



# Annual Activity Report 2020

## Annexes

DIRECTORATE-GENERAL EMPLOYMENT,  
SOCIAL AFFAIRS AND INCLUSION

**Contents**

ANNEX 1: Statement of the Director in charge of Risk Management and Internal Control.....3

ANNEX 2: Performance tables.....4

ANNEX 3: Draft annual accounts and financial reports .....28

ANNEX 4 : Financial Scorecard.....49

ANNEX 5: Materiality criteria.....56

ANNEX 6: Relevant Control System(s) for budget implementation (RCSs) .....63

ANNEX 7: Specific annexes related to ‘Financial Management’.....72

ANNEX 8: Specific annexes related to ‘Assessment of the effectiveness of the internal control systems’.....125

ANNEX 9: Reporting – Human resources, digital transformation and information management and sound environmental management.....126

ANNEX 10: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission.....130

ANNEX 11: EAMR of the Union Delegations .....130

ANNEX 12: Decentralised agencies.....131

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

*I declare that in accordance with the Commission's communication on the internal control framework<sup>1</sup>, 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, 23 April 2021*

*(e-signed)*

*Ruth Paserman*

*Director of Investment Directorate, in charge of Risk Management and Internal Control*

---

<sup>1</sup> C(2017)2373 of 19 April 2017.

## ANNEX 2: Performance tables<sup>2</sup>

The following indicators support part 1 of the Annual Activity Report and present the progress made towards the achievement of the general and specific objectives to which DG EMPL contributes, as set in its 2020-2024 Strategic Plan<sup>3,4</sup>.

<b>General objective 2: A Europe fit for the digital age</b>			
<b>Impact indicator 1: Digital skills<sup>5 6</sup></b>			
<p><b>Explanation:</b> The basic digital skills indicator looks at selected activities performed by individuals aged 16 to 74 on the internet in the four specific areas (information, communication, problem solving, content creation). It is assumed that individuals having performed certain activities have the corresponding skills; therefore, the indicator can be considered as a proxy of the digital competences and skills of individuals. Finally, based on the performance in the four specific areas, an overall digital skills indicator is calculated as a proxy of the digital competences and skills of individuals ('no skills', 'low', 'basic' or 'above basic'). The basic digital skills indicator shows the share of individuals with 'basic' and 'above basic' skills.</p>			
<p><b>Source of the data:</b> Eurostat (Eurostat online data code: <a href="#">isoc_sk_dskl_i</a>, <a href="#">isoc_sk_cskl_i</a>)</p>			
<b>Baseline</b> (2019)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024) Set based on the 2025 target from the European Skills Agenda <sup>7</sup> (70%)	<b>Latest known results</b> (2019)
Basic digital skills: 56%	63%	67%	56%

<sup>2</sup> The milestones and targets are set based on the pre-COVID-19 crisis and their achievement depends to a large extent on the evolution of the crisis which is unknown at the time this document is published.

<sup>3</sup> [2020-2024 Strategic Plan](#)

<sup>4</sup> The missing baseline, interim milestone and target for ESF+ related indicators will be set in the 2<sup>nd</sup> semester of 2021 based on historical costs and adjusted in 2022 upon adoption of the 2021-2027 operational programmes. The indicators that have been used for the monitoring of the 2014-2020 operational programmes and have a continuation in the 2021-2027 programming period are updated with the latest known results (2019). The rest will be updated once the 2021-2027 programming period will commence and the Member States will report results (expected on 2023).

<sup>5</sup> New methodology for the calculation of the indicator progress is currently under development. Therefore, the indicator might be revised in the future.

<sup>6</sup> The 2022 interim milestone and the 2024 target from this Strategic Plan were set based on the 2025 target from the Skills Agenda (70%): <https://europa.eu/!up49hm>.

<sup>7</sup> [European Skills Agenda for sustainable competitiveness, social fairness and resilience](#).

**Specific objective 2.1: A digitally skilled workforce**

Related to spending programmes: ESF+, NextGenerationEU (RRF, JTF and REACT-EU), Erasmus+ and InvestEU

**Result indicator 1: Use of European Digital Competence Framework**

**Explanation:** The indicator shows the number of Member States using the European Digital Competence Framework (DigComp).

**Source of data:** DigComp Into Action <https://europa.eu/!Gv98Vy>

<b>Baseline</b> (2018)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2020)
13	20	27 Set to have the European Digital Competence Framework used by all Member States	22

**Result indicator 2: Users of the new Europass platform for learning and career management**

**Explanation:** Europass is one of the most visited Europa websites and one of the few tools that the EU provides directly to the public to support careers and employability. Visitor numbers to the platform and numbers of registered users will be key indicators of the popularity and impact of Europass.

**Source of data:** Visitor numbers and other data on the use of the Europass platform will be published on <https://europa.eu/!bR36rM> (live from July 2020)

<b>Baseline</b> (2018)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2020) <sup>8</sup>
		Set to reach a continuous growth of 10% annually with the objective to make Europass the first choice for end users seeking information on lifelong learning and skills in the EU.	

<sup>8</sup> The figures show the results from the second semester of 2020, as the platform was launched on 1 July. There was an adverse impact on the figures due to COVID-19 outbreak.

72 000 visits per day - registered users	80 000 1 000 000	95 000 2 500 000	70 000 1 250 000
---	---------------------	---------------------	---------------------

### General objective 3: An economy that works for people

#### Impact indicator 1: People at risk of poverty or social exclusion<sup>9</sup>

**Explanation:** The indicator shows the percentage of people affected by at least one of the following three forms of poverty: income poverty, severe material deprivation and very low work intensity. Children are those under the age of 18.

**Source of the data:** Eurostat (Eurostat online data code: [sdg\\_01\\_10](#) and [dataset ilc\\_peps01](#)).

Baseline (2018)	Interim milestone (2020)	Target (2024)	Latest known results (2019)
Total population: 21.6% Children: 23.4%	Decrease Decrease	Decrease Decrease	20.9% 22.2%

#### Impact indicator 2: In work at-risk-of-poverty rate

**Explanation:** This indicator refers to the share of employed people aged 18 years or over at risk of income poverty. People are considered employed if they held a job for more than half of the reference year.

**Source of the data:** Eurostat (Eurostat online data code: [SDG 01 41](#) and [tesov110](#)), based on the EU Statistics on Income and Living Conditions.

Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results (2019)
9.3%	Decrease	Decrease	9.0%

#### Impact indicator 3: Employment rate of persons aged 20 to 64

**Explanation:** The employment rate is calculated by dividing the number of persons aged 20 to 64 in employment by the total population of the same age group.

<sup>9</sup> New methodology for the calculation of this indicator is currently under development. This indicator might be revised in the future.

**Source of the data:** Eurostat (Eurostat online data code: [sdg\\_08\\_30](#)), based on the EU Labour Force Survey.

<b>Baseline</b> (2018)	<b>Interim milestone</b> (2020)	<b>Target</b> (2024)	<b>Latest known results</b> (2020 Q4)
72.4%	75%	Increase	72.6%

**Impact indicator 4: Young people neither in employment nor in education and training**

**Explanation:** A considerable proportion of young people aged 15 to 29 in the EU are economically inactive. For some this is due to the pursuit of education and training. Others, however, have withdrawn from the labour market or are not entering it after leaving the education system. This indicator captures those who struggle with the transition from education to work and measures the share of the population aged 15 to 29 who is not employed and not involved in education or training.

**Source of the data:** Eurostat (Eurostat online data code: [sdg\\_08\\_20](#)), based on the EU Labour Force Survey.

<b>Baseline</b> (2019)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2020 Q4)
12.6%	Decrease	Decrease	13.3%

**Specific objective 3.1: Effective support to Member States in their structural reforms and investments in the context of the European Semester**

Related to spending programmes: ESF+, Erasmus+, InvestEU, NextGenerationEU (RRF, JTF and REACT-EU)

**Result indicator 1: Level of implementation of the employment and social policy components of the Country Specific Recommendations (CSRs), based on a disaggregation by priorities of each CSR and with more emphasis on the multiannual dimension**

**Explanation:** The European Semester represents a yearly cycle of economic governance and country specific surveillance. In respect of Treaty obligations, DG EMPL fosters coordination and governance of employment and social policies within the European Semester, issuing to that end Country Specific Recommendations (CSRs) and Staff Working Documents (SWDs) that monitor progress in the implementation of CSRs from previous years.

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 indicates the effectiveness of the policy guidance, coordination and governance by the Commission.

However Member States are ultimately responsible for the implementation of CSRs. In 2019, the

European Semester was better linked to EU funding with a stronger focus on investment needs in the 2019 Country Reports and a new Annex D on Cohesion policy investment priorities. In 2020, DG EMPL also contributed to the incorporation of the UN Sustainable Development Goals in the 2020 draft Country Reports and to a strong social fairness dimension in the reports (one of the key priorities in the new Annual Sustainable Growth Strategy). This included drafting input to the new Annex D on investment priorities for the Just Transition Fund.

In this context, the Commission’s proposal for a Recovery and Resilience Facility (RRF) and the Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU) aim at helping Member States to address the challenges identified in the European Semester through large-scale financial support to reforms and investments, in areas such as competitiveness, productivity, environmental sustainability, education and skills, health, employment, and economic, social and territorial cohesion. To access the facility, Member States should prepare ‘recovery and resilience plans’ setting out their reform and investment agendas for the subsequent four years, until 2024 to address the challenges identified in the context of the European Semester. The Commission will assess the plans on the basis of transparent criteria and adopt a decision setting out the financial contribution (grant and, if requested, loans). The Commission has already identified some performance indicators (e.g. number of recovery and resilience plans agreed and implemented; overall financial contribution allocated). A set of indicators will be further defined, in agreement with the Member State concerned, at the level of individual recovery and resilience plans. The disbursement of the financial contribution will follow the completion of the milestones and targets.

**Source of data:** Staff Working Documents and CeSaR database

<b>Baseline</b> (2018)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2020)
- Number of DG EMPL related CSR subparts: 113; - Number of DG EMPL related CSR subparts with at least some progress: 49; => % with at least some progress: 43%;	50% of DG EMPL CSR subparts with at least some progress	75% of DG EMPL CSR subparts with at least some progress  Set significantly more ambitious compared to the outcome of the 2014-2018 period (60%)	41% of DG EMPL CSR subparts with at least some progress



**Specific objective 3.2: Stronger social dialogue**

Related to spending programmes: Prerogatives and ESF+

**Result indicator 1: Share of the EU workforce covered by sectoral social dialogue committees****Explanation:** The indicator measures the relevance of sectoral social dialogue committees for the EU labour market and economy.**Source of data:** European Commission\_EMPL-A2

<b>Baseline</b> (2018)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2020)
		The share has been stable over recent years and the current Commission policy is not to increase the number of sectoral social dialogue sectors	
75%	75%	75%	75%

**Result indicator 2: Social dialogue outcomes****Explanation:** The indicator looks at the outputs of social dialogue. It measures the level of activity of EU social dialogue which depends on the activities of the social partners and on the Commission support.**Source of data:** European Commission\_EMPL-A2 database

<b>Baseline</b> (2018)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2020) <sup>10</sup>
		Set as a slight increase in comparison with the number of outcomes observed in the past years	
33	35	37	85

<sup>10</sup> Year 2020 was exceptional in terms of number of outcomes as social partners issued many statements related to the COVID-19 pandemic (not planned).

