment of management and control systems in the Member States and for the programming period 2007-2013

➤ **The assessment at closure**

The Annual Control Reports (ACRs) 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-quantified 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)¹⁴.

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

¹³ Agreement of the Corporate Management Board of 30/4/2019.

¹⁴ The decision on whether to issue reservation will be made taking into account the cumulative residual risk.

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 expenditure¹⁵. 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.

➤ **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 operational programme is based on the following elements:**

1. The first element is the **assessment of the effectiveness of management and control systems** carried out by the audit directorate based on all information available (i.e. opinion issued by the Audit Authority on the management and control systems, total error rate, results of national systems audits, results of Commission audit work and/or the European Court of Auditors, elements received from operational managers in their regular contacts with 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 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 2014-2020 legal framework, the Commission can in subsequent years (during the documents retention period) 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 1/3/2020, 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 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 they are not considered reliable at this stage, flat rates are used.

¹⁵ i.e. paid in the relevant year in relation to the concerned sub-programme

➤ **Materiality criteria and reservations**

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

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

As a general rule, a programme will be put under reservation if at least one of the following conditions applies, based on the 2018/2019¹⁶ assurance packages received in February/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 used for 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 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 operational programmes are classified in four categories:

▪ **Operational programmes not in reservation:**

- **Reasonable assurance** means that there is no material deficiency affecting key elements of the systems (only minor improvements may be needed in some cases) and there are no material issues concerning either conformity 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);

▪ **Operational programmes in reservation:**

- **Limited assurance with medium risk** of irregularities covers:
 - programmes with deficiencies in key elements of the systems with a material

¹⁶ No reservation is made for cases where the Residual Total Error Rate for the accounting year 2016/2017 is confirmed above 2 % given that additional financial corrections will be applied.

- 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
 - 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 reservation¹⁷, the reviewed residual total error rate for the 2018/2019 accounts is applied to the 2019 relevant expenditure of the operational 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-quantified 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 amounts at risk 'at payment' and the error rates are calculated on the expenditure incurred from 1st July 2017 to 30th June 2018, while the risk has to be estimated on the expenditure of year 2019.

The risk "at payment" is calculated by applying the residual total error rate of the accounting year 2017/ 2018 as confirmed by the Commission services¹⁸ to the "relevant expenditure" of the Commission reporting year (i.e. payments made during the reporting year excluding new pre-financing and including the 10% retained, and including the cleared pre-financing minus the retentions released and 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 necessary financial corrections to bring the total residual error rates for all OPs down to 2%. By using the confirmed residual total error rate for accounting year 2017-2018 by OP, DG EMPL has been able to identify for which OPs additional financial correction will be required upon finalisation of the ongoing audit contradictory procedures for accounting year 2017-2018.

For centralised management

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

¹⁷ No rate will be calculated.

¹⁸ 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)

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

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

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

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

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

For EGF

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

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

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

ANNEX 5: INTERNAL CONTROL TEMPLATES FOR BUDGET IMPLEMENTATION (ICTS)

ESF

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

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

Main risks	Mitigating controls	Coverage frequency and depth	Cost-Effectiveness indicators
<p>The operational programmes financed do not adequately reflect the policy objectives or priorities.</p>	<p>Internal consultation, hierarchical validation at DG-level of each operational programme.</p> <p>Inter-service consultation (including all relevant DGs)</p> <p>Adoption by Commission Decision, where foreseen by EU law.</p>	<p>Coverage / Frequency: 100%.</p> <p>Depth: checklist, guidelines, lists of requirements in the relevant regulatory provisions and reflection of policy objectives and priorities in position papers and CSRs.</p>	<p>Overall Commission cost: see AAR section Cost effectiveness and efficiency.</p> <p>Benefits: adopted operational programmes focus on challenges Member States and regions are facing (as identified in the European Semester) and have a clear intervention logic, allowing the Commission to evaluate their impact [<i>non-quantifiable individually</i>]</p> <p>Effectiveness:</p> <ul style="list-style-type: none"> - % of OPs adopted/approved <p>Efficiency:</p> <ul style="list-style-type: none"> - average time to adopt/approve an operational programme (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.	Overall Commission cost: see AAR section Cost effectiveness and efficiency. Benefits:(part of) the amounts associated with unreliable systems for which the Commission audit work revealed substantial compliance problems [<i>not quantifiable</i>] Effectiveness: - % of authorities designated. Efficiency: - number of authorities for which serious weaknesses found by designation reviews/audits (% of total checked).

B. MS controls to prevent, detect and correct errors within the declared certified expenditure

Main control objectives: ensuring that the expenditure declared in the annual accounts submitted to the Commission is legal and regular.

Main risks	Mitigating controls	Coverage, frequency and depth	Cost-Effectiveness indicators
Annual accounts submitted to the Commission include expenditure that is irregular or non-compliant with EU and/or national eligibility rules and legislation.	Management verifications: first level checks by Managing Authorities. Certification of expenditure in the annual accounts, audit opinion and assurance declaration by the relevant authorities designated/accredited.	Coverage: fixed in sector-specific rules Depth: - <u>management verifications</u> : performance of first-level checks (administrative and on the spot controls). - <u>certification</u> : additional verification (desk checks and on the spot). - <u>audit opinion</u> : system audits on the checks already carried out, where necessary with re-performance of on-the-spot checks; audits of operations (on a statistical basis) and audit of accounts.	Effectiveness: - Residual error rate as reported by the Member States. Efficiency: - acceptance of annual accounts.

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 annual accounts.</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 expenditure declared in the annual accounts.</p> <p>Commission assessment of management and control systems in the Member States, in particular of work done and/or reported by the Audit Authorities, namely:</p> <ul style="list-style-type: none"> - assessment of Annual Control Reports / Annual Audit Opinion - calculation of the total projected error rate (TPER) - calculation of the residual error rate (RER) - assessment of systems audits reports from Audit Authorities - own Commission audits - technical and bilateral meetings with the Member States. <p>Warning letters, interruptions and suspensions of payments.</p> <p>Financial corrections (implemented by the Member States resulting from Commission audit work).</p>	<p>Coverage: verification of information provided in the assurance packages.</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 compliance audits; 'validation' and where necessary adjusting of error rates reported by the Member States;</p>	<p>Overall Commission cost: see AAR Cost effectiveness and efficiency.</p> <p>Benefits: errors prevented [<i>unquantifiable</i>], errors detected or corrected (amount of financial corrections); the impact of the Commission's adjustments made on the error rates reported by the Member State following its own audit work and the total amount of expenditure for which the Commission has assurance</p> <p>Effectiveness:</p> <ul style="list-style-type: none"> - residual error rate (EU and per Member State) - number of programmes with a reported error rate assessed as reliable - corrections made resulting from Commission audit work (decided and implemented) - % of the expenditure for which the Commission can rely on the work of the Audit Authorities (based on ACRs unchanged or recalculated error rates) - weighted average residual error rate after Commission analysis - Commission assessment of reliance on Audit Authorities. <p>Efficiency:</p> <ul style="list-style-type: none"> - overall cost of control/financial management of the Commission checks and assessment (% of total payment appropriations) – stages 1 to 3 - % of Commission payments on time - % interruptions of payments notified to Member States within 2 months - % suspensions of payments notified to Member States within 6 months.

Direct and indirect management

Stage 1: Programming, evaluation and selection.

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

Main risks	Mitigating controls	Coverage, frequency	Cost-Effectiveness indicators
<p><u>Grants and procurement:</u> The annual work programme and the subsequent actions do not adequately reflect the policy objectives and priorities and or are incoherent. Budget not optimally allocated.</p> <p><u>Agencies:</u> The Four Year Work Programme, the Annual Work Programme and the subsequent actions do not adequately reflect the policy objectives and priorities and/or are incoherent. Budget not optimally allocated.</p>	<p><u>Grants and procurement:</u> - Programming of activities (Financing Decision) through a top-down definition of policy priorities. Activities examined centrally by horizontal units (coordination and financial) for compliance, relevance and optimisation (rationalisation/simplification); - Inter-service consultation on Financing Decisions including all relevant DGs; - Adoption by the Commission.</p> <p><u>Agencies:</u> Through the mechanism of the Bureau and Governing Board, the Commission contributes to the setting of the goals and strategies, the appointment of the Director, the adoption of the annual management plan, work programme and budget. Discussions (notably on programme) between the Agency's director and the Director-General of DG EMPL.</p>	<p><u>Grants and procurement:</u> 100%</p> <p><u>Agencies:</u> Bureau OSHA: 4 times a year; Bureau EUROFOUND: 6 times a year; Governing boards: 1 time a year; Director-General DG EMPL/Director of Agency: min 1 time a year.</p>	<p>See AAR section 2.1.1</p> <p><u>Grants and procurement:</u> - Validation of actions in the annual work programme (relevance and compliance) (%); - Budget execution (%); - Overall cost of control/financial management of the Commission checks and assessment (as a % of total payment appropriations); - Cost of evaluation and selection procedure/value contracted (%);</p> <p><u>Agencies:</u> Participation of the Commission to all meetings of the Bureau and Governing Board. Meeting of Director-General of DG EMPL and Agency director.</p>

Main risks	Mitigating controls	Coverage, frequency	Cost-Effectiveness indicators
<p><u>Grants:</u> The evaluation, ranking and selection of proposals is not carried out in accordance with the established procedures, the policy objectives, priorities and/or the essential eligibility, or with the selection and award criteria defined in the annual work programme and subsequent calls for proposals.</p> <p>The beneficiaries, especially smaller organisations, lack the capacity to effectively control expenditure and ensure the transparency on the operations carried out.</p>	<p><u>Grants:</u></p> <ul style="list-style-type: none"> - implementation of a standard application form for the whole DG; - AOSD supervision and approval of terms of references with the support of adequate guidance and using the available models; - before publication, a formal opinion is issued by the Financial Unit to check if the documents are complete, have been correctly drafted and all the required procedures have been respected; - an evaluation committee is appointed by the AOSD and composed of at least 3 persons representing at least 2 units; - the management of the evaluation process has been standardised via the IT application Defis Evaluations; - a formal opinion is issued by the Financial Unit on the evaluation and selection procedure prior to budgetary and legal commitments; - validation of beneficiaries (operational and financial viability) and planning of interim and final reports; - signature of the grant agreement by the Authorising Officer; - the publication on Europa of the grants awarded takes place after control by the Financial Unit. 	<p><u>Grants:</u> Coverage : 100% of proposals are evaluated</p>	<p>See AAR section 2.1.1</p> <p><u>Grants:</u></p> <ul style="list-style-type: none"> - Validation of calls for proposals by the Financial Unit prior to publication (%); - Formal opinion given by the Financial Unit before award (%); - Number litigation cases.
<p><u>Procurement:</u> The best offer/s are not submitted due to the poor definition of the tender specifications.</p> <p>The most economically advantageous offer not being selected due to a biased, inaccurate</p>	<p><u>Procurement:</u></p> <ul style="list-style-type: none"> - AOSD supervision and approval of specifications with the support of adequate guidance and using the available models; - Prior Information Notices and invitations to tender are checked for compliance with the Financial Regulation and Financing Decision by the Financial 	<p><u>Procurement:</u> 95%¹⁹ of the specifications are scrutinised. 100% of calls are scrutinized by the</p>	<p>See AAR section 2.1.1</p> <p><u>Procurement:</u></p> <ul style="list-style-type: none"> - Formal opinion given by the Financial Unit before award

¹⁹ Formal financial opinion not given for very low value procedure (below a certain threshold) neither for orders deriving from framework contracts without reopening of competition.

Main risks	Mitigating controls	Coverage, frequency	Cost-Effectiveness indicators
or 'unfair' evaluation process.	Unit before publication; - Opening and evaluation committees appointed by the AOSD; - Formal opinion issued after verification by the Central Financial Unit on the evaluation and selection procedure prior to budgetary and legal commitments (framework contracts with reopening of competition and negotiated procedures).	Financial Unit.	

Stage 2: Implementing and monitoring the execution

Main control objectives: ensuring that the operational results (deliverables) from the projects and the Agencies are of good value and meet the objectives and conditions (effectiveness & efficiency); ensuring that the related financial operations comply with regulatory and contractual provisions and that the Commission is fully and timely informed of any relevant management issues encountered by the entrusted entity, in order to possibly mitigate any potential financial and/or reputational impacts (legality & regularity); prevention of fraud (anti-fraud strategy).

Main risks	Mitigating controls	Coverage, frequency	Cost-Effectiveness indicators
<p><u>Grant/Procurement:</u> The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the agreement/contract and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions.</p>	<p><u>Grant/Procurement:</u> Operational and financial checks in accordance with the financial circuits. Operation authorisation by the AOSD. <u>Grants:</u> Ex ante verification of financial report.</p>	<p><u>Grants:</u> 100% of projects are controlled. Analytical review performed on all final payment requests. Detailed desk check on all final costs statements above a certain threshold (30%-40% of costs statements). <u>Procurement:</u> 100% of contracts are controlled.</p>	<p>See AAR section 2.1.1 <u>Grants:</u> - Verification of transactions by operational and financial agents (%); - Ex-ante in depth check of final cost claims - sample representing 20% of the eligible costs for each action grant (at least 30% of staff cost - higher risk) (% error). <u>Procurement</u> - Verification of transactions by operational and financial agents. <u>Grants and procurement:</u> - Costs of control from contracting and monitoring the execution up to payment included / amount paid (%).</p>
<p><u>Agencies</u> The financial and control framework deployed by the entrusted entity is not fully mature to guarantee achieving all 5 ICOs (legality and regularity, sound financial management, true and fair view reporting, safeguarding assets and information, anti-fraud strategy).</p>	<p><u>Agencies</u> Through the mechanism of the Bureau and Governing Board, the Commission contributes to: - the discussions leading to the set-up of internal control systems and anti-fraud strategies; - to the follow up of the agency's performance.</p>	<p><u>Agencies</u> Bureau OSHA: 4 times a year; Bureau EUROFOUND: 6 times a year; Governing boards: 1 time a year.</p>	<p>See AAR section 2.1.1 <u>Agencies</u> The Director provides reasonable assurance in his/her AAR. Up-to-date Anti-Fraud Strategy.</p>

Stage 3: Ex-post controls, reporting and discharge for decentralised agencies

Main control objectives: Measuring the effectiveness of ex ante controls by ex post controls; detect and correct any error or fraud remaining undetected after the implementation ex ante controls (legality & regularity; anti-fraud strategy); addressing systemic weaknesses in the ex ante controls, based on the analysis of the findings (sound financial management); ensuring that assurance building information on the entrusted entity's activities is being provided through independent sources as well, which may confirm or contradict the management reporting received from the entrusted entity itself (on the 5 ICOs).

Main risks	Mitigating controls	Coverage, frequency	Cost-Effectiveness indicators
The ex ante controls fail to prevent, detect and correct erroneous payments or attempted fraud.	Strategy of ex post audit : (a) combine risk-based and ad random selection (b) consider operational aspects whenever possible during the on-the-spot audit.	Ex post controls relate only to grant aided projects which have been closed by the Operational Units. Contracts bear no risk to be audited ex post.	See AAR section 2.1.1 <u>Grants/procurement:</u> - Cost of control ex post audits / value audited; - Ex post audits finalised (number) - % amount controlled by ex post audit vs. total amount; - Error rate.
<u>Agencies</u> The Agency's control system does not allow drawing conclusions on the assurance for the budget entrusted to the entity – which may reflect negatively on the Commission's governance reputation.	<u>Agencies</u> Through the mechanism of the Bureau and Governing Board, the Commission contributes to: - the preparation and adoption of the Agency's Annual Activity Report; - the follow-up of the discharge process by participating and if necessary intervening in the relevant parliamentary debates.	<u>Agencies</u> Bureau OSHA: 4 times a year; Bureau EUROFOUND: 6 times a year; Governing boards: 1 time a year.	See AAR section 2.1.1 <u>Agencies</u> Positive discharge.

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: External Assistance Management Report (EAMR) of the Union Delegations

Not applicable.

ANNEX 8: Decentralised agencies and/or EU Trust Funds

CEDEFOP

1. Short presentation of the agency's activities from 2019 that contributed to the specific objectives of DG EMPL

The European Centre for the Development of Vocational Training (Cedefop) supports the promotion, development and implementation of Union policies in the field of vocational education and training as well as skills and qualifications policies by working together with the Commission, the Member States and the social partners. In line with its mission, Cedefop contributed in particular to the following DG EMPL objectives: *1.1 Support to Member States through the European Semester* and *1.5 A skilled and more entrepreneurial workforce*. Activities supporting these objectives included the following:

- VET policy monitoring, drawing on the ReferNet national experts and thematic country reviews on apprenticeships that feed into the European Semester country analysis;
- Supporting the implementation of the Council Recommendation on Upskilling Pathways, amongst others, by publishing a research paper and organising a policy learning forum;
- Hosting Europass1 and contributing to the development of and migration to Europass2, to be hosted by the Commission as from 2020;
- Contributing to the European Vocational Skills Week, including through its annual #CedefopPhotoAward and contributing to/organising events;
- Providing skills intelligence (Skills Panorama, big data analysis of online vacancies, etc.) that informs DG EMPL's policy development, as well as national policy makers, social partners and labour market actors;
- Cedefop's analytical work on tools and principles promoting lifelong and lifewide learning (including EQF, EQAVET/ECVET, ESCO, key competences, lifelong guidance, validation, etc.), which contributes to rendering labour market policies more effective and inclusive;
- Based on the study on the Changing role and nature of VET in Europe, providing input to DG EMPL's reflections on the future VET policy framework post-2020.

2. DG EMPL's participation in the governance of the agency

Cedefop has a 'tripartite' Management Board, composed of three representatives of each Member State (representing government, employers and employees) and three representatives of the Commission, as well as one independent expert appointed by the European Parliament (without voting rights). Decisions of the Management Board are taken by a majority of members with voting rights or by a majority of two thirds in a limited number of specific cases (programming document, annual budget, etc.).

The Executive Board is composed of the Chairperson of the Management Board, the three Deputy Chairpersons (including one of the Commission), the coordinators of the three groups (governments, employers and employees) and one representative of the Commission. Decisions of the Executive Board are taken by consensus.

3. Description of monitoring and control activities

3.1 Ex ante controls - Monitoring, supervision and coordination (control 'with' the agency):

- *Role of the Management Board*

The functions of the Management Board are laid down in Article 5 of Cedefop's Founding Regulation²⁰ and include: providing the strategic orientations for Cedefop's activities; adopting the agency's programming document and annual budget; adopting a consolidated annual activity report together with an assessment of Cedefop's activities and submitting them to the European Parliament, Council, Commission and Court of Auditors; adopting an anti-fraud strategy; and monitoring adequate follow-up to findings and recommendations from audits and evaluations.
- *Cedefop does not have an Audit Committee.*
- *Meetings of the Executive and Management Boards in 2019 and major decisions taken with DG EMPL' participation*
 - Number of meetings:
 - Management Board: 1
 - Executive Board: 5
 - *DG EMPL attended all Management Board / Executive Board meetings.*
 - *It should be noted that, while many issues are debated at the meetings, most decisions are effectively taken by written procedure.* There were 24 such written procedures in 2019. Key decisions included:
 - Programming Document;
 - Delegation of powers to the Executive Director to conclude contracts of employment;
 - Rules of Procedure of Management Board and Executive Board;
 - Estimate of Revenue and Expenditure;
 - Consolidated Annual Activity Report and Management Board assessment;
 - Final Accounts and Management Board opinion;
 - Implementing rules, including on middle management, advisers, learning and development, working time;
 - Cedefop's anti-fraud strategy;
 - Rules for the prevention and management of conflict of interests;
 - Financial Regulation applicable to Cedefop.
- *Main points discussed/agreed in the bilateral senior management meetings in 2019 between the agency and their interlocutors in DG EMPL:*
 - New Rules of Procedure Management Board / Executive Board
 - Audits (IAS and ECA) and HR issues
 - Work programme and cooperation/synergies DG EMPL-Cedefop
 - Induction of the new Executive Director, covering among others: institutional context; Cedefop's mission, governance and history; and expectations of the Commission.
- *Initiatives taken by DG EMPL in 2019 to exchange good practices and ensure coherent approach between the agencies:*

²⁰Regulation (EU) 2019/128 of 16 January 2019 establishing a European Centre for the Development of Vocational Training (Cedefop) and repealing Council Regulation (EEC) No 337/75

- Already before the adoption of the revised Founding Regulations of the tripartite agencies (Cedefop, Eurofound and EU-OSHA), DG EMPL units concerned established an inventory of the transitional measures to be taken and consulted the competent horizontal services (SG, DG BUDG, DG HR) where necessary.
 - Following the adoption of the new Regulation, DG EMPL organised a joint seminar on 6 March 2019 with the management teams of the agencies concerned to clarify any issues at stake and promote a harmonised approach, wherever possible / appropriate. Relevant horizontal services participated or provided written input.
 - The units in charge of DG EMPL's agencies systematically share relevant draft rules and provisions prepared by the agencies for comments, thus ensuring alignment of such rules where possible / appropriate.
- *Assessing the agency's control framework and financial rules in 2019*
 - The Cedefop Management Board adopted the agency's (revised) Internal Control Framework in January 2019. It was verified beforehand by DG EMPL (including by its own Internal Control Coordinator) and considered in line with the Commission's updated Framework.
 - In July 2019, the Cedefop Management Board adopted the financial regulation applicable to the (Cedefop) in conformity with the Commission Delegated Regulation (EU) no 2019/715 of 18 December 2018 (the Framework Financial Regulation).

3.2 Ex post controls - Audits, external evaluations and discharge:

- *Ongoing and completed audits in 2019*
 - IAS audit on web-based services (report published in November 2017; closed in October 2019);
 - IAS audit on human resource management and ethics (report published in November 2018; ongoing);
 - ECA performance audit on agencies (launched in March 2019; awaiting final report).
- *Ongoing and completed external evaluations in 2019*
 - The final report of the external 'cross-cutting' evaluation of the decentralised agencies under the remit of DG EMPL was published in March 2018. On 9 April 2019, the Commission Staff Working Document SWD(2019)159 on the Evaluation of the EU Commission Agencies working in the employment and social affairs policy field was published.
 - Cedefop presented its action plan, as a follow-up to the SWD, at the Management Board meeting of 3-4 October 2019 and sent it by letter of 11 October to the Commission.
- *ECA's declaration of assurance*
 - ECA gave a positive assessment of the reliability of the agency's 2018 accounts and the legality and regularity of the underlying transactions.
 - Critical remarks were made on the following:
 - Recruitment procedures: following up to similar criticism of the IAS, Cedefop has implemented the agreed actions and has sent them to the IAS for review; awaiting opinion of IAS.
 - Externalisation of legal advice: the arrangements for legal advice for the agency are subject to close monitoring by the Executive Board and the new Executive Director is expected to take decisions in this respect in the first half of 2020.
 - Procurement procedures: in its reply, Cedefop confirmed that it has taken measures to address the remarks of ECA (purchasing travel agency services; handling abnormally low offers).

- *Discharge for 2018 is expected to be granted in March 2020.*
- *DG EMPL's follow up on the implementation of the recommendations*
 - DG EMPL follows up the implementation of the recommendations of the IAS and ECA audits and of evaluations as members of the Cedefop Executive and Management Boards. The Cedefop management reports at each Executive Board and Management Board meeting on the actions taken to implement the recommendations and their state of play.

4. Annual subsidies

Tranches are released upon request by the agency and following an assessment of its cash position. In 2019, an amount of EUR 18.9 million was transferred to Cedefop.

5. Overall conclusion

While the Director-General of DG EMPL is accountable for the legality and regularity of the payments of the subsidies to the agency, the accountability for the regularity and legality of this expenditure resides ultimately with the agency itself.

The Court of Auditors gave a positive declaration of assurance for Cedefop for the year 2018, as well as for previous years. The comments made by the Court do not call into question DG EMPL's reasonable assurance on the operating budget managed by Cedefop.

From its own monitoring and supervision work as a partner DG, DG EMPL did not become aware of any element that would indicate that the reporting from the agency would not be reliable. Consequently, in view of DG EMPL's responsibility for the funds paid to the operating budget of the agency, DG EMPL concludes that there are no control weaknesses affecting the assurance building in terms of the control objective as regards legality and regularity.

The benefits resulting from the controls are not quantifiable. Examples of unquantified benefits are the reduced risk of fraud and deterrent effects of the audits by the Court of Auditors and the Commission's Internal Audit Service, as well as DG EMPL's verification and monitoring of the agency's Internal Control Framework, including the agency's antifraud strategies and policies to prevent conflicts of interest.

6. Regulatory changes

- The revised Founding Regulation of Cedefop²¹ was adopted on 16 January 2019 and entered into force on 20 February 2019.
- The adoption of the new Regulation triggered the revision of a number of internal rules and regulations, including the Rules of Procedure of the Management and Executive Boards and the delegation of powers to conclude contracts of employment by the Management Board to the Executive Director.
- Following the adoption of the new Framework Financial Regulation in December 2018, Cedefop adopted its revised Financial Regulation in July 2019.

7. Major events not captured above

The new Executive Director took office on 2 September 2019.

²¹Regulation (EU) 2019/128 of 16 January 2019 establishing a European Centre for the Development of Vocational Training (Cedefop) and repealing Council Regulation (EEC) No 337/75

ELA

1. Short presentation of the agency's activities from 2019 that contributed to the specific objectives of DG EMPL

The European Labour Authority (ELA) was established on 31 July 2019. The objective of the Authority is to contribute to ensuring fair labour mobility across the Union and assist Member States and the Commission in the coordination of social security systems within the Union. In that, it contributes to DG EMPL's specific objective of *2.1 Improved conditions for geographic and professional mobility whilst tackling risks of distortions and abuses*.

In 2019, the key objective has been to ensure that the fundamentals of the Authority's administrative and management structure are in place in order to enable adequate steer for the year 2020. Moreover, it has made the necessary arrangements for the rollout of the operational tasks established by the Regulation.

2. DG EMPL's participation in the governance of the agency

In accordance with the Regulation, the Commission appointed an Interim Executive Director (Jordi CURELL GOTOR, also Director of Directorate D in DG EMPL) and set up an Establishment Group in DG EMPL to support the ELA during the initial phase.

The ELA Establishment Group has been in charge of setting up ELA's governance structure (Management Board, Stakeholder Group, and launching the procedure for the Executive Director) and has drafted a number of important Administrative and Management Decisions taken by the Management Board in 2019. These include:

- *Governance: Rules of Procedure of the Management Board; Decision for appointment of the members and alternates of the Stakeholder Group; Election of the Chairperson and Deputy Chairperson.*
- *Planning and reporting: the Work Programme 2019 and the Work Programme 2020.*
- *Budget: 2019 and 2020; the Draft estimate of the Authority's revenue and expenditure for 2021.*
- *Human Resources: Implementing rules on Seconded National Experts to the European Labour Authority; six Implementing Rules to the Staff Regulation; Call for Seconding National Liaison Officers to the ELA; the vacancy for the function of Executive Director of the ELA.*

The units D1 and D2 of DG EMPL have provided guidance and advice on some of these Decisions, in particular the Work Programme 2019 and Work Programme 2020.

Until the appointment of the Chairperson of ELA's Management Board on 3 December 2019, the Director-General of DG EMPL chaired ELA's Management Board meetings.

3. Description of monitoring and control activities

ELA is not financially autonomous yet. The Commission is responsible for the establishment and initial operation of the ELA until it reaches financial autonomy in accordance with Article 44 of Regulation (EU) 2019/114. In practical terms, any ELA action with budgetary implications needs to be authorised by the parent DG.

4. Annual subsidies

The 2019 financial transactions of ELA were funded from DG EMPL's operational budget line 04.0315. In 2019, an amount of EUR 284 893,15 was used for ELA.

5. Overall conclusion

N/A

6. Regulatory changes

N/A

7. Major events not captured above

The representatives of the governments of the Member States adopted Decision (EU) 2019/1199 on 13 June 2019 which provides for the seat of the ELA to be Bratislava. However, the European Parliament seeks the annulment of this Decision with the case C-743/19 currently pending before the European Court of Justice.

Whilst the European Parliament has stated officially that the case concerns the decision-making power as regard the location of the seat of EU decentralised agencies and not as such the choice of Bratislava as the seat of ELA, the ongoing case has had an impact in 2019 on the preparations by ELA and Commission services for the move to Bratislava and is likely to delay further the transfer.

1. Short presentation of the agency's activities from 2019 that contributed to the specific objectives of DG EMPL

The work of the European Training Foundation (ETF) contributes to the specific objectives of DG EMPL by integrating the principles of EU priorities on employment, social rights, social inclusion, skills and qualifications into the support to the development of human capital practices and policies in the neighbourhood countries.

In 2019, the ETF engaged directly with over 4 000 country stakeholders in 28 countries surrounding the EU and additionally reached over 100 000 people through its digital communication channels.

At the request of the Commission, the ETF continued to support the EU funded programme for the African Union 'Skills for Youth Employability', specifically on the key output of developing an African Continental Qualifications Framework (ACQF).

Specific highlights of the year include an international conference on 'Skills and Qualifications: Benefits for People' held in Turin in November 2019 and the launch of the toolkit on how education and training systems can maximise the benefits of skills and qualifications for individual learners.

With regard to support for EU accession, the ETF provided information and analysis to the Commission for progress monitoring on the accession negotiating chapters concerning social policy and employment, enterprise and industrial policy, science and research, and education and culture. In support of economic governance, it provided inputs for the Commission's assessment of the Economic Reform Programmes on labour market, education and social policies.