**Specific objective 3.3: Decent and safe working conditions for all**

Related to spending programme: ESF+

**Result indicator 1: Percentage of complaints, EU pilot and infringement procedures handled within Commission benchmarks**

**Explanation:** 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.

**Source of data:** European Commission\_Semestrial coherence exercice\_EMPL-B2/B3

<b>Baseline</b> (2018)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2020)
		Set based on the results observed between 2012-2018 and aiming for higher achievements in concluding the cases within the benchmark set by Secretariat-General	
Complaints: 85% Labour law 61% Health and Safety	90% 92%	95% 92%	72% 96%
EU Pilot: 0% Labour law 0% Health and Safety	80% 80%	80% 90%	8% n/a (no new cases)
Infringements: 48.8% Labour law 100% Health and Safety	65% 100%	75% 100%	73% 50%

**Specific objective 3.4: Better functioning labour markets**

Related to spending programmes: ESF+ and EGF

**Result indicator 1: Participants (unemployed and inactive) in employment, including self-employment, upon leaving the ESF+ shared management intervention<sup>11</sup>**

**Explanation:** Total number of participants supported by ESF+ shared management who are in employment, including self-employment, upon leaving the intervention - Annex I of the ESF+ regulation.

**Source of data:** Transmission of data from Managing Authorities

Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results (2019)
n/a	n/a	n/a	4.5 million

**Result indicator 2: Inactive participants engaged in job searching upon leaving the ESF+ shared management intervention<sup>12</sup>**

**Explanation:** Inactive persons who have received ESF+ shared management support and who are newly engaged in job searching activities upon leaving the ESF+ operation.

**Source of data:** Transmission of data from Managing Authorities

Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results (2019)
n/a	n/a	n/a	500 000

**Result indicator 3: Unemployed, including long-term unemployed, participants supported by the ESF+ shared management<sup>13</sup>**

**Explanation:** Total number of unemployed participants supported by ESF+ shared management - Annex I of the ESF+ regulation.

<sup>11</sup> The indicator is also presented in the ESF+ Programme Statement for Draft Budget 2022 (to be published in June 2021).

<sup>12</sup> The indicator is also presented in the ESF+ Programme Statement for Draft Budget 2022 (to be published in June 2021).

<sup>13</sup> The indicator is also presented in the ESF+ Programme Statement for Draft Budget 2022 (to be published in June 2021).

<b>Source of data:</b> Transmission of data from Managing Authorities			
<b>Baseline</b> (2018)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2019)
n/a	n/a	n/a	13 million
<b>Result indicator 4: Young people below 30 years of age supported by the ESF+ shared management<sup>14</sup></b>			
<b>Explanation:</b> Total number of participants below 30 years of age supported by ESF+ (shared management) - Annex I of the ESF+ regulation.			
<b>Source of data:</b> Transmission of data from Managing Authorities			
<b>Baseline</b> (2018)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2020)
n/a	n/a	n/a	n/a
<b>Result indicator 5: Percentage of EGF beneficiaries in employment and self-employment 6 months after the end of the implementing period<sup>15</sup></b>			
<b>Explanation:</b> The number of workers supported by the EGF that are back into employment 6 months after the implementation period as part of the number of workers to whom EGF co-financed services were offered (shared management).			
<b>Source of data:</b> Transmission of data by the Member States			
<b>Baseline</b> (2018)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024) Set based on the results reported by the Member States in the previous years, taking into	<b>Latest known results</b> (2020)

<sup>14</sup> The indicator is also presented in the ESF+ Programme Statement for Draft Budget 2022 (to be published in June 2021).

<sup>15</sup> The indicator is also presented in the EGF Programme Statement for Draft Budget 2022 (to be published in June 2021).

		consideration that the EGF beneficiaries are generally among those who face the greatest difficulties on the labour market (older and low-skilled workers).	
67%	n/a	>50%	45%

<b>Specific objective 3.5: Greater social fairness and more effective social protection</b>			Related to spending programme: ESF+
<b>Result indicator 1: Number of persons with a foreign background and minorities (including marginalised communities such as Roma) reached by the ESF+ shared management<sup>16</sup></b>			
<b>Explanation:</b> The indicator shows the number of participants in ESF+ shared management operations, which were persons with a foreign background and minorities, including marginalised communities such as Roma (ESF+ general support) - Annex I of the ESF+ Regulation.			
<b>Source of data:</b> Transmission of data from Managing Authorities			
<b>Baseline</b> (2018)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2020)
n/a	n/a	n/a	n/a
<b>Result indicator 2: Participants above 54 years old reached by ESF+ (shared management)<sup>17</sup></b>			
<b>Explanation:</b> The indicator shows the number of participants in ESF+ shared management operations, above 54 years of age (ESF+ general support) - Annex I of the ESF+ regulation.			
<b>Source of data:</b> Transmission of data from Managing Authorities			

<sup>16</sup> The indicator is also presented in the ESF+ Programme Statement for Draft Budget 2022 (to be published in June 2021).

<sup>17</sup> The indicator is also presented in the ESF+ Programme Statement for Draft Budget 2022 (to be published in June 2021).

<b>Baseline</b> (2018)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2019)
n/a	n/a	n/a	2.8 million
<p><b>Result indicator 3: Number of persons receiving food and material support from the fund<sup>18</sup></b></p> <p><b>Explanation:</b> The indicator shows the estimated number of the end recipients, receiving food and material support under ESF+ shared management for addressing material deprivation - Annex II of the ESF+ regulation.</p> <p><b>Source of data:</b> Transmission of data from Managing Authorities</p>			
<b>Baseline</b> (2018)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2019)
n/a	n/a	n/a	12.5 million
<p><b>Result indicator 4: Number of children under 18 receiving food and material support from the fund<sup>19</sup></b></p> <p><b>Explanation:</b> The indicator shows the estimated number of children under 18 receiving food and material support under ESF+ support for addressing material deprivation - Annex II of the ESF+ regulation.</p> <p><b>Source of data:</b> Transmission of data from Managing Authorities</p>			
<b>Baseline</b> (2018)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2020)
n/a	n/a	n/a	n/a

<sup>18</sup> The indicator is also presented in the ESF+ Programme Statement for Draft Budget 2022 (to be published in June 2021).

<sup>19</sup> The indicator is also presented in the ESF+ Programme Statement for Draft Budget 2022 (to be published in June 2021).

**Specific objective 3.6: Enhanced labour mobility**

Related to spending programme: ESF+

**Result indicator 1: Facilitate labour mobility**

**Explanation:** The EURES Regulation provides for better transparency on EU labour markets, enables workers to take informed decisions on intra-EU mobility and delivers support services that can facilitate fair mobility throughout the Union. In this context, a specific result of the process is reflected through the number of placements that are ensured by the EURES network, both at national level, through the EURES National Coordination Offices and at EU level, directly through the EURES portal.

**Source of data:** European Commission\_EMPL-D1 based on EURES performance measurement system and the EURES portal satisfaction survey

Baseline (2018)	Interim milestone (2022)	Target (2024) Set based on the trends linked to EURES portal and data provided by the EURES National Coordination Offices	Latest known results (2019)
84 500	95 000	100 000	83 360

**Specific objective 3.7: More jobs created and sustained in micro- and social enterprises**Related to spending programmes: ESF+ (EaSI 3<sup>rd</sup> axis) and InvestEU Social Window**Result indicator 1: Jobs created**

**Explanation:** Lack of finance is often a difficult obstacle for both micro- and social enterprises to face when being created or consolidated. The Commission considers the provision of micro-finance and social enterprise finance an important factor in achieving the specific objective of creation and expansion of micro- and social enterprises.

**Source of data:** European Commission\_EMPL-E1 based on EaSI Microfinance and Social Entrepreneurship annual implementation reports, InvestEU reporting

Baseline (2018)	Interim milestone (2022)	Target (2024) Set on the assumption of a 25% increase compared to the milestone.	Latest known results (2020)
94 155	256 000	320 000	276 737

## General objective 5: Promoting our European way of life

### Impact indicator 1: Adult participation in learning<sup>20</sup>

**Explanation:** The indicator measures the share of people aged 25 to 64 who stated that they received formal or non-formal education and training in the 12 months preceding the survey (numerator). The denominator consists of the total population of the same age group, excluding those who did not respond to the question 'participation in education and training'. Adult learning covers formal and non-formal learning activities — both general and vocational — undertaken by adults after leaving initial education and training.

**Source of the data:** Eurostat (Eurostat online data code: [isoc\\_sk\\_dskl\\_i](#), [isoc\\_sk\\_cskl\\_i](#))

Baseline (2016)	Interim milestone (2020)	Target (2024) Set based on the 2025 target from the European Skills Agenda <sup>21</sup> (50%)	Latest known results (2016)
37.9%	44%	48%	37.9%

## Specific objective 5.1: A skilled workforce to master the green and digital transition

Related to spending programmes: ESF+, NextGenerationEU (RRF, JTF and REACT-EU), Erasmus+ and InvestEU

### Result indicator 1: Participants gaining a qualification upon leaving the ESF+ shared management intervention<sup>22</sup>

**Explanation:** Persons who have received ESF+ support and who gained a qualification upon leaving the ESF+ operation.

**Source of data:** Transmission of data from Managing Authorities

Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results (2019)

<sup>20</sup> New methodology for the calculation of this indicator is currently under development. This indicator might be revised in the future and the new methodology be rolled out as of 2022.

<sup>21</sup> [European Skills Agenda for sustainable competitiveness, social fairness and resilience](#).

<sup>22</sup> The indicator is also presented in the ESF+ Programme Statement for Draft Budget 2022 (to be published in June 2021).



n/a	n/a	n/a	23.95%
<p><b>Result indicator 2: Individuals benefiting from investment in skills, mobilised by the InvestEU</b></p> <p><b>Explanation:</b> This is a core indicators set-out in the InvestEU regulation, to be included in the annual report by the Commission to the European Parliament and Council on the progress of InvestEU.</p> <p><b>Source of data:</b> European Commission_EMPL-E3 based on data from ECFIN (InvestEU monitoring)</p>			
<b>Baseline</b> (2018)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results<sup>23</sup></b> (2020)
0% (new programme)	Increase	Increase	n/a
<p><b>Result indicator 3: Share of low qualified adults (25-64) participating in learning</b></p> <p><b>Explanation:</b> This is an indicator already used in the European Semester benchmarking framework on adult skills in learning and included within the Skills Dashboard as part of the renewed Skills Agenda. It supports the implementation of Upskilling Pathways Recommendation, providing guidance to the Member States with regard to ensuring access of low-qualified or low-skilled adults to learning opportunities. Furthermore, this indicator has already been included as a sub-indicator of the broader adult participation in learning objectives adopted by the Council in 2003 and 2010.</p> <p><b>Source of data:</b> Eurostat (Eurostat online data code: <a href="#">edat_lfse_03</a>, based on the EU Labour Force Survey on the basis of the new methodology to be rolled out as of 2022). The reference value for 2016 is sourced from Adult Education Survey.</p>			
<b>Baseline</b> (2016)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024) Set based on a constant growth between 2016 and 2022, with a more ambitious plans for 2023-2024 due to the additional efforts funded by RRF	<b>Latest known results</b> (2016)
17.9%	24.0%	28.0%	17.9%

<sup>23</sup> The InvestEU programme will start in 2021.

#### Result indicator 4: Skills (mis)match - overqualification

**Explanation:** The indicator measures the percentage of people aged 20-64 with tertiary education and working in ISCO 4-9, hence in occupations not typically associated with tertiary education.