The 5th round of the Torino Process, an ETF led periodic assessment of the state of play in the reform of education, training and employment systems in partner countries, was carried out in 2019.

In addition, ETF supported countries in using EU tools and platforms, such as the European Qualifications Framework (EQF), European Quality Assurance in Vocational Education and Training (EQAVET) and the European Alliance for Apprenticeships (EAfA). Countries were also supported in participating in EU processes, such as the Copenhagen Process for Enhanced European Cooperation in vocational education and training and the Riga Medium-Term Deliverables.

Moreover, a highlight of the year was the signature of a cooperation agreement with the Western Balkans 6 Chamber Investment Forum to support skills and human capital development through education-business cooperation (Trieste, Italy, 12 September 2019)

Furthermore, ETF supported the organization of the 4th Union for the Mediterranean Ministerial Conference on Employment and Labour in Cascais, Portugal, in April 2019. The resulting Ministerial Declaration gave a role to the ETF in supporting development of national monitoring processes for labour market and employment policies.

In 2019, ETF continued to collaborate with EU agencies, notably Eurofound and Cedefop, with a joint programme of action included in the respective agency work programmes, as well as by participating in the Advisory Group for the establishment of the European Labour Authority (ELA) and, since its launch, as an Observer on the ELA Management Board.

2. DG EMPL's participation in the governance of the agency

The ETF Governing Board is chaired by the Director-General of DG EMPL. The Board met twice in 2019 and adopted 14 decisions.

In preparation of the Governing Board meetings, DG EMPL organised and chaired two Structured Dialogue meetings between the Commission/EEAS Members and Observers in the Governing Board, and the ETF management.

On the eve of each of the Governing Board meetings, DG EMPL organised and chaired the Troika meetings to discuss the agenda of the following day meeting with the representatives of the current, former and future Presidencies, NEAR, DEVCO and the ETF.

Based on a reserve list, the Governing Board Chair appointed a new Observer from the ETF Partner Countries (from Georgia) as the Observer from Tunisia has stepped down from the role.

3. Description of monitoring and control activities

3.1 Ex ante controls - Monitoring, supervision and coordination (control 'with' the agency):

- *Role of the Management/Governing Board and Audit Committee*
The Governing Board is responsible for drawing up the annual estimate of expenditure and revenue as well as for adopting the annual work programme, draft establishment plan, definitive budget, annual activity report, rules of procedure and financial rules. It has the power to appoint and dismiss the director, as well as to prolong his/her term of office.
- *The ETF does not have an Audit Committee.*
- Two Governing Board meetings were organised in 2019 where 14 decisions were adopted, including: the adoption of the Consolidated Annual Activity Report 2018, Annual Accounts 2018, Financial Regulation 2019, Strategy 2027 and Budget 2020.
- *Main points discussed/agreed in the bilateral senior management meetings in 2019 between the agency and their interlocutors in DG EMPL:*
The bilateral meetings from 2019 focussed on the ETF Strategy 2027. In addition, the ETF Director and management participated in two Structured Dialogue meetings chaired by DG EMPL on the draft agenda of the June GB meeting, the ETF's draft Annual Work Programme 2020 and the list of requests to ETF.
- *Initiatives taken by DG EMPL in 2019 to exchange good practices and ensure coherent approach between the agencies:*
 - Cedefop and Eurofound have joint action plans with the ETF in the respective annual work programmes. The ETF Director participated in the Advisory Group for the ELA and, since its establishment, as an Observer on the ELA Management Board.
 - Through the network of EU agencies, ETF together with the other Agencies working with DG EMPL (except for ELA) conducted a peer review of risk management practices in all four agencies.
- *Assessing the agency's control framework and financial rules in 2019*
 - In June 2019, the Governing Board chaired by DG EMPL adopted the new ETF Financial Regulation based on the Commission's revised Framework Financial Regulation for the decentralised

agencies, which replaced the one from 2013. The changes provided for increased simplification, clarification and additional flexibility, whilst strengthening governance.

- In 2017, the ETF has revised internal control framework in line with the update in the Commission, in order to have a robust principle-based system tailored to the ETF environment. The revised internal control framework consists of 17 Internal Control Principles clustered into five components. The new principles in force are reported in the ETF Consolidated Annual Activity Report 2018 and draft Consolidated Annual Activity Report 2019.

3.2 Ex post controls - Audits, external evaluations and discharge:

- *Ongoing and completed audits in 2019*
 - Audit on legality and regularity of transactions: In October 2019, ECA published the annual audit report on EU agencies for the financial year 2018 with a clean unqualified audit opinion for the ETF.
 - In November 2019, ECA carried out the first audit on the legality and regularity of transactions for the financial year 2019. This audit did not result in any preliminary findings for the ETF. ECA will finalise the 2019 audit on the ETF with an audit desk review planned for February 2020.
 - An audit of Agencies was performance by ECA in 2019 for which the final report is expected in Q1 2020; in addition, ETF was included in the list of agencies to be visited for this audit and was visited by the auditors in July 2019.
 - An audit on ETF accounts 2019 outsourced through the inter-institutional framework contract on audits and controls will be carried out by PKF Littlejohn LLP in February 2020.
 - An audit on human resources management and ethics in the ETF was completed by IAS with a final report in July 2019. The report is positive and provides the ETF with reasonable assurance regarding the functioning of HR and ethics processes. Six recommendations for improvement were made, five recommendations ranked as important, and one ranked as very important on recruitment and selection procedures. In response, the ETF has developed an action plan to address all recommendations that will be fully implemented by the end of 2020, as agreed with IAS.
- *Ongoing and completed external evaluations in 2019*
 - The regulation of the ETF calls for an evaluation every 4 years. The last one was concluded in 2016 and integrated with the wider evaluation of the 4 Agencies under DG EMPL at the time. The overall conclusions reflect that in the evaluation period the 4 agencies have: operated overall effectively; delivered the planned outputs; achieved the specific objectives laid down in their work programmes; and contributed to the general objectives, particularly by providing in most cases timely contributions that fed into EU policy making. And more specifically, the ETF contribution 'to partner country developments has been especially strong in respect of governance, systems and policy making'.²²
- *ECA's declaration of assurance*
 - ECA's declaration of assurance for the reliability of the ETF's 2018 accounts and the legality and regularity of the underlying transactions was positive.
 - The auditors concluded: 'in our opinion, the accounts of the Foundation (ETF) for the year ended 31 December 2018 present fairly, in all material respects, the financial position of the Foundation at 31

²² EC (2016) External Evaluation of the European Training Foundation (ETF)

December 2018, the results of its operations, its cash flows, and the changes in net assets for the year then ended, in accordance with its Financial Regulation and with accounting rules adopted by the Commission's accounting officer'.

- *Discharge for 2018 is expected to be granted in March 2020.*
- *DG EMPL's follow up on the implementation of the recommendations*
All audit follow up actions are reported in the Governing Board meetings and in the Annual Activity reports of the ETF.

4. Annual subsidies

Tranches are released upon request by the agency and following an assessment of its cash position. In 2019, an amount of EUR 20.5 million was transferred to ETF.

5. Overall conclusion

While the Director-General of DG EMPL is accountable for the legality and regularity of the payments of the subsidies to the agency, the accountability for the regularity and legality of this expenditure resides ultimately with the agency itself.

The Court of Auditors gave a positive declaration of assurance for ETF for the year 2018, as well as for previous years. The comments made by the Court do not call into question DG EMPL's reasonable assurance on the operating budget managed by ETF.

From its own monitoring and supervision work as a partner DG, DG EMPL did not become aware of any element that would indicate that the reporting from the agency would not be reliable. Consequently, in view of DG EMPL's responsibility for the funds paid to the operating budget of the agency, DG EMPL concludes that there are no control weaknesses affecting the assurance building in terms of the control objective as regards legality and regularity.

The benefits resulting from the controls are not quantifiable. Examples of unquantified benefits are the reduced risk of fraud and deterrent effects of the audits by the Court of Auditors and the Commission's Internal Audit Service, as well as DG EMPL's verification and monitoring of the agency's Internal Control Framework, including the agency's antifraud strategies and policies to prevent conflicts of interest.

6. Regulatory changes

N/A

7. Major events not captured above

N/A

1. Short presentation of the agency's activities from 2019 that contributed to the specific objectives of DG EMPL

The European Agency for Safety and Health at Work (EU-OSHA) has contributed to the achievement of DG EMPL policy initiatives under the specific objective *1.4 Decent and safe working conditions*, especially in the field of risks linked to the exposure to chemical agents and carcinogens.

In 2018-2019, EU-OSHA has carried out a Pan-European Healthy Workplaces Campaign on dangerous substances. This Campaign raised awareness of the risks posed by dangerous substances in the workplace and promoted a culture of risk prevention in this field. The Campaign also increased knowledge of the existing EU legislative framework on chemical agents, highlighted policy developments in this field and allowed stakeholders to know and share good practices to strengthen prevention.

In addition, the following actions also contributed to the DG EMPL specific objective 1.4:

- *OSH overview on Musculoskeletal disorders (MSDs). A final report on the prevalence and costs of MSDs was published, as well as new research materials on this matter.*
- *The report on 'The value of occupational safety and health and the societal costs of work-related injuries and diseases' was published.*
- *New tools under OiRA (Online Interactive Risks Assessment Tool) were launched such as the 'EU Education Tool'. In total, 182 tools are already available online and more than 80 under development.*

2. DG EMPL's participation in the governance of the agency

EU-OSHA has a 'tripartite' Management Board, composed of 3 representatives of each Member State (representing government, employers and employees) and 3 representatives of the Commission, as well as one independent expert appointed by the European Parliament (without voting rights). Decisions of the Management Board are taken by a majority of members with voting rights or by a majority of two thirds in a limited number of specific cases (programming document, annual budget, etc.).

The Executive Board is composed of the Chairperson of the Management Board, the three Deputy Chairpersons (including one of the Commission), the coordinators of the three groups (governments, employers and employees) and one representative of the Commission. Decisions of the Executive Board are taken by consensus.

3. Description of monitoring and control activities

3.1 Ex ante controls - Monitoring, supervision and coordination (control 'with' the agency):

- *Role of the Management Board*

The functions of the Management Board are laid down in Article 5 of EU-OSHA's Founding Regulation²³ and include: providing the strategic orientations for EU-OSHA's activities; adopting the agency's programming document and annual budget; adopting a consolidated annual activity report together with an assessment of EU-OSHA's activities and submitting them to the European Parliament, Council, Commission and Court of Auditors; adopting an anti-fraud

²³ Regulation (EU) 2019/126 of 16 January 2019 establishing the European Agency for Safety and Health at Work (EU-OSHA), and repealing Council Regulation (EC) No 2062/94. OJEU L30/58 of 31.1.2019

strategy; and monitoring adequate follow-up to findings and recommendations to findings and recommendations from audits and evaluations.

- *EU-OSHA does not have an Audit Committee.*
- *Meetings of the Executive and Management Boards in 2019 and major decisions taken with DG EMPL' participation*
 - Number of meetings
 - Management Board: 2
 - Executive Board: 4
 - DG EMPL attended all Management Board / Executive Board meetings.
 - While many issues are debated at the Management Board / Executive Board meetings, some decisions are effectively taken by written procedure. There were 10 such written procedures in 2019 and the key decisions taken include:
 - Programming Document 2020-2022
 - Budget and Establishment plan 2020
 - EU-OSHA Financial Regulation
 - Election of Chairperson and Deputy Chairpersons
 - Continued use of Rules of Procedure adopted under Council Regulation (EC) 2061/94
 - Composition of Executive Board up to first Management Board meeting
 - Delegation of powers of the appointing authority and the authority empowered to conclude contracts of employment to the Executive Director of the Agency
 - General provisions for implementing Article 79(2) of the Conditions of Employment of Other Servants of the European Union, governing the conditions of employment of contract staff employed under the terms of Article 3a thereof
 - Implementing rules concerning the Data Protection Officer pursuant to Article 45(3) of Regulation (EU) 2018/1725
 - Implementing rules on the Data Protection Officer and restrictions to data subjects rights according to article 25 (1) of the data protection regulation 2018/1725.
- *Main points discussed/agreed in the bilateral senior management meetings in 2019 between the agency and their interlocutors in DG EMPL*
 - Work programme and cooperation/synergies DG EMPL - EU-OSHA
 - Audits (IAS and ECA) and HR issues
 - New Rules of Procedure Management Board / Executive Board
 - 25th Anniversary of EU-OSHA.

In addition, unit EMPL.B.3 has regular contacts on topics and files of mutual interest, thus ensuring optimal alignment, synergy and efficiency of DG EMPL's and EU-OSHA's activities.

- *Initiatives taken by DG EMPL in 2019 to exchange good practices and ensure coherent approach between the agencies*
 - Already before the adoption of the revised Founding Regulations of the tripartite agencies (Cedefop, Eurofound and EU-OSHA), DG EMPL established an inventory of the transitional measures to be taken and

consulted with the competent horizontal services (SG, DG BUDG and DG HR) where necessary.

- Following the adoption of the new Regulations, DG EMPL organised a joint seminar on 6 March 2019 with the management teams of the agencies concerned to clarify any issues at stake and promote a harmonised approach, wherever possible / appropriate. Relevant horizontal services participated or provided written input.
- The units in charge of the EMPL agencies systematically share relevant draft rules and provisions prepared by the agencies for comments, thus ensuring alignment of such rules where possible / appropriate.
- *Assessing the agency's control framework and financial rules in 2019*
 - The EU-OSHA Management Board adopted the agency's (revised) Internal Control Framework in January 2019. It was verified beforehand by DG EMPL (including by its own Internal Control Coordinator) and considered in line with the Commission's updated Internal Control Framework.
 - In September 2019, the EU-OSHA Management Board adopted the Financial Regulation applicable to the agency in conformity with the Commission Delegated Regulation (EU) no 2019/715 of 18 December 2018 (the Framework Financial Regulation).

3.2 Ex post controls - Audits, external evaluations and discharge:

- *Ongoing and completed audits in 2019*
 - IAS audit on planning, budgeting, monitoring of activities and reporting in EU-OSHA).
 - ECA performance audit on agencies (launched in March 2019; awaiting final report).
 - ECA audit on the legality and regularity of financial transactions and accounts for 2018.
- *Ongoing and completed external evaluations in 2019*
 - Evaluation of 2016-2017 'Healthy Workplaces for All Ages', Awareness raising actions and communication, and Strategic and operational networking (finalised).
 - Ex post evaluation of three OSH Overviews: MSE, Work-related diseases and costs and benefits of OSH (ongoing).
 - The final report of the external 'cross-cutting' evaluation of the decentralised agencies under the remit of DG EMPL was published in March 2018. On 9 April 2019, the Commission Staff Working Document (SWD(2019)159) was published on the Evaluation of the EU Commission Agencies working in the employment and social affairs policy field: EUROFOUND, CEDEFOP, ETF and EU-OSHA. The Management Board decided to organise a seminar in January 2020 to have an in-depth discussion on the follow-up to the SWD. EU-OSHA presented its draft action plan at the Executive Board meeting of 11-12 November 2019. The action plan was adopted by the Management Board on 24 January 2020 and is currently being implemented.
- *ECA's declaration of assurance*
 - ECA gave a positive assessment of the reliability of the agency's 2018 accounts and the legality and regularity of the underlying transactions.

- Critical remarks were made on the following:
 - Without calling into question the positive assessment of EU-OSHA's 2018 account and the legality and regularity of the underlying transactions, the ECA made an observation on the amount of carry-overs in titles II and III. EU-OSHA's response as informed to the Management Board is: a) list of potential IT projects (if any) in the case appropriations availability at the end of budget year will be annexed in the final draft of the programming document together with b) planned carry forwards by priority area.
- *Discharge for 2018 is expected to be granted in February/March 2020.*
- *DG EMPL follows up the implementation of the recommendations of the IAS and ECA audits and of evaluations, as members of the EU-OSHA Executive and Management Boards.*
The EU-OSHA Management reports at each Executive and Management Board meeting on the actions taken to implement the recommendations and their state of play.

4. Annual subsidies

Tranches are released upon request by the agency and following an assessment of its cash position. In 2019, an amount of EUR 15.4 million was transferred to EU-OSHA.

5. Overall conclusion

While the Director-General of DG EMPL is accountable for the legality and regularity of the payments of the subsidies to the agency, the accountability for the regularity and legality of this expenditure resides ultimately with the agency itself.

The Court of Auditors gave a positive declaration of assurance for EU-OSHA for the year 2018, as well as for previous years. The comments made by the Court do not call into question DG EMPL's reasonable assurance on the operating budget managed by EU-OSHA.

From its own monitoring and supervision work as a partner DG, DG EMPL did not become aware of any element that would indicate that the reporting from the agency would not be reliable. Consequently, in view of DG EMPL's responsibility for the funds paid to the operating budget of the agency, DG EMPL concludes that there are no control weaknesses affecting the assurance building in terms of the control objective as regards legality and regularity.

The benefits resulting from the controls are not quantifiable. Examples of unquantified benefits are the reduced risk of fraud and deterrent effects of the audits by the Court of Auditors and the Commission's Internal Audit Service, as well as DG EMPL's verification and monitoring of the agency's Internal Control Framework, including the agency's antifraud strategies and policies to prevent conflicts of interest.

6. Regulatory changes

- The revised Founding Regulation of EU-OSHA²⁴ was adopted on 16 January 2019 and entered into force on 20 February 2019.

²⁴ Regulation (EU) 2019/126 of the European Parliament and of the Council of 16 January 2019 establishing the European Agency for Safety and Health at Work (EU-OSHA), and repealing Council Regulation (EC) No 2062/94. OJEU L30/58 of 31.1.2019

- The adoption of the new Regulation triggered the revision of a number of internal rules and regulations, including the Rules of Procedure of the Management and Executive Boards and the delegation of powers to conclude contracts of employment by the Management Board to the Executive Director.
- Following the adoption of the new Framework Financial Regulation in December 2018, EU-OSHA adopted its revised Financial Regulation in September 2019.

7. Major events not captured above

- EU-OSHA celebrated in 2019 its 25 Anniversary. It was a good opportunity to see the progress achieved in this period and to verify that the stakeholders are very satisfied with the work of the Agency.
- A Summit took place in November 2019 to mark the closing of the Healthy Workplaces Campaign on Dangerous Substances 2018-2019. During this event the stakeholders and Campaign Partners expressed their satisfaction with the activities carried out during the Campaign. The Commission representatives highlighted the great contribution of the Campaign to the policy priority attached to protecting workers from the exposure to dangerous substances, in particular carcinogens.

1. Short presentation of the agency's activities from 2019 that contributed to the specific objectives of DG EMPL

In 2019, Eurofound carried out activities supporting the 2019 Commission Work Programme and priorities covering, amongst others, the following topics:

- Upward convergence in the EU;
- Developments in the state of the middle classes;
- Working conditions;
- Platform work;
- Work-life balance;
- Representativeness studies of European social partner organisations;
- Involvement of the social partners in national policy making.

These activities supported in particular the Commission's work on the implementation of the European Pillar of Social Rights, the New Start for Social Dialogue and the European Semester.

Moreover, representativeness studies were published for following sectors: industrial cleaning, private security, insurance, banking, ICT and telecom.

Furthermore, Eurofound contributed to various chapters of the 2019 Employment and Social Development in Europe publication (ESDE).

2. DG EMPL's participation in the governance of the agency

Eurofound has a 'tripartite' Management Board, composed of three representatives of each Member State (representing government, employers and employees) and three representatives of the Commission, as well as one independent expert appointed by the European Parliament (without voting rights). Decisions of the Management Board are taken by a majority of members with voting rights or by a majority of two thirds in a limited number of specific cases (programming document, annual budget, etc.).

The Executive Board is composed of the Chairperson of the Management Board, the three Deputy Chairpersons (including one of the Commission), the coordinators of the three groups (governments, employers and employees) and one representative of the Commission (in addition to the Deputy Chairperson). Decisions of the Executive Board are taken by consensus.

Eurofound has four Advisory Committees on living conditions, working conditions, industrial relations, and employment and change. These carry out the following main functions related to Eurofound's research projects: (a) giving advice on their design and implementation; (b) monitoring progress in their implementation; (c) evaluating their findings; (d) advising on the dissemination of results (Article 12 of Eurofound's Founding Regulation²⁵). The Commission is represented by two members in each Advisory Committee.

²⁵ Regulation (EU) 2019/127 of 16 January 2019 establishing the European Foundation for the improvement of living and working conditions (Eurofound) and repealing Council Regulation (EEC) No 1365/75

3. Description of monitoring and control activities

3.1 Ex ante controls - Monitoring, supervision and coordination (control 'with' the agency):

- *Role of the Management Board*

The functions of the Management Board are laid down in Article 5 of Eurofound's Founding Regulation and include: providing the strategic orientations for Eurofound's activities; adopting the agency's programming document and annual budget; adopting a consolidated annual activity report together with an assessment of Eurofound's activities and submitting them to the European Parliament, Council, Commission and Court of Auditors; adopting an anti-fraud strategy; and monitoring adequate follow-up to findings and recommendations from audits and evaluations.
- *Eurofound does not have an Audit Committee.*
- *Meetings of the Executive and Management Boards in 2019 and major decisions taken with DG EMPL' participation*
 - Number of meetings
 - Management Board: 2
 - Executive Board: 4
 - DG EMPL attended all Management Board / Executive Board meetings.
 - Major decisions taken include:
 - Adoption of the Programming Document 2020;
 - New rules of procedures (Management Board, Executive Board, Advisory Committee, Committee on Staff Matters) implementing the revised Founding regulation;
 - Adoption of the Final Accounts 2018;
 - Adoption of the Consolidated Annual Activity Report 2018.
- *Main points discussed/agreed in the bilateral senior management meetings in 2019 between the agency and their interlocutors in DG EMPL*
 - Work programme and cooperation/synergies DG EMPL – Eurofound;
 - Audits (IAS and ECA) and HR issues;
 - New Rules of Procedure Management Board / Executive Board.

In addition, DG EMPL's Directorate A has regular contacts on topics and files of mutual interest, thus ensuring optimal alignment, synergy and efficiency of DG EMPL's and Eurofound's activities.

- *Initiatives taken by DG EMPL in 2019 to exchange good practices and ensure coherent approach between the agencies*
 - Already before the adoption of the revised Founding Regulations of the tripartite agencies (Cedefop, Eurofound, EU-OSHA), DG EMPL established an inventory of the transitional measures to be taken and consulted the competent horizontal services (SG, DG BUDG and DG HR) where necessary.
 - Following the adoption of the revised Regulation on 16 January 2019, DG EMPL organised a joint seminar on 6 March 2019 with the management teams of the agencies concerned to clarify any issues at stake and promote a harmonised approach, wherever possible / appropriate. Relevant horizontal services participated or provided written input.

- Moreover, the units in charge of DG EMPL's agencies systematically share relevant draft rules and provisions prepared by the agencies for comments, thus ensuring alignment of such rules where possible/appropriate.
- *Assessing the agency's control framework and financial rules in 2019*
 - The Internal Control Annual Work Plan 2019 was presented to the Executive Board in January 2019 and signed by the Director on 24 January 2019. The 2019 work plan includes the following three areas:
 1. Actions following recommendations of audits from the Internal Audit Service (IAS), Court of Auditors (ECA) and evaluations;
 2. Activities to strengthen the internal control framework;
 3. Recurring activities, including reporting.
 - On 30 August 2019, the Eurofound Management Board adopted the financial regulation applicable to Eurofound in conformity with the Commission Delegated Regulation (EU) no 2019/715 of 18 December 2018 (the Framework Financial Regulation).

3.2 Ex post controls - Audits, external evaluations and discharge:

- *Ongoing and completed audits in 2019*
 - The actions following the recommendations of the 2018 IAS audit on 'Prioritization of activities and allocation of resources (HR and financial)' were all implemented during 2019.
- *Ongoing and completed external evaluations in 2019*
 - The final report of the external 'cross-cutting' evaluation of the decentralised agencies under the remit of DG EMPL was published in March 2018. On 9 April 2019, the Commission Staff Working Document (SWD(2019)159) on the Evaluation of the EU Commission Agencies working in the employment and social affairs policy field (EUROFOUND, CEDEFOP, ETF and EU-OSHA) was published. Eurofound presented its action plan as a follow-up to the SWD at the Management Board meeting of 8 November 2019. A revised action plan was presented at the Executive Board of 17 January 2020.
- *ECA's declaration of assurance*
 - ECA gave a positive assessment of the reliability of the agency's 2018 accounts and the legality and regularity of the underlying transactions.
 - However, ECA had some observations but without putting its positive assessment into question:
 - 'The Foundation should adapt ex ante controls on payments under such contracts [i.e. Commission framework contract for the acquisition of software, licences and the provision of related IT maintenance and consultancy] and ensure there is a competitive procedure for all procurements.' Eurofound's answer: 'The SIDE framework contract has recently expired and has been replaced by a multiple framework contract, SIDE II. In this contract the issues raised in the Court's observation have been addressed, namely the quotes now clearly show the original contractor's pricing plus the uplift (in %) applied.'²⁶

²⁶ Annual Report on EU Agencies for the financial year 2018 of 11 December 2019, OJ C 471, https://www.eca.europa.eu/Lists/ECADocuments/AGENCIES_2018/AGENCIES_2018_EN.pdf

- *Discharge for 2018 was granted.*
- *DG EMPL follows up the implementation of the recommendations of the IAS and ECA audits and of evaluations, as members of the Eurofound Executive and Management Boards.*
The Eurofound management reports on the actions taken to implement the recommendations and their state of play at these meetings.

4. Annual subsidies

Tranches are released upon request by the agency and following an assessment of its cash position. In 2019, an amount of EUR 20.8 million was transferred to Eurofound.

5. Overall conclusion

While the Director-General of DG EMPL is accountable for the legality and regularity of the payments of the subsidies to the agency, the accountability for the regularity and legality of this expenditure resides ultimately with the agency itself.

The Court of Auditors gave a positive declaration of assurance for Eurofound for the year 2018, as well as for previous years. The comments made by the Court do not call into question DG EMPL's reasonable assurance on the operating budget managed by Eurofound.

From its own monitoring and supervision work as a partner DG, DG EMPL did not become aware of any element that would indicate that the reporting from the agency would not be reliable. Consequently, in view of DG EMPL's responsibility for the funds paid to the operating budget of the agency, DG EMPL concludes that there are no control weaknesses affecting the assurance building in terms of the control objective as regards legality and regularity.

It is difficult to assume causal linkages between benefits of controls and legality/regularity of subsidy payments since Eurofound has been performing overall (very) well in this area.

6. Regulatory changes

- The revised Founding Regulation of Eurofound was adopted on 16 January 2019 and entered into force on 20 February 2019.
- The adoption of the new Regulation triggered the revision of a number of internal rules and regulations, including the Rules of Procedure of the Management and Executive Boards and the delegation of powers to conclude employment contracts by the Management Board to the Executive Director.
- Following the adoption of the new Framework Financial Regulation in December 2018, Eurofound adopted its revised Financial Regulation in on 30 August 2019.

7. Major events not captured above:

- The new Deputy Director of Eurofound was appointed on 1 November 2019.

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

Study project ID	Title of the study	Study reason	Study overview	Study internal ID	Assoc. services	Study cost	Note	Title of the deliverable
6560	Mid-term evaluation of the Fund for European Aid to the Most Deprived.	Evaluation	The purpose of the evaluation is to assess all evaluation criteria of the Better Regulation Guidelines, namely effectiveness, efficiency, coherence, relevance and EU added value of the FEAD at mid-term of the programming period 2014-2020.	MFF, VT/2016/013		284 300		Mid-term evaluation of the Fund for European Aid to the Most Deprived.
6905	Collecting most recent information for a certain number of substances with the view to analyse the health, socio-economic and environmental impacts in connection with possible amendments of Directive 2004/37/EC on the Protection of workers from the risks related to exposure to carcinogens or mutagens at work.	Impact assessment	Study to collect up-to-date information/data for carcinogenic substances to provide the Commission with the necessary information/data to prepare an Impact Assessment Report.	2018_04.030201_109	DG ENER, DG HOME, SG	537 400		Collecting most recent information for a certain number of substances with the view to analyse the health, socio-economic and environmental impacts in connection with possible amendments of Directive 2004/37/EC on the Protection of workers from the risks related to exposure to carcinogens or mutagens at work.
6955	Evaluation of the four DG EMPL agencies (EUROFOUND, CEDEFOP, ETF, EU-OSHA).	Evaluation	Provide an external, independent evaluation of the four agencies as regards their relevance, effectiveness, efficiency, coherence, and EU added value, both individually and in a cross cutting perspective.	L, VT/2016/050		524 950		Evaluation of the four DG EMPL agencies (EUROFOUND, CEDEFOP, ETF, EU-OSHA)

7101	Representation of apprentices in vocational education and training (VET) and other relevant bodies or networks of EU Member States, Candidate and EFTA Countries.	General study	Studies in the field of VET.			85 900		Representation of apprentices in vocational education and training (VET) and other relevant bodies or networks of EU Member States, Candidate and EFTA Countries.
8266	Pilot and feasibility study on the sustainability and effectiveness of results for ESF participants using CIEs.	General study	The objective of this study is twofold. First, to assess the feasibility of counterfactual impact evaluations (CIE) as an advantageous evaluation method of ESF interventions, used at EU level, relying on data collected at national level. It is to learn about the potential of the available data and judge whether CIE could be used more, to identify obstacles and propose ways to overcome them, notably as regards access to data registers, and explore how CIE could be used directly by the Commission to reach solid conclusions about the ESF effectiveness and sustainability of results. And it is to assess if some benchmarking can be made at all for similar operations, at least within the same country. Second, based on the previous analysis, the aim is to carry out a pilot exercise in a limited number of Member States on the sustainability and effectiveness of 2014-2020 ESF spending for participants. It is to	VT /2017/0 45		336 070		Pilot and feasibility study on the sustainability and effectiveness of results for ESF participants using CIEs.

			assess by means of CIE whether the ESF has a lasting impact and the extent to which observed outcomes can be considered an effect of the ESF programme.					
8385	Evaluation of the long-term unemployed recommendation.	Evaluation	The LTU recommendation aims at supporting Members States to take action in securing a rapid return to work of those who are long-term unemployed so to increase the rate of transition from long term unemployment to employment. The purpose is to carry out an external and independent study to support the evaluation of the actions taken in response to the Council Recommendation on the integration of the long-term unemployed into the labour market, as requested by Article 14 of the same Recommendation.	L - VT/2017 /053		322 000		Study supporting the evaluation of the Council Recommendation on the integration of the long-term unemployed into the labour market.
8427	Mid-term evaluation of the 'European Union programme for employment and social innovation - EaSI'.	Evaluation	Legal requirement Article 13 of Regulation 1296/2013. The EaSI mid-term evaluation will measure on a qualitative and qualitative basis the progress made in meeting the programme objectives.	MFF		359 284		Mid-term evaluation of the 'European Union programme for employment and social innovation - EaSI'.