**Source of data:** Eurostat <https://europa.eu/!PT83Bg>

Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results (2019)
		Set to decrease constantly with support from new policy initiatives, such as the updated Skills Agenda	
22.1%	21.0%	20.0%	21.9%

**Specific objective 5.2: Vocational education and training effectively addresses the labour market needs and prepares people for the green and digital transition**

Related to spending programmes: ESF+, NextGenerationEU (RRF, JTF and REACT-EU), Erasmus+ and InvestEU

#### Result indicator 1: Vocational education and training graduate employability

**Explanation:** Based on an existing indicator in the ET2020 framework, it measures the share of recent graduates from vocational education and training (aged 20-34), having left education and training (upper secondary and post-secondary non-tertiary education) no more than three years before the reference year and who are not enrolled in any further education or training, who are in employment. This indicator is regularly used in the European Semester as well as reported in the Joint Employment Report and the Education and Training Monitor.

**Source of data:** Eurostat (Eurostat online data code: [edat lfse 24](#))

Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results (2019)
		Set based on the 2025 target from the Commission proposal for a Council recommendation on	

		vocational education and training <sup>24</sup> (82%)	
79%	Increase	81%	79.1%

### Result indicator 2: Vocational education and training learning mobility

**Explanation:** The indicator measures the share of mobile vocational education and training (VET) learners supported by Erasmus+ for learning mobility, as part of the cohort of VET graduates. The indicator modified the IVET Learning Mobility benchmark set by the Council under ET2020 framework, which needed re-development given the inadequacy of the data source for the monitoring as concluded in Commission Progress Report to the Council on Learning Mobility.

**Source of data:** European Commission\_EMPL-E3 based on data from EAC (Erasmus+ operational reporting) and Eurostat (UOE data)

Baseline (2019)	Interim milestone (2022)	Target (2024)	Latest known results (2020)
		Set based on the 2025 target from the Commission proposal for a Council recommendation on vocational education and training <sup>25</sup> (8%)	
5% <sup>26</sup>	Increase	7%	5% <sup>27</sup>

### Result indicator 3: Share of recent graduates from vocational education and training who have benefited from exposure to work-based learning

**Explanation:** New indicator measuring the share of recent vocational education and training (VET) graduates who were exposed to work-based learning. Promoting work-based learning, given its benefits for improving labour market relevance, attractiveness and quality of VET, is a long-standing Commission policy priority. It is testified by recent policy initiatives such as Council Recommendation on a Framework for Quality and Effective Apprenticeships as well as the Skills Agenda. This indicator is regularly used in the European Semester as well as reported in the Joint Employment Report and the Education and Training Monitor. The indicator could allow also distinguishing the share of learners in apprenticeships.

<sup>24</sup> [Council recommendation on vocational education and training](#)

<sup>25</sup> [Council recommendation on vocational education and training](#)

<sup>26</sup> Estimate.

<sup>27</sup> Estimate.

**Source of data:** Eurostat (Eurostat online data code: [lfsa\\_16feduc](#))<sup>28</sup>, based on the new EU Labour Force Survey methodology to be rolled out as of 2021. The reference value for 2016 is sourced from the EU Labour Force Survey ad-hoc module.

<b>Baseline</b> (2016)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024) Set based on the 2025 target from the Commission proposal for a Council recommendation on vocational education and training <sup>29</sup> (60%)	<b>Latest known results</b> <sup>30</sup> (2020)
59.6%	Increase	59.9%	n/a

## General objective 6: A new push for European democracy

### Impact indicator 1: Gender employment gap

**Explanation:** The indicator measures the difference between men and women's employment rate (aged 20 to 64 years) in percentage points.

**Source of the data:** Eurostat (Eurostat online data code: [sdg\\_05\\_30](#)), based on the EU Labour Force Survey

<b>Baseline</b> (2018)	<b>Interim milestone</b> (2020)	<b>Target</b> (2024)	<b>Latest known results</b> (2020 Q4)
11.8%	Decrease	Decrease	11.3%

## Specific objective 6.1: Equality

Related to spending programme: ESF+, CERV and NextGenerationEU (RRF, JTF and REACT-EU)

### Result indicator 1: Number of women reached by the ESF+ (shared management)

**Explanation:** The indicator shows the number of participants in ESF+ shared management

<sup>28</sup> The hyperlink will be updated in the Annual Activity Report for 2021.

<sup>29</sup> [Council recommendation on vocational education and training](#)

<sup>30</sup> Data collection will start in 2021, therefore, the first reporting will take place in 2022.

operations, which were women (ESF+ general support) - Annex I of the ESF+ Regulation.

**Source of data:** Transmission of data from Managing Authorities

Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results (2019)
n/a	n/a	n/a	17.6 million

**Result indicator 2: Formal enrolment rates of child care for the population under 3 years old**

**Explanation:** Percentage of children under 3 years old cared for by formal arrangements other than by the family.

**Source of data:** Eurostat (Eurostat online data code [tepsr\\_sp210](#) - EU Survey on income and living conditions)

Baseline (2018)	Interim milestone (2022)	Target (2024)	Latest known results <sup>31</sup> (2019)
35.1%	Increase	Increasing and converging towards best performers	35.3%

**Result indicator 3: Number of persons with disabilities reached by the ESF+ shared management<sup>32</sup>**

**Explanation:** The indicator shows the number of participants in ESF+ shared management operations which were persons with disabilities (ESF+ general support) - Annex I of the ESF+ Regulation.

**Source of data:** Transmission of data from Managing Authorities

<sup>31</sup> The InvestEU programme will start in 2021.

<sup>32</sup> The indicator is also presented in the ESF+ Programme Statement for Draft Budget 2022 (to be published in June 2021).


<b>Baseline</b> (2018)	<b>Interim milestone</b> (2022)	<b>Target</b> (2024)	<b>Latest known results</b> (2020)
		Set based on the 2025 target from the Commission proposal for a Council recommendation on vocational education and training <sup>33</sup> (60%)	
n/a	n/a	n/a	2.5 million

The following indicators support part 1 of the Annual Activity Report and present the status of the outputs planned in the Management Plan<sup>34</sup>, at year end.<sup>35</sup>

<b>Main outputs in 2020:</b>			
<b>New policy initiatives</b>			
<b>Output description</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (status on 31/12/2020)</b>
 European Unemployment Reinsurance Scheme (the temporary version)	Adoption	Q2 2020	Target achieved
 Fair minimum wage initiative	Adoption	Q4 2020	Target achieved
 Commission proposal for a Council Recommendation on a reinforced Youth Guarantee	Adoption by the Commission	Q3 2020	Target achieved
 Updated Skills Agenda for Europe	Adoption	Q3 2020	Target achieved
New Employment Guidelines	Adoption by the Council	Q3 2020	Target achieved
Organisation of social dialogue	Meetings successfully organised	All meetings to which the	156 meetings organised successfully

<sup>33</sup> [Council recommendation on vocational education and training](#)

<sup>34</sup> [2020 Management Plan](#)

<sup>35</sup>  Shows the initiatives from the Commission Work Programme.

meetings		Commission committed	
Adoption of a proposal for European Parliament and Council directive amending for the fourth time the Carcinogens and Mutagens Directive 2004/37/EC	Adoption	Q3 2020	Target achieved
Amendment of the Decision No 573/2014/EU on enhanced cooperation between Public Employment Services	Adoption by the co-legislators	Q4 2020	Target achieved
Proposal for a Council recommendation on vocational education and training for a fair, sustainable and competitive Europe	Adoption	Q3 2020	Target achieved
Set of indicators to monitor the impact of the Work-Life Balance Directive on the take-up and length of paternity, parental and carers' leave, and flexible working arrangements by women and men	Endorsement by the Social Protection Committee and the Employment Committee	Q4 2020	Target achieved
<b>Initiatives linked to regulatory simplification and burden reduction</b>			
<b>Output description</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (situation on 31/12/2020)</b>
Revision of the FEAD Regulation	Adjustments to allow additional flexibility and reduction of	Q2 2020	Target achieved

	administrative burden in the context of COVID-19		
<b>Evaluations and fitness checks</b>			
<b>Output description</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (situation on 31/12/2020)</b>
Support to the initiative on Fair minimum wage initiative	Impact assessment submitted to Regulatory Scrutiny Board	Q3 2020	Target achieved
Evaluation of the current EU Occupational Safety and Health Strategic Framework	Launch	Q3 2020	Target achieved
Evaluation Staff Working Document on the support to youth employment by the Youth Employment Initiative and the European Social Fund	Publication	Q4 2020	Target achieved
Evaluation of the European Disability Strategy 2010- 2020	Publication	Q3 2020	Target achieved
Evaluation of the 2012 Council Recommendation on validation	Adoption	Q3 2020	Target achieved
<b>Public consultations</b>			
<b>Output description</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (situation on 31/12/2020)</b>
Second phase of social partners' consultation supporting the Fair minimum wage initiative	Adoption by the College	Q3 2020	Target achieved
Public consultation on the evaluation of the current EU Occupational Safety and Health Strategic	Launch	Q4 2020	Target achieved



Framework			
Public consultation on the Individual Learning Account	Launch	Q4 2020	Postponed to Q1 2021
<b>External communication actions</b>			
<b>Output description</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (situation on 31/12/2020)</b>
New Europass portal	Number of visits	Aprox 500 000 per week	Target achieved
Advertising campaign on social media and in magazines (print and online) on the consultation for the European Pillar of Social Rights	Overall reach of the campaign	1.5 million reached / 5 million impressions	1.8 million reached / 202 million impressions
#EU4FairWork campaign by the Undeclared Work Platform	Impressions of campaign hashtag	5 million	60 million
European Vocational Skills Week	People reached by Week events/activities and Week-associated events and activities	1.5 million	4.3 million
<b>Other important outputs</b>			
<b>Output description</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results (situation on 31/12/2020)</b>
Proposal for 2021 Joint Employment Report	Adoption	Q4 2020	Target achieved
Country reports	Publication	Q1 2020	Target achieved
Country specific recommendations	Adoption	Q2 2020	Target achieved
Annual and Quarterly Employment and Social Developments in Europe Reviews 2020	Publication (quarterly)	Q1 2020 Q2 2020 Q3 2020 Q4 2020	Target achieved
Labour Market and Wage Developments	Publication	Q4 2020	Target achieved

Dedicated hearings with social partners on COM initiatives	Number of dedicated hearings	At least 5	11 dedicated hearings
Organisation of social protection & social inclusion mutual learning events	Number of events	6	Target achieved
European Labour Authority fully operational	Number of National Liaison Officers in place and operating at full capacity	27	18 (While the European Labour Authority launched all recruitments in 2020, 9 National Liaison Officers started on 16 January 2021 due to individual issues linked to the COVID-19 pandemic.)
Conclusion of negotiations on social security coordination	Revision adopted by the co-legislators	Q4 2020	Postponed to Q2 2021
Roll out of Electronic Exchange of Social Security Information	Participating countries' data in production	All 32 countries	Target achieved (except for a limited number of cases and documents)
Actions developing and disseminating comparative analytical knowledge, providing evidence on Union's policies, improving information sharing, learning and dialogue, and increasing access to microfinance as well as access to finance for social enterprises	Level of implementation of EaSI's financing decision	100%	- 97.6% on the PROGRESS axis; - 117.6% on the MF/SE axis (additional resources from reflows from predecessor financial instruments were deployed, using the 20% flexibility allowed by the Financing Decision)
Centers of Vocational Excellence	Pilots selected	Q4 2020	55 applications received from which 7 pilot projects selected for funding

Some initiatives could not be completed in 2020 due to the unexpected COVID-19 outbreak and were therefore fully postponed to 2021 or partially completed in 2020 with the remainder to be completed in 2021.

The following indicators support part 1 of the Annual Activity Report and present the status of horizontal outputs that do not fit under one sole specific objective or category, and outputs that have not been planned in the Management Plan 2020 but were undertaken to address the challenges posed by the COVID-19 outbreak:

<b>Output description</b>	<b>Indicator</b>	<b>Latest known result (status on 31/12/2020)</b>
ESF+ Regulation (2021-2027)	Achievement of a compromise by the co-legislators	Partially achieved (finalised in January 2021)
EGF Regulation (2021-2027)	Achievement of a compromise by the co-legislators	Achieved
Additional measures taken by DG EMPL to address the challenges posed by COVID-19 outbreak	Update of the Directive 2000/54/EC on Biological agents to add SARS-CoV-2 to the list of agents	Achieved
	Modification of ESF/YEI operational programmes to allow the Member States take advantage of the CRII and CRII+ (removing the thematic concentration requirements, allowing 100% temporary co-financing rate)	Achieved
	Guidance to Member States on how to use EGF under the COVID-19 circumstances	Achieved (five applications for support received in 2020)

## **ANNEX 3: Draft annual accounts and financial reports**

AAR 2020 Version 1

### **Financial Reports - DG EMPL - Financial Year 2020**

**Table 1 : Commitments**

**Table 2 : Payments**

**Table 3 : Commitments to be settled**

**Table 4 : Balance Sheet**

**Table 5 : Statement of Financial Performance**

**Table 5 Bis: Off Balance Sheet**

**Table 6 : Average Payment Times**

**Table 7 : Income**

**Table 8 : Recovery of undue Payments**

**Table 9 : Ageing Balance of Recovery Orders**

**Table 10 : Waivers of Recovery Orders**

**Table 11 : Negotiated Procedures**

**Table 12 : Summary of Procedures**

**Table 13 : Building Contracts**

**Table 14 : Contracts declared Secret**

**Table 15 : FPA duration exceeds 4 years**

<b>TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2020 (in Mio €) for DG EMPL</b>					
			Commitment appropriations authorised	Commitments made	%
			1	2	3=2/1
<b>Title 04 Employment, social affairs and inclusion</b>					
04	04 01	Administrative expenditure of the 'Employment, social affairs and inclusion' policy area	5.64	4.12	73.13 %
	04 02	European Social Fund (ESF)	15,513.26	15,332.05	98.83 %
	04 03	Employment, Social Affairs and Inclusion	315.33	298.61	94.70 %
	04 04	European Globalisation Adjustment Fund (EGF)	23.06	2.05	8.91 %
	04 05	Instrument for Pre-Accession Assistance - Employment, Social Policies and Human Resources Development	0.00	0.00	0.00 %
	04 06	Fund for European Aid to the Most Deprived (FEAD)	579.35	579.24	99.98 %
<b>Total Title 04</b>			<b>16,436.64</b>	<b>16,216.08</b>	<b>98.66 %</b>
<b>Title 05 Agriculture and rural development</b>					
05	05 04	Rural development	1.00	1.00	100.00 %
<b>Total Title 05</b>			<b>1.00</b>	<b>1.00</b>	<b>100.00 %</b>
<b>Title 09 Communications networks, content and technology</b>					
09	09 03	Connecting Europe Facility (CEF) - Telecommunications networks	1.00	1.00	100.00 %
<b>Total Title 09</b>			<b>1.00</b>	<b>1.00</b>	<b>100.00 %</b>
<b>Title 11 Maritime affairs and fisheries</b>					
11	11 06	European Maritime and Fisheries Fund (EMFF)	0.37	0.37	100.00 %
<b>Total Title 11</b>			<b>0.37</b>	<b>0.37</b>	<b>100.00 %</b>
<b>Title 13 Regional and urban policy</b>					
13	13 01	Administrative expenditure of the 'Regional and urban policy' policy area	0.29	0.29	100.00 %
	13 03	European Regional Development Fund and other regional operations	0.76	0.76	100.00 %
	13 04	Cohesion Fund (CF)	0.34	0.34	100.00 %
<b>Total Title 13</b>			<b>1.38</b>	<b>1.38</b>	<b>100.00 %</b>
<b>Title 15 Education and culture</b>					
15	15 01	Administrative expenditure of the 'Education and culture' policy area	0.06	0.03	59.31 %
	15 02	Erasmus+ programme	8.34	8.31	99.63 %
<b>Total Title 15</b>			<b>8.39</b>	<b>8.34</b>	<b>99.35 %</b>
<b>Title 18 Migration and home affairs</b>					
18	18 01	Administrative expenditure of the 'Migration and home affairs' policy area	0.88	0.88	99.91 %

<b>Total Title 18</b>			<b>0.88</b>	<b>0.88</b>	<b>99.91 %</b>
-----------------------	--	--	-------------	-------------	----------------

<b>Title 19 Foreign policy instruments</b>					
19	19 05	Cooperation with third countries under the Partnership Instrument (PI)	0.00	0.00	0.00 %
<b>Total Title 19</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00 %</b>

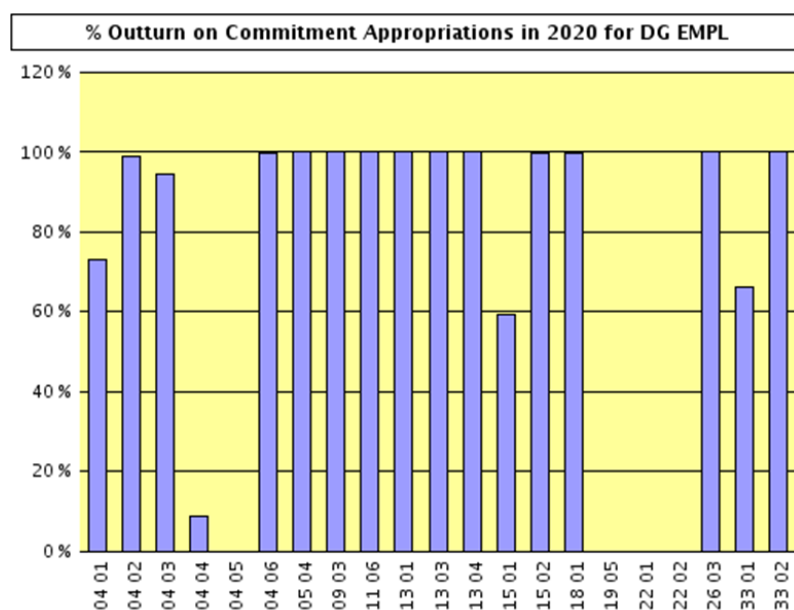
<b>Title 22 Neighbourhood and enlargement negotiations</b>					
22	22 01	Administrative expenditure of the 'Neighbourhood and enlargement negotiations' policy area	0.00	0.00	0.00 %
	22 02	Enlargement process and strategy	0.00	0.00	0.00 %
<b>Total Title 22</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00 %</b>

<b>Title 26 Commission's administration</b>					
26	26 03	Services to public administrations, businesses and citizens	0.30	0.30	100.00 %
<b>Total Title 26</b>			<b>0.30</b>	<b>0.30</b>	<b>100.00 %</b>

<b>Title 33 Justice and consumers</b>					
33	33 01	Administrative expenditure of the 'Justice and consumers' policy area	0.22	0.15	66.33 %
	33 02	Rights, equality and citizenship	7.03	7.03	100.00 %
<b>Total Title 33</b>			<b>7.25</b>	<b>7.18</b>	<b>98.98 %</b>

<b>Total DG EMPL</b>			<b>16,457.22</b>	<b>16,236.54</b>	<b>98.66 %</b>
----------------------	--	--	------------------	------------------	----------------

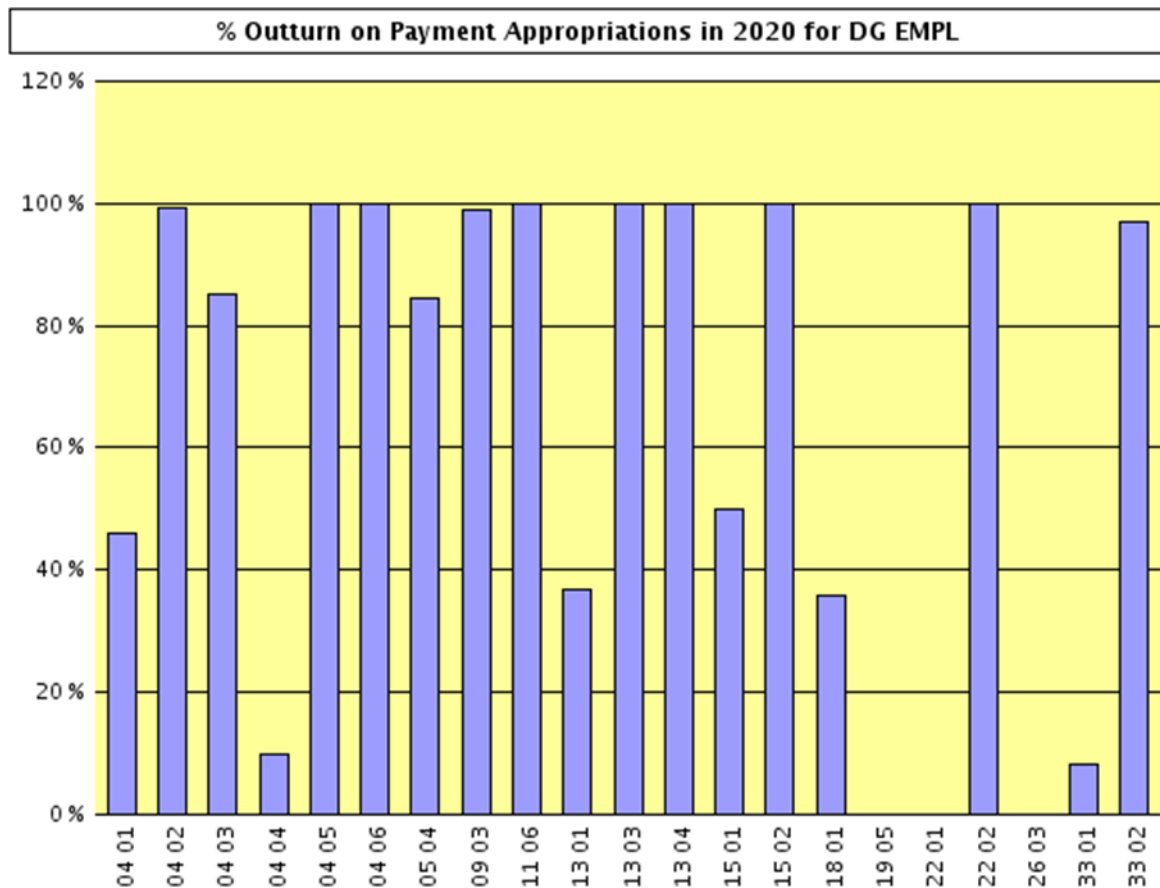
\* Commitment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous commitment appropriations for the period (e.g. internal and external assigned revenue).