8487	Study to collect recent information relevant to modernising EU Occupational Safety and Health chemicals legislation with a particular emphasis on reprotoxic chemicals.	Impact assessment	Study to collect recent information relevant to modernising EU Occupational Safety and Health chemicals legislation with a particular emphasis on reprotoxic chemicals with the view to analyse the health, socio-economic and environmental impacts in connection with possible amendments of Directive 2004/37/EC and Directive 98/24/EC on the protection of workers from risks related to exposure to carcinogens, mutagens, reprotoxicants and other chemicals at work.	2017_04.030201_117		776 550		Study to collect recent information relevant to modernising EU Occupational Safety and Health chemicals legislation with a particular emphasis on reprotoxic chemicals.
8826	Analysis of FEAD Annual implementation reports.	General study	Analysis of FEAD annual implementation reports in view of the annual summary.	VT/2017/034		119 720		Analysis of FEAD Annual implementation reports.

8830	Evaluation of the PES Network Decision.	Evaluation	<p>The evaluation of the PES Network Decision is in the interest of good administration. As the PES Network Decision establishes the Network until 31 December 2020, the results of the evaluation will feed reflections over the possible future cooperation between European PES post-2020 and the Commission's role herein. This evaluation will assess the relevance, effectiveness, efficiency, coherence and EU added value of the PES Network Decision.</p> <p>Its geographical scope is the European Union in its present composition of 28 Member States and the European Economic Area countries Iceland and Norway, who are participating in the activities of the Network. The evaluation will cover the period from the entry into force of the Decision establishing the PES Network (May 2014) to the latest possible date.</p>			164 010	Study on enhanced cooperation between Public Employment Services (PES).
8950	2019 - Annual intra-EU Labour Mobility Report	General study	<p>The Commission publishes each year a Report on the intra-EU labour mobility which provides updated information on labour mobility trends in EU and EFTA countries.</p>			83 710	2019 Annual intra-EU Labour Mobility Report.

9766	Study on the Youth Guarantee in light of changes in the world of work.	General study	<p>A new study on the Youth Guarantee in light of changes in the world of work looks at the implementation of the Youth Guarantee and emerging challenges related to young people's transition into the labour market, with a particular focus on changes in the world of work. These changes relate to increasingly complex school-to-work transitions and new challenges arising from rapid technological developments that may affect the labour market prospects of young people. The first part of the study synthesises available information to identify key aspects of Youth Guarantee implementation and develops a Youth Guarantee typology. The overall findings highlight the role of EU funding, the increased spending on active labour market policies in some Member States and the introduction of reforms to national youth employment policies. The second part provides a comprehensive overview of the current and future challenges for youth in the labour market, looks at how these challenges will affect different groups of young people and examines the potential role of public policies in addressing them.</p>			Completed under a framework contract with costs broken down by experts rather than tasks.		Study on the Youth Guarantee in light of changes in the world of work.
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9787	Implementation of the Youth Guarantee by the Public Employment Services - Success factors and key challenges.	General study	The study on the implementation of the Youth Guarantee by the Public Employment Services discusses the success factors and key challenges that Public Employment Services experience in the delivery of the Youth Guarantee. The study is based on six country case studies (Austria, Bulgaria, Hungary, Lithuania, Portugal and Sweden). The study comes up with a number of recommendations to improve the implementation of the Youth Guarantee by the Public Employment Services.			Completed under a framework contract with costs broken down by experts rather than tasks.		Implementation of the Youth Guarantee by the Public Employment Services - Success factors and key challenges.
9790	Data collection, validation and analysis under the indicator framework for monitoring the Youth Guarantee (YG) 2015-2017.	General study	This report presents results of monitoring the implementation of YG schemes. Data collection was based on the Indicator Framework for Monitoring the Youth Guarantee and the accompanying methodological manual.			Completed under a framework contract with costs broken down by experts rather than tasks.		Data collection for monitoring of Youth Guarantee schemes: 2015, Data collection for monitoring of Youth Guarantee schemes: 2016, Data collection for monitoring of Youth Guarantee schemes: 2017.
9806	2019 - Statistics on the functioning of the coordination of the social security system and report on fraud and error.	General study	Statistics reports on the functioning of the social security system coordination system and report on fraud and error.			164 000		Statistics on the functioning of the coordination of the social security system and report on fraud and error.

11153	2019 - Analysis of shortage and surplus occupations based on national and Eurostat Labour Force Survey data.	General study	<p>The objective of this study is to implement Article 30 of EURES Regulation (EU) 2016/589 and identify the surplus and shortage occupations including their gender composition, their share of vulnerable groups, their regional distribution and their potential to match shortages in an occupation with surpluses in the same occupation across frontiers and regions.</p> <p>The study offers details of surplus and shortage occupations by using information provided by the EURES National Coordination Offices (NCOs) and an analysis of the European Labour Force Survey (LFS).</p>			33 590	2019 - Analysis of shortage and surplus occupations based on national and Eurostat Labour Force Survey data.
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ANNEX 10: Specific annexes related to 'Financial Management'

Control results

Control results are presented first for funds in shared management and then for funds directly managed by the Commission. The data for shared management does not include the costs at the level of the Member States.

Shared management

OVERALL estimated cost of control at EC level							
Ex ante controls			Ex post controls			Total	
EC total cost (in EUR)	funds managed (in EUR)*	Ratio (%)*: <i>Total ex ante control cost in EUR ÷ funds managed in EUR</i>	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%): <i>Total ex post control cost in EUR ÷ total value verified and/or audited in EUR</i>	EC total estimated cost of controls (in EUR)	Ratio (%): <i>Total cost of controls ÷ funds managed</i>
12 699 824	14 427 156 099	0.08%	3 772 205	206 000 000	1.83%	16 472 029	0.11%

Direct and indirect management

OVERALL estimated cost of control at EC level							
Ex ante controls			Ex post controls			Total**	
EC total cost (in EUR)	funds managed (in EUR)*	Ratio (%)*: <i>Total ex ante control cost in EUR ÷ funds managed in EUR</i>	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%)*: <i>Total ex post control cost in EUR ÷ total value verified and/or audited in EUR</i>	EC total estimated cost of controls (in EUR)	Ratio (%)*: <i>Total cost of controls ÷ funds managed</i>
8 933 331	280 308 511	3.19%	668 935	8 280 813	8.08%	9 602 266	3.43%

Overall cost of control of DG EMPL (shared management, direct and indirect management)

OVERALL estimated cost of control at EC level							
Ex ante controls			Ex post controls			Total**	
EC total cost (in EUR)	funds managed (in EUR)*	Ratio (%)*: <i>Total ex ante control cost in EUR ÷ funds managed in EUR</i>	EC total costs (in EUR)	total value verified and/or audited (in EUR)	Ratio (%)*: <i>Total ex post control cost in EUR ÷ total value verified and/or audited in EUR</i>	EC total estimated cost of controls (in EUR)	Ratio (%)*: <i>Total cost of controls ÷ funds managed</i>
21 633 155	14 707 464 610	0.15%	4 441 140	214 280 813	2.07%	26 074 295	0.18%

Control effectiveness as regards legality and regularity

Brief introduction to shared management and Structural Funds

Under 'shared management', the Commission currently entrusts the Member States with implementing programmes at national level. Member States then allocate these funds to beneficiaries and final recipients (e.g. private companies, municipalities, etc.). The Member State has primary responsibility for setting up a management and control system for operational programmes which complies with the requirements of the Regulations, ensuring that this system functions effectively and also preventing, detecting, and correcting irregularities. The Commission plays a supervisory role by satisfying itself that the arrangements governing the management and control system are compliant. It does so by verifying the effective functioning of this system and making financial corrections, where necessary.

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

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

For each operational programme, the national authority appoints:

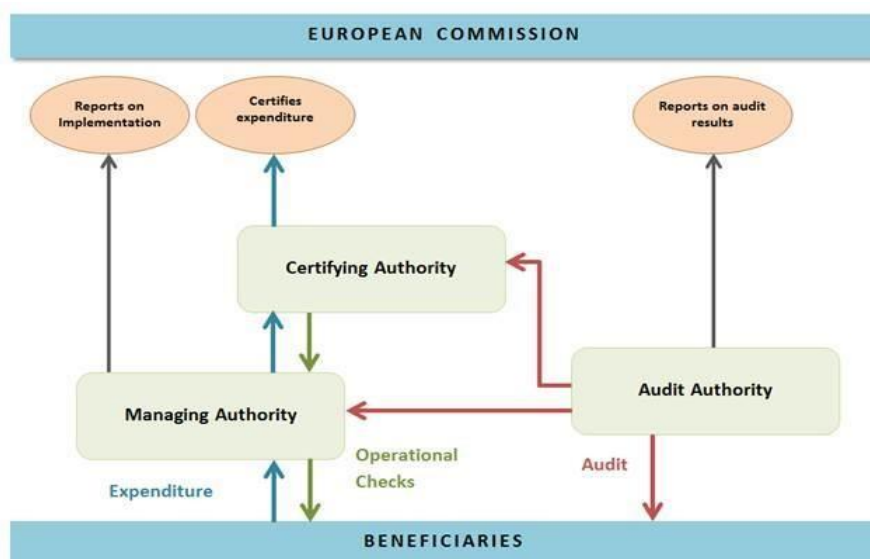
- a Managing Authority (national, regional or local public authority or public/private body to manage the operational programme);
- a Certifying Authority (national, regional or local public authority or body to certify the accounts and the payment applications before their transmission to the Commission);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

Control architecture for funds under shared management

The control system is built on a multilevel control system. In this system, one level of control may rely on the work of previous controls performed by other bodies after having performed its own verifications that preceding controls are effective (single audit concept).

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

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



- The **Managing Authority** performs management verifications before declaring expenditure to the next level, ex ante documentary checks on all payment claims and ex ante or ex post on the spot checks on sampled operations;
- The **Certifying Authority**²⁷ relies on this first level of verification before declaring statements of expenditure to the Commission and certifying the legality and regularity of expenditure entered into the programme annual accounts transmitted. It takes steps to satisfy itself that adequate controls have been made by the Managing Authority, including carrying out its own checks when necessary;
- The **Audit Authority** has the responsibility to design an audit strategy in order to perform audits of the management and control systems and ex post audits of representative samples of operations, as well as complementary audits on high risk operations where necessary. It provides the Commission with its results on an annual basis in an Annual Control Report. This report includes an annual audit opinion on the functioning of the management and control system and on legality and regularity. For 2014-2020, the audit authority also provides an audit opinion on the accuracy of the accounts as well as an estimation of the residual risk of error based on the total error rate resulting from its audit of a representative sample of operations and the financial corrections applied before submitting the accounts.

2. At Commission level, the way in which DG EMPL defines its assurance for the management and control systems for each operational program is a process based on the internal control and audit procedures implemented within the Directorate-General (role of the audit, financial and operational units) and the analysis and evaluation of information acquired through various sources.

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

- Audit Authorities' work and results on both systems and operations, reported to DG REGIO throughout the year (systems audit reports) or at year end (annual control reports and audit opinions);

²⁷ For the 2014-2020 period, certifying authorities can be merged with managing authorities.
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- DG EMPL's desk and on-the-spot review of the work of audit authorities;
 - DG EMPL's on-the-spot system audits including at the level of operations where necessary;
 - Relevant audit information received from other ESIF directorates general, mainly REGIO;
 - Audits from the European Court of Auditors;
 - OLAF final case reports.
- b) Any other source of information, formal or informal, acquired by the geographical units in the context of their day-to-day management of the programmes are also contributing to the assurance process, for example:
- Annual implementation reports from the Member States;
 - Monitoring committees and annual meetings;
 - Contacts with regional and national programme managers.

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

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

A strong control framework for the 2014-2020 programming period

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

Member States are in the first instance responsible for putting in place strong 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. In this regard, the 2014-2020 programming period introduced some major regulatory changes which aimed to increase programme authorities' accountability and to strengthen management and control systems. These included:

- the introduction of annual accounts for each programme with reliable annual residual risks (after the Member State's corrections) below 2% to avoid additional financial corrections, possibly net, by the Commission
- a retention of 10% on each interim payment from the Commission.

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.

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

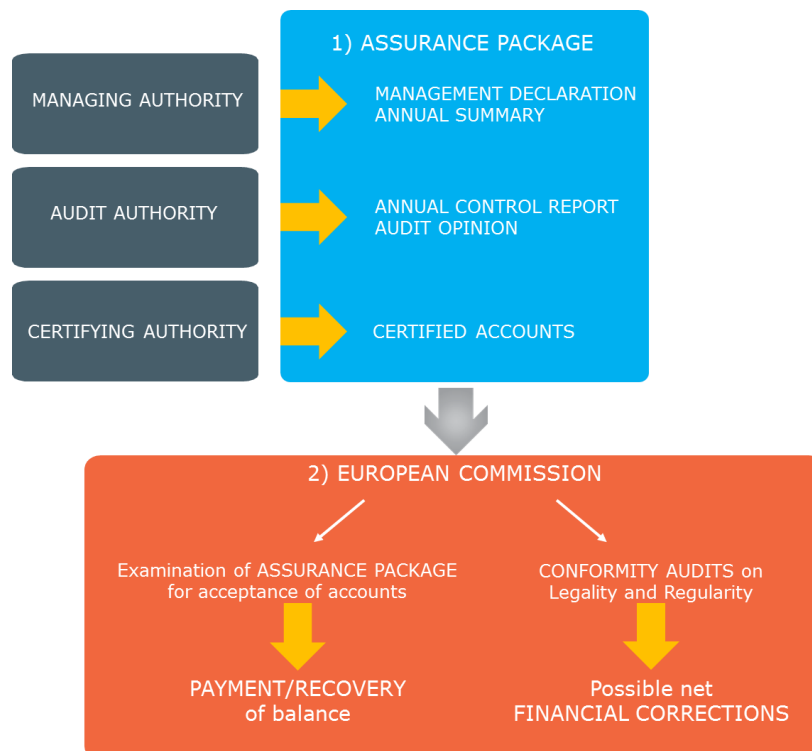
rates corrections. It draws up the management declaration and annual summary.

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 Managing Authority/Certifying Authority of the final audit results for their follow-up and corrective measures. It prepares the annual control opinion and annual audit opinion and calculates a projected error rate and residual risk of error in the accounts, taking into account the financial corrections implemented by Managing Authority/Certifying Authority as a result of audits. In addition it carries out final audit work on the accounts and assesses the consistency of the management declaration.

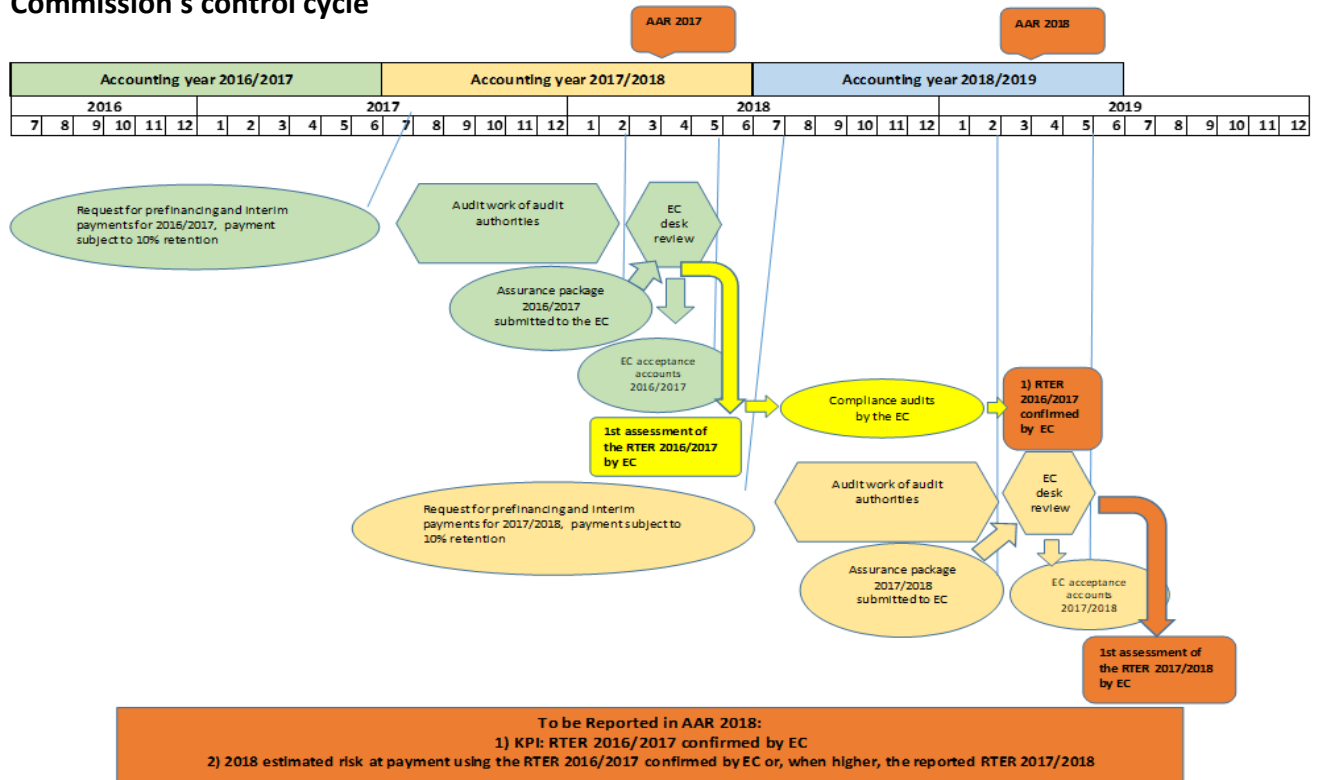
The Commission carries out the examination of the assurance documents by 31 May year N+1 to determine whether the accounts are complete, accurate and true and the accounts can be accepted. Within 30 days of the acceptance of accounts the Commission will pay/recover the balance due. In justified cases, the Commission will not accept the accounts triggering a contradictory procedure with the Member State. By 30 June year N+1 a payment/recovery of the balance is made for the major part of operational programmes.

Subsequently, the Commission will carry out conformity audits on the legality and regularity of the expenditure which will trigger net financial corrections in case of detection of irregularities demonstrating serious deficiency in the effective functioning of the management and control system not previously identified by the national authorities and subject to appropriate corrective measures.

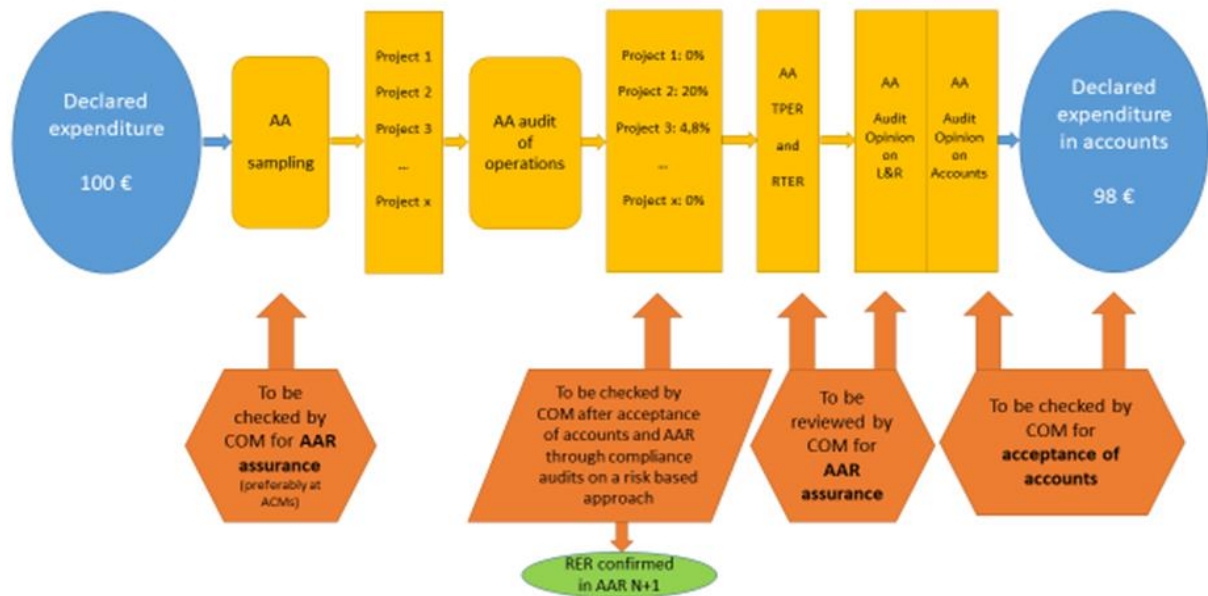


The graphs below demonstrate the whole process of assessment by the Commission of the declared expenditure:

Commission's control cycle



Commission's assessment of the expenditure



As a result, at the end of the assurance process which includes the Commission's assessment of assurance packages, its compliance audits and the resulting application of (net) financial corrections, the Commission should be able to provide assurance that the residual risk of error – after all corrections are applied – is below 2% for each programme, year on year.

Audit work in 2019

The table below offers an overview of the audit missions carried out over the last four years for the 2014-2020 programming period.

DG EMPL audit missions		2019		2018		2017		2016
		EMPL CdF ²⁸	REGIO CdF	EMPL CdF ²⁹	REGIO CdF	EMPL CdF	REGIO CdF	
2014-2020	Designation fact finding					1		5
	Early Preventive System Audit	5		15	5	9	3	8
	YEI Performance audit							2
	Performance data reliability			3	3	2	8	
	Compliance audit	12	5	14	3	2		
	ACR fact-finding	8	3	9	1	4		
	Other	3				1		1
Total 2014-2020		28	8	41	12	19	11	16

The audit plan for 2019 focused on the 2014-2020 programming period and mainly on:

- **Compliance audits** to review of the work of the national Audit Authorities in order to assess the level of reliability the Commission can place on it. The 17 compliance audits performed in 2019 covered 26 out of 191 ESF/YEI and FEAD programmes with accounts (13.6%) for an amount of EUR 2.4 billion out of EUR 11.9 billion (20.2%) declared in the annual accounts 2017/2018. The scope of the compliance audits covers the re-performance of audits of operations carried out by the Audit Authority. This allows the Commission to substantiate its audit conclusions and confirm (or not) the level of reliance to be placed on the national audit results. If considered appropriate, the scope of such audits can also be expanded to expenditure included in previous accounts.
- **Fact-finding missions**, whether pre-ACR or post-ACR, at the level of the Audit Authorities, which aim to clarify methodological issues detected and/or prepare for the analysis of the next annual control. The results of these fact-finding missions would feed into the analysis of the assurance packages and could contribute to ensuring that reliable error rates are reported in the AAR.
- The continuation of work regarding **Early Preventive System Audits (EPSA)** for the programmes not sufficiently covered by the Audit Authorities or for which insufficient assurance has been obtained through the desk work.

DG EMPL also launched 3 thematic audits in 2019 to obtain reasonable assurance that the management verifications at the level of the Managing Authorities are functioning effectively (KR2, KR4 and KR5).

A performance audit on effectiveness of anti-fraud measures was carried out by an external audit company in seven Member States in order to assess if the Managing Authorities have implemented effective and proportionate measures to understand and manage the risks of fraud, deter and prevent fraud and detect, investigate and prosecute fraud.

²⁸ CdF : Chef de File, or DG in charge of performing the audit.

²⁹ CdF : Chef de File, or DG in charge of performing the audit.

The **programmes** covered by these audits have been **selected based on a risk assessment**. The risk factors include, among others, the results of the desk review and the assessment of the remaining risk elements in the expenditure of the accounting year under analysis. The main objective of these audits is to confirm, as much as possible, the legality and regularity of expenditure certified in the accounts for the reference year. The timing of the audits is such that it should be carried out before the submission of the assurance package for the subsequent accounting year. However, considering the time required between the audit fieldwork and the transmission of the final report, it is not always possible to have final conclusions available in the next accounting year. The process of implementing corrections will be carried out in order to safeguard the EU budget. The results of these corrections also form part of the information provided in the AAR.

Priority is therefore given to on-the-spot legality and regularity audits. In particular, audits on programmes with a high risk score and that have a potential material impact (above 2%) on the Commission payments during the year are carried out as from April/May each year. This allows, if necessary, for the initiation of a financial correction procedure, including the contradictory process with the concerned Member State. Taking into account the audit capacity of the DGs, the objective is to complete all required audit fieldwork within the calendar year, so that corrective actions can be initiated as soon as possible.

List of Key Requirements of the Management and Control systems

Managing Authority - Intermediate Body	KR 1	Adequate separation of functions and adequate systems for reporting and monitoring where the responsible authority entrusts execution of tasks to another body
	KR 2	Appropriate selection of operations
	KR 3	Adequate information to beneficiaries
	KR 4	Adequate management verifications
	KR 5	Effective system in place to ensure that all documents regarding expenditure and audits are held to ensure an adequate audit trail
	KR 6	Reliable system for collecting, recording and storing data for monitoring, evaluation, financial management, verification and audit purposes, including links with electronic data exchange systems with beneficiaries
	KR 7	Effective implementation of proportionate anti-fraud measures
	KR 8	Appropriate procedures for drawing up the management declaration and annual summary of final audit reports and of controls carried out
Certifying Authority	KR 9	Adequate separation of functions and adequate systems for reporting and monitoring in cases where the responsible authority entrusts execution of tasks to another body
	KR 10	Appropriate procedures for drawing up and submitting payment applications
	KR 11	Appropriate computerised records of expenditure declared and of the corresponding public contribution are maintained
	KR 12	Appropriate and complete account of amounts recoverable, recovered and withdrawn
	KR 13	Appropriate procedures for drawing up and certifying the completeness, accuracy and veracity of the accounts
Audit Authority	KR 14	Adequate separation of functions and adequate systems for ensuring that any other body that carries out audits in accordance with the programme audit strategy has the necessary functional independence and takes account of internationally accepted audit standards
	KR 15	Adequate system audits
	KR 16	Adequate audits of operations
	KR 17	Adequate audits of accounts
	KR 18	Adequate procedures for providing reliable audit opinion and for preparing the annual control report

Shared management – ESF/YEI/FEAD 2014-2020

Number of Decisions in 2019 (2014-2020 programmes)

Number of Decisions in 2019 – 2014-2020 programmes				
	Warning letters	Interruptions of payment	Pre-suspension letters	Suspension decisions
BE	1			
ES	2	1		
FR	10	2	1	
HU	1	3	1	
IT	1	4		
LT	1		1	
SI			1	
UK		2	1	1
Total	16	12	5	1

Number of Decisions in first quarter of 2020 (2014-2020 programmes)

	Warning letters	Interruptions of payment	Pre-suspension letters	Suspension decisions
ES	1			
FR		1		
HU				1
IT		2	1	
LT	2			
SK	1			
Total	4	3	1	1

Number of open decisions

	End 2017	End 2018	End 2019	State of play 31/03/2020
Warning letters	4	30	17	11
Interruptions		3	3	5
Pre-suspensions			3	1
Suspensions			1	2
Total	4	33	24	19

INTERRUPTIONS DECIDED IN 2019

Nr	MS	Region/ Operational programme	CCI Nr	DATE	AMOUNT	DATE of LIFTING	Main weaknesses identified
1	ES	Youth employment	2014ES05M9OP001	25/02/2019	440.512.372,35	18/06/2019	The concerned payment claims contain expenditure related to the participants retroactively registered in the framework of actions implemented by the intermediate body SEPE (i.e. their NEET status was not checked thoroughly). IB SEPE was put in category 3 by the AA. In addition, the AA communicated a provisional TER of around 9.5%. Several

							of the irregularities identified are of systemic nature.
2	FR	PO Champagne-Ardenne	2014FR16M0OP004	04/01/2019	3.590.283,27	22/02/2019	Presence of undetected irregularities in both ERDF and ESF/YEI projects as the risk may not be covered by the 10% retention
3	FR	Ile-de-France et Bassin de la Seine	2014FR05M0OP001	19-02-2019	32.910.966,78	18/11/2019 Suspension Decision on hold	Significant deficiencies regarding KR 1,2,3 and 4 "Adverse" audit opinion; error rate recalculated by EC: TPER 40.9% - RER 0% (error rates as calculated by the AA: TPER 42.3% - RER 2.0 %.) The high error rate is linked to two irregularities, i.e. 100% of two ESF operations, out of four operations audited. The AA has not identified any problems, which might be considered to be systemic in nature. There is an action plan that should be fully implemented by the MA until the end of the 2018. According to the ACR, at the present date the actions are being implemented.
4	HU	Competitive Central-Hungary OP CCHOP	2014HU16M2OP002	17/05/2019	1.903.415,08	15/10/2019	Deficiencies are linked to adequate management verifications (key requirement 4)
5	HU	Human Resource Development OP HRDOP ERDF ESF	2014HU05M2OP001	20/05/2019	26.273.732,80		Irregularities or suspected irregularities are linked to Key requirement 2: Appropriate selection of operations & Key requirement 4: Adequate management verifications
6	HU	Public Administration and Civil Service Development	2014HU05M3OP001	16/04/2019	5.666.171,45	28/08/2019	Deficiencies are linked to Key requirement 2: Appropriate selection of operations and Key requirement 4: Adequate management verifications
7	IT	National Programme on social inclusion PON	2014IT05SFOP001	27/02/2019 13/06/2019	48.761.604,98	Aborted	MA : problems with KR1 (category 3), KR2 (category 3), KR3 (no categorisation), KR4 (category 4), KR5 (category 3), KR6 (category 3), KR7 (category 3) CA : KR 9, KR11, KR 12 & 13
8	IT	Lazio	2014IT05SFOP005	08/02/2019	42.534.160,01	29/05/2019	Deficiency is linked to the non-functioning of the management and control system, which has been assessed in category 3 by the Audit Authority on the basis of the key requirements 1, 2, 4, 5, 6 and 7 for the Managing Authority and the Key Requirement 10 for the Certifying Authority. In addition, there is a serious lack of adequate administrative verifications on the activities carried out by the intermediate body As. For. Seo.
9	IT	Valle d'Aosta	2014IT05SFOP011	26/02/2019	3.095.219,86		Several Key Requirements have been put in categories 3(KRs 1, 2, 7 & 10) and 4 (KRs 4, 5, 6 & 11). Invoices paid end December.
10	IT	Puglia	2014IT16M2OP002	27/09/2019	3.201.385,63		Expenditure in the request for payment of 31/7/2019 linked to irregularities having serious financial consequences. These irregularities concern the rules on eligibility of expenditure (Articles 6 and 65-71 of Regulation (EU) No.1303/2013)
11	UK	England	2014UK05M9OP001	21/01/2019	587.435.234,47	24/07/2019	OP is placed in category 3, deficiencies with KRs 2, 4 & 6 remain.
12	UK	Scotland	2014UK05M9OP002	15/02/2019 07/06/2019 05/11/2019	33.492.143,17		Persisting problems with KR4 (the on-the-spot management verifications of the managing authority) and an irregularity identified in the draft audit report of 30/10/2018 (problems with public procurement procedures and subsequent contract variations).

INTERRUPTIONS DECIDED IN 2020

Nr	MS	Region/ Operational programme	CCI Nr	DATE	AMOUNT	DATE of LIFTING	Main weaknesses identified
	IT	Puglia ERDF ESF	2014IT16M2OP002	31-01-2020	55.527.036,83		Irregularities concern: the rules on eligibility of expenditure : specifications contained in the regional law 14 of 2001, establishing that the conventions could be signed only with those training centres who had among their staff trainers included in the regional registry of trainers, is considered discriminatory (on the basis of the definitions provided by art. 2.2.1 of the Commission Interpretative Communication 2006/C 179/02).
2	FR	Île-de-France et Bassin de la Seine ERDF ESF	2014FR05M0OP001	11-02-2020	20.095.757,92		Déficiences liées aux exigences clés : Exigence clé n°2 ; Sélection appropriée des opérations (telle que prévue à l'article 72, point c), et à l'article 125, paragraphe 3, du règlement (UE) 1303/2013) et exigence clé n°4 : Vérifications de gestion appropriées (prévues à l'article 72, points c) et h), et à l'article 125, paragraphe 4, point a) du règlement (UE) N°1303/2013)
3	IT	Bolzano-mono fund	2014IT05SFOP017	14-02-2020	6.586.250,23		Non-functioning of MCS assessed in category 3 by the AA on the basis of KR 2 and 4 for the MA. However, DG EMPL auditors consider that a category 4 should have been conveyed instead.

WARNING LETTERS SENT IN 2018

Nr	MS	Region – Operational programme	CCI Nr	DATE	DATE of LIFTING	Main weaknesses identified
4	ES	FEAD	2014ES05FMOP001	21-09-2018		AA (IGAE) gave category 3 ("works partially, substantial improvements needed") for KR 1 and 6.
6	FR	AQUITAINE	2014FR16M0OP001	25-05-2018		Significant deficiencies regarding KR 4 Error rate between 5-10%: system improvements are needed with regard to adequate management verifications
10	FR	Midi-Pyrénées et Garonne	2014FR16M0OP007	26-06-2018		Significant deficiencies of the management and control system with respect to the following key requirements (adequate audits of operations and adequate procedures for the production of a reliable audit opinion and the preparation of the annual audit report). In addition, the nature of the observations in the report implies deficiencies in the implementation of the first-level verifications carried out by the managing authority. EMPL validated RER: 10% based on its draft audit report.
26	IT	YEI	2014IT05M9OP001	04-10-2018		Recalculated residual error rate is above 2% (4.71%).
32	RO	FEAD	2014RO05FMOP001	03-04-2018		Main issues identified at MA level: KR 4 (management verifications); KR 6 (IT system); Absence of verifications on the quality and reliability of the data reported in the AIR; Absence of a specific procedure for the calculation of the number of eligible people (from the target group); Absence of procedures to verify the quality of the deliverables (food products).

WARNING LETTERS SENT IN 2019

Nbr	MS	Region – OP	CCI N°	DATE	DATE of LIFTING	Main weaknesses identified
1	BE	BXL Capital	2014BE05M9OP002	23/07/2019		AA assessed KR 5 and KR 6 in category 3. TER recalculated by Commission 9,36% and RTER 1,60%
2	ES	Social Inclusion - EPSA + PDRA	2014ES05SFOP012	04/03/2019		Draft audit report EPSA EMPG314ES0240 Key requirement 4: Adequate management verifications Key requirement 5: Effective system in place to ensure that all documents regarding expenditure and audits are held to ensure an adequate audit trail Draft audit report PDRA EMPG314ES0265 Key requirement 6: Reliable system for collecting, recording and storing data for monitoring, evaluation, financial management, verification and audit purposes, including links with electronic data exchange systems with beneficiaries Key requirement 1: Adequate separation of functions and adequate systems for reporting and monitoring where the responsible authority entrusts execution of tasks to another body.
3	ES	Empleo, Formación y Educación	2014ES05SFOP002	03-09-2019		Deficiencies in KR 2 and 4 + expenditure coming from the Intermediate Body SEPE and EOI to be verified
4	FR	PO FEDER-FSE Champagne-Ardenne 2014/2020 ERDF ESF	2014FR16M0OP004	22/02/2019	24/01/2020	Deficiencies in KR 4 and 16= general assessment category 3
5	FR	FEDER FSE Lorraine et Vosges ERDF ESF	2014FR16M0OP015	22/02/2019	24/01/2020	Deficiencies in KR 4 and 16= general assessment category 3
6	FR	FSE Alsace	2014FR05M9OP002	22/02/2019	24/01/2020	Deficiencies in KR 4 and 16= general assessment category 3
7	FR	FEDER Alsace ERDF ESF	2014FR16RFOP006	22/02/2019	24/01/2020	Deficiencies in KR 4 and 16= general assessment category 3
8	FR	Picardie ERDF ESF	2014FR16M0OP008	12/04/2019		Category 3 for KR 16 - audit of operations and for KR 18 - adequate procedures for audit opinion (and indirectly also for KR 4 - management verifications)
9	FR	Guadeloupe ERDF ESF	2014FR16M0OP009	12/06/2019		Exigence clé n°5 des systèmes de gestion et de contrôle, relatif à l'existence d'un système garantissant la tenue d'une piste d'audit adéquate, en catégorie 3 - Fonctionnement partiel: une ou plusieurs améliorations substantielles sont nécessaires
10	FR	Regional Programme Corse 2014-2020 ERDF ESF	2014FR16M2OP004	12-06-2019	06/12/2019	Significant deficiency identified is linked to Key requirement 4: Appropriate management verifications
11	FR	Programme Operational FEAD 2014-2020	2014FR05FMOP001	23-07-2019		Significant deficiencies are related to KR 4- Appropriate management verifications The Commission used the total error rate of 7.875% and the total residual error rate of 7.156%, which is above the significant threshold of 2%. As a result, the audit opinion on the functioning of the management and control system and on the legality and regularity of the expenditure is with reservation having a significant impact
12	FR	Franche-Comté et Jura ERDF ESF	2014FR16M2OP005	03-09-2019		Serious deficiencies linked to KR 4; Total Error Rate is 7.07% and the OP in Category 3 (acceptance of accounts with recovery order for accounts 2017-2018 - decision Ares(2019)5489319 - 30/08/2019 - compensation made with interim payment of 10/10/19)
13	FR	Regional Programme Martinique Conseil régional 2014-2020 ERDF	2014FR16M0OP011	12-06-2019	25/10/2019 pre-correction letter	Le dysfonctionnement important constaté est lié à: Exigence clé n° 4: Vérifications de gestion appropriées (telles que prévues à l'article 72, points c) et h) et à l'article 125, paragraphe 4, point a) du règlement (UE) N° 1303/2013).

		ESF				La Commission a pris note du taux d'erreur total de 9,22% et du taux d'erreur résiduel total de 8,54%, soit au-dessus du seuil d'importance significative admis de 2%.
14	HU	Territorial and settlement development TSDOP ERDF ESF	2014HU16M2OP001	19-06-2019	15/10/2019	Significant deficiencies linked to adequate management verifications (key requirement 4) and total error rate resulting from the audits of operations is 11,19%. Even, taking into account the financial corrections already implemented by the managing authority, the resulting residual total error rate is 1,999%, (under the regulatory materiality) and the unqualified audit opinion on legality and regularity of the expenditure declared to the Commission in the 2017-2018, the level of the error prior to correction indicates that the management and control system is not functioning effectively
15	IT	Calabria ERDF ESF	2014IT16M2OP006	04-03-2019		Deficiency in M&CS regarding KR1: AA has doubts about the organizational structure of the MA, the inappropriate number of internal staff dedicated to the different functions of the managing authority given the size and complexity of this programme, the appointment of the officers responsible for actions (equivalent to parts of the operational programme), the necessity to complete the selection procedures as soon as possible to ensure an adequate number of assigned external staff and competence in carrying out their duties
16	LT	Lithuania	2014LT16MAOP001	19/02/2019		<u>Regarding all funds including ESF:</u> audit report from the audit authority assessing the Central Project Management Agency (CPMA) in category 3. Deficiencies relate to the key requirement n° 4 ("adequate management verifications") and concern mainly management verifications of public procurement rules.

WARNING LETTERS SENT IN Q1 2020

Nbr	MS	Region – OP	CCI N°	DATE	DATE of LIFTING	Main weaknesses identified
1	SK	ESF OP Human Resources	2014SK05M0OP001	06-01-2020		Deficiencies are linked to key requirement No 4 Adequate management verifications, in particular Article 125(4) (a) and (b), (5) and (6) of Regulation (EU) No 1303/2013. The audit authority identified mainly the following deficiencies: inadequate administrative verification of application for reimbursement by beneficiaries, inadequate on-the-spot verifications of operations
2	ES	Comunidad de Madrid	2014ES05SFOP021	24-01-2020		Deficiencies in monitoring the delegated tasks to the IBs (KR01), ineligible project approved by the Coordinating IB (KR02), weaknesses in the design and the implementation of the management verifications procedures, with financial implications at the level of three IBs (KR04), inadequate audit trail and supporting documents (KR05)
3	LT	Lithuania Operational Programme for EU Structural Funds Investments for 2014-2020 ERDF ESF	2014LT16MAOP001	04-03-2020		Deficiencies in the management and control system for the part under the remit of the Central Project Management Agency (hereafter "CPMA") = KR 4 ("adequate management verifications") in what concerns the verification of compliance with public procurement rules is classified in category 3 ("the system works partially, substantial improvements are needed")
4	LT	Lithuania Operational Programme for EU Structural Funds Investments for 2014-2020 ERDF ESF	2014LT16MAOP001	04-03-2020		Deficiencies in the management and control system for the part under the remit of the Central Project Management Agency (hereafter "CPMA") = KR 4 ("adequate management verifications") in what concerns the verification of compliance with public procurement rules is classified in category 3 ("the system works partially, substantial improvements are needed")

PRE-SUSPENSIONS DECIDED IN 2019

Nbr	MS	Region – OP	CCI N°	DATE	DATE of ABORT/ LIFTED	Main weaknesses identified
1	FR	Île-de-France et Bassin de la Seine ERDF ESF	2014FR05M0OP001	21/08/2019	18/11/2019	Management verifications (KR 4) have partially improved but also other serious deficiencies eg separation of functions (structure of organisation, supervision etc) and adequate information to beneficiaries (KR3 Cat 3)
2	HU	Human Resource Development OP HRDOP ERDF ESF	2014HU05M2OP001	23/12/2019		KR2 and KR4 for the priority axes 1 and 3 as category 3
3	LT	Lithuania Operational Programme for EU Structural Funds Investments for 2014-2020 ERDF ESF	2014LT16MAOP001	07-08-2019	28/01/2020	Serious deficiency in the quality and reliability of the monitoring system and the data on common and specific indicators for which corrective measures have not been taken
4	SI	Cohesion policy ERDF ESF	2014SI16MAOP001	27-06-2019	04/02/2020	Serious deficiency in the quality and reliability of the monitoring system KR6
5	UK	Scotland	2014UK05M9OP002	21-02-2019		Deficiencies linked to KR 4 (adequate management verifications) – category 3, plus: – Inadequate verification of public procurement procedures and related expenditure; – Lack of verification whether declared costs relate to actually delivered services/achievements; – Insufficient checks on correct implementation of flat rates on direct staff costs; Irregularities having serious financial consequences: ineligible expenditure has been declared for operations using the 40% flat rate

PRE-SUSPENSIONS DECIDED IN Q1 2020

Nbr	MS	Region – OP	CCI N°	DATE	DATE of ABORT/ LIFTED	Main weaknesses identified
1	IT	Puglia	2014IT16M2OP002	08/01/2020		<i>Project A0810.6 - Acquisizione nuove professionalità per potenziare i servizi presso Città Metropolitana di Bari 2014</i> contains discriminatory specifications due to regional law 14 of 2001, establishing that the conventions could be signed <u>only</u> with those training centres who had among their staff trainers included in the regional registry of trainers

SUSPENSIONS ADOPTED IN 2019

Nbr	MS	Region – OP	CCI N°	DATE	Decision	Main weaknesses identified
1	UK	Scotland	2014UK05M9OP002	05/11/2019	C(2019) 7991	Deficiencies linked to KR 4 – category 3 – Inadequate verification of public procurement procedures and related expenditure; – Lack of verification whether declared costs relate to actually delivered services/achievements; – Insufficient checks on correct implementation of flat rates on direct staff costs; Irregularities having serious financial consequences: ineligible expenditure has been declared for operations using the 40% flat rate

SUSPENSIONS ADOPTED IN Q1 2020

Nbr	MS	Region – OP	CCI N°	DATE	Decision	Main weaknesses identified
1	HU	Human Resource Development OP HRDOP ERDF ESF	2014HU05M2OP001	20-02-2020	C(2020)1063	<u>Only for priority Axis 1 and Priority Axis 5 + KR 2 + 4</u>

Adjustments applied by the Member States in the annual accounts submitted for the accounting year 2018-2019

ESF/YEI

Member State	Total amount of eligible expenditure of the final interim payment ESF/YEI	Total eligible expenditure amount entered into the accounting systems from Appendix 1 ESF/YEI	Difference between the expenditure submitted in the final payment claim and in the accounts		Withdrawals & recoveries during the accounting year 2018-2019	
			Total deductions	Result of audits of operations according to Article 34(1) of Regulation (EU) No 223/2014 OR according to Article 127(1) of Regulation (EU) No 1303/2013	Total eligible withdrawal amount of expenditure	Total eligible recoveries amount of expenditure
AT	156.453.421,61	156.113.026,36	340.395,25	96.032,50	16.004,00	0,00
BE	402.399.584,82	396.184.542,07	6.215.042,75	405.839,38	4.926.795,08	0,00
BG	318.830.213,50	317.284.562,09	1.545.651,41	781.122,21	225.903,92	73.775,37
CY	72.607.743,56	72.565.460,83	42.282,73	38.300,59	235.041,92	0,00
CZ	544.807.993,78	534.538.776,80	10.269.216,98	5.659,26	112.112,36	236.744,92
DE	1.649.712.547,48	1.616.127.017,93	33.585.529,55	5.165.452,31	540.921,44	87.210,06
DK	51.378.731,94	41.990.667,21	9.388.064,73	0,00	0,00	0,00
EE	96.938.931,82	94.226.632,86	2.712.298,96	1.880,73	288.021,58	50.862,35
ES	2.166.947.773,53	1.978.970.218,34	187.977.555,19	62.167.903,26	23.457,04	0,00
FI	156.470.227,68	155.956.813,04	513.414,64	16.922,27	687,06	30.924,31
FR	1.335.135.289,19	1.316.301.884,30	18.833.404,89	8.097.910,51	599.995,06	0,00
GR	580.175.557,05	569.650.042,29	10.525.514,76	5.404.838,15	11.679.998,36	0,00
HR	264.760.116,92	241.308.471,73	23.451.645,19	2.441.031,94	380.366,06	0,00
HU	1.196.679.549,82	937.882.346,34	258.797.203,48	3.877.421,64	39.899.187,12	0,00
IE	362.735.300,76	360.297.427,90	2.437.872,86	0,00	0,00	0,00
IT	2.452.661.617,34	2.253.226.490,40	199.435.126,94	7.560.183,35	7.145.217,94	27.911,36
LT	155.114.086,89	147.848.897,49	7.265.189,40	516.649,03	165.673,73	0,00
LU	7.116.293,61	7.116.293,61	0,00	0,00	0,00	0,00
LV	120.064.957,58	110.559.364,73	9.505.592,85	0,00	8.897,20	0,00
MT	27.311.022,65	26.949.396,23	361.626,42	5.781,90	14.540,96	0,00
NL	161.878.574,71	161.878.574,71	0,00	0,00	0,00	0,00
PL	2.133.098.624,58	2.083.273.945,95	49.824.678,63	279.148,31	56.741.495,27	55.087,50
PT	1.204.263.270,82	1.196.060.977,93	8.202.292,89	2.887.317,56	651.585,54	0,00
RO	905.993.273,13	894.243.149,38	11.750.123,75	10.866.599,08	127.466,17	0,00
SE	234.958.930,20	233.120.094,34	1.838.835,86	0,00	200.360,91	686.160,07
SI	183.143.239,71	160.524.669,82	22.618.569,89	19.419,88	338.485,39	240.982,01
SK	337.865.994,31	334.264.241,07	3.601.753,24	499.232,42	228.298,23	84.097,56
UK	1.588.629.574,66	1.390.104.168,19	198.525.406,47	14.144.530,97	898.294,50	87.479,89
Total	18.868.132.443,65	17.788.568.153,94	1.079.564.289,71	125.279.177,25	125.448.806,84	1.661.235,40

FEAD

Member State	Total amount of eligible expenditure of the final interim payment FEAD	Total eligible expenditure amount entered into the accounting systems from Appendix 1 FEAD	Difference between the expenditure submitted in the final payment claim and in the accounts		Withdrawals & recoveries during the accounting year 2018-2019	
			Total deductions	Result of audits of operations according to Article 34(1) of Regulation (EU) No 223/2014 OR according to Article 127(1) of Regulation (EU) No 1303/2013	Total eligible withdrawal amount of expenditure	Total eligible recoveries amount of expenditure
AT	2.730.806,89	2.730.806,89		0,00	0,00	0,00
BE	12.619.402,31	12.567.024,13	52.378,18	52.378,18	0,00	0,00
BG	27.958.906,68	27.956.938,28	1.968,40	1.417,23	811,31	5.986,05
CY	826.825,32	826.825,32	0,00	0,00	0,00	0,00
CZ	6.249.112,67	6.249.112,67	0,00	0,00	0,00	0,00
DE	15.082.308,89	14.189.838,63	892.470,26	199.347,26	0,00	0,00
DK	591.008,95	575.611,03	15.397,92	11.831,81	0,00	0,00
EE	1.400.934,85	1.400.934,85	0,00	0,00	0,00	129.551,26
ES	40.178.392,91	40.178.392,91	0,00	0,00	0,00	0,00
FI	4.164.193,02	4.164.193,02	0,00	0,00	0,00	0,00
FR	42.801.382,93	36.060.222,41	6.741.160,52	0,00	0,00	0,00
GR	34.329.856,00	32.627.106,48	1.702.749,52	155.591,85	0,00	0,00
HR	9.069.121,06	8.814.511,06	254.610,00	249.849,30	0,00	0,00
HU	21.336.573,90	20.397.970,81	938.603,09	773.222,00	2.109.762,03	0,00
IE	2.984.111,56	2.984.111,56	0,00	0,00	0,00	0,00
IT	15.896.974,16	15.896.923,35	50,81	1,13	0,00	0,00
LT	7.703.899,65	7.703.899,65	0,00	0,00	0,00	0,00
LU	592.746,43	592.746,43	0,00	0,00	0,00	0,00
LV	5.389.190,48	5.388.954,00	236,48	214,50	0,00	0,00
MT	1.061.933,74	1.060.479,04	1.454,70	0,00	0,00	0,00
NL	210.659,62	210.659,62	0,00	0,00	0,00	0,00
PL	107.870.659,14	107.867.854,63	2.804,51	0,00	0,00	103,46
PT	14.094.150,49	14.093.487,09	663,40	663,40	0,00	0,00
RO	0,00	0,00	0,00	0,00	0,00	0,00
SE	1.640.269,52	1.617.218,62	23.050,90	9.996,53	0,00	0,00
SI	4.356.154,84	4.356.154,84	0,00	0,00	0,00	0,00
SK	22.941.743,15	22.941.743,15	0,00	0,00	0,00	0,00
UK			0,00	0,00	0,00	0,00
Total	404.081.319,16	393.453.720,47	10.627.598,69	1.454.513,19	2.110.573,34	135.640,77

Error rates by operational programmes – PP 2014-2020

MS	CCI Ref	Title	Audit opinion	Accounting year 2016-2017	Accounting year 2017-2018			Accounting year 2018-2019		Relevant expenditure (payments +retentions -deductions)	Comments
				Indicator for the application of the enhanced proportionate arrangements for period 2021-2022	Total Error Rate confirmed by EC	Total Error Rate confirmed by EC	Residual Total Error Rate confirmed by EC	KPI 5 (RTER confirmed w/o Fis)	Total Error Rate reportable by EC		
AT	2014AT05SFOP001	Operational Programme Employment Austria 2014-2020	Unqualified		0,78%	0,66%	0,66%	0,62%	0,57%	70.994.956	
BE	2014BE05M9OP001	ESF Operationnal Programme Wallonie-Bruxelles 2020.eu	Qualified - moderate	6,68%	2,29%	2,18%	2,18%	1,20%	1,06%	89.588.300	
BE	2014BE05M9OP002	Operational programme ESF 2014-2020 of the Brussels-Capital Region : "Investment for growth and jobs"	Qualified - significant	1,27%	9,36%	1,60%	1,60%	1,24%	2,00%	2.944.883	
BE	2014BE05SFOP001	European Social Fund 2014-2020 – German Speaking Community of Belgium	Qualified - moderate		0,00%	0,00%	0,00%	0,00%	0,00%	1.579.194	
BE	2014BE05SFOP002	Operational Programme ESF Flanders 2014-2020	Qualified - moderate	1,68%	2,20%	1,39%	1,39%	0,54%	0,48%	35.091.779	
BG	2014BG05M2OP001	Operational Programme Science and Education for Smart Growth	Qualified - moderate		0,29%	0,17%	0,17%	0,53%	0,08%	27.010.174	
BG	2014BG05M9OP001	Human Resources Development	Unqualified	0,17%	0,03%	0,02%	0,02%	0,54%	0,48%	163.650.105	

BG	2014BG05SFOP001	Good Governance	Unqualified	0,46%	0,08%	0,04%	0,04%	0,66%	0,00%	33.532.845	
CY	2014CY05M9OP001	Employment, Human Capital and Social Cohesion	Unqualified	0,11%	0,10%	0,01%	0,01%	0,09%	0,02%	57.626.525	
CZ	2014CZ05M2OP001	OP Research, Development and Education	Qualified - moderate	0,18%	0,17%	0,09%	0,09%	0,43%	0,41%	172.936.909	
CZ	2014CZ05M9OP001	Operational Programme Employment	Qualified - moderate	0,02%	1,48%	1,46%	1,46%	0,04%	0,04%	311.376.865	
CZ	2014CZ16M2OP001	OP Prague – Growth Pole	Qualified - moderate	0,00%	0,78%	0,35%	0,35%	0,18%	0,10%	5.733.902	
DE	2014DE05SFOP001	OP Schleswig-Holstein ESF 2014-2020	Unqualified	0,42%	0,68%	0,39%	0,39%	0,49%	0,08%	19.994.283	
DE	2014DE05SFOP002	Operational Programme ESF Federal Germany 2014-2020	Qualified - moderate	0,98%	0,93%	0,91%	0,95%	0,42%	0,27%	407.720.194	ongoing contradictory procedure
DE	2014DE05SFOP003	Operational Programme ESF Baden-Württemberg 2014-2020	Qualified - moderate	1,21%	1,26%	1,21%	1,21%	0,54%	0,47%	12.097.208	
DE	2014DE05SFOP004	Operational Programme ESF Bayern 2014-2020	Unqualified	0,33%	1,14%	1,02%	1,02%	0,78%	0,74%	38.723.218	
DE	2014DE05SFOP005	Operational Programme ESF Berlin 2014-2020	Qualified - moderate		8,11%	3,89%	3,89%	2,52%	1,97%	23.112.240	
DE	2014DE05SFOP006	Operational Programme ESF Brandenburg 2014-2020	Unqualified		1,67%	1,32%	1,32%	0,29%	0,23%	69.717.210	
DE	2014DE05SFOP007	Operational Programme ESF Hamburg 2014-2020	Adverse		0,57%	0,39%	0,39%	0,00%	0,00%	-623	
DE	2014DE05SFOP008	Operational Programme ESF Hessen 2014-2020	Unqualified		5,56%	5,50%	5,50%	1,78%	1,65%	14.731.379	
DE	2014DE05SFOP009	Operational Programme ESF Mecklenburg-Vorpommern 2014-2020	Qualified - moderate		3,62%	0,00%	0,00%	0,10%	0,00%	39.880.055	
DE	2014DE05SFOP010	Operational Programme ESF Nordrhein-Westfalen 2014-2020	Unqualified		1,71%	1,67%	1,67%	3,99%	2,00%	53.562.198	
DE	2014DE05SFOP011	Operational Programme ESF Saarland 2014-2020	Unqualified		1,32%	0,81%	0,81%	0,43%	0,30%	18.567.250	
DE	2014DE05SFOP012	Operational Programme ESF Sachsen 2014-2020	Qualified - significant	0,38%	1,63%	1,60%	1,60%	3,59%	3,58%	84.263.671	