<b>TABLE 2: OUTTURN ON PAYMENT APPROPRIATIONS in 2020 (in Mio €) for DG EMPL</b>					
			<b>Payment appropriations authorised *</b>	<b>Payments made</b>	<b>%</b>
			<b>1</b>	<b>2</b>	<b>3=2/1</b>
<b>Title 04 Employment, social affairs and inclusion</b>					
04	04 01	Administrative expenditure of the 'Employment, social affairs and inclusion' policy area	9.83	4.51	45.86 %
	04 02	European Social Fund (ESF)	14,785.86	14,681.53	99.29 %
	04 03	Employment, Social Affairs and Inclusion	305.53	259.64	84.98 %
	04 04	European Globalisation Adjustment Fund (EGF)	21.01	2.05	9.78 %
	04 05	Instrument for Pre-Accession Assistance - Employment, Social Policies and Human Resources Development	11.30	11.28	99.80 %
	04 06	Fund for European Aid to the Most Deprived (FEAD)	522.07	522.07	100.00 %
<b>Total Title 04</b>			<b>15,655.60</b>	<b>15,481.08</b>	<b>98.89%</b>
<b>Title 05 Agriculture and rural development</b>					
05	05 04	Rural development	1.16	0.98	84.40 %
<b>Total Title 05</b>			<b>1.16</b>	<b>0.98</b>	<b>84.40%</b>
<b>Title 09 Communications networks, content and technology</b>					
09	09 03	Connecting Europe Facility (CEF) - Telecommunications networks	2.52	2.49	98.88 %
<b>Total Title 09</b>			<b>2.52</b>	<b>2.49</b>	<b>98.88%</b>
<b>Title 11 Maritime affairs and fisheries</b>					
11	11 06	European Maritime and Fisheries Fund (EMFF)	0.03	0.03	100.00 %
<b>Total Title 11</b>			<b>0.03</b>	<b>0.03</b>	<b>100.00%</b>
<b>Title 13 Regional and urban policy</b>					
13	13 01	Administrative expenditure of the 'Regional and urban policy' policy area	0.44	0.16	36.76 %
	13 03	European Regional Development Fund and other regional operations	0.82	0.82	100.00 %
	13 04	Cohesion Fund (CF)	0.21	0.21	100.00 %
<b>Total Title 13</b>			<b>1.47</b>	<b>1.19</b>	<b>80.96%</b>
<b>Title 15 Education and culture</b>					
15	15 01	Administrative expenditure of the 'Education and culture' policy area	0.24	0.12	49.96 %
	15 02	Erasmus+ programme	11.30	11.28	99.83 %
<b>Total Title 15</b>			<b>11.54</b>	<b>11.40</b>	<b>98.78%</b>
<b>Title 18 Migration and home affairs</b>					
18	18 01	Administrative expenditure of the 'Migration and home affairs' policy area	1.26	0.45	35.91 %
<b>Total Title 18</b>			<b>1.26</b>	<b>0.45</b>	<b>35.91%</b>
<b>Title 19 Foreign policy instruments</b>					
19	19 05	Cooperation with third countries under the Partnership Instrument (PI)	0.00	0.00	0.00 %
<b>Total Title 19</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>
<b>Title 22 Neighbourhood and enlargement negotiations</b>					
22	22 01	Administrative expenditure of the 'Neighbourhood and enlargement negotiations' policy area	0.00	0.00	0.00 %
	22 02	Enlargement process and strategy	0.14	0.14	100.00 %

<b>Total Title 22</b>			<b>0.14</b>	<b>0.14</b>	<b>100.00%</b>
<b>Title 26 Commission's administration</b>					
26	26 03	Services to public administrations, businesses and citizens	0.00	0.14	0.00 %
<b>Total Title 26</b>			<b>0.00</b>	<b>0.14</b>	<b>0.00%</b>
<b>Title 33 Justice and consumers</b>					
33	33 01	Administrative expenditure of the 'Justice and consumers' policy area	0.29	0.02	8.10 %
	33 02	Rights, equality and citizenship	7.97	7.73	96.92 %
<b>Total Title 33</b>			<b>8.27</b>	<b>7.75</b>	<b>93.77%</b>
<b>Total DG EMPL</b>			<b>15,681.99</b>	<b>15,505.65</b>	<b>98.88 %</b>

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





**TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG EMPL**

			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
Chapter			Commitments	Payments	RAL	% to be settled			
			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	4.12	0.81	3.31	80.40%	0.00	3.31	4.20
	04 02	European Social Fund (ESF)	15,332.05	217.26	15,114.80	98.58%	28,673.99	43,788.79	43,662.01
	04 03	Employment, Social Affairs and Inclusion	298.61	135.24	163.37	54.71%	165.48	328.85	318.75
	04 04	European Globalisation Adjustment Fund (EGF)	2.05	2.05	0.00	0.00%	0.00	0.00	0.00
	04 05	Instrument for Pre-Accession Assistance - Employment, Social Policies and Human Resources	0.00	0.00	0.00	0.00%	3.59	3.59	15.36
	04 06	Development Fund for European Aid to the Most Deprived (FEAD)	579.24	19.82	559.42	96.58%	886.90	1,446.31	1,389.75
<b>Total Title 04</b>			<b>16,216.08</b>	<b>375.19</b>	<b>15,840.89</b>	<b>97.69%</b>	<b>29,729.96</b>	<b>45,570.85</b>	<b>45,390.06</b>

**TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG EMPL**

			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			Commitments	Payments	RAL	% to be settled			

Chapter			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	1.00	0.04	0.96	95.51%	0.29	1.25	1.26
<b>Total Title 05</b>			<b>1.00</b>	<b>0.04</b>	<b>0.96</b>	<b>95.51%</b>	<b>0.29</b>	<b>1.25</b>	<b>1.26</b>

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG EMPL									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			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	1.00	0.00	1.00	100.00%	3.00	4.00	5.53
<b>Total Title 09</b>			<b>1.00</b>	<b>0.00</b>	<b>1.00</b>	<b>100.00%</b>	<b>3.00</b>	<b>4.00</b>	<b>5.53</b>

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG EMPL									
Chapter			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
			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)	0.37	0.01	0.37	98.19%	0.00	0.37	0.02
<b>Total Title 11</b>			<b>0.37</b>	<b>0.01</b>	<b>0.37</b>	<b>98.19%</b>	<b>0.00</b>	<b>0.37</b>	<b>0.02</b>

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG EMPL									
			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
Chapter			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	0.29	0.02	0.27	93.12%	0.00	0.27	0.15
	13 03	European Regional Development Fund and other regional operations	0.76	0.01	0.74	98.15%	0.29	1.04	1.10
	13 04	Cohesion Fund (CF)	0.34	0.01	0.33	98.21%	0.17	0.50	0.39
<b>Total Title 13</b>			<b>1.38</b>	<b>0.04</b>	<b>1.34</b>	<b>97.11%</b>	<b>0.47</b>	<b>1.81</b>	<b>1.64</b>

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG EMPL									
			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
Chapter			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	0.03	0.03	0.00	1.21%	0.00	0.00	0.19
	15 02	Erasmus+ programme	8.31	1.90	6.41	77.11%	9.99	16.39	19.63
<b>Total Title 15</b>			<b>8.34</b>	<b>1.93</b>	<b>6.41</b>	<b>76.80%</b>	<b>9.99</b>	<b>16.39</b>	<b>19.82</b>

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG EMPL									
			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
Chapter			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	0.88	0.08	0.80	90.89%	0.00	0.80	0.39
<b>Total Title 18</b>			<b>0.88</b>	<b>0.08</b>	<b>0.80</b>	<b>90.89%</b>	<b>0.00</b>	<b>0.80</b>	<b>0.39</b>

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG EMPL									
			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
Chapter			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%	0.33	0.33	0.33
<b>Total Title 19</b>			<b>0.00</b>		<b>0.00</b>	<b>0.00%</b>	<b>0.33</b>	<b>0.33</b>	<b>0.33</b>

TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG EMPL									
			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
Chapter			Commitments	Payments	RAL	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7

22	22 01	Administrative expenditure of the 'Neighbourhood and enlargement negotiations' policy area							
	22 02	Enlargement process and strategy	0.00	0.00	0.00	0.00%	2.38	2.38	2.52
<b>Total Title 22</b>			<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00%</b>	<b>2.38</b>	<b>2.38</b>	<b>2.52</b>

**TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG EMPL**

			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
Chapter			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	0.30	0.00	0.30	100.00%	0.00	0.30	0.14
<b>Total Title 26</b>			<b>0.30</b>	<b>0.00</b>	<b>0.30</b>	<b>100.00%</b>	<b>0.00</b>	<b>0.30</b>	<b>0.14</b>

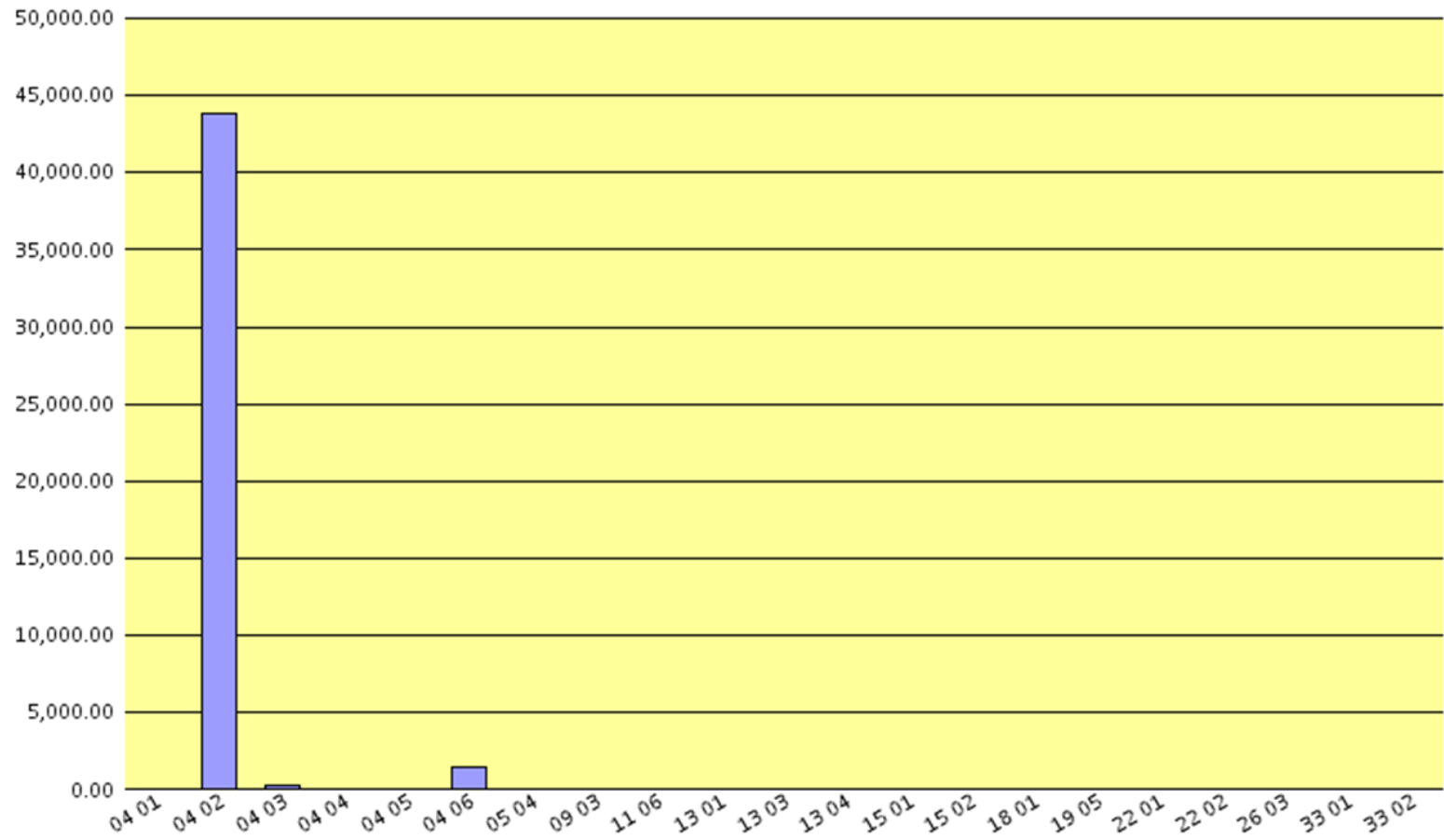
**TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2020 (in Mio €) for DG EMPL**