DE	2014DE05SFOP013	Operational Programme ESF Sachsen-Anhalt 2014-2020	Unqualified		2,26%	1,97%	1,97%	0,02%	0,01%	139.736.737	
DE	2014DE05SFOP014	Operational Programme ESF Thüringen 2014-2020	Qualified - significant	1,56%	0,32%	0,31%	0,31%	6,94%	2,00%	106.537.832	
DE	2014DE05SFOP015	Operational Programme ESF Rheinland-Pfalz 2014-2020	Unqualified		0,35%	0,28%	0,28%	0,55%	0,44%	15.009.810	
DE	2014DE05SFOP016	Operational Programme ESF Bremen 2014-2020	Unqualified		1,94%	1,26%	1,26%	1,45%	1,39%	8.664.900	
DE	2014DE16M2OP001	OP Niedersachsen ERDF/ESF 2014-2020	Unqualified		3,89%	0,06%	0,06%	0,20%	0,19%	39.316.307	
DK	2014DK05SFOP001	Educational and Entrepreneurial Growth	Qualified - moderate	0,85%	0,98%	0,85%	0,85%	2,06%	1,89%	23.547.659	
EE	2014EE16M3OP001	for Cohesion Policy Funding 2014-2020	Qualified - moderate	1,46%	0,73%	0,64%	0,64%	0,94%	0,81%	84.114.484	
ES	2014ES05M9OP001	OP ESF 2014 YOUTH EMPLOYMENT	Qualified - significant		9,49%	0,49%	0,49%	1,97%	1,58%	316.910.705	
ES	2014ES05SFOP001	OP ESF 2014 C.A. LA RIOJA	Qualified - moderate					0,93%	0,69%	876.178	
ES	2014ES05SFOP002	OP ESF 2014 EMPLOYMENT, TRAINING AND EDUCATION	Qualified - significant					0,10%	0,10%	263.433.943	ongoing contradictory procedure
ES	2014ES05SFOP003	OP ESF 2014 REGION DE MURCIA	Qualified - moderate		0,73%	0,52%	0,52%	0,09%	0,01%	24.677.122	
ES	2014ES05SFOP004	OP ESF 2014 PRINCIPADO DE ASTURIAS	Qualified - moderate					0,42%	0,01%	12.291.976	
ES	2014ES05SFOP005	OP ESF 2014 ILLES BALEARS	Qualified - moderate					0,92%	0,08%	4.056.354	
ES	2014ES05SFOP006	PO FSE 2014 C.A. CASTILLA Y LEON	Qualified - moderate					4,06%	2,00%	2.301.597	
ES	2014ES05SFOP007	PO FSE 2014 C.A. CATALUÑA	Adverse					55,08%	54,94%	7.971.469	
ES	2014ES05SFOP008	OP ESF 2014 CIUDAD A. DE CEUTA	Unqualified					0,00%	0,00%	1.133.258	
ES	2014ES05SFOP009	OP ESF 2014 C.A. GALICIA	Qualified - moderate		3,73%	0,00%	0,00%	2,10%	1,41%	32.678.519	
ES	2014ES05SFOP010	OP ESF 2014 C. FORAL DE NAVARRA	Unqualified					0,01%	0,01%	1.884.103	
ES	2014ES05SFOP011	OP ESF 2014 C.A. PAIS VASCO	Qualified - moderate					0,17%	0,16%	15.696.239	

ES	2014ES05SFOP012	OP ESF 2014 SOCIAL INCLUSION AND SOCIAL ECONOMY	Qualified - significant		5,78%	0,94%	0,94%	0,10%	0,10%	89.888.296	
ES	2014ES05SFOP014	OP ESF 2014 C.A. CANARIAS	Unqualified					1,80%	1,65%	17.492.052	
ES	2014ES05SFOP015	OP ESF 2014 C.A. CASTILLA-LA MANCHA	Qualified - significant					6,91%	0,00%	50.364.181	
ES	2014ES05SFOP016	OP ESF 2014 C.A. EXTREMADURA	Qualified - moderate		1,29%	0,31%	0,31%	0,37%	0,36%	48.026.269	
ES	2014ES05SFOP017	OP ESF 2014 CIUDAD A. DE MELILLA	Qualified - moderate					0,00%	0,00%	1.404.414	
ES	2014ES05SFOP018	OP ESF 2014 C.A. ARAGON	Unqualified					0,64%	0,63%	15.372.832	
ES	2014ES05SFOP019	OP ESF 2014 C.A. CANTABRIA	Unqualified					0,69%	0,60%	125.328	
ES	2014ES05SFOP020	OP ESF 2014 COMUNITAT VALENCIANA	Qualified - moderate					0,83%	0,00%	22.709.493	
ES	2014ES05SFOP021	OP ESF 2014 C. DE MADRID	Qualified - moderate					3,77%	0,27%	3.638.308	
ES	2014ES05SFOP022	OP ESF 2014 C.A. ANDALUCIA	Qualified - significant					8,89%	1,84%	627.276	
ES	2014ES05SFTA001	OP ESF 2014 TECHNICAL ASSISTANCE	Qualified - significant					0,10%	0,10%	5.314.858	
FI	2014FI05M2OP001	Entrepreneurship and skills, Åland Structural Fund Programme 2014-2020	Qualified - moderate		0,98%	0,79%	0,79%	0,00%	0,00%	493.544	
FI	2014FI16M2OP001	Sustainable growth and jobs 2014-2020 - Structural Funds Programme of Finland	Qualified - moderate	0,43%	0,67%	0,65%	0,65%	1,31%	1,29%	60.285.597	
FR	2014FR05M0OP001	Operational Programme ERDF-ESF Ile-de-France et Seine 2014-2020	Qualified - significant	40,89%	36,10%	2,00%	2,00%	0,00%	0,00%	0	
FR	2014FR05M2OP001	Operational Programme ERDF-ESF Guadeloupe et St Martin Etat 2014-2020	Qualified - moderate		11,50%	2,00%	2,00%	2,19%	1,88%	13.485.485	
FR	2014FR05M9OP001	for the implementation of YEI in mainland France and outermost regions	Qualified - significant	2,40%	2,23%	1,70%	1,70%	5,04%	2,00%	50.034.456	

FR	2014FR05M9OP002	Operational Programme ESF Alsace 2014-2020	Unqualified	10,00%	4,83%	2,00%	2,00%	1,33%	0,83%	7.974.624	
FR	2014FR05SFOP001	National Operational Programme ESF Employment and Social Inclusion 2014-2020	Adverse	2,40%	1,50%	1,45%	1,45%	23,72%	23,65%	335.971.470	
FR	2014FR05SFOP003	Operational Programme ESF Guyane Etat 2014-2020	Qualified - moderate		0,00%	0,00%	0,00%	2,94%	2,00%	10.143.103	
FR	2014FR05SFOP004	Operational Programme ESF Martinique Etat 2014-2020	Adverse	0,00%	4,55%	2,00%	2,00%	42,35%	42,29%	7.695.812	
FR	2014FR05SFOP005	Operational Programme ESF Réunion Etat 2014-2020	Qualified - moderate	8,74%	3,18%	2,00%	2,00%	4,22%	2,00%	67.572.092	
FR	2014FR16M0OP001	Regional programme Aquitaine 2014-2020	Qualified - significant	5,11%	3,64%	2,00%	2,00%	7,29%	2,00%	14.446.744	
FR	2014FR16M0OP002	Regional programme Auvergne 2014-2020	Adverse	0,94%	3,13%	0,83%	0,83%	18,21%	1,59%	5.071.374	
FR	2014FR16M0OP003	Regional programme Centre 2014-2020	Qualified - moderate	4,22%	1,36%	0,88%	0,88%	2,69%	2,00%	16.047.229	
FR	2014FR16M0OP004	Regional programme Champagne-Ardenne 2014-2020	Unqualified	10,00%	4,83%	2,00%	2,00%	1,33%	0,83%	10.417.561	
FR	2014FR16M0OP005	Regional programme Haute-Normandie 2014-2020	Qualified - significant		2,98%	2,00%	2,00%	5,99%	2,00%	7.913.409	
FR	2014FR16M0OP006	Regional programme Languedoc-Roussillon 2014-2020	Qualified - significant	1,92%	2,00%	1,40%	1,40%	5,71%	2,00%	6.911.760	
FR	2014FR16M0OP007	Regional programme Midi-Pyrénées et Garonne 2014-2020	Qualified - significant	0,81%	1,04%	0,70%	0,70%	5,71%	2,00%	7.686.883	
FR	2014FR16M0OP008	Regional programme Picardie 2014-2020	Qualified - moderate	5,00%	3,25%	3,02%	3,02%	0,94%	0,65%	19.078.689	
FR	2014FR16M0OP009	Regional programme Guadeloupe Conseil Régional 2014-2020	Qualified - significant		0,38%	0,32%	0,32%	2,22%	1,37%	4.912.256	
FR	2014FR16M0OP011	Regional programme Martinique Conseil Régional 2014-2020	Adverse	2,05%	9,22%	8,54%	8,54%	21,88%	21,72%	6.519.862	
FR	2014FR16M0OP012	Regional programme Nord-Pas de Calais 2014-2020	Unqualified	4,16%	0,59%	0,41%	0,41%	0,94%	0,65%	17.048.088	

FR	2014FR16M0OP013	Regional programme Provence Alpes Côte d'Azur 2014-2020	Qualified - significant	2,67%	1,31%	0,76%	0,76%	7,03%	2,00%	15.966.778	
FR	2014FR16M0OP014	Regional programme Bourgogne 2014-2020	Adverse	5,70%	5,38%	2,00%	2,00%	17,75%	17,23%	3.277.700	
FR	2014FR16M0OP015	Regional programme Lorraine et Vosges 2014-2020	Qualified - moderate	10,00%	4,83%	2,00%	2,00%	1,33%	0,83%	16.314.668	
FR	2014FR16M2OP001	Regional programme Basse-Normandie 2014-2020	Qualified - significant		1,49%	1,14%	1,14%	6,24%	4,94%	4.953.895	
FR	2014FR16M2OP003	Regional programme Bretagne 2014-2020	Qualified - moderate		1,51%	1,39%	1,39%	0,28%	0,02%	3.115.508	
FR	2014FR16M2OP004	Regional programme Corse 2014-2020	Adverse		36,16%	2,00%	2,00%	54,01%	51,05%	0	
FR	2014FR16M2OP005	Regional programme Franche-Comté et Jura 2014-2020	Adverse	17,68%	7,07%	2,00%	2,00%	17,74%	17,23%	1.671.651	
FR	2014FR16M2OP006	Regional programme Limousin 2014-2020	Qualified - significant	0,00%	0,19%	0,19%	0,19%	7,29%	2,00%	1.201.959	
FR	2014FR16M2OP008	Regional programme Pays de la Loire 2014-2020	Qualified - moderate	0,84%	1,98%	0,05%	0,05%	4,35%	2,00%	15.148.234	
FR	2014FR16M2OP009	Regional programme Poitou Charentes 2014-2020	Qualified - significant	17,01%	0,00%	0,00%	0,00%	7,29%	2,00%	5.951.955	
FR	2014FR16M2OP010	Regional programme Rhône Alpes 2014-2020	Adverse	0,00%	2,22%	2,00%	2,00%	18,21%	1,59%	12.125.474	
FR	2014FR16M2OP011	Regional programme Guyane Conseil Régional 2014-2020	Unqualified		0,00%	0,00%	0,00%	0,58%	0,54%	4.966.213	
FR	2014FR16M2OP012	Regional programme Mayotte 2014-2020	Qualified - moderate		0,41%	0,29%	0,29%	0,00%	0,00%	14.150.598	
FR	2014FR16M2TA001	National technical assistance programme 2014-2020	Unqualified	0,00%	0,00%	0,00%	0,00%	0,25%	0,21%	2.227.031	
GR	2014GR05M2OP001	Reform of the Public Sector	Unqualified	2,87%	2,99%	1,75%	1,75%	3,56%	1,98%	23.846.005	
GR	2014GR05M9OP001	Human Resources Development, Education and Lifelong Learning	Unqualified	2,87%	2,99%	1,75%	1,75%	3,56%	1,98%	384.054.971	
GR	2014GR16M2OP001	COMPETITIVENESS, ENTREPRENEURSHIP AND INNOVATION OP	Unqualified	2,87%	2,99%	1,75%	1,75%	3,56%	1,98%	61.342.806	
GR	2014GR16M2OP002	CENTRAL MACEDONIA OP	Unqualified	2,87%	2,99%	1,75%	1,75%	3,56%	1,98%	21.554.644	

GR	2014GR16M2OP003	THESSALY OP	Unqualified	2,87%	2,99%	1,75%	1,75%	3,56%	1,98%	6.885.823
GR	2014GR16M2OP004	EPIRUS OP	Unqualified	2,87%	2,99%	1,75%	1,75%	3,56%	1,98%	4.093.974
GR	2014GR16M2OP005	WESTERN GREECE OP	Unqualified	2,87%	2,99%	1,75%	1,75%	3,56%	1,98%	7.644.034
GR	2014GR16M2OP006	WESTERN MACEDONIA OP	Unqualified	2,87%	2,99%	1,75%	1,75%	3,56%	1,98%	3.389.348
GR	2014GR16M2OP007	CONTINENTAL GREECE OP	Unqualified	2,87%	2,99%	1,75%	1,75%	3,56%	1,98%	2.733.390
GR	2014GR16M2OP008	PELOPONNESUS OP	Unqualified	2,87%	2,99%	1,75%	1,75%	3,56%	1,98%	3.694.072
GR	2014GR16M2OP009	IONIAN ISLANDS OP	Unqualified	2,87%	2,99%	1,75%	1,75%	3,56%	1,98%	3.279.269
GR	2014GR16M2OP010	NORTH AEGEAN OP	Unqualified	2,87%	2,99%	1,75%	1,75%	3,56%	1,98%	2.517.631
GR	2014GR16M2OP011	CRETE OP	Unqualified	2,87%	2,99%	1,75%	1,75%	3,56%	1,98%	6.947.871
GR	2014GR16M2OP012	ATTICA OP	Unqualified	2,87%	2,99%	1,75%	1,75%	3,56%	1,98%	31.656.906
GR	2014GR16M2OP013	SOUTH AEGEAN OP	Unqualified	2,87%	2,99%	1,75%	1,75%	3,56%	1,98%	1.994.325
GR	2014GR16M2OP014	EASTERN MACEDONIA- THRACE OP	Unqualified	2,87%	2,99%	1,75%	1,75%	3,56%	1,98%	7.099.524
GR	2014GR16M3TA001	Technical Assistance Programme	Unqualified	2,87%	2,99%	1,75%	1,75%	3,56%	1,98%	8.026.013
HR	2014HR05M9OP001	ESF Operational Programme Efficient Human Resource	Qualified - significant		2,18%	0,73%	0,73%	3,36%	2,38%	115.190.503
HU	2014HU05M2OP001	Human Resources Development	Qualified - significant		3,45%	0,00%	0,00%	4,86%	0,96%	-53.254.866
HU	2014HU05M3OP001	Public Administration and Civil Service Development OP	Qualified - significant		11,80%	1,99%	1,99%	5,61%	0,24%	152.153.710
HU	2014HU16M0OP001	Economic Development and Innovation OP	Qualified - moderate	0,87%	3,06%	1,99%	1,99%	3,84%	1,99%	303.261.599
HU	2014HU16M2OP001	Territorial and settlement development OP	Qualified - significant	0,00%	11,19%	1,99%	1,99%	13,19%	8,14%	40.038.316
HU	2014HU16M2OP002	Competitive Central-Hungary OP	Qualified - significant		11,19%	1,99%	1,99%	13,19%	8,14%	47.598.399

IE	2014IE05M9OP001	ESF Operational Programme 2014-2020	Qualified - moderate					1,97%	1,58%	164.101.290	
IT	2014IT05M2OP001	National on Education	Qualified - moderate		0,28%	0,25%	0,25%	0,82%	0,81%	254.351.401	
IT	2014IT05M2OP002	National Operational Programme on Governance, networks, special projects and technical assistance	Qualified - moderate		0,00%	0,00%	0,00%	0,02%	0,01%	27.169.234	
IT	2014IT05M9OP001	National on Youth Employment	Qualified - significant	5,53%	5,04%	4,72%	4,72%	7,25%	2,00%	-53.749.144	
IT	2014IT05SFOP001	National Operational Programme on Social Inclusion	Qualified - significant	9,34%	31,33%	24,93%	24,93%	0,00%	5,00%	20.651.621	
IT	2014IT05SFOP002	National Operational Programme on Systems for Active Employment Policies	Qualified - moderate	0,29%	8,38%	7,23%	7,23%	0,38%	0,30%	4.968.963	
IT	2014IT05SFOP003	POR Emilia Romagna ESF	Qualified - moderate	0,38%	0,14%	0,14%	0,14%	0,65%	0,64%	48.942.830	
IT	2014IT05SFOP004	POR Friuli Venezia Giulia ESF	Unqualified	0,46%	0,00%	0,00%	0,00%	0,00%	0,00%	15.182.641	
IT	2014IT05SFOP005	POR Lazio ESF	Unqualified	3,03%	0,11%	0,00%	0,00%	1,02%	0,53%	94.892.569	
IT	2014IT05SFOP006	POR Liguria ESF	Qualified - moderate	0,01%	0,20%	0,19%	0,19%	0,08%	0,08%	19.408.570	
IT	2014IT05SFOP007	POR Lombardia ESF	Qualified - significant	2,36%	1,49%	1,49%	1,49%	5,00%	5,00%	95.209.315	
IT	2014IT05SFOP008	POR Marche ESF	Qualified - moderate	1,09%	0,02%	0,01%	0,01%	0,61%	0,56%	15.362.386	
IT	2014IT05SFOP009	POR Abruzzo ESF	Qualified - moderate		0,68%	0,39%	0,39%	0,15%	0,08%	8.114.889	
IT	2014IT05SFOP010	POR Umbria ESF	Qualified - moderate		1,18%	1,00%	1,00%	0,46%	0,42%	12.778.360	
IT	2014IT05SFOP011	POR Valle d'Aosta ESF	Qualified - moderate		49,58%	48,43%	48,43%	2,56%	0,99%	3.028.771	
IT	2014IT05SFOP012	POR Veneto ESF	Qualified - moderate	2,65%	21,65%	1,91%	1,91%	0,95%	0,90%	52.613.295	
IT	2014IT05SFOP013	POR Piemonte ESF	Qualified - moderate	1,23%	1,02%	1,02%	1,02%	0,01%	0,01%	59.741.460	
IT	2014IT05SFOP014	POR Sicilia ESF	Unqualified		4,68%	4,38%	4,38%	1,93%	1,90%	58.672.423	

IT	2014IT05SFOP015	POR Toscana ESF	Unqualified	1,22%	1,34%	0,56%	0,56%	0,43%	0,43%	42.149.745	
IT	2014IT05SFOP016	POR Basilicata ESF	Unqualified	0,00%	0,07%	0,03%	0,03%	0,08%	0,08%	13.822.310	
IT	2014IT05SFOP017	ROP PA Bolzano ESF	Adverse					12,38%	1,28%	7.167.389	
IT	2014IT05SFOP018	ROP PA Trento ESF	Unqualified	0,76%	0,32%	0,29%	0,29%	0,38%	0,35%	6.443.482	
IT	2014IT05SFOP020	ROP Campania ESF	Unqualified	1,88%	1,00%	0,77%	0,77%	0,65%	0,62%	71.837.120	
IT	2014IT05SFOP021	POR Sardegna ESF	Qualified - moderate	6,93%	0,00%	0,00%	0,00%	0,93%	0,45%	25.248.732	
IT	2014IT16M2OP001	ROP Molise ERDF ESF	Qualified - moderate	1,48%	0,00%	0,00%	0,00%	0,21%	0,02%	2.880.235	
IT	2014IT16M2OP002	ROP Puglia ERDF ESF	Qualified - moderate		22,98%	22,91%	22,91%	27,21%	4,26%	48.396.820	
IT	2014IT16M2OP003	National Operational Programme on Legality	Unqualified		1,19%	0,35%	0,35%	0,00%	0,00%	3.325.428	
IT	2014IT16M2OP004	National Operational Programme on Metropolitan Cities	Qualified - moderate		0,00%	0,00%	0,00%	1,38%	0,19%	14.172.076	
IT	2014IT16M2OP005	National Operational Programme on Research and Innovation	Unqualified		0,00%	0,00%	0,00%	0,25%	0,05%	32.702.351	
IT	2014IT16M2OP006	ROP Calabria ERDF ESF	Qualified - significant	0,00%	1,52%	0,63%	0,63%	10,01%	1,14%	56.759.172	
LT	2014LT16MAOP001	Operational Programme for EU Structural Funds Investments for 2014-2020	Qualified - significant	8,79%	5,00%	5,00%	5,23%	5,00%	2,00%	147.703.022	
LU	2014LU05SFOP001	Operational Programme ESF 2014-2020	Unqualified	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	3.006.861	
LV	2014LV16MAOP001	Growth and Employment	Unqualified	0,03%	2,07%	1,55%	1,55%	0,54%	0,53%	96.790.280	
MT	2014MT05SFOP001	Investing in human capital to create more opportunities and promote the wellbeing of society	Unqualified		0,00%	0,00%	0,00%	1,79%	1,77%	15.961.756	
NL	2014NL05SFOP001	Operational Programme ESF 2014-2020	Qualified - moderate	0,00%	0,01%	0,01%	0,01%	0,00%	0,00%	53.124.263	

PL	2014PL05M9OP001	OP Knowledge Education Growth	Qualified - moderate	1,18%	2,01%	0,61%	0,63%	0,97%	0,14%	435.405.358	
PL	2014PL16M2OP001	ROP 1 Regional for Dolnośląskie Voivodeship 2014-2020	Qualified - moderate	0,49%	1,08%	0,82%	0,85%	0,25%	0,13%	93.431.703	
PL	2014PL16M2OP002	ROP 2 Regional for Kujawsko-Pomorskie Voivodeship 2014-2020	Qualified - moderate	1,33%	0,61%	0,00%	0,00%	3,79%	2,00%	54.889.844	
PL	2014PL16M2OP003	ROP 3 Regional Operational Programme for Lubelskie Voivodeship 2014-2020	Qualified - moderate	2,08%	1,46%	0,76%	0,77%	0,57%	0,27%	102.244.241	
PL	2014PL16M2OP004	ROP 4 Regional Operational Programme for Lubuskie Voivodeship 2014-2020	Qualified - moderate	1,54%	1,87%	1,17%	1,19%	0,15%	0,02%	42.644.161	
PL	2014PL16M2OP005	ROP 5 Regional Operational Programme for Łódzkie Voivodeship 2014-2020	Qualified - moderate	0,67%	1,78%	1,05%	1,08%	0,22%	0,00%	101.269.922	
PL	2014PL16M2OP006	ROP 6 Regional Operational Programme for Małopolskie Voivodeship 2014-2020	Qualified - moderate	1,61%	4,92%	4,37%	4,45%	0,71%	0,57%	117.888.480	ongoing contradictory procedure
PL	2014PL16M2OP007	ROP 7 Regional Operational Programme for Mazowieckie Voivodeship 2014-2020	Qualified - moderate	0,57%	2,77%	2,05%	2,05%	1,75%	1,56%	76.054.374	
PL	2014PL16M2OP008	ROP 8 Regional Operational Programme for Opolskie Voivodeship	Qualified - moderate	0,53%	2,07%	1,49%	1,53%	2,46%	1,78%	35.239.475	
PL	2014PL16M2OP009	ROP 9 Regional Operational Programme for Podkarpackie Voivodeship	Qualified - moderate	1,62%	1,17%	0,48%	0,49%	0,36%	0,16%	112.827.894	
PL	2014PL16M2OP010	ROP 10 Regional Operational Programme for Podlaskie Voivodeship	Qualified - moderate	1,15%	0,75%	0,27%	0,28%	0,85%	0,55%	48.894.150	
PL	2014PL16M2OP011	ROP 11 Regional Operational Programme for Pomorskie Voivodeship	Qualified - moderate	1,44%	2,82%	2,00%	2,00%	1,15%	0,76%	70.046.307	
PL	2014PL16M2OP012	ROP 12 Regional Operational Programme for Śląskie Voivodeship	Qualified - significant	1,28%	5,52%	3,60%	3,67%	3,21%	2,94%	129.283.668	

PL	2014PL16M2OP013	ROP 13 Regional Operational Programme for Świętokrzyskie Voivodeship	Qualified - moderate	2,35%	0,93%	0,19%	0,19%	0,68%	0,43%	46.698.202	
PL	2014PL16M2OP014	ROP 14 Regional Operational Programme for Warmińsko-Mazurskie Voivodeship	Qualified - moderate	1,38%	2,19%	1,31%	1,31%	0,62%	0,32%	85.585.054	
PL	2014PL16M2OP015	ROP 15 Regional for Wielkopolskie Voivodeship	Qualified - significant	0,34%	1,91%	1,48%	1,48%	5,62%	4,05%	81.019.116	
PL	2014PL16M2OP016	ROP 16 Regional Operational Programme for Zachodniopomorskie Voivodeship	Qualified - moderate	0,81%	0,54%	0,10%	0,11%	0,42%	0,25%	59.428.092	
PT	2014PT05M9OP001	OP Social Inclusion and Employment	Qualified - moderate	1,78%	1,49%	1,33%	1,33%	1,90%	1,67%	361.414.650	ongoing contradictory procedure
PT	2014PT05SFOP001	OP Human Capital	Qualified - moderate	1,78%	1,49%	1,33%	1,33%	1,90%	1,67%	369.036.316	
PT	2014PT16M2OP001	Regional OP Norte	Qualified - moderate	1,78%	1,49%	1,33%	1,33%	1,90%	1,67%	30.172.206	
PT	2014PT16M2OP002	Regional OP Centro	Qualified - moderate	1,78%	1,49%	1,33%	1,33%	1,90%	1,67%	4.793.065	
PT	2014PT16M2OP003	Regional OP Alentejo	Qualified - moderate	1,78%	1,49%	1,33%	1,33%	1,90%	1,67%	7.299.643	
PT	2014PT16M2OP004	Regional OP Azores (Autonomous Region)	Qualified - moderate	1,78%	1,49%	1,33%	1,33%	1,90%	1,67%	37.714.048	
PT	2014PT16M2OP005	Regional OP Lisboa	Qualified - moderate	1,78%	1,49%	1,33%	1,33%	1,90%	1,67%	27.127.293	
PT	2014PT16M2OP006	Regional OP Madeira (Autonomous Region)	Qualified - moderate	1,78%	1,49%	1,33%	1,33%	1,90%	1,67%	17.046.274	
PT	2014PT16M2OP007	Regional OP Algarve	Qualified - moderate	1,78%	1,49%	1,33%	1,33%	1,90%	1,67%	12.702.215	
PT	2014PT16M3OP001	Competitiveness and Internationalisation OP	Qualified - moderate	1,78%	1,49%	1,33%	1,33%	1,90%	1,67%	49.142.666	
RO	2014RO05M9OP001	Operational Programme Human Capital	Qualified - moderate		1,51%	1,09%	1,09%	2,37%	1,97%	372.690.759	
RO	2014RO05SFOP001	Operational Programme Administrative Capacity	Qualified - moderate		0,13%	0,07%	0,07%	9,74%	0,24%	50.678.135	
SE	2014SE05M9OP001	National Operational Programme ESF for investments in growth and	Qualified - moderate	0,02%	0,03%	0,03%	0,03%	1,89%	1,75%	118.393.743	

		employment 2014 – 2020										
SE	2014SE16M2OP001	Community-led local development programme with support from ERDF and ESF 2014-2020	Qualified - moderate	0,00%	0,17%	0,11%	0,11%	0,00%	0,00%	1.560.112		
SI	2014SI16MAOP001	Operational Programme for the Implementation of the EU Cohesion Policy in the period 2014 – 2020	Qualified - significant	0,65%	0,90%	0,48%	0,48%	2,50%	2,38%	85.066.645		
SK	2014SK05M0OP001	Operational Programme Human Resources	Qualified - significant	0,00%	0,17%	0,00%	0,00%	0,42%	0,15%	317.464.541		
SK	2014SK05SFOP001	Operational Programme Effective Public Administration	Qualified - moderate	0,00%	0,00%	0,00%	0,00%	0,05%	0,01%	31.686.697		
UK	2014UK05M9OP001	ESF England	Qualified - significant	0,09%	0,12%	0,03%	0,03%	3,34%	2,22%	827.834.881		
UK	2014UK05M9OP002	ESF Scotland (incl. YEI)	Adverse		24,13%	2,00%	2,00%	29,62%	29,62%	-33.591.921		
UK	2014UK05SFOP001	United Kingdom - ESF West Wales and the Valleys	Unqualified	0,27%	2,07%	2,05%	2,05%	0,67%	0,28%	84.513.639	ongoing contradictory procedure	
UK	2014UK05SFOP002	United Kingdom - ESF East Wales	Unqualified	0,27%	2,07%	2,05%	2,05%	0,67%	0,28%	24.786.074	ongoing contradictory procedure	
UK	2014UK05SFOP004	ESF Northern Ireland	Unqualified		1,02%	0,82%	0,82%	0,27%	0,23%	68.970.548		
UK	2014UK05SFOP005	ESF Gibraltar	Qualified - significant	0,00%	0,00%	0,00%	0,00%	5,00%	5,00%	121.446		
	187									11.169.172.818		

FEAD

AT	2014AT05FMOP001	Operationelles Programm 2014-2020 zur Umsetzung des Europäischen Hilfsfonds für die am stärksten benachteiligten Personen in Österreich	Unqualified	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	2.759.383		
BE	2014BE05FMOP001	Operationeel Programma FEAD België	Qualified - moderate	0,60%	1,32%	0,90%	0,90%	1,32%	0,90%	8.470.248		

BG	2014BG05FMOP001	Оперативна програма за храни и/или основно материално подпомагане	Qualified - moderate	0,27%	0,01%	0,01%	0,01%	0,01%	0,01%	24.042.106	
CY	2014CY05FMOP001	Επιχειρησιακό Πρόγραμμα Επισιτιστικής ή/και Βασικής Υλικής Συνδρομής	Qualified - moderate	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	630.890	
CZ	2014CZ05FMOP001	Operační program potravinové a materiální pomoci	Qualified - moderate	2,00%	0,00%	0,00%	0,00%	0,00%	0,00%	3.839.777	
DE	2014DE05FSOP001	Operationelles Programm zur sozialen Inklusion der am stärksten benachteiligten Personen - FEAD Deutschland 2014-2020	Qualified - significant	0,77%	7,75%	2,00%	2,00%	7,75%	2,00%	12.061.363	
DK	2014DK05FSOP001	Operationelt program for social inklusion af de socialt dårligst stillede personer	Unqualified	4,36%	2,00%	0,00%	0,00%	2,00%	0,00%	-428.428	
EE	2014EE05FMOP001	Enim puudust kannatavate inimeste abifondi 2014-2020 rakenduskaava	Unqualified	9,88%	0,00%	0,00%	0,00%	0,00%	0,00%	1.238.896	
ES	2014ES05FMOP001	PO FEAD 2014 España	Unqualified	0,11%	0,00%	0,00%	0,00%	0,00%	0,00%	104.161.961	
FI	2014FI05FMOP001	Vähävaraisten avun toimenpideohjelman 2014-2020	Qualified - moderate	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	3.440.600	
FR	2014FR05FMOP001	Programme Opérationnel FEAD 2014-2020	Qualified - significant	2,54%	4,47%	4,47%	4,47%	4,47%	4,47%	40.079.597	
GR	2014GR05FMOP001	Επιχειρησιακό Πρόγραμμα Επισιτιστικής και Βασικής Υλικής Συνδρομής για το FEAD	Unqualified	0,00%	1,99%	1,52%	1,52%	1,99%	1,52%	36.377.640	
HR	2014HR05FMOP001	Operativni program za hranu i/ili osnovnu materijalnu pomoć	Qualified - moderate	0,90%	4,70%	2,00%	2,00%	4,70%	2,00%	7.492.333	
HU	2014HU05FMOP001	Rászoruló Személyeket Támogató Operatív Program - élelmiszert és/vagy alapvető anyagi támogatást biztosító OP	Qualified - significant	0,00%	4,86%	0,96%	0,96%	4,86%	0,96%	8.066.529	
IE	2014IE05FMOP001	Food and/or basic material assistance operational programme	Unqualified		0,00%	0,00%	0,00%	0,00%	0,00%	3.605.245	

IT	2014IT05FMOP001	Programma Operativo 1 FEAD 2014-2020	Qualified - significant	5,66%	0,00%	0,00%	0,00%	0,00%	0,00%	114.260.349	
LT	2014LT05FMOP001	Pagalbos maistu ir pagrindinės materialinės pagalbos veiksmy programą	Unqualified	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	6.089.102	
LU	2014LU05FMOP001	Programme opérationnel d'aide alimentaire et/ou d'assistance matérielle de base	Unqualified	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	503.834	
LV	2014LV05FMOP001	Darbības programma pārtikas un pamata materiālās palīdzības sniegšanai	Unqualified	0,03%	0,02%	0,01%	0,01%	0,02%	0,01%	5.514.544	
MT	2014MT05FMOP001	Programm Operattiv Tal-ghajnuna Alimentari u/jew Materjali bażika	Unqualified	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	538.975	
NL	2014NL05FSOP001	Sociale inclusie van meest behoeftigen	Unqualified	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	934.442	
PL	2014PL05FMOP001	Program Operacyjny Pomoc Żywnościowa 2014-2020	Qualified - moderate	0,50%	0,00%	0,00%	0,00%	0,00%	0,00%	91.687.676	
PT	2014PT05FMOP001	PROGRAMA OPERACIONAL DE APOIO ÀS PESSOAS MAIS CARENCIADAS	Unqualified	0,00%	0,94%	0,94%	0,94%	0,94%	0,94%	24.910.445	
RO	2014RO05FMOP001	Programul Operational Ajutorarea Persoanelor Dezavantajate	Unqualified	4,22%	0,00%	0,00%	0,00%	0,00%	0,00%	0	
SE	2014SE05FSOP001	Operativt program för social delaktighet för dem som har det sämst ställt	Qualified - significant	0,05%	3,35%	2,00%	2,00%	3,35%	2,00%	1.374.636	
SI	2014SI05FMOP001	Operativni program za hrano in/ali osnovno materialno pomoč	Qualified - moderate	0,48%	0,00%	0,00%	0,00%	0,00%	0,00%	1.982.865	
SK	2014SK05FMOP001	Operačný program potravinovej a základnej materiálnej pomoci	Unqualified	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	16.625.970	
UK	2014UK05FMOP001	food and/or basic material assistance operational programme									
28										520.260.979	

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		KPI 5	1,70%		11.689.433.797
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maximum risk 2,40%

Shared management – ESF 2007-2013: closure

ESF Financial corrections following Commission, ECA, OLAF audit work

Financial corrections accepted/decided in 2019 relating to all programming period

Considering all programming periods the amount of financial corrections accepted by Member States or decided by a Commission Decision stands at EUR 30,6 million at the end of 2019.

The table below shows, per Member State, the total cumulative accepted/decided amount of financial corrections for all programming periods at the end of 2019. The total stands at EUR 4.5 billion.

	in M€	1994-1999			2000-2006			2007-2013			
	Total end 2018	cumul end 2018	2019	cumul end 2019	cumul end 2018	2019	cumul end 2019	cumul end 2018	2019	cumul end 2019	Total end 2019
AT	4,9	1,5		1,5	3,4		3,4	0,0		0,0	4,9
BE	36,8	12,4		12,4	10,7		10,7	13,7		13,7	36,8
BG	5,9	0,0		0,0	0,0		0,0	5,9		5,9	5,9
CY	1,9	0,0		0,0	0,0		0,0	1,9		1,9	1,9
CZ	69,9	0,0		0,0	0,0		0,0	69,9		69,9	69,9
DE	60,1	1,9		1,9	26,1		26,1	32,1		32,1	60,1
DK	0,0	0,0		0,0	0,0		0,0	0,0		0,0	0,0
EE	0,8	0,0		0,0	0,8		0,8	0,0		0,0	0,8
ES	1431,7	180,2		180,2	877,6		877,6	373,9	1,8	375,7	1433,5
FI	0,5	0,1		0,1	0,0		0,0	0,4		0,4	0,5
FR	484,6	45,6		45,6	370,5		370,5	68,5		68,5	484,6
GR	99,5	0,0		0,0	20,3		20,3	79,2	14,7	93,9	114,2
HR	0,0	0,0		0,0	0,0		0,0	0,0		0,0	0,0
HU	43,7	0,0		0,0	8,2		8,2	35,5	11,1	46,6	54,8
IE	53,0	28,3		28,3	3,4		3,4	21,3		21,3	53,0
IT	734,8	126,5		126,5	503,5	265,8	769,3	104,8	2,8	107,6	1003,4
LT	0,0	0,0		0,0	0,0		0,0	0,0		0,0	0,0
LU	5,9	4,1		4,1	1,8		1,8	0,0		0,0	5,9
LV	7,7	0,0		0,0	3,2		3,2	4,5		4,5	7,7
MT	0,9	0,0		0,0	0,0		0,0	0,9		0,9	0,9
NL	203,5	159,7		159,7	43,8		43,8	0,0		0,0	203,5
PL	208,8	0,0		0,0	51,2		51,2	157,6		157,6	208,8
PT	22,0	0,0		0,0	6,3	2,9	9,2	15,7		15,7	24,9
RO	461,2	0,0		0,0	0,0		0,0	461,2		461,2	461,2
SE	11,9	0,0		0,0	11,5		11,5	0,4		0,4	11,9
SI	2,0	0,0		0,0	1,9		1,9	0,1		0,1	2,0
SK	48,0	0,0		0,0	2,9		2,9	45,1		45,1	48,0
UK	233,2	8,8		8,8	163,9		163,9	60,5	0,3	60,8	233,5
	4233,2	569,1	0,0	569,1	2111,0	268,7	2379,7	1553,1	30,6	1583,6	4532,5

Financial corrections implemented in 2019 relating to all programming period

Considering all programming periods the amount of financial corrections implemented by Member States stands at EUR 210.4 million at the end of 2019.

The table below shows, per Member State, the total cumulative implemented amount of financial corrections for all programming periods at the end of 2019. The total stands at EUR 4.4 billion.

	in M€	1994-1999			2000-2006			2007-2013			
	Total end 2018	cumul end 2018	2019	cumul end 2019	cumul end 2018	2019	cumul end 2019	cumul end 2018	2019	cumul end 2019	Total end 2019
AT	4,9	1,5		1,5	3,4		3,4	0,0		0,0	4,9
BE	36,8	12,4		12,4	10,7		10,7	13,7		13,7	36,8
BG	5,9	0,0		0,0	0,0		0,0	5,9		5,9	5,9
CY	1,9	0,0		0,0	0,0		0,0	1,9		1,9	1,9
CZ	62,0	0,0		0,0	0,0		0,0	62,0	7,3	69,3	69,3
DE	53,6	1,9		1,9	26,1		26,1	25,6		25,6	53,6
DK	0,0	0,0		0,0	0,0		0,0	0,0		0,0	0,0
EE	0,8	0,0		0,0	0,8		0,8	0,0		0,0	0,8
ES	1278,1	180,2		180,2	877,6		877,6	220,3	155,4	375,7	1433,5
FI	0,5	0,1		0,1	0,0		0,0	0,4		0,4	0,5
FR	473,1	45,6		45,6	370,5		370,5	57,0		57,0	473,1
GR	69,6	0,0		0,0	20,3		20,3	49,3	44,6	93,9	114,2
HR	0,0	0,0		0,0	0,0		0,0	0,0		0,0	0,0
HU	43,7	0,0		0,0	8,2		8,2	35,5	0,1	35,6	43,8
IE	53,0	28,3		28,3	3,4		3,4	21,3		21,3	53,0
IT	668,7	126,5		126,5	503,5	265,8	769,3	38,8	2,8	41,5	937,3
LT	0,0	0,0		0,0	0,0		0,0	0,0		0,0	0,0
LU	5,9	4,1		4,1	1,8		1,8	0,0		0,0	5,9
LV	7,7	0,0		0,0	3,2		3,2	4,5		4,5	7,7
MT	0,9	0,0		0,0	0,0		0,0	0,9		0,9	0,9
NL	203,5	159,7		159,7	43,8		43,8	0,0		0,0	203,5
PL	208,8	0,0		0,0	51,2		51,2	157,6		157,6	208,8
PT	22,0	0,0		0,0	6,3	2,9	9,2	15,7		15,7	24,9
RO	461,2	0,0		0,0	0,0		0,0	461,2		461,2	461,2
SE	11,9	0,0		0,0	11,5		11,5	0,4		0,4	11,9
SI	2,0	0,0		0,0	1,9		1,9	0,1		0,1	2,0
SK	45,8	0,0		0,0	2,9		2,9	42,9		42,9	45,8
UK	233,2	8,8		8,8	163,9		163,9	60,5	0,3	60,8	233,5
	3955,4	569,1	0,0	569,1	2111,0	268,7	2379,7	1275,4	210,4	1485,8	4434,7

Residual Risk Rates by operational programmes – Programming Period 2007-2013

MS	CCI	CCI Title	EMPL validated Residual Risk Rate	2019		Total Programming Period	
				relevant expenditure	RRR	Maximum expenditure paid/to be paid	RRR
AT	2007AT051PO001	Burgenland	1,52%			52.140.000	792.528
AT	2007AT052PO001	Beschäftigung	1,62%			465.863.365	7.546.987
BE	2007BE051PO001	Convergence' Hainaut	0,75%			189.096.619	1.418.225
BE	2007BE052PO001	Deutschsprachige Gemeinschaft Belgiens	0,02%			12.460.701	2.492
BE	2007BE052PO002	Troïka Wallonie (hors Hainaut) Bruxelles (COCOF) - FSE	0,00%			328.833.980	0
BE	2007BE052PO003	Etat fédéral	0,00%			39.684.152	0
BE	2007BE052PO004	Bruxelles-Capitale : Emploi et cohésion sociale	1,29%			28.816.110	371.728
BE	2007BE052PO005	Vlaanderen	0,00%			468.874.561	0
BG	2007BG051PO001	Human Resources Development	0,26%			1.031.789.139	2.682.652
BG	2007BG051PO002	Administrative Capacity	0,00%			146.314.974	0
CY	2007CY052PO001	Employment, Human Capital and Social Cohesion	1,91%			119.769.154	2.287.591
CZ	2007CZ052PO001	Praha Adaptabilita	0,05%			101.798.093	50.899
CZ	2007CZ05UPO001	Lidské zdroje a zaměstnanost	0,22%			1.896.834.228	4.173.035
CZ	2007CZ05UPO002	Vzdělávání pro konkurenceschopnost	0,46%			1.597.619.959	7.349.052
DE	2007DE051PO001	Brandenburg	0,55%			612.437.593	3.368.407
DE	2007DE051PO002	Mecklenburg-Vorpommern	0,00%			397.068.064	0
DE	2007DE051PO003	Niedersachsen - Region Lüneburg	0,00%			210.010.942	0
DE	2007DE051PO004	Sachsen	0,00%			849.210.857	0
DE	2007DE051PO005	Sachsen-Anhalt	1,40%			553.033.730	7.742.472
DE	2007DE051PO006	Thüringen	0,00%			629.009.103	0
DE	2007DE052PO001	Baden-Württemberg	0,34%			265.998.586	904.395
DE	2007DE052PO002	Bayern	1,13%			310.059.703	3.503.675
DE	2007DE052PO003	Berlin	0,00%			335.976.031	0

DE	2007DE052PO004	Bremen	0,00%			89.054.742	0
DE	2007DE052PO005	Hamburg	0,34%			91.152.890	309.920
DE	2007DE052PO006	Hessen	0,26%			186.735.204	485.512
DE	2007DE052PO007	Niedersachsen (ohne Region Lüneburg)	0,00%			237.090.765	0
DE	2007DE052PO008	Nordrhein-Westfalen	0,00%			683.996.369	0
DE	2007DE052PO009	Rheinland-Pfalz	0,16%			113.766.267	182.026
DE	2007DE052PO010	Saarland	0,22%			86.490.338	190.279
DE	2007DE052PO011	Schleswig-Holstein	0,05%			100.011.739	50.006
DE	2007DE05UPO001	Bund	0,86%			3.478.704.093	29.916.855
DK	2007DK052PO001	Flere og bedre job	0,53%			254.788.619	1.350.380
EE	2007EE051PO001	Human Resource Development	0,64%			371.941.463	2.380.425
ES	2007ES051PO002	CASTILLA LA MANCHA	1,08%			180.400.219	1.948.322
ES	2007ES051PO003	EXTREMADURA	0,00%			283.515.056	0
ES	2007ES051PO004	GALICIA	0,70%			358.501.812	2.509.513
ES	2007ES051PO005	ANDALUCIA	0,00%			1.155.756.489	0
ES	2007ES051PO006	ASTURIAS	0,00%			100.787.496	0
ES	2007ES051PO007	CEUTA	0,00%			10.249.342	0
ES	2007ES051PO008	MELILLA	0,00%			7.193.432	0
ES	2007ES051PO009	MURCIA	0,00%			75.743.963	0
ES	2007ES052PO001	CANARIAS	0,13%			117.291.876	152.479
ES	2007ES052PO002	CASTILLA Y LEON	0,00%			122.767.106	0
ES	2007ES052PO003	COMUNIDAD VALENCIANA	0,00%			177.522.342	0
ES	2007ES052PO004	ARAGON	1,02%			72.239.968	736.848
ES	2007ES052PO005	BALEARES	0,63%			22.489.911	141.686
ES	2007ES052PO006	CANTABRIA	0,00%			12.684.118	0
ES	2007ES052PO007	CATALUÑA	0,22%			208.414.807	458.513
ES	2007ES052PO008	MADRID	0,78%			181.096.018	1.412.549
ES	2007ES052PO009	NAVARRA	0,00%			19.214.969	0
ES	2007ES052PO010	PAIS VASCO	0,00%			61.104.788	0
ES	2007ES052PO011	LA RIOJA	0,00%			9.602.679	0

ES	2007ES05UPO001	ADAPTABILIDAD Y EMPLEO	0,14%			4.327.601.295	6.058.642
ES	2007ES05UPO002	LUCHA CONTRA LA DISCRIMINACION	1,49%			380.878.883	5.675.095
ES	2007ES05UPO003	ASISTENCIA TÉCNICA	1,49%			29.353.935	437.374
FI	2007FI052PO001	Manner-Suomen	0,25%			615.438.512	1.538.596
FI	2007FI052PO002	Åland	0,46%			3.013.169	13.861
FR	2007FR051PO001	Martinique	1,27%	4.892.962	62.141	97.859.231	1.242.812
FR	2007FR051PO002	Guadeloupe	1,27%	8.272.139	105.056	184.189.694	2.339.209
FR	2007FR051PO003	Guyane	1,27%			95.056.261	1.207.215
FR	2007FR051PO004	Reunion	1,27%	23.093.278	293.285	529.987.062	6.730.836
FR	2007FR052PO001	Programme opérationnel national FSE	1,27%	228.894.038	2.906.954	4.577.880.760	58.139.086
GR	2007GR051RV001		0,51%	1.489.019	7.594	148.800.403	758.882
GR	2007GR05UPO001	Développ. Ress.humaines	0,51%	2.010.597	10.254	2.404.653.617	12.263.733
GR	2007GR05UPO002	Education, formation	0,51%	8.211.584	41.879	1.440.000.000	7.344.000
GR	2007GR05UPO003	Développement administration	0,51%			370.346.383	1.888.767
HR	2007HR051PO001	Human Resources Development	1,75%			149.408.351	2.614.646
HU	2007HU05UPO001	Revitalisation sociale	1,04%	144.627.096	1.504.122	3.436.278.207	35.737.293
HU	2007HU05UPO002	Reforme de l'Etat	0,98%			147.209.370	1.442.652
IE	2007IE052PO001	Human Capital Investment	0,00%			375.362.370	0
IT	2007IT051PO001	Campania	0,28%	27.950.000	78.260	559.000.000	1.565.200
IT	2007IT051PO002	Calabria	2,00%			288.502.959	5.770.059
IT	2007IT051PO003	Sicilia	0,49%			1.042.154.149	5.106.555
IT	2007IT051PO004	Basilicata	0,44%	6.447.312	28.368	128.946.235	567.363
IT	2007IT051PO005	Puglia	1,34%			607.620.000	8.142.108
IT	2007IT051PO006	Pon Governance e AT	0,23%	8.398.834	19.317	205.184.787	471.925
IT	2007IT051PO007	Pon Istruzione	0,71%			742.877.886	5.274.433
IT	2007IT052PO001	Abruzzo	0,00%			121.333.611	0
IT	2007IT052PO002	Emilia Romagna	0,62%	15.674.844	97.184	313.496.873	1.943.681
IT	2007IT052PO003	Friuli Venezia Giulia	0,00%			119.378.894	0
IT	2007IT052PO004	Lazio	1,79%			346.985.318	6.211.037
IT	2007IT052PO005	Liguria	1,03%	7.317.077	75.366	146.341.533	1.507.318

IT	2007IT052PO006	Lombardia	0,90%			337.256.050	3.035.304
IT	2007IT052PO007	Marche	0,00%			110.438.698	0
IT	2007IT052PO008	Molise	0,45%	1.328.023	5.976	37.110.126	166.996
IT	2007IT052PO009	Bolzano	0,00%			35.582.316	0
IT	2007IT052PO010	Trento	0,00%			60.833.846	0
IT	2007IT052PO011	Piemonte	0,09%			394.622.239	355.160
IT	2007IT052PO012	Toscana	0,69%	15.532.488	107.174	310.649.767	2.143.483
IT	2007IT052PO013	Umbria	0,70%	4.884.076	34.189	97.681.522	683.771
IT	2007IT052PO014	Valle d'Aosta	0,00%	1.545.569	0	32.077.773	0
IT	2007IT052PO015	Veneto	0,37%			346.518.568	1.282.119
IT	2007IT052PO016	Sardegna	0,19%			277.130.647	526.548
IT	2007IT052PO017	Azioni di sistema	0,00%	2.589.067	0	58.335.129	0
LT	2007LT051PO001	Development of Human Resources	0,62%			957.512.796	5.936.579
LT	2007LT051PO002	Technical Assistance	0,27%			70.793.931	191.144
LU	2007LU052PO001	Programme opérationnel FSE	0,37%			25.243.666	93.402
LV	2007LV051PO001	Human Resources and Employment	0,03%			583.103.717	174.931
MT	2007MT051PO001	Operational Programme II - Empowering people for more jobs and a better quality of life	0,21%			112.000.000	235.200
NL	2007NL052PO001	Operationeel Programma ESF 2007-2013	1,25%			830.002.737	10.375.034
PL	2007PL051PO001	Program Operacyjny Kapitał Ludzki	0,17%			10.007.397.937	17.012.576
PT	2007PT051PO001	Açores	0,65%			190.000.000	1.235.000
PT	2007PT052PO001	Madeira	0,65%			135.378.798	879.962
PT	2007PT05UPO001	Potencial Humano	0,65%			6.453.009.067	41.944.559
PT	2007PT05UPO002	Assistência Técnica	0,65%			75.000.000	487.500
RO	2007RO051PO001	Human Resources Development	2,00%			2.799.731.658	55.994.633
RO	2007RO051PO002	Administrative Capacity Development	0,06%			208.002.622	124.802
SE	2007SE052PO001		0,50%			685.188.288	3.425.941
SI	2007SI051PO001	Operativni program razvoja človeških virov za obdobje 2007-2013	0,33%			755.699.370	2.493.808
SK	2007SK05UPO001	OP Education	1,25%			515.200.681	6.440.009
SK	2007SK05UPO002	OP Employment and Social Inclusion	0,92%			908.583.930	8.358.972

UK	2007UK051PO001	Highlands and Islands of Scotland	0,36%
UK	2007UK051PO002	West Wales and the Valleys	0,05%
UK	2007UK052PO001	East Wales	0,05%
UK	2007UK052PO002	Lowlands and Uplands of Scotland	1,42%
UK	2007UK052PO003	Northern Ireland	0,34%
UK	2007UK05UPO001	England and Gibraltar	0,32%

7.980.456	27.134
521.138.458	5.404.252
	1,04%

48.416.829	174.301
833.585.460	416.793
63.332.376	31.666
251.225.471	3.567.402
188.539.649	641.035
2.785.963.831	8.915.084
75.029.297.763	443.755.540
	0,59%

The underlying reasoning behind each operational programme in reservation is provided below:

A- ESF 2007-2013

1	AT	2007AT052PO001	Beschäftigung	The AA provided further clarifications. On that basis, G2 concluded that the amount of financial correction to be implemented is EUR 4 505 335. That would bring the RRR down to 1.20%. The pre-closure letter is to be prepared by the geo-desk on this basis.
2	DE	2007DE05UPO001	Bund	In the final report (Ares(2019)4599837 - 16/07/2019), G2 maintained the category 3 assessment and concluded on a 5% correction to be implemented on the expenditure declared in 2015-2016. Further corrections in the amount of EUR 290 994 are requested following the closure audit. Further audit work is to be performed by the AA on the FI. This audit work is currently on-going.
3	IT	2007IT051PO002	Calabria	TPER to be re-calculated on the basis of the reply to be provided by the AA on the closure audit draft report.
4	IT	2007IT051PO005	Puglia	LS opinion awaited for the eligibility of a specific project.
5	RO	2007RO051PO001	Human Resources Development	AA audit work still on-going on the treatment of suspended projects falling under Art.95 of the Regulation 1083/2006. Deadline proposed by the AA: December 2019. Revised closure package still to be submitted.
6	RO	2007RO051PO002	Administrative Capacity Development	New closure package submitted by the AA via SFC2007 on 17/07/2019 - Ares(2019)4701679. The AA declared as total projected error rate 1.81% and as residual risk rate 0.00%. Analysis still to be performed.

ESF/YEI and FEAD 2014-2020

MS	Reference	Name	2019 relevant expenditure	EMPL opinion on annual accounts	EMPL opinion on OP	EMPL opinion on L&R	EMPL opinion on systems	EMPL Reportable Gross Error Rate (%)	EMPL Reportable Residual Error Rate (%)	WL/I/S	Quantification	Reason for reservation
DE	2014DE05SFOP007	Operational Programme ESF Hamburg 2014-2020	-623,26	Acceptable	Adverse	Unqualified	Adverse	0,00%	0,00%		0	AA in category 4 as independence cannot be guaranteed before the change of its designating authority
DE	2014DE05SFOP012	Operational Programme ESF Sachsen 2014-2020	84.263.671	Not acceptable	Qualified - significant	Qualified - moderate	Qualified - moderate	3,59%	3,58%		3.016.639	RTER > 2%
ES	2014ES05SFOP007	PO FSE 2014 C.A. CATALUÑA	7.971.469	Not acceptable	Adverse	Adverse	Adverse	55,08%	54,94%		4.379.525	The accounts does not include final results/amounts as the audits of operations were not finalised.
FR	2014FR05M0OP001	Operational Programme ERDF-ESF Ile-de-France et Seine 2014-2020	0	Acceptable	Qualified - significant	Disclaimer of opinion	Qualified - significant	0,00%	0,00%	I	0	Payments interrupted linked to high error rate in the 2019 ACR. In addition, the AA has asked the related MAs to explain the inconsistencies for the data submitted in the context of the Implementation report. The main remark is linked to the reporting of the output indicators for participants. More specifically, the main issues by performance

												indicator are the following: PI 8ii. Under-reporting of 1 participant and 18% of NEET participants with education level lower than the primary school are recorded under the indicator "disadvantaged people" and concerning participants living in rural areas, there are no issues. PI 10i. concerning school leaving, participants with a lower level than primary school are counted in the indicator 'other disadvantaged people', this is also the case for indicators 10ii, 9iii and 9ii.
FR	2014FR05SFOP001	National Operational Programme ESF Employment and Social Inclusion 2014-2020	335.971.470	Not acceptable	Adverse	Adverse	Adverse	23,72%	23,65%		79.457.253	The accounts does not include final results/amounts as the audits of operations were not finalised.
FR	2014FR05SFOP004	Operational Programme ESF Martinique Etat 2014-2020	7.695.812	Not acceptable	Adverse	Adverse	Adverse	42,35%	42,29%		3.254.559	The accounts does not include final results/amounts as the audits of operations were not finalised.
FR	2014FR16M0OP002	Regional programme Auvergne 2014-2020	5.071.374	Acceptable	Adverse	Unqualified	Adverse	18,21%	1,59%		80.635	TER> 10%
FR	2014FR16M0OP011	Regional programme Martinique Conseil Régional 2014-2020	6.519.862	Not acceptable	Adverse	Adverse	Adverse	21,88%	21,72%		1.416.114	The accounts does not include final results/amounts as the audits of operations were not finalised.