			Commitments to be settled				Commitments to be settled from financial years previous to 2019	Total of commitments to be settled at end of financial year 2020	Total of commitments to be settled at end of financial year 2019
Chapter			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	0.15	0.02	0.12	83.72%	0.00	0.12	0.07
	33 02	Rights, equality and citizenship	7.03	2.66	4.37	62.16%	3.95	8.32	12.00

<b>Total Title 33</b>	7.18	2.69	4.49	62.60%	3.95	8.44	12.08
-----------------------	------	------	------	--------	------	------	-------

<b>Total for DG EMPL</b>	16236.54	379.98	15856.55888	97.66 %	29750.36422	45606.9231	45433.78371
--------------------------	----------	--------	-------------	---------	-------------	------------	-------------

**Breakdown of Commitments Remaining to be Settled (in Mio EUR) at 31/12/2019 for DG EMPL**



**TABLE 4 : BALANCE SHEET for DG EMPL**

<b>BALANCE SHEET</b>	<b>2020</b>	<b>2019</b>
<b>A.I. NON CURRENT ASSETS</b>	<b>5621184284</b>	<b>4027345743</b>
A.I.1. Intangible Assets	8,488,017.39	3,485,344.13
A.I.4. Non-Current Financial Assets	45,516,681.07	68,738,970.07
A.I.5. Non-Current Pre-Financing	5,567,179,585.04	3,955,121,429.04
<b>A.II. CURRENT ASSETS</b>	<b>2211723294</b>	<b>2693968211</b>
A.II.2. Current Pre-Financing	1,929,241,289.11	1,959,745,119.94
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	163,461,813.36	664,402,504.89
A.II.6. Cash and Cash Equivalents	119,020,192.00	69,820,586.00
<b>ASSETS</b>	<b>7832907578</b>	<b>6721313954</b>
<b>P.I. NON CURRENT LIABILITIES</b>	<b>-87896664</b>	<b>-45735193</b>
P.I.2. Non-Current Provisions	-43,826,664.00	-37,635,193.00
P.I.3. Non-Current Financial Liabilities	-44,070,000.00	-8,100,000.00
<b>P.III. NET ASSETS/LIABILITIES</b>	<b>1795677.3</b>	<b>-1351241.62</b>
P.III.1. Reserves	1,795,677.30	-1,351,241.62
<b>P.II. CURRENT LIABILITIES</b>	<b>-6503202445</b>	<b>-5609661003</b>
P.II.2. Current Provisions	-39,287,277.00	-33,089,229.00
P.II.4. Current Payables	-3,300,032,269.14	-2,474,657,544.42
P.II.5. Current Accrued Charges & Defrd Income	-3,163,882,898.70	-3,101,914,229.97
<b>LIABILITIES</b>	<b>-6589303432</b>	<b>-5656747438</b>
<b>NET ASSETS (ASSETS less LIABILITIES)</b>	<b>1243604146</b>	<b>1,064,566,516.06</b>

P.III.2. Accumulated Surplus/Deficit	76,882,332,138.70	65420512821
--------------------------------------	-------------------	-------------

Non-allocated central (surplus)/deficit*	-78,125,936,285.13	-66485079337
--	--------------------	--------------

<b>TOTAL DG EMPL</b>	<b>0.00</b>	<b>0.00</b>
----------------------	-------------	-------------

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

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

**TABLE 5 : STATEMENT OF FINANCIAL PERFORMANCE for DG EMPL**

<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>2020</b>	<b>2019</b>
II.1 REVENUES	129872947.9	-552865379.9
II.1.1. NON-EXCHANGE REVENUES	130367966.2	-554024333.2
II.1.1.5. RECOVERY OF EXPENSES	131,167,966.16	-553,224,333.16
II.1.1.7. OTHER NON-EXCHANGE REVENUES	-800,000.00	-800,000.00
II.1.2. EXCHANGE REVENUES	-495018.24	1158953.23
II.1.2.1. FINANCIAL INCOME	-2,739,265.00	-605,671.00
II.1.2.2. OTHER EXCHANGE REVENUE	2,244,246.76	1,764,624.23
II.2. EXPENSES	14524063584	12014684698
II.2. EXPENSES	14524063584	12014684698
II.2.10. OTHER EXPENSES	58,423,064.08	77,688,712.60
II.2.1. EXP IMPL BY MEMBER STATES (SHARED)	14,273,455,116.33	11,720,822,020.10
II.2.2. EXP IMPL BY COMMISS&EX.AGENC. (DM)	119,418,196.59	140,664,540.09
II.2.3. EXP IMPL BY OTH EU AGENC&BODIES (IM)	72,960,119.61	75,019,207.13
II.2.4. EXP IMPL BY 3RD CNTR & INT ORG (IM)	-461,899.34	544,526.70
II.2.5. EXP IMPL BY OTHER ENTITIES (IM)		-1,549.96
II.2.6. STAFF AND PENSION COSTS	-80,100.00	-158,870.00
II.2.8. FINANCE COSTS	349,086.24	106,110.98
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>14,653,936,531.43</b>	<b>11,461,819,317.71</b>



**TABLE 5bis : OFF BALANCE SHEET for DG EMPL**

<b>OFF BALANCE</b>	<b>2020</b>	<b>2019</b>
OB.1. Contingent Assets	1467648.83	2429089.13
GR for performance	78,250.00	39,125.00
GR for pre-financing	1,389,398.83	2,389,964.13
OB.3. Other Significant Disclosures	-39148143384	-54350176053
OB.3.2. Comm against app. not yet consumed	-39,148,143,383.84	-39,862,589,462.62
OB.3.3.1 Structural operations	0.00	-14,487,586,590.37
OB.4. Balancing Accounts	39146675735	54347746964
OB.4. Balancing Accounts	39,146,675,735.01	54,347,746,963.86
<b>OFF BALANCE</b>	<b>0.00</b>	<b>0.00</b>

**TABLE 6: AVERAGE PAYMENT TIMES in 2020 for 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)	Late Payments Amount	Percentage
15	1	1	100.00 %	10				0	0. %
30	1575	1512	96.00 %	14.22420635	63	4.00 %	39.92063492	4019390.23	2. %
60	1064	1049	98.59 %	21.36034318	15	1.41 %	71	178218613.6	1. %
90	279	272	97.49 %	49.19117647	7	2.51 %	132	1052928.08	0. %
365	436	436	100.00 %	10.9793578				0	0. %

<b>Total Number of Payments</b>	<b>3355</b>	<b>3270</b>	<b>97.47 %</b>		<b>85</b>	<b>2.53 %</b>		<b>183290931.9</b>	<b>1. %</b>
<b>Average Net Payment Time</b>	<b>19.84947839</b>			<b>18.98807339</b>			<b>52.98823529</b>		
<b>Average Gross Payment Time</b>	<b>36.08137109</b>			<b>35.06911315</b>			<b>75.02352941</b>		

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	47	1154	34.40 %	3355	12,618,033,348.21	81.38 %	15,504,932,283.56

Late Interest paid in 2020			
DG	GL Account	Description	Amount (Eur)
EMPL	65010100	Interest on late payment of charges New FR	5 570.24
			<b>5 570.24</b>

**TABLE 7 : SITUATION ON REVENUE AND INCOME in 2020 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	7=3-6	
57	OTHER CONTRIBUTIONS AND REFUNDS IN CONNECTION WITH THE ADMINISTRATIVE OPERATION OF THE INSTITUTION	1,125.00	0.00	1,125.00	1,125.00	0.00	1,125.00	0.00
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	521,028,805.84	138,076,451.68	659,105,257.52	486,447,950.26	138,076,451.68	624,524,401.94	34,580,855.58
64	CONTRIBUTIONS FROM FINANCIAL INSTRUMENTS	28,390,115.51	0.00	28,390,115.51	28,390,115.51	0.00	28,390,115.51	0.00
65	FINANCIAL CORRECTIONS	567,247.98	0.00	567,247.98	0.00	0.00	0.00	567,247.98
66	OTHER CONTRIBUTIONS AND REFUNDS	17,299,342.66	1,189,194.62	18,488,537.28	16,925,127.39	801,483.26	17,726,610.65	761,926.63
<b>Total DG EMPL</b>		<b>568086637</b>	<b>139265646.3</b>	<b>707352283.3</b>	<b>532564318.2</b>	<b>138877934.9</b>	<b>671442253.1</b>	<b>35910030.19</b>

**TABLE 8 : RECOVERY OF PAYMENTS in 2020 for DG EMPL  
(Number of Recovery Contexts and corresponding Transaction Amount)**

INCOME BUDGET RECOVERY ORDERS ISSUED IN 2020	Irregularity		Total undue payments recovered		Total transactions in recovery context (incl. non-qualified)		% Qualified/Total RC	
	Year of Origin (commitment)	Nbr	RO Amount	Nbr	RO Amount	Nbr	RO Amount	Nbr
<b>2006</b>	1	567247.98	<b>1</b>	<b>567247.98</b>	3	627414.46	33.33%	90.41%
<b>2007</b>					10	166376583.6		
<b>2012</b>					1	398424.87		
<b>2013</b>					4	28053318.15		
<b>2014</b>	2	1048.91	<b>2</b>	<b>1048.91</b>	3	1552834	66.67%	0.07%
<b>2015</b>	1	4393239.44	<b>1</b>	<b>4393239.44</b>	15	222843973.1	6.67%	1.97%
<b>2016</b>	5	29617.02	<b>5</b>	<b>29617.02</b>	11	40621108.78	45.45%	0.07%
<b>2017</b>	2	1035.81	<b>2</b>	<b>1035.81</b>	23	103138306.1	8.70%	0.00%
<b>2018</b>					9	2445322.71		
<b>2019</b>	1	1125	<b>1</b>	<b>1125</b>	8	758268.61	12.50%	0.15%
<b>2020</b>					4	106160.3		
<b>Sub-Total</b>	<b>12</b>	<b>4993314.16</b>	<b>12</b>	<b>4993314.16</b>	<b>91</b>	<b>566921714.6</b>	<b>13.19%</b>	<b>0.88%</b>

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	17	90826.19			<b>17</b>	<b>90826.19</b>	643	551,467,085.15	2.64%	0.02%
CREDIT NOTES	51	1201472.63			<b>51</b>	<b>1201472.63</b>	124	3,212,104.45	41.13%	37.40%

<b>Sub-Total</b>	<b>68</b>	<b>1292298.82</b>		<b>68</b>	<b>1292298.82</b>	<b>767</b>	<b>554679189.6</b>	<b>8.87%</b>	<b>0.23%</b>
<b>GRAND TOTAL</b>	<b>80</b>	<b>6285612.98</b>		<b>80</b>	<b>6285612.98</b>	<b>858</b>	<b>1121600904</b>	<b>9.32%</b>	<b>0.56%</b>

**TABLE 9: AGEING BALANCE OF RECOVERY ORDERS AT 12/31/2020 for DG EMPL**

	Number at 1/1/2020 1	Number at 12/31/2020	Evolution	Open Amount (Eur) at 1/1/2020 1	Open Amount (Eur) at 12/31/2020	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 %
2019	15	1	-93.33 %	138,884,039.14	6,104.20	-100.00 %
2020		11			35,522,318.83	
	<b>18</b>	<b>15</b>	<b>-16.67 %</b>	<b>139,265,646.30</b>	<b>35,910,030.19</b>	<b>-74.21 %</b>

**TABLE 10 :Recovery Order Waivers >= 60 000 € in 2020 for DG EMPL**

Waiver Central Key	Linked RO Central Key	RO Accepted Amount (Eur)	LE Account Group	Commission Decision	Comments
--------------------	-----------------------	--------------------------	------------------	---------------------	----------

Total DG EMPL

Number of RO waivers

**TABLE 11 : Negotiated Procedures in 2020 for DG EMPL**

Negotiated Procedure Legal base	Number of Procedures	Amount (€)
<b>Total</b>		

**TABLE 12 : Summary of Procedures in 2020 for DG EMPL**

**Internal Procedures > € 60,000**

Procedure Legal base	Number of Procedures	Amount (€)
Negotiated procedure middle value contract (Annex 1 - 14.2)	3	329,453.75
Open procedure (FR 164 (1)(a))	13	18,461,914.75
Restricted procedure without Dynamic purchasing system (FR 164 (1)(b))	1	1,850,545.17
<b>Total</b>	<b>17</b>	<b>20,641,913.67</b>

**TABLE 13 : BUILDING CONTRACTS in 2020 for DG EMPL**

Legal Base	Procedure subject	Contract Number	Contractor Name	Contract Subject	Contracted Amount (€)

**TABLE 14 : CONTRACTS DECLARED SECRET in 2020 for DG EMPL**

Legal Base	LC Date	Contract Number	Contract Subject	Contracted Amount (€)

**TABLE 15 : FPA duration exceeds 4 years - DG**

*None of your FPA (if any) exceeds 4 years*

**TABLE 16 : Commitments co-delegation type 3 in 2020 for DG EMPL**




## **ANNEX 4 : Financial Scorecard**

The Annex 4 of each Commission service summarises the annual result of the standard financial indicators measurement. Annexed to the Annual Activity Report 2020, six standard financial indicators are presented below, each with its objective, category, definition, and result for the Commission service and for the EC as a whole (for benchmarking purposes):

- Commitment Appropriations (CA) Implementation
- CA Forecast Implementation
- Payment Appropriations (PA) Implementation
- PA Forecast Implementation
- Global Commitment Absorption
- Timely Payments.