FR	2014FR16M0OP014	Regional programme Bourgogne 2014-2020	3.277.700	Not acceptable	Adverse	Adverse	Adverse	17,75%	17,23%		564.748	The accounts does not include final results/amounts as the audits of operations were not finalised.
FR	2014FR16M2OP001	Regional programme Basse-Normandie 2014-2020	4.953.895	Acceptable	Qualified - significant	Qualified - significant	Qualified - significant	6,24%	4,94%		244.722	RTER > 2%
FR	2014FR16M2OP004	Regional programme Corse 2014-2020	0	Not acceptable	Adverse	Adverse	Adverse	54,01%	51,05%		0	The accounts does not include final results/amounts as the audits of operations were not finalised.
FR	2014FR16M2OP005	Regional programme Franche-Comté et Jura 2014-2020	1.671.651	Not acceptable	Adverse	Adverse	Adverse	17,74%	17,23%	WL	288.025	The accounts does not include final results/amounts as the audits of operations were not finalised.
FR	2014FR16M2OP010	Regional programme Rhône Alpes 2014-2020	12.125.474	Acceptable	Adverse	Unqualified	Adverse	18,21%	1,59%		192.795	TER > 10%
HR	2014HR05M9OP001	ESF Operational Programme Efficient Human Resource	115.190.503	Not acceptable	Qualified - significant	Qualified - moderate	Qualified - significant	3,36%	2,38%		2.741.534	RTER > 2%
HU	2014HU05M2OP001	Human Resources Development	-53.254.866	Acceptable	Qualified - significant	Qualified - moderate	Qualified - significant	4,86%	0,96%	S	0	Category 3 for KR 2 and KR 4 for PA1 and PA 5 (both ESF) for non-compliance with the relevant OP objectives. To be finalised (contradictory).
HU	2014HU16M2OP001	Territorial and settlement development OP	40.038.316	Not acceptable	Qualified - significant	Qualified - significant	Qualified - significant	13,19%	8,14%		3.259.119	RTER recalculated by EMPL auditors above 2%. In its calculations, the AA used an approach different from the guidance (separating two groups of expenditure that were put in
HU	2014HU16M2OP002	Competitive Central-Hungary OP	47.598.399	Not acceptable	Qualified - significant	Qualified - significant	Qualified - significant	13,19%	8,14%		3.874.510	

												ongoing assessment after sampling).
IT	2014IT05SFOP001	National Operational Programme on Social Inclusion	20.651.621	Acceptable	Qualified - significant	Disclaimer of opinion	Qualified - significant	0,00%	5,00%		1.032.581	Deficiencies detected in the framework of the system audit, especially regarding KR4, KR2 and KR6, DG EMPL considers that the system does not offer a sufficient level of assurance of the underlying expenditure.
IT	2014IT05SFOP007	POR Lombardia ESF	95.209.315	Not acceptable	Qualified - significant	Qualified - significant	Qualified - significant	5,00%	5,00%		1.380.535	Partial reservation for Priority Axis 1. The results of the thematic system audit on job coaching operations (DUL) discloses high risk of irregularities of such operations. However, due to scope limitations deriving from documentation not provided by the beneficiaries, the AA does not quantify the impact.
IT	2014IT05SFOP011	POR Valle d'Aosta ESF	3.028.771	Acceptable	Qualified - moderate	Qualified - moderate	Qualified - moderate	2,56%	0,99%	I	29.985	Accounts 2017-2018 rejected - Assessment pending while LS consultation is being finalised. While finalising the LS consultation, DG EMPL considers on prudential basis the RTER communicated by the AA in the first version of the accounts - Pre-suspension procedure currently on hold pending the result of the LS consultation

IT	2014IT05SFOP017	ROP PA Bolzano ESF	7.167.389	Acceptable	Adverse	Unqualified	Adverse	12,38%	1,28%	I	91.743	Systemic errors affecting KR 2 and KR 4, have been detected while carrying out system audit. Deficiencies regarding the inadmissibility of certified expenditures and inadequate audit trail were found by AA. Conformity test on operations revealed that the 58% of certified expenditures is affected by these deficiencies. The systemic error concerns mainly the operations which were not originally planned to be financed by ESF, but were transferred in the operational programme only at a later stage (transferred operations). Deficiencies related also to KR 9 as the CA is not implementing adequate controls (CA assessed cat.3).
IT	2014IT16M2OP002	ROP Puglia ERDF ESF	48.396.820	Not acceptable	Qualified - moderate	Qualified - significant	Qualified - moderate	27,21%	4,26%	I	2.061.705	Ongoing interruption. TER > 10%; RER > 2%
IT	2014IT16M2OP006	ROP Calabria ERDF ESF	56.759.172	Acceptable	Qualified - significant	Unqualified	Qualified - significant	10,01%	1,14%	WL	647.055	Total error rate above 10%.
PL	2014PL16M2OP012	ROP 12 Regional Operational Programme for Śląskie Voivodeship	129.283.668	Acceptable	Qualified - significant	Qualified - significant	Qualified - moderate	3,21%	2,94%		3.800.940	RTER > 2%
PL	2014PL16M2OP015	ROP 15 Regional for Wielkopolskie Voivodeship	81.019.116	Not acceptable	Qualified - significant	Qualified - significant	Qualified - significant	5,62%	4,05%		3.281.274	One financial finding identified by the AA (the amount of 6.022,83 PLN/1.402,48 EUR) has not

												been corrected in the current accounting year. One ESF finding was not included in TER. Recalculated RTER is above 2%.
SI	2014SI16MAOP001	Operational Programme for the Implementation of the EU Cohesion Policy in the period 2014 – 2020	85.066.645	Acceptable	Qualified - significant	Qualified - significant	Qualified - moderate	2,50%	2,38%		2.024.586	Incorrect calculation of RTER
UK	2014UK05M9OP001	ESF England	827.834.881	Not acceptable	Qualified - significant	Qualified - significant	Unqualified	3,34%	2,22%		18.377.934	In the case of 7 article 127 verifications for CFO ESFA strata, infringements in public procurement procedures were found. Following legal advice, it was concluded that there was a breach of Article 49 of the PCR 2015. AA considered that this breach constituted a formal irregularity and applied a 5% flat rate. EC Guidelines adopted by C(2019) 3452 final on 14.5.2019 foresee 10% flat rate for infringement case n°12, without possibility of decreased flat rate. Without further information EMPL considers that the 5% flat rate for this systemic issue (found in 7 audits) is insufficient and should be raised to 10%, resulting in a Residual Error Rate above 2%.

UK	2014UK05M9OP002	ESF Scotland (incl. YEI)	-33.591.921	Acceptable	Adverse	Unqualified	Adverse	29,62%	29,62%	S	0	Total error rate of 29%, ongoing suspension, NSAR in Cat.3
UK	2014UK05SFOP005	ESF Gibraltar	121.446	Acceptable	Qualified - significant	Unqualified	Qualified - significant	5,00%	5,00%		6.072	EMPL revised KR 4 of the NSAR, and thus the overall opinion is Cat. 3. EMPL's opinion of KR 15 is Cat. 3 due to poor quality of the NSAR.
FR	2014FR05FMOP001	Programme Opérationnel FEAD 2014-2020	40.079.597	Not acceptable	Qualified - significant	Qualified - significant	Qualified - significant	4,47%	4,47%	WL	1.791.558	RTER > 2%
											134.279.506	

European Court of Auditors

Special reports and review-based documents published by the Court in 2019

In 2019, the ECA published the following seven special reports and review-based documents in the field of employment and social affairs:

1) Fund for European Aid for the Most-Deprived

DG EMPL was chef de file and only concerned DG by this audit.

The ECA examined whether FEAD was designed to be an effective tool for alleviating poverty and contributing towards social inclusion of the most deprived. More particularly, the ECA assessed FEAD's design in relation with the former European programme for the most deprived persons (MDP) in terms of alleviating poverty and contributing to the social inclusion of the most deprived, and its innovative character.

The ECA considered that, compared to the MDP, FEAD had brought two important changes to the fight against poverty: First, it offered both material assistance and social inclusion measures, in addition to food aid. Second, the management of the Fund within the European Commission moved from the Directorate-General for Agriculture and Rural Development to the Directorate-General of Employment and Social Affairs. This organisational change towards social policy was welcomed by ECA.

The Court concluded, however, that despite these changes FEAD remained essentially a food support programme, as 83 % of the Fund was devoted to food support. This was made possible, according to the ECA, by the basic FEAD regulation, which allowed Member States to finance

food support very much as under the former MDP. Only four Member States opted to concentrate their programmes on specific social inclusion measures, which represented just 2.5 % of the Fund.

The Commission considered that FEAD was providing much needed food and basic material assistance to a large number of most deprived and was complemented by accompanying measures providing guidance and advice, aiming at their social inclusion. Food aid remained therefore an important first step in breaking the poverty's cycle by providing immediate material relief to the most deprived people. The high proportion of aid being delivered as food aid was fully in line with the stated objectives for FEAD.

The ECA issued 3 recommendations of which some were addressed to the Member States. All but two sub-recommendations to the Commission were fully accepted:

- Recommendation 1 concerned better targeting of aid. The sub-recommendation to better set out the intervention logic and in particular the expected results, identifying reference values (baselines) and setting quantified targets is only partially accepted since the Commission considers that setting targets and benchmarks for this type of operations is not meaningful. National situation and needs would evolve over the 7 years period. Therefore, Member States should have the flexibility to address over time different target groups or complement national policies with different instruments
- Recommendation 2 relates to safeguarding social inclusion measures for recipients of basic material assistance.
- Recommendation 3 relates to improving the assessment of the social inclusion of FEAD end recipients

2) Fighting fraud in EU spending: action needed

The ECA published on 10 January 2019 its special report on fighting fraud in EU spending. The ECA is of the opinion that the EU must step up its fight against fraud and the Commission should ensure leadership and reconsider the role and responsibilities of its anti-fraud office (OLAF), as the current fraud investigation system has inherent weaknesses.

The ECA says that currently, the Commission lacks comprehensive information on the scale, nature and causes of fraud. This hinders the effective prevention of fraud against the EU budget. Fraud is a hidden and complex phenomenon and protecting the EU's financial interest against fraud requires comprehensive and systematic efforts. This is a key responsibility of the Commission.

The ECA assessed whether the Commission is properly managing the risk of fraudulent activities that are detrimental to the EU budget. In particular, they looked at the information available on the scale, nature and causes of fraud in EU spending. They examined whether the Commission's strategic risk management framework is effective and whether OLAF's administrative investigations lead to prosecution and recovery.

The ECA found that the Commission lacks comprehensive and comparable data on levels of detected fraud in EU spending. Moreover, it has not so far carried out any assessment of undetected fraud, nor detailed analysis of what causes economic actors to engage in fraudulent activities. This lack of knowledge reduces the practical value and effectiveness of the Commission's plans to protect the EU's financial interests against fraud.

The ECA is of the opinion that the Commission should set up an effective system to prevent, detect and deter fraudsters. A reform of OLAF will be the litmus test for the Commission's commitment to fighting fraud.

The ECA concludes that the current system, whereby OLAF's administrative investigation of suspected fraud is followed by a criminal investigation at national level, takes up much time and makes prosecution less likely. On average, 17 cases per year in which OLAF made recommendations — fewer than half of all such cases — have led to the prosecution of suspected fraudsters. Moreover, the ECA stresses that OLAF's final reports in a number of cases do not provide sufficient information to initiate the recovery of unduly paid EU money. Between 2012 and 2016, only about 15% of the total amount recommended was actually recovered.

The ECA considers the establishment of the European Public Prosecutor Office (EPPO) a step in the right direction, but they warn that the current EPPO regulation poses several risks. One of the main issues concerns detection and investigation, which will be heavily dependent on national authorities. However, the regulation does not put in place any mechanism enabling the EPPO to urge Member States to allocate the resources necessary to proactively investigate fraud in EU spending.

To achieve better results in tackling fraud against the EU's financial interests, the ECA recommended that the Commission should:

- put in place a robust fraud reporting and measurement system, providing information on the scale, nature and root causes of fraud;
- clearly refer to fraud risk management and prevention in one Commissioner's portfolio and adopt a renewed anti-fraud strategy based on a comprehensive risk analysis;
- intensify its fraud prevention activities and tools;
- reconsider OLAF's role and responsibilities in light of the establishment of the EPPO and propose giving OLAF a strategic and oversight role in EU anti-fraud action.

The recommendations have been either accepted or partially accepted by the Commission.

3) Tackling fraud in EU Cohesion spending: managing authorities need to strengthen detection, response and coordination

The ECA published on 16 May 2019 its second special report of the year related to 'fighting/tackling fraud' in EU Cohesion spending.

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. To this end, they visited seven Member States: Bulgaria, France, Hungary, Greece, Latvia, Romania and Spain.

'Cohesion policy represents one third of the EU budget but accounts for nearly 40% of all reported fraud cases and almost three-quarters of the total financial amounts involved in these cases', said the ECA. 'Member States, however, generally conclude that their existing anti-fraud measures are good enough'.

The ECA considers this conclusion too optimistic. For the 2014-2020 programming period, the ECA found that managing authorities had better assessed the risk of fraud in the use of Cohesion funding and improved their fraud prevention measures. However, some of these analyses were not sufficiently thorough and Member States generally have no specific anti-fraud policy.

The ECA also pointed out the lack of significant progress towards proactive fraud detection. Moreover, the impact of prevention and detection measures often remains insufficiently monitored and evaluated. The ECA also noted that Member States have not been responsive enough to all detected cases of fraud in EU cohesion spending and that corrective measures, when applied, have a limited deterrent effect.

Reporting arrangements are also unsatisfactory. Cases are underreported, which affects the reliability of fraud detection rates published by the European Commission. Additionally, suspicions of fraud are not systematically communicated to the appropriate bodies, and coordination with other anti-fraud bodies is insufficient.

While new rules for Cohesion funds for 2021-2027 are being discussed, the ECA made several recommendations on how to achieve better results. In particular, they ask Member States to adopt formal strategies and policies to combat fraud against EU funds; to make fraud risk assessment more robust by involving relevant external actors and to improve detection measures by generalising the use of data analytics tools. The ECA also asked the Commission to monitor fraud response mechanisms in order to ensure they are consistently applied and to encourage Member States to expand the functions of their Anti-Fraud Coordination Services.

4) Cross border healthcare access and eHealth in the EU

The scope of the audit included the implementation of Directive 2011/24/EU and eHealth as well as the EU funding through the Health Programme.

The ECA audit concluded that EU patients still face challenges in benefiting from the actions envisaged by the EU directive on cross-border healthcare. Only a minority of potential patients are aware of their rights to seek medical care abroad. At the same time, the auditors also found problems and delays in exchanging patient health data electronically between Member States. Moreover, actions to facilitate access to healthcare for rare disease patients need to be improved. The 2011 EU cross-border healthcare directive is aimed at ensuring safe and high-quality medical care across borders in the EU, as well as providing for reimbursement abroad under the same conditions as at home. EU patients who seek healthcare in another Member State –for example, undergoing planned hospital treatment or purchasing medicines– are therefore entitled to relevant information on standards of treatment, reimbursement rules and the best legal route.

The auditors examined whether the Commission has monitored the implementation of the EU cross-border healthcare directive and supported Member States in informing patients of their rights. They assessed the results achieved on exchanges of health data across borders and checked key actions on rare diseases.

The auditors found the Commission had monitored the transposition of the directive into national law and its implementation by the Member States well. It also supported the Member States in improving information on patients' rights to cross-border healthcare, but there were still some gaps.

The Commission underestimated the difficulties involved in deploying EU-wide eHealth infrastructure. By the time of the audit –November 2018– Member States were only just about to start exchanging patient health data electronically, so the benefits for cross-border patients could not be demonstrated. Furthermore, the Commission did not properly assess either the potential use or the cost-effectiveness of exchanging cross-border health data.

The auditors recommend the Commission should:

- provide more support for national contact points to improve information on patients' rights to cross-border healthcare;
- better prepare for cross-border exchanges of health data;
- improve support for and management of European Reference Networks to facilitate rare disease patients' access to healthcare.

The Special report was published in June 2019.

5) Briefing paper on performance orientation in Cohesion

The ECA published in June 2019 a briefing paper on Delivering performance in Cohesion.

The briefing paper presents the ECA views on how performance orientation has evolved, from the previous programme period to the Commission's proposals for 2021-2027. Briefing papers are supposed to be factual and descriptive and should not contain any recommendations. This explains why there is no contradictory procedure and why the Commission's views or replies are not published in the briefing paper (contrary to the Court's reports).

At the heart of the ECA review are 14 guiding principles (GP) which the ECA believe are key to making sure that EU spending is geared towards performance. These principles cover the entire cycle of policy management, from the strategic planning phase until the implementation, reporting and evaluation stages.

The ECA assessed how well these principles were applied in the 2007-2013 and 2014-2020 programme periods and, assuming that the Commission's proposals for the next period are adopted and implemented, how likely they are to be applied in the next programming period.

The ECA has concluded that the post 2020 provisions will weaken the performance orientation in cohesion policy. The Commission obviously strongly disagrees with this assessment. It considers that there is a clear and consistent vision focussing on performance underpinning the Commission's post 2020 proposals, based on the priorities agreed by Leaders in Bratislava and Roma. Performance orientations will also be a key factor for the revision of programmes, including in the 5+2 mid-term review.

The Commission therefore informed the ECA of its disagreement. The Commission also complained that the extensive comments provided to the ECA have not been taken sufficiently into account and that the briefing paper has gone beyond the scope of what a briefing paper is supposed to be (notably a factual description of a situation).

6) Rapid case-review 'Allocation of funds in Cohesion'

The ECA published a new rapid case review on 29 March 2019 which looked at the process for determining the amounts of Cohesion funds available to EU countries for the next seven-year spending plan (2021-2027).

The rapid case review provided an overview of how the EU allocates funds for its Cohesion policy – designed to close the gap between rich and poor European regions – to individual Member States and regions. It compared the amounts proposed for the 2021-2027 period with the amounts for the previous period, 2014-2020. It also contained examples of how the calculations involved in the process work.

The European Commission has proposed an EU budget for 2021-2027 of EUR 1 279 billion, of which EUR 373 billion would be dedicated to Cohesion spending, 10% less than in the previous period. The process is broadly similar to the one used in previous periods; while the Commission has been more transparent than in the past, the process remains relatively complicated.

The decision on how much of the total seven-year EU budget should be devoted to Cohesion is essentially a political one. In the next stage, the Commission allocates Cohesion policy funds – from the European Regional Development Fund, the European Social Fund Plus and the Cohesion

Fund – to Member States and regions according to a varied series of methodological processes. Most funding is allocated to countries and regions based on their relative wealth.

Countries and regions can also benefit from funds based on socio-economic and environmental factors such as their levels of youth unemployment or completed education. For the first time, migration and greenhouse gas emissions are included, but the effect is limited, said the ECA.

For 2021-2027, the proposed amounts of Cohesion funds for individual countries have changed compared to the previous period partly because many regions and some countries have become richer or poorer. However, the maximum Cohesion funds a country can receive is 8 % more than during 2014-2020, and the minimum is 24% less. These caps and safety nets ensure that the amount allocated to a country does not vary too much from one seven-year period to the next.

The Commission's proposals for the next programme period included, for the first time, amounts per Member State. Under these proposals, seven countries would receive more Cohesion policy funding, six would receive the same amount, and 14 would receive less. As in previous periods, three quarters of all funds are allocated to poorer, less developed regions. The initial amounts allocated are subject to subsequent negotiations involving the EU institutions and Member States.

The European Parliament and Council are expected to decide on the proposed amounts of Cohesion funds per Member State within the next twelve months.

7) Rapid case-review 'Reporting on sustainability'

The scope of the ECA review is to analyse sustainability reporting at macro-level (reporting done by the Commission on the achievement of the Sustainable Development Goals (SDGs)) and micro-level (reporting done by the EU institutions and agencies).

This review revealed that the Commission does not report on the contribution of the EU budget or EU policy to achieving the SDGs. One exception is the area of external action where the Commission has started to adapt its performance reporting system in relation to SDGs and sustainability.

The Commission has recently published a reflection paper where it describes selected Commission policies related to the SDGs. However, sustainability reporting is currently not integrated into the Commission's performance framework and the necessary pre-requisites for meaningful sustainability reporting, such as a long-term strategy, are largely not yet in place. At present, one EU institution, the European Investment Bank, and one EU agency, the European Union Intellectual Property Office, publish sustainability reports.

The following performance audits were in the pipeline at the end of 2019:

- 1) Child poverty
- 2) Cost of implementing the 2014-2020 ESI funds
- 3) Digitising European industry
- 4) Closures of the 2007-2013 Financial instruments
- 5) Are EU-Agencies performance driven?
- 6) Gender mainstreaming in the EU budget

- 7) Reporting on legality and regularity in Cohesion
- 8) Reliability of EU funds recipients-contractors
- 9) Long-term unemployment
- 10) Digital skills in the future
- 11) Performance incentivisation
- 12) European Semester

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

See section 2.1.3 in the AAR text.

ANNEX 12: Performance tables

Indicators supporting part 1 of the AAR text

General objective 1, associated specific objectives and indicators

General objective 1: A new boost for jobs, growth and investment							
Impact indicator: Employment rate							
<i>Definition: The number of persons (females, males) aged 20-64 in employment as a share of the total population (females, males) of the same age group. Employment contributes to economic performance, quality of life and social inclusion, making it one of the cornerstones of socioeconomic development.</i>							
<i>Source: Eurostat (t2020_10, lfsi_emp_a, lfsa_ergan, hlth_dlm010) -</i>							
Baseline (2014) and latest known results							Target (2020)
2014	2015	2016	2017	2018	2019		At least 75% (EU 2020 target)
69.2%	70.1%	71.1%	72.2%	73.2%	74.1%		
Bookmark³⁰							
Impact indicator: Tertiary educational attainment (age group 30-34)							
<i>Definition: The share of the population aged 30-34 years who have successfully completed university or university-like (tertiary-level) education. Higher educational attainment levels increase employability in the context of a knowledge-based economy.</i>							
<i>Source: Eurostat (t2020_41)-</i>							
Baseline (2013) and latest known results							Target (2020)
2013	2014	2015	2016	2017	2018	2019	At least 40% (EU 2020 target)
37.1%	37.9%	38.7%	39.2%	39.9%	40.7%	41.6%	
Bookmark							
Impact indicator: Share of early leavers from education and training							
<i>Definition: Percentage of the population aged 18-24 with at most lower secondary education and who were not in further education or training during the last four weeks preceding the LFS survey. Education is critical to promote the quality of job creation. Having an adequate education is crucial also for smoothly entering the labour market, as young adults who lack a basic education are more likely to be unemployed or inactive, working in low-wage jobs, or are less likely to progress in their career.</i>							
<i>Source: Eurostat (t2020_40) -</i>							
Baseline (2013) and latest known results							Target (2020)
2013	2014	2015	2016	2017	2018	2019	Less than 10% (EU 2020 target)
11.9%	11.2%	11%	10.7%	10.6%	10.6%	10.3%	
Bookmark							
Impact indicator: People at risk of poverty or social exclusion³¹							
<i>Definition: This indicator corresponds to the share of individuals living at risk of poverty or severely materially deprived or living in households with very low work intensity. Effective, efficient and fair social protection systems help people getting back to work and support household income in case of adverse individual or economic situations. One way of evaluating the success of social protection measures is to compare at-risk-of-poverty indicators before and after social transfers.</i>							
<i>Source: Eurostat (ilc_peps01)-</i>							
Baseline (2013) and latest known results							Target (2020)
2013	2014	2015	2016	2017	2018		At least 20 million people fewer than in 2008 (116.2 million)
122.8 million	122.0 million	119.0 million	118.0 million	113.0 million	110.2 million		
Bookmark							
Planned evaluations: Ex post evaluation of ESF 2014-2020;							

³⁰ 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 AAR 2019 and it is the reference point for the AARs of Commission services.

³¹ At risk of poverty or social exclusion, abbreviated as AROPE, refers to the situation of people either [at risk of poverty](#), or [severely materially deprived](#) or [living in a household with a very low work intensity](#). The AROPE rate, the share of the total population which is at risk of poverty or social exclusion, is the headline indicator to monitor the [EU 2020 Strategy](#) poverty target.

Specific objective 1.1: Effective support to Member States in their structural reforms in the context of the European Semester

Specific objective 1.1: Effective support to Member States in their structural reforms in the context of the European Semester Related to programmes Easi-PROGRESS, ESF

Result indicator: Level of implementation of the employment and social policy components of the Country Specific Recommendations (CSRs), based on a disaggregation by priorities of each CSR.

Definition: The European Semester represents a yearly cycle of economic governance and country specific surveillance. Each year, the European Commission undertakes a detailed analysis of EU Member States' programmes for economic and structural reforms and provides them with recommendations for the next 12-18 months. In respect of Treaty obligations, the first scope of action for EMPL is to foster coordination and governance of employment and social policies within the European Semester. One of the main policy instruments for this purpose is the issuance of CSRs and Staff Working Documents (SWDs) monitoring progress in the implementation of CSRs from previous years.

The Commission considers that the implementation of the employment and social policy reforms as provided for in the CSRs is instrumental in ensuring the implementation of EU priorities. The percentage of CSRs from the previous year in the field of employment and social policies which have been partially or completely complied with provides an indicator on the effectiveness of the policy guidance, coordination and governance by the European Commission.

External factors are however important, as Member States are ultimately responsible for the implementation of CSRs. In 2019, a more effective link was made between the European Semester and EU funding with a stronger focus on investment needs in the draft 2019 Country Reports and the integration of a new annex D on cohesion policy investment priorities.

The indicator measures the level of implementation of CSRs from the previous year, as assessed in the SWDs for the ongoing year. Progress is considered when "some", "substantial" or "full" progress has been achieved according to the SWD. CSRs with "limited" progress only are excluded. Progress is measured specifically in the four priorities of EMPL: skills, mobility, more and better jobs and social protection systems. In order to ensure the disaggregation by priorities, the CSRs are split into their specific components for the calculation.

Source: European Commission_EMPL_A1

Baseline (2014) and latest known results													Milestone (2017)	Target (2020)
	2014		2015		2016		2017		2018		2019			
	No CSRs	Some or full progress	No CSRs	Some or full progress	No CSRs	Some or full progress	No CSRs	Some or full progress	No CSRs	Some or full progress	No CSRs	Some or full progress		
More & better jobs	105	55%	66	52%	39	41%	44	50%	49	45%	35	46%	80% partial or complete implementation in each of the four priorities	100% of the CSRs in the employment and social policy field partially or fully complied with
Skills	48	46%	57	53%	26	54%	7	64%	9	67%	13	46%		
Mobility	16	25%	15	53%	5	80%	13	46%	13	92%	10	70%		
Social protection systems	72	37%	52	42%	53	40%	19	53%	13	77%	14	14%		

Result indicator: Declared gain of better understanding of EU policies and legislation³²

Definition: Share of participants in the events declaring that they have gained a better understanding of EU policies and objectives as a result of an EaSI-funded activity (by thematic section). It provides an indication of the contribution of EaSI to effective and inclusive information sharing, mutual learning and dialogue.

Source: European Commission_EMPL Unit F3_EaSI survey (every two years)³³

Baseline (2012) and latest known results					<i>Milestone (2017)</i>	<i>Target (2020)</i>
2012	2013	2014	2016	2018	>85%	Maintain results over 85% ³⁵
92%	92% ³⁴	91%	87%	91%		

Result indicator: Active collaboration and partnership between government institutions of the EU and Member States³⁶

Definition: Share of officials working in national, regional and local government institutions indicating that they collaborate actively with the institutions of the EU. It provides an indication of the contribution of EaSI to increased collaboration between national and EU institutions.

Source: European Commission_EMPL_EaSI survey (every two years)_F3³⁷

Baseline (2013) and latest known results				<i>Milestone (2017)</i>	<i>Target (2020)</i>
2013	2014	2016	2018	>85%	Maintain results over 85% ³⁹
91% ³⁸	86%	88.2%	89%		

Result indicator: Declared use of social and labour market policy innovation in the implementation of social CSRs and the results of social policy experimentation for policy-making⁴⁰

Definition: Reported use of social policy innovation⁴¹ as a tool to design and catalyse social policy reforms for better economic and social outcomes. This will be checked against the references to the use of social policy innovation as reflected in the NRP/NSR and the Semester multilateral surveillance reviews in the SPC as well as the uptake of social policy innovation in the ESF/OPs

Source: European Commission_EMPL_EaSI survey (every two years)_F3

Baseline (2014) and latest known results			<i>Milestone (2017)</i>	<i>Target (2020)</i>
2014	2016	2018	64%	>66%
62%	49.2%	64%		

³² As defined in the baseline report of the framework 'Monitoring the performance of EaSI (2014-2020)'.

³³ 2012 and 2013 results relate to the 2007-2013 annual performance monitoring report whilst 2014 comes from EaSI-PROGRESS's first performance monitoring report (spring 2015).

³⁴ Respondents to the 2013 Annual Survey on PROGRESS. Question: Would you agree or disagree (scale 1 to 5 or NA) that the event you participated in helped you gain a better understanding of EU policies and objectives in the field that the event specifically addressed.

³⁵ Based on past experience, 85% threshold is considered as a good result.

³⁶ As defined in the baseline report of the framework 'Monitoring the performance of EaSI (2014-2020)'.

³⁷ 2012 and 2013 results relate to the 2007-2013 annual performance monitoring report whilst 2014 comes from EaSI-PROGRESS's first performance monitoring report (spring 2015).

³⁸ Respondents to the 2013 Annual Survey on PROGRESS. Question: Would you agree (scale 1 to 5 or NA) that there is a sense of collaboration and partnership between your organisation and the EU institutions?

³⁹ Based on past experience, 85% threshold is considered as a good result

⁴⁰ As defined in the baseline report of the framework 'Monitoring the performance of EaSI (2014-2020)'. This is a new indicator of the programming period 2014-2020. 2014 is therefore the first set of data (EaSI-PROGRESS's first performance monitoring report - spring 2015) and forms the baseline.

⁴¹ [Guide to Social Innovation](#)

Specific objective 1.2: Stronger social dialogue

Specific objective 1.2: Stronger social dialogue								
Result indicator: Share of the EU workforce covered by sectoral social dialogue committees								
<i>Definition: The indicator measures the relevance of sectoral social dialogue committees for the EU labour market and economy. The aim is to increase this share while seeking economies in the operation of social dialogue.</i>								
<i>Source: European Commission_EMPL-A2 calculations based on representativeness studies</i>								
Baseline (2013) and latest known results						Milestone (2017)	Target (2020)	
2013	2014	2015	2016	2017	2018	2019	76%	78%
75%⁴²	75%	75%	75%	75% ⁴³	75%	75%		
Result indicator: Social dialogue outcomes								
<i>Definition : The indicator measures the outputs of social dialogue on the basis of the number of joint texts (this includes procedural texts, follow-up reports, tools, declarations, joint opinions, policy orientations, codes of conduct, guidelines, frameworks of actions, autonomous agreements, agreements Council Decisions) agreed between social partners in a given year at either sectoral or cross-industry level. It measures the level of activity of EU social dialogue which depends on the activities of the social partners and on the Commission support.</i>								
<i>Source: European Commission_EMPL A2 database</i>								
Baseline (total period 2007-2013) and latest known results						Target (total period 2014-2020)		
2007-2013	2014-2015	2016	2017	2018	2019	300 of which 213 have been achieved in total		
284	77	35	35	33	33			

⁴² There are currently 43 Sectoral Social Dialogue Committees (SSDC)

⁴³ No new sectoral social dialogue committees have been established since 2014.