For each indicator, its value (in %) for the Commission service is compared to the common target (in %). The difference between the indicator's value and the target is colour coded as follows:

- 100 – >95% of the target: dark green
- 95 – >90% of the target: light green
- 90 – >85% of the target: yellow
- 85 – >80% of the target: light red
- 80 – 0% of the target: dark red.

<b>Indicator</b>	<b>CA Implementation</b>
<b>Category</b>	Efficiency Controls / Budget
<b>Objective</b>	Ensure efficient use of commitment appropriations
<b>Result</b>	<p>DG EMPL achieved <b>100%</b> compared to the EC result of <b>99%</b></p>
<b>Comment</b>	-
<b>Definition</b>	<p><b>Formula:</b> Value A / Value B</p> <ul style="list-style-type: none"> <li>- Value A: Committed L1 Accepted Amount + Direct Committed L2 Accepted Amount (Eur)</li> <li>- Value B: Credit Accepted Com Amount (Eur)</li> </ul> <p><b>Scope:</b> Commitments on all relevant Fund Sources, except for:</p> <ul style="list-style-type: none"> <li>- Internal assigned revenue in first year (C4)</li> <li>- Internal assigned revenue from lettings and sale of buildings and lands (CL)</li> <li>- Repaid advances (structural funds) (C6)</li> <li>- External assigned revenue except for EFTA (FCA ,FRT, PO, RO, TCA, TF5, TFC)</li> </ul>

<b>Indicator</b>	<b>PA Implementation</b>
<b>Category</b>	Efficiency Controls / Budget
<b>Objective</b>	Ensure efficient use of payment appropriations
<b>Result</b>	<p>DG EMPL achieved <b>100%</b> compared to the EC result of <b>99%</b></p> <p>0%                      20%                      40%                      60%                      80%                      100%</p> <p>EC (99%) 100%</p>
<b>Comment</b>	-
<b>Definition</b>	<p><b>Formula:</b> Value A / Value B</p> <ul style="list-style-type: none"> <li>- Value A: Payment Accepted Amount (Eur)</li> <li>- Value B: Credit Accepted Pay Amount (Eur)</li> </ul> <p><b>Scope:</b></p> <p>Payments on all relevant Fund Sources, except for:</p> <ul style="list-style-type: none"> <li>- Internal assigned revenue in first year (C4)</li> <li>- Internal assigned revenue from lettings and sale of buildings and lands (CL)</li> <li>- Repaid advances (structural funds) (C6)</li> <li>- External assigned revenue except for EFTA (FCA ,FRT, PO, RO, TCA, TF5, TFC)</li> <li>- Payments stemming from C1, C5, E0 outstanding commitments on the non-staff budget positions that will be carried-forward as C8 to the next financial year</li> </ul>

<b>Indicator</b>	<b>CA Forecast Implementation</b>
<b>Category</b>	Efficiency Controls / Budget
<b>Objective</b>	Ensure the cumulative alignment of the commitment implementation with the commitment forecast in a financial year
<b>Result</b>	<p>DG EMPL achieved <b>95%</b> compared to the EC result of <b>98%</b></p>
<b>Comment</b>	<p>The forecast on the implementation of commitments was affected by the modifications of operational programmes under shared management.</p> <p>Member States were offered more flexibility in order to adequately mitigate the consequences of the COVID-19 crises and many commitments had to be de-committed, transferred to other budget lines and re-committed following the pace of adoption of operational programmes' modifications.</p> <p>The modifications affected several funds (ERDF, CF, ESF) and required transfers of credits between DG EMPL and DG REGIO. It was not possible to forecast accurately the timing of requests for modifications from the Member States.</p> <p>Consequently, the execution in commitments was particularly unstable in 2020 due to many de-commitments/transfers/re-commitments. This explains the lower quality of forecast in 2020 compared to 2019, when the situation was more stable and more predictable, and also compared to the Commission as a whole since only shared management DGs were concerned about this level of magnitude in operational programme modifications.</p>
<b>Definition</b>	<p><b>Formula:</b> <math>Value A / Value B^{*,**}</math></p> <ul style="list-style-type: none"> <li>- Value A: Committed L1 Accepted Amount + Direct Committed L2 Accepted Amount (Eur)</li> <li>- Value B: Commitment Forecast Amount (Eur)</li> </ul> <p><i>*if Value A / Value B between 100 and 200% then the result indicator will be equal to <math>1 - (ABS(Value B - Value A) / Value B)</math></i></p> <p><i>**if Value A / Value B &gt; 200 % then the result indicator will be equal to 0%</i></p> <p><b>Scope:</b></p> <ul style="list-style-type: none"> <li>- Commitments on all relevant Fund Sources</li> <li>- Commitment Forecast Amount (Eur) from the most up to date forecast version (Initial Mar-Aug, Revised Sep-Dec)</li> </ul>

<b>Indicator</b>	<b>PA Forecast Implementation</b>
<b>Category</b>	Efficiency Controls / Budget
<b>Objective</b>	Ensure the cumulative alignment of the payment implementation with the payment forecast in a financial year
<b>Result</b>	<p>DG EMPL achieved <b>100%</b> compared to the EC result of <b>99%</b></p> <p>0%                      20%                      40%                      60%                      80%                      100%</p> <p>EC (99%) 100%</p>
<b>Comment</b>	-
<b>Definition</b>	<p><b>Formula:</b> Value A / Value B*,**</p> <ul style="list-style-type: none"> <li>- Value A: Payment Accepted Amount (Eur)</li> <li>- Value B: Payment Forecast Amount (Eur)</li> </ul> <p>*if Value A / Value B between 100 and 200% then the result indicator will be equal to 1 - (ABS(Value B - Value A) / Value B)</p> <p>**if Value A / Value B &gt; 200 % then the result indicator will be equal to 0%</p> <p><b>Scope:</b></p> <ul style="list-style-type: none"> <li>- Payments on all relevant Fund Sources</li> <li>- Payment Forecast Amount (Eur) from the most up to date forecast version (Initial Mar-Aug, Revised Sep-Dec)</li> </ul>

<b>Indicator</b>	<b><u>Global Commitment Absorption</u></b>
<b>Category</b>	Efficiency Controls / Absorption
<b>Objective</b>	Ensure efficient use of already earmarked commitment appropriations (at L1 level)
<b>Result</b>	<p>DG EMPL achieved <b>92%</b> compared to the EC result of <b>98%</b></p> <p>0%      20%      40%      60%      80%      100%</p> <p>EC (98%) 92%</p>
<b>Comment</b>	<p>Under direct management, many activities were affected by the consequences of the COVID-19 pandemic. Some of the beneficiaries renounced to implement the foreseen action due to severe impact of the pandemic on their operational capacity.</p> <p>Many meetings and conferences were cancelled or turned into video-supported events instead of events with physical attendance as initially foreseen, significantly lowering their costs.</p> <p>Therefore, the activities foreseen at the end of 2019 required several adjustments in 2020, which resulted in a lower absorption of global commitments than expected.</p>
<b>Definition</b>	<p><b>Formula:</b></p> <ul style="list-style-type: none"> <li>- Value A: Com L1 Consumption amount (Eur)</li> <li>- Value B: Com L1 Initial amount (Eur) + Com L1 Complementary Amount (Eur) + (Com L1 Decommitment Amount (Eur) on all Fund Sources except for C8 and C9)</li> </ul> <p><b>Scope:</b></p> <ul style="list-style-type: none"> <li>- Com L1 with FDC ILC date from 01/01 to 31/12 of the current year</li> <li>- No movements to the Com L1 Consumption amount (Eur) after the FDC ILC date is taken into account (Generally decommitments of L2 which decrease the Com L1 consumption)</li> </ul> <p><b>Remark:</b> Due to technical limitation, the indicator does not take into account the Com L1 Consumption between the FDC ILC date and the FA FDI allowed as an exception in the external actions for Com L1 of type GF, i.e. with Financing Agreement, under the FR2018 Article 114.2. As a result, the actual Indicator score may be slightly higher than the one reported for DGs using the GF commitments.</p>

<b>Indicator</b>	<b><u>Timely Payments</u></b>
<b>Category</b>	Efficiency Controls / Timeliness
<b>Objective</b>	Ensure efficient processing of payments within the legal deadlines
<b>Result</b>	<p>DG EMPL achieved <b>99%</b> compared to the EC result of <b>99%</b></p> <p>0%      20%      40%      60%      80%      100%</p> <p>EC (99%) 99%</p>
<b>Comment</b>	The performance in 2020 improved compared to 2019 and is in line with the Commission result as a whole. This achievement was possible thanks to the increase use of electronic IT tools in financial management.
<b>Definition</b>	<p><b>Formula:</b> Value A / Value B</p> <ul style="list-style-type: none"> <li>- Value A: Payment Accepted Amount (Eur) in time <ul style="list-style-type: none"> <li>o In Time: Payment Bank Value Date &lt; = Payment legal deadline</li> </ul> </li> <li>- Value B: Payment Accepted Amount (Eur)</li> </ul> <p><b>Scope:</b></p> <ul style="list-style-type: none"> <li>- Payments made in the current year</li> <li>- Payments valid for payment statistics (DWH Flag "Payment Time Status OK?" = "Y")</li> </ul>

## **ANNEX 5: Materiality criteria**

Since 2019<sup>36</sup>, a 'de minimis' threshold for financial reservations has been 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 2020.

### **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

---

<sup>36</sup> Agreement of the Corporate Management Board of 30/4/2019.



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)<sup>37</sup>.

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

To calculate the amount at risk for programmes under reservation, the residual risk rate is applied to the payments made during the year. For a reservation made at sub-programme level, a flat rate depending on the deficiencies identified is applied to the relevant expenditure<sup>38</sup>. 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).

Being at the stage of the closure of the programming period, the amount at risk at closure is equal to the 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

---

<sup>37</sup> The decision on whether to issue reservation will be made taking into account the cumulative residual risk.