Specific objective 1.3: Better functioning labour markets

Specific objective 1.3: Better functioning labour markets							Related to programmes ESF, EGF, EaSI-PROGRESS	
Result indicator (ESF): Participants (unemployed or inactive) in employment, including self-employment, upon leaving⁴⁴								
<i>Definition: The ESF shall benefit people, including disadvantaged people. Engaging these categories of participants in ESF actions is an important achievement per se as it is often a first step towards (re-) integration on the labour market. The participation in the underlying projects will contribute to achieving the Europe 2020 poverty target.</i>								
<i>Source: European Commission_ EMPL F1-G4</i>								
Baseline (Employment result estimate for participants in all activities 2007-2013) and latest known results							Milestone 2018	Target 2023
2007-2013	2014	2015	2016	2017	2018	2019	24%	24%
14%	7.7%	10.3%	16.5%	17.1%	24.2%	Will be available in the 2 nd semester of 2020		
Result indicator (ESF): Number of projects targeting public administrations or public services at national, regional or local level								
<i>Source: European Commission_ EMPL F1-G4</i>								
Baseline and latest known results							Milestone 2018	Target 2023
185 projects per year							900 projects (cumulative 2014-2018)	2 250 projects
2014	2015	2016	2017	2018	2019			
0	31	3 970	13 017	27 644	Will be available in the 2 nd semester of 2020			
Note 1: The baseline provided is based on some 2007-2013 programmes. The related figures on targets and milestones were calculated on the basis of the 148 initially adopted programmes and extrapolated to the total of 187 programmes. They were maintained following the analysis of the first reporting by all Member States on common indicators (2016).								
Note 2: These projects can have a longer life-cycle. This can have an impact if Member States decide to report on fully implemented operations only.								
Result indicator (YEI⁴⁵): Unemployed participants who complete the YEI supported intervention								
<i>Definition: This indicator provides an indication of how many unemployed participants fully benefitted from the YEI support and of YEI achievements in terms of results on the ground for that specific objective.</i>								
<i>Source: European Commission_ EMPL units F1-G4</i>								

⁴⁴ Note 1: These success rates were reported for participants in all investment priorities until reporting year 2017. Employment results depend on the nature of investment priorities (IP) and interventions. For comparative purposes, in employment, results for participations in 'Access to Employment' activities during 2007-2013 period were 28%, while for 'Human capital and Social Inclusion' activities employment results made up 10% and 26% of all reported results and correspondingly lower employment rates. However, especially in the education (TO10) and in the institutional capacity building (TO11) thematic objectives, and to a lesser extent, in social inclusion (TO9) too, placement into job is not among the typical intended outcomes of the operations. While reporting the absolute number of participants in employment for the whole ESF remains relevant and continues to be reported in the Cohesion Policy Open Data Platform, for reporting success rates (number of job placements compared to unemployed + inactive participants at entry to ESF) is more relevant to be reported for the employment objective only. The break in the series starts from 2018 onwards.

⁴⁵ General explanation on all indicators related to YEI:

- The aim is to follow the result and change in the status for each participant, following the YEI support – and thus to establish the link between the YEI support and the fact that as a result the person is no longer a NEET but is active in some way, either through employment or education activities.
- As the NEETs group has heterogeneous characteristics, it is important to break down the result indicators according to the different types of labour market status (unemployed, LTU, inactive).
- The element of completing the YEI intervention is also an important aspect, in order to measure how many participants fully benefitted from the support.

<i>Baseline and latest known results</i>						<i>Milestone 2016</i>	<i>Target 2020</i>
<i>No baseline⁴⁶</i>						750 000	2.1 million
2014	2015	2016	2017	2018	2019		
21 163	144 502	579 759	1 214 269	1 791 955	Will be available in the 2 nd semester of 2020		
Result indicator (YEI): Unemployed participants in education/training, gaining a qualification or in employment, including self-employment, upon leaving the YEI supported intervention							
<i>Definition: This indicator shows a change in the labour market and/or educational status of the participants. It provides an indication of ESF achievements in terms of results on the ground for that specific objective.</i>							
<i>Source: European Commission_ EMPL units F1-G4</i>							
<i>Baseline and latest known results</i>						<i>Milestone 2016</i>	<i>Target 2020</i>
<i>No baseline</i>						347 000	1 100 000
2014	2015	2016	2017	2018	2019		
8 843	74 052	266 754	622 687	876 937	Will be available in the 2 nd semester of 2020		
Result indicator (YEI): Inactive participants not in education or training who complete the YEI supported intervention							
<i>Definition: This indicator provides an indication of how many inactive participants fully benefitted from the YEI support and of YEI achievements in terms of results on the ground for that specific objective.</i>							
<i>Source: European Commission_ EMPL units F1-G4</i>							
<i>Baseline and latest known results</i>						<i>Milestone 2016</i>	<i>Target 2020</i>
<i>No baseline</i>						220 000	540 000
2014	2015	2016	2017	2018	2019		
6 527	30 331	132 474	258 559	314 108	Will be available in the 2 nd semester of 2020		
Result indicator (YEI): Inactive participants not in education or training in education/training, gaining a qualification or in employment, including self-employment, upon leaving the YEI supported intervention							
<i>Definition: This indicator shows a change in the labour market and/or educational status of the participants. It provides an indication of ESF achievements in terms of results on the ground for that specific objective.</i>							
<i>Source: European Commission_ EMPL units F1-G4</i>							
<i>Baseline and latest known results</i>						<i>Milestone 2016</i>	<i>Target 2020</i>
<i>No baseline</i>						107 000	260 000
2014	2015	2016	2017	2018	2019		
2 395	23 439	79 320	153 788	203 964	Will be available in the 2 nd semester of 2020		
Result indicator (EGF): Proportion of redundant workers reintegrated into employment following EGF supported measures							
<i>Definition: Percentage of the workers participating in the measures who are in employment six months after the end of the implementation period.</i>							
<i>Source: European Commission_ EGF Annual Report(biennial as from 2015) - EMPL unit F2</i>							
Baseline (2012) and latest known results						<i>Milestone 2017</i>	<i>Target 2020</i>
2012	2014 ⁴⁷	2015/2016	2017/2018	2019			
47% ⁴⁸	49 %	47 %	60%	65%	49%	>50 %	
Planned evaluations:							
Based on Article 20 of the EGF Regulation, the ex post evaluation is due by 31 December 2021.							
The survey from the contractor on which the Commission will base its SWD on the ex post evaluation is due by 31 December 2020.							

⁴⁶ ESF/YEI data is part of the common result indicators for the new programming periods, hence no baseline.

⁴⁷ Reports are biannual as from 2015.

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

Specific objective 1.4: Decent and safe working conditions for all⁴⁹

Specific objective 1.4: Decent and safe working conditions for all										Related to programme EaSI-PROGRESS						
Result indicator: Percentage of Complaints, EU PILOT and Infringement procedures handled within Commission benchmarks																
<i>Definition: The indicator consists of three sub-indicators which reflect the effectiveness of the Commission's services in relation to both monitoring of the transposition and application of the EU law.</i>																
<i>Sub-Indicator 1: Percentage of complaints registered in CHAP system successfully handled by the Commission within the benchmark set by the Secretariat General (1 year)</i>																
<i>Any person or organisation may submit a complaint about any measure (law, regulation or administrative action), absence of measure or practice by a Member State which they consider incompatible with respective Union law. As a general rule, the Commission will investigate complaints with a view to arriving at a decision to issue a formal notice or to close the case within not more than one year from the date of registration of the complaint. After investigating the complaint, which may include a consultation of the national authorities in the EU Pilot system, the Commission may either issue a formal notice opening proceedings against the Member State in question, or close the case definitively.</i>																
<i>Sub-Indicator 2: Percentage of complaints registered in EU Pilot successfully handled within the benchmark set by the Secretariat General (70 days)</i>																
<i>EU Pilot is the main tool for the Commission to communicate with the participating Member States on issues raising a question concerning the correct application of EU law or the conformity of the law in a Member State with EU law at an early stage (i.e. before an infringement procedure is launched under Article 258 TFEU, but after the preliminary analysis of the complaint in CHAP). If no solution compatible with EU law is found in a communication with EU Member State, an infringement proceeding under Article 258 TFEU may be launched. The objective of EU Pilot is to achieve speedier results and to find solutions compatible with EU law for citizens and business through better cooperation between the Member States and the Commission without the need to launch infringement procedures under Article 258 TFEU. The benchmark for the Commission is to reply to the Member State (either rejecting the reply or accepting it) within 70 days of receipt of their observations on the issue raised by the Commission.</i>																
<i>Sub-Indicator 3: Percentage of non-compliance procedures registered in NIF system successfully handled within the benchmark set by the Secretariat General (3 years). The NIF system is the IT tool for the Commission's infringements (letters of formal notice, reasoned opinions, referrals and closures). The benchmark is to conclude a case in NIF within 3 years of registration.</i>																
<i>Source : European Commission Semestrial coherence exercise EMPL units B2/B3</i>																
Baseline (2012) and latest known results																
	2012		2013		2014		2015		2016		2017		2018		2019	
	(01)	(02)	(01)	(02)	(01)	(02)	(01)	(02)	(01)	(02)	(01)	(02)	(01)	(2)	(01)	(02)
Complaints	82%	95%	62%	100%	90%	97%	95.8%	100%	86.7%	97%	97%	87.8%	85%	61%	95%	91%
EU-Pilot	22.2%	20%	84.4%	33%	58.3%	57%	42.8%	28%	32%	41%	0%	61%	0%	0%	0%	0%
Infringements	84.3%	100%	81%	88%	81.3%	75%	83.7%	90%	76%	100%	75%	100%	48.8%	100%	59%	100%
(01) Labour Law																
(02) Health and Safety																
Target (2020): 100% of cases concluded within the benchmark set by the Secretariat General.																
Comment on evolution:																
Complaints: In the field of safety and health at work, the efforts made to take a decision on the complaint within the benchmark set by the Secretariat General (1 year) have paid off.																
EU Pilot: no new cases.																
Infringements: All regular open cases are within benchmark (less than 2 years old and the benchmark to conclude a case in NIF is within 3 years of registration.)																

⁴⁹ All baselines under specific objectives are those set when the objectives were first established.

Specific objective 1.5: A skilled and more entrepreneurial workforce⁵⁰

Specific objective 1.5: A skilled and more entrepreneurial workforce						Related to programmes EaSI-PROGRESS, Erasmus+, ESF	
Result indicator (ESF): Participants gaining a qualification upon leaving							
<i>Definition:</i> This indicator shows a change in the educational status of the participants. It provides an indication of ESF achievements in terms of results on the ground for that specific objective.							
<i>Source:</i> European Commission_ EMPL F1-G4							
Baseline and latest known results						Milestone 2018	Target 2023
No baseline ⁵¹						48%	23%
2014	2015	2016	2017	2018	2019		
18.8%	20.4%	21.1%	22.3%	24.4%	Will be available in the 2 nd semester of 2020		
Note: Member States report results much later than outputs, as they need to reach out to participants who have already left the ESF operation. Thus, the current ratio is lower than expected. The target was adjusted in 2020 following the performance review of the programmes.							
Result indicator (Erasmus+): Implementation of European Transparency tools in vocational education and training (ECVET and EQAVET)							
<i>Definition:</i> (1) ECVET: Number of countries having introduced units in all or part of their VET qualifications, as promoted by the European Credits for Vocational Education and Training (ECVET); (2) EQAVET: Number of countries having established a national approach to quality assurance in line with the European Quality Assurance for Vocational Education and Training							
<i>Source:</i> ECVET: Cedefop monitoring survey – EQAVET: secretariat survey							
Baseline (2013) and latest known results						Milestone 2017	Target 2020
	2013	2015	2016	2017	2018	2019	
ECVET	10	22	23	24	25	26	
EQAVET	23	26	26	28	28	28	
All the Member States where ECVET teams are established use the tool for supporting transnational mobility, with special focus on the application of learning outcomes. As in 2018, all Member States are using key features of the EQAVET Framework such as the quality cycle, indicative descriptors and/or EQAVET indicators.						ECVET: 24 EQAVET: 27	ECVET: All MS EQAVET: All MS
Result indicator (EaSI-Microfinance and Social Entrepreneurship): Number of businesses created or consolidated that have benefitted from EU support⁵² (cumulative figures)							
<i>Definition:</i> Lack of access to finance is often a difficult obstacle for a micro-enterprise or a social enterprise to face when being created or consolidated. The Commission considers the provision of microloans and social enterprise investments an important factor in achieving the specific objectives of increasing the access to, and the availability of, microfinance for micro-enterprises and facilitating the access to finance for social enterprises.							
<i>Source:</i> European Commission_Progress Microfinance implementation reports - – EaSI Microfinance and Social Entrepreneurship Semi -Annual Implementation reports ⁵³ - EMPL E1							

⁵⁰ All baselines under specific objectives are those set when the objectives were first established.

⁵¹ ESF/YEI indicators are part of the common result indicators for the new programming periods, hence no baseline.

⁵² The EaSI Regulation 1296/2013 defines the type of support that can be made available under EaSI i.e. a microfinance as well as social enterprise investments and the type of final recipients (cf. definition of micro-enterprises social enterprises) that can benefit from it.

⁵³ Results for EaSI Microfinance and Social Entrepreneurship are derived from the EaSI Guarantee instrument only.

Baseline (2012) and latest know results									Milestone 2017		Target 2020	
	2012	2013	2014	2015	2016	2017	2018	2019	Progr ess MF	40 000 ⁵⁵	Progr ess MF	46 000
Progress MF ⁵⁴	6 089	12 690	30 473	45 987	56 221	59 778	60 423	60 458				
EaSI MF	NA	NA	0	416	12 743	25 830	44 780	69 770	EaSI	21 000	EaSI	41 000 ⁵⁶
Social Enterprises:									EaSI (in final recipients)		EaSI (in final recipients)	
	2012	2013	2014	2015	2016	2017	2018	2019	500 social enterprises		1 100 social enterprises ⁵⁹	
Social enterprises	0⁵⁷	0	0	0 ⁵⁸	63	250	864	2 020				
<p>Result indicator (EaSI-Microfinance): Proportion of beneficiaries that have created or further developed a business with EU microfinance that are unemployed or belonging to disadvantaged groups</p> <p><i>Definition:</i> Vulnerable persons, such as unemployed or members of a disadvantaged group often have a more difficult access to the conventional credit market. The provision of microloans to these groups helps to increase their access to microfinance and their ability to start up or develop their own micro-enterprise.</p> <p><i>Source:</i> European Commission Progress Microfinance implementation reports - EaSI Microfinance Semi- Annual Implementation reports - EMPL E1</p>												
Baseline Progress Microfinance (2011) and latest known results									Milestone 2017		Target 2020	
2011	2012	2013	2014	2015	2016	2017	2018	2019	45%		50%	
27%	32%	52%	61.2%	48.7%	48.8%	47.7 %	47.9%	47.9%				
Baseline EaSI Microfinance (2015) and latest known results												
2015		2016	2017	2018	2019							
30.3%%		19.3%	17.0%	15.7%	14%							

Comment on evolution:

All three strands had overachieved their 2020 targets by 2019 in terms of loans and final recipients:

Progress microfinance was drawing to an end in 2019.

EaSI microfinance: 85 guarantee agreements worth EUR 168.4 million were signed with financial intermediaries by September 2019, resulting in 69 770 microenterprises receiving 74 936 microloans worth EUR 870 million.

EaSI social enterprise: 30 guarantee agreements worth EUR 68 million were signed with financial intermediaries by September 2019, resulting in 2 020 social enterprises receiving 2 368 loans worth EUR 292.6 million.

In total, these 115 agreements are expected to unlock over EUR 2.7 billion of financing for micro-and social enterprises.

⁵⁴ For Progress Microfinance, the target is in microloans, not final recipients.

⁵⁵ 46 000 is the official target for Progress Microfinance by 2020, i.e. when the facility closes. The milestone of 40 000 is an estimate which is not officially established.

⁵⁶ The target is based on the past experience with Progress Microfinance. Milestone and target are both subject to change as the final budget, the required leverage and the potential co-investments are unknown at this stage.

⁵⁷ There was no such support offered by the European Commission to social enterprises in the past.

⁵⁸ The EaSI delegation agreement with the EIF was signed on 22/06/2015.

⁵⁹ This calculation is based on the initial budget for social entrepreneurship under the EaSI Guarantees (EUR 40 million), multiplied by the expected leverage and divided by an average investment size of EUR 200 000 per social enterprise.

Specific objective 1.6: Greater social inclusion and effective social protection⁶⁰

Specific objective 1.6: Greater social inclusion and effective social protection							Related to the programmes: EaSI-PROGRESS, ESF, FEAD	
Result indicator (ESF): Participants considered as part of disadvantaged groups that are reached by the ESF⁶¹								
<i>Definition: This indicator provides an indication of the importance of this specific objective in the ESF programming. The ESF shall benefit people, including disadvantaged people. Engaging these categories of participants in ESF actions is an important achievement per se as it is often a first step towards (re-) integration on the labour market. The participation in the underlying projects will contribute to achieving the Europe 2020 poverty target.</i>								
<i>Source: European Commission_ EMPL units F1/G4</i>								
Baseline (Average programming period 2007-2013) ⁶² and latest known results							Milestone 2018	Target 2023 ⁶³
2007-2013	2014	2015	2016	2017	2018	2019	40%	40%
20.1%	39.8%	43.1%	40.4%	40%	41.2%	Will be available in the 2 nd semester of 2020		
Result indicator (ESF): Inactive participants engaged in job searching upon leaving⁶⁴								
<i>Definition: This indicator shows a change in the labour market status of the participants It provides an indication of ESF achievements in terms of results on the ground for that specific objective.</i>								
<i>Source: European Commission_ EMPL units F1-G4</i>								
Baseline and latest known results							Milestone 2018	Target 2023
No baseline ⁶⁵							27%	16% ⁶⁶
2014	2015	2016	2017	2018	2019			
1.4%	5.5%	6.8%	12.2%	16%	Will be available in the 2 nd semester of 2020			

⁶⁰ All baselines under specific objectives are those set when the objectives were first established.

⁶¹ Migrants, participants with a foreign background, minorities (including marginalised communities such as the Roma); Participants with disabilities; Participants who live in a single adult household with dependent children; Participants who live in jobless households; Other disadvantaged. Persons may cumulate several disadvantages.

⁶² Annual Implementation Reports.

⁶³ Note 1: Only a very limited number of programmes have targets set specifically for these categories of disadvantaged groups, although the actual number of supported disadvantaged people is likely to be larger given the range of ESF interventions. Considering the ratio of all disadvantaged groups over total participants (9.2%), the ratio of participants to the thematic objective (TO9) that addresses issues of social exclusion, poverty and discrimination (24.2%) and based on previous results from the 2007-2013 programming period, EMPL had initially set a target of 20% for 2023, but reviewed the target upwards based on the first reporting by all Member States on common indicators (2016).

Note 2: The three ESF common output indicators representing disadvantaged target groups are not mutually excluding categories. One participant may accumulate multiple disadvantages (e.g. disabled person with a foreign background), and may be reported to one, two or three of the common output indicators. By adding up these indicators, participants who accumulate multiple disadvantages and are reported to more than one indicator are counted multiple times. Therefore, both the target and the actual results, calculated by the addition of the three indicators, represent the hypothetical maximum of the composite indicator that would correspond to the reality in case each participant reported to either of the 3 indicators would have only one single disadvantage and would be reported to only one of the three indicators. On the contrary, the hypothetical minimum of disadvantaged participants is obtained by taking into account one single indicator among the three so that overlaps are excluded. For that, the indicator with the highest value is taken, namely 'other disadvantaged'. In 2014, they represented 17.1% of all participants and by 2015 cumulatively 19.0%. DG EMPL will revise the target again following the performance review.

Note 3: Data related to the disadvantaged situation of participants is considered sensitive data in the sense of Article 8 of the Directive on the protection of individuals with regard to the processing of personal data and on the free movement of data (OJ No L 46, 20.11.1995). Hence recording these data is subject to very stringent data protection standards. Therefore, the data sets submitted are likely to be underreported.

⁶⁴ This indicator had not existed in the previous programming period. The evidence from the current programming period shows that the target has to be revised. Under-reporting has to be taken into account too in the interpretation of the achievement as in operations where the intended outcome is other than job-search (e.g. 'in employment'), data on job-search may not be collected.

⁶⁵ ESF/YEI indicators are part of the common result indicators for the new programming periods, hence no baseline.

⁶⁶ The target was adjusted in 2020 following the performance review of the programmes.

Result indicator: Participants above 54 years of age

Definition: This indicator allows measuring the number of participants from this category engaged in ESF operations, which is an achievement per se as it is often a first step towards (re-)integration on the labour market.

Source: European Commission_ EMPL units F1-G4

Baseline (Average programming period 2007-2013) and latest known results							Milestone 2018	Target 2023
2007-2013	2014	2015	2016	2017	2018	2019	6% of all ESF participants	6% of all ESF participants
6.2% of all ESF participants	4.8%	5.5%	5.9%	6.3%	7.3%	Will be available in the 2 nd semester of 2020		

Only a very limited number of programmes have targets set specifically for this category. The target set for 2023 is therefore based on the results of the indicator 'Older people (55-64 years)' from the 2007-2013 programming period. The related figures on targets and milestones had been updated on the basis of the first reporting by all Member States on common indicators (2016).

Indicator (FEAD): Alleviating the worst forms of poverty in the Union by providing non-financial assistance to the most deprived persons⁶⁷

Result 1: Number of persons receiving food support and basic material assistance from the Fund

Source: annual implementation reports - EMPL units F1/G4

Baseline and latest known results						Milestone 2017 ⁶⁸	Target 2020 ⁶⁹
Baseline 0 ⁷⁰						15 million	12.7 million (year target, not cumulative)
2014 ⁷¹	2015	2016	2017	2018	2019		
8.19 million	13.8 million	15.9 million	12.9 million	12.85 million	Will be available in the 2 nd semester of 2020		

Result 2: Number of persons receiving social inclusion assistance

Definition of social inclusion assistance: Activities outside active labour market measures, consisting in non-financial, non-material assistance, aimed at the social inclusion of the most deprived persons

Source: annual implementation reports - EMPL units F1/G4

Baseline and latest known results						Milestone 2017	Target 2020
Baseline 0 ⁷²						17 000	86 000 ⁷³
2014	2015	2016	2017	2018	2019		
0	0	23 000	47 900	38 706	Will be available in the 2 nd semester of 2020		

Result 3: Total quantity of food support distributed in tons

Source: annual implementation reports - EMPL units F1/G4

⁶⁷ The result indicator 'Number of persons receiving assistance from the fund' has been replaced by the indicator 'Alleviating the worst forms of poverty in the Union by providing non-financial assistance to the most persons' for the Programme Statements 2018 following the first submission of data by Member States.

⁶⁸ Annual value, forecast calculated based on the performance and will be revised if necessary based on cumulative achievements.

⁶⁹ Cumulative value based on the actually reported data. This 2020 target is revised annually based on annual achievements. It should be noted that the same end recipients can be reported more than once.

⁷⁰ Note 1: FEAD is a new fund, hence with a baseline at 0. The figures used in the framework of the existing 'Food assistance programme' are established through a methodology which does not yield figures that could be comparable to the one of the new FEAD, thus they cannot be used as a baseline.

Note 2: The Commission Proposal foresees the definition of common indicators to be adopted by the Commission through Implementing Acts. The specific objective's indicator will be complemented and possibly revised at the later stage, in light of the Implementing Act.

⁷¹ The data has been updated compared to the AAR 2015, as some MS corrected their reported previous information.

⁷² Note 1: FEAD is a new fund, hence with a baseline at 0. The figures used in the framework of the existing Food assistance programme are established through a methodology which does not yield figures that could be comparable to the one of the new FEAD, thus they cannot be used as a baseline.

Note 2: The Commission Proposal foresees the definition of common indicators to be adopted by the Commission through Implementing Acts. The specific objective's indicator will be complemented and possibly revised at the later stage, in light of the Implementing Act.

⁷³ Cumulative value.

<i>Baseline and latest known results</i>						<i>Milestone 2017</i>	<i>Target 2020</i>
Baseline 0 ⁷⁴						N/A	N/A ⁷⁵
2014	2015	2016	2017	2018	2019		
154 437 tons	408 770 tons	377 500 tons	367 197 tons	353 456 tons	Will be available in the 2 nd semester of 2020		

General objective 2, associated specific objectives and indicators

General objective 2: A deeper and fairer internal market with a strengthened industrial base

Impact indicator: Share of mobile EU citizens in % of the labour force (EU-28, age group 20-64)

Definition: The indicator proposed reflects the overall extent of residential mobility across EU countries for labour market purposes. It measures the 'stock' of EU mobile workers as no reliable indication of annual flows is available. Analysis of past trends of mobility shows well that the indicator has been on the rise following the large increase in mobility flows from 2004 on. Comparison with other large economic block (typically the USA) confirms that comparable indicator reaches a higher level compare to the EU where the objective is to increase cross-country labour mobility.

Source: Eurostat, EU-LFS (lfsa_pganws). Mobile EU citizens defined as EU foreigners being economically active

<i>Baseline (2014)</i>						<i>Target 2020</i>
2014	2015	2016	2017	2018	2019	Increase
3.4%	3.6%	3.9%	4.0%	4.1%	4.2%	

[Bookmark](#) (age group 15-64)

⁷⁴ Note 1: FEAD is a new fund, hence with a baseline at 0. The figures used in the framework of the existing Food assistance programme are established through a methodology which does not yield figures that could be comparable to the one of the new FEAD, thus they cannot be used as a baseline.

Note 2: The Commission Proposal foresees the definition of common indicators to be adopted by the Commission through Implementing Acts. The specific objective's indicator will be complemented and possibly revised at the later stage, in light of the Implementing Act.

⁷⁵ Although this is a good indicator to follow the evolution of the support provided, setting targets for this indicator would be misleading as the quantity of support provided is not a reflection of its quality (e.g. the weight and usefulness will vary according to the type of food).

Specific objective 2.1: Improved conditions for geographic and professional mobility whilst tackling risks of distortions and abuses⁷⁶

Specific objective 2.1: Improved conditions for geographic and professional mobility whilst tackling risks of distortions and abuses							Related to programmes ESF, EaSI-EURES	
Result indicator (EaSI-EURES): Number of visits of the EURES platform (monthly average in million)								
<i>Definition: The indicator reflects the number of visits to the platform, the "first port of call" at European level, by jobseekers and, to a lesser extent, of employers. Alterations in the number of visits allow measuring the demand for information on labour mobility.</i>								
<i>Source: European CommissionEMPL unit D1_Indicator measured with Matomo (Europa analytics)</i>								
Baseline (2013) and latest know results							Milestone 2018	Target 2020
2013	2014	2015	2016	2017	2018	2019	1.6 million	2 million
1.7 million ⁷⁷	1.4 million	1.4 million	1.4 million	1.2 million	0.9 million	Will be available in May 2020		
Note: The indicator is fluctuating due to changes in the IT infrastructure that made a change in the measurement technique necessary. Furthermore, positive developments regarding unemployment have led to a decreasing number of people actively searching for a job in another EU country and therefore visits of the website have been decreasing.								
Result indicator (EaSI-EURES): Number of youth job placements achieved or supported under the Preparatory Action Your First EURES Job (Yfej) as well as under Targeted Mobility Schemes (cumulative figure)								
<i>Definition: This indicator reflects the contribution of the EURES axis in terms of job placements and serves as a key performance indicator and reflects the results of EMPL's support and guidance activities.</i>								
<i>Source: Preparatory action monitoring - EMPL unit D1</i>								
Baseline (2013) and latest know results							Milestone 2018	Target 2020
2013	2014	2015	2016	2017	2018	2019	15 000	
1 844	3 433	5 053	5 720	7 606	10 696	13 661		
Result indicator: Number of individual personal contacts of EURES advisers with jobseekers, job changers and employers								
<i>Definition The figure presents the performance of staff working within the different actors (e.g. public employment services, trade unions, etc.) in the EURES network, in particular presenting contacts with jobseekers as well as employers. Variations in the number of contacts reflect changes in the outreach of the network which notably results from EMPL's support and guidance activities.</i>								
<i>Source: European CommissionEMPL unit D1_Eures Advisers' Monthly Reports up to 2017, and the Eures Performance Measurement System as from 2018</i>								
Baseline (2013) and latest know results							Milestone 2018	Target 2020
2013	2014	2015	2016	2017	2018	Q1 2019 ⁷⁸	1 400 000	1 400 000 ⁷⁹
1 055 936	947 489	1 058 874	1 131 002	1 524 280	2 479 757	1 071 174		

⁷⁶ Baselines under specific objectives are those set when the objectives were first established.

⁷⁷ Use of the Matomo instrument recommended by the Commission.

⁷⁸ Information on Q2 2019 will be available in May 2020.

⁷⁹ Strategic goal of the Commission – target set on the assumption that the 2012 EURES Decision is properly implemented as from 1/1/2014.

General objective 3, associated specific objectives and indicators

General objective: A deeper and fairer Economic and Monetary Union						
Impact indicator: Dispersion of GDP per capita (Euro area MSs)						
Source: Eurostat. Code – "Main GDP aggregates per capita [nama_10_pc]"						
Baseline (2014) and latest known results						Target 2020
2014	2015	2016	2017	2018		Reduce
42.3%	43%	42.0%	40.6%	41.3%		
Bookmark						
Impact indicator: Income quintile share ratio						
Source: Eurostat. Eurostat (ilc_di11)						
Baseline (2014) and latest known results						Target 2020
2014	2015	2016	2017	2018		Reduce
5.2	5.2	5.2	5.1	5.12		
Bookmark						

Specific Objective 3.1. Strengthened social dimension of the EMU

Indicator: Degree of implementation of EMPL's initiatives of the CWP						
Definition: Measured by the number of CWP initiatives that are attributed to EMPL and which could be completed in the given year. Although external factors play an important role in the achievement of this indicator, it provides an indication of the DG's performance as regards its policy objectives.						
Source: internal - EMPL 01						
Baseline (2014) and latest known results						Annual target
2014	2015	2016	2017	2018	2019	100%
80%	40%	75%*	83%	100%	100%	