<sup>38</sup> i.e. paid in the relevant year in relation to the concerned sub-programme

error rate, results of national systems audits, results of Commission audit work and/or the European Court of Auditors, elements received from operational managers in their regular contacts with programme authorities).

2. The second element is the assessment of legality and regularity of expenditure, as reflected in the residual total error rate reported by the Audit Authorities in their Annual Control Reports (ACR). The residual total error rate is the best indicator of the corrective capacity of the programme's management and control system and represents the remaining risk present in the amounts certified in the accounts taking into account the already applied financial corrections.

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

- Total Error Rates and Residual Total Error Rates for the accounting year 2018-2019 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 2019-2020 communicated by the Audit Authorities by 1/3/2021, 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 the annexes 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.

➤ **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 (at sub-programme level) 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 2019-2020<sup>39</sup> assurance packages received at the latest by 1 March 2021:

- 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);

---

<sup>39</sup> 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.

- Operational programmes in reservation:
  - **Limited assurance with medium risk** of irregularities covers:
    - programmes with deficiencies in key elements of the systems with a material risk for the EU budget (e.g. programme with a total error rate between 5% and 10% and 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 reservation<sup>40</sup>, the reviewed residual total error rate for the 2019/2020 accounts is applied to the 2020 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 risk “at payment” is calculated by applying the residual total error rate of the accounting year 2018-2019 as confirmed by the Commission services<sup>41</sup> (KPI 5) 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

---

<sup>40</sup> No rate will be calculated.

<sup>41</sup> 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)

the cleared pre-financing minus the retentions released and any deductions applied in the accounts covering the expenditure of the period 1<sup>st</sup> July 2019 to 30<sup>th</sup> June 2020).

The amount at risk “at closure” indicates the remaining risk to the 2020 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 2018-2019 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 2018-2019.

### **For centralised management**

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

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

As regards transactions contracted through public procurement, thanks to the thorough ex ante control, the average risk of error is 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 6: Relevant Control System(s) for budget implementation (RCSs)

### 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
The operational programmes financed do not adequately reflect the policy objectives or priorities.	Internal consultation, hierarchical validation at DG-level of each operational programme. Inter-service consultation (including all relevant DGs) Adoption by Commission Decision, where foreseen by EU law.	Coverage / Frequency: 100%. Depth: checklist, guidelines, lists of requirements in the relevant regulatory provisions and reflection of policy objectives and priorities in position papers and CSRs.	Overall Commission cost: see AAR section Cost effectiveness and efficiency. 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> ] Effectiveness: - % of OPs adopted/approved Efficiency: - 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
<p>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.</p>	<p>Supervision by Commission (for 2014-2020):</p> <ul style="list-style-type: none"> <li>- Commission review (and audits) of a sample of national designations</li> <li>- submission of Member States Audit Strategies to the Commission (on request).</li> </ul>	<p>Coverage / Frequency: fixed in sector-specific rules</p> <p>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.</p>	<p>Overall Commission cost: see AAR section Cost effectiveness and efficiency.</p> <p>Benefits:(part of) the amounts associated with unreliable systems for which the Commission audit work revealed substantial compliance problems [<i>not quantifiable</i>]</p> <p>Effectiveness:</p> <ul style="list-style-type: none"> <li>- % of authorities designated.</li> </ul> <p>Efficiency:</p> <ul style="list-style-type: none"> <li>- number of authorities for which serious weaknesses found by designation reviews/audits (% of total checked).</li> </ul>

**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
<p>Annual accounts submitted to the Commission include expenditure that is irregular or non-compliant with EU and/or national eligibility rules</p>	<p>Management verifications: first level checks by Managing Authorities.</p> <p>Certification of expenditure in the annual accounts, audit opinion and assurance declaration by the relevant authorities</p>	<p>Coverage: fixed in sector-specific rules</p> <p>Depth:</p> <ul style="list-style-type: none"> <li>- <u>management verifications</u>: performance of first-level checks (administrative and on the spot controls).</li> <li>- <u>certification</u>: additional verification (desk checks and on the spot).</li> </ul>	<p>Effectiveness:</p> <ul style="list-style-type: none"> <li>- Residual error rate as reported by the Member States.</li> </ul> <p>Efficiency:</p> <ul style="list-style-type: none"> <li>- acceptance of annual accounts.</li> </ul>



and legislation.	designated/accredited.	- <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.	
------------------	------------------------	---	--

### **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.

<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"> <li>- assessment of Annual Control Reports / Annual Audit Opinion</li> <li>- calculation of the total projected error rate (TPER)</li> <li>- calculation of the residual error rate (RER)</li> <li>- assessment of systems audits reports from Audit Authorities</li> <li>- own Commission audits</li> <li>- technical and bilateral meetings with the Member States.</li> </ul> <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"> <li>- residual error rate (EU and per Member State)</li> <li>- number of programmes with a reported error rate assessed as reliable</li> <li>- corrections made resulting from Commission audit work (decided and implemented)</li> <li>- % of the expenditure for which the Commission can rely on the work of the Audit Authorities (based on ACRs unchanged or recalculated error rates)</li> <li>- weighted average residual error rate after Commission analysis</li> <li>- Commission assessment of reliance on Audit Authorities.</li> </ul> <p>Efficiency:</p> <ul style="list-style-type: none"> <li>- overall cost of control/financial management of the Commission checks and assessment (% of total payment appropriations) – stages 1 to 3</li> <li>- % of Commission payments on time</li> <li>- % interruptions of payments notified to Member States within 2 months</li> <li>- % suspensions of payments notified to Member States within 6 months.</li> </ul>
---	---	---	---

## 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"> <li>- implementation of a standard application form for the whole DG;</li> <li>- AOSD supervision and approval of terms of references with the support of adequate guidance and using the available models;</li> <li>- 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;</li> <li>- an evaluation committee is appointed by the AOSD and composed of at least 3 persons representing at least 2 units;</li> <li>- the management of the evaluation process has been standardised via the IT application Defis Evaluations;</li> <li>- a formal opinion is issued by the Financial Unit on the evaluation and selection procedure prior to budgetary and legal commitments;</li> <li>- validation of beneficiaries (operational and financial viability) and planning of interim and final reports;</li> <li>- signature of the grant agreement by the Authorising Officer;</li> <li>- the publication on Europa of the grants awarded takes place after control by the Financial Unit.</li> </ul>	<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"> <li>- Validation of calls for proposals by the Financial Unit prior to publication (%);</li> <li>- Formal opinion given by the Financial Unit before award (%);</li> <li>- Number litigation cases.</li> </ul>

Main risks	Mitigating controls	Coverage, frequency	Cost-Effectiveness indicators
<p><u>Procurement:</u> The best offer/s are not submitted due to the poor definition of the tender specifications. The most economically advantageous offer not being selected due to a biased, inaccurate or 'unfair' evaluation process.</p>	<p><u>Procurement:</u></p> <ul style="list-style-type: none"> <li>- AOSD supervision and approval of specifications with the support of adequate guidance and using the available models;</li> <li>- Prior Information Notices and invitations to tender are checked for compliance with the Financial Regulation and Financing Decision by the Financial Unit before publication;</li> <li>- Opening and evaluation committees appointed by the AOSD;</li> <li>- 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).</li> </ul>	<p><u>Procurement:</u> 95%<sup>42</sup> of the specifications are scrutinised. 100% of calls are scrutinized by the Financial Unit.</p>	<p>See AAR section 2.1.1 <u>Procurement:</u> - Formal opinion given by the Financial Unit before award</p>

## 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).

---

<sup>42</sup> 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
<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
<p>The ex ante controls fail to prevent, detect and correct erroneous payments or attempted fraud.</p>	<p>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.</p>	<p>Ex post controls relate only to grant aided projects which have been closed by the Operational Units.                      Contracts bear no risk to be audited ex post.</p>	<p>See AAR section 2.1.1  <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.</p>
<p><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.</p>	<p><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.</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>                      Positive discharge.</p>

## ANNEX 7: Specific annexes related to ‘Financial Management’

Table Y - Overview of DG EMPL’ estimated cost of controls at Commission (EC) level

Control results are presented by relevant control system, i.e. management mode and horizontal including control tasks which can’t be solely attributable to one control system (e.g. strategic planning and programming).

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 (estimated at 2.8% for 2014-2020 period) while the data for direct/indirect management does not include the costs at the level of the entrusted entities (EUR 4 560 205 paid to the European Investment Fund for DG EMPL’s financial instruments that it managed in 2020).

Relevant control system	Ex ante controls			Ex post controls			Total	
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
	EC total costs	related funds managed/concerned*	Ratio (%) (a)/(b)	EC total costs	total value verified and/or audited	Ratio (%) (d)/(e)	EC total estimated cost of controls (a)+(d)	Ratio (%)* (g)/(b)
Shared management	EUR 13 573 155	EUR 15 205 650 000	0.09%	EUR 5 617 803	EUR 245 000 000	0.04%	EUR 19 190 958	0.13%
Direct/indirect management	EUR 9 984 961	EUR 300 000 000	3.33%	EUR 726 548	EUR 10 424 835	0.24%	EUR 10 711 509	3.57%
Horizontal	EUR 2 089 560	EUR 15 505 650 000	0.01%	EUR 0	EUR 0	0.00%	EUR 2 089 560	0.01%
<b>OVERALL total estimated cost of control at EC level</b>	<b>EUR 25 647 676</b>	<b>EUR 15 505 650 000</b>	<b>0.17%</b>	<b>EUR 6 344 351</b>	<b>EUR 255 424 835</b>	<b>2.48%</b>	<b>EUR 31 992 027</b>	<b>0.2063%</b>

\* related funds managed/concerned = payments made, revenues and/or other significant non-spending items such as e.g. assets, liabilities, etc



## 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:

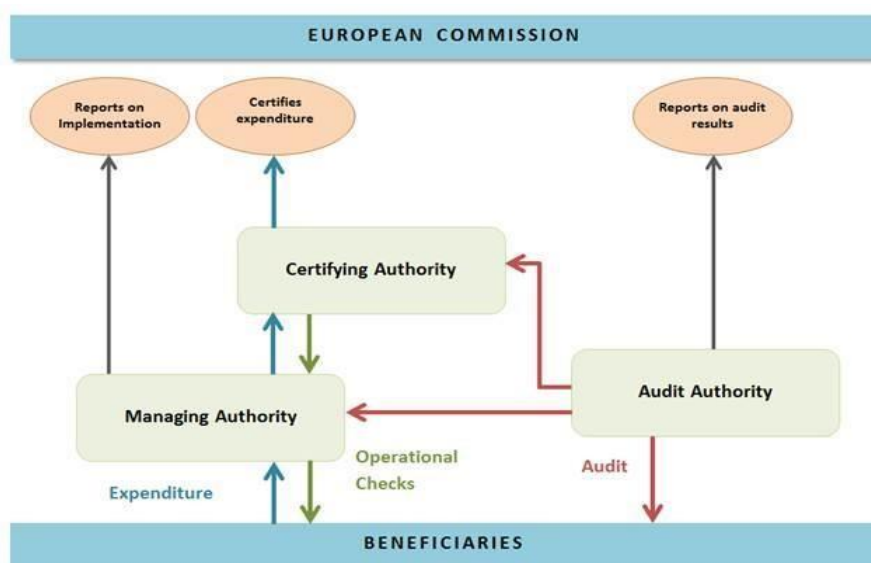
- a Managing Authority (national, regional or local public authority or public/private body to manage the operational programme);
- a Certifying Authority (national, regional or local public authority or body to certify the accounts and the payment applications before their transmission to the Commission);
- 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**<sup>43</sup> 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

<sup>43</sup> For the 2014-2020 period, certifying authorities can be merged with managing authorities.

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);
- 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:

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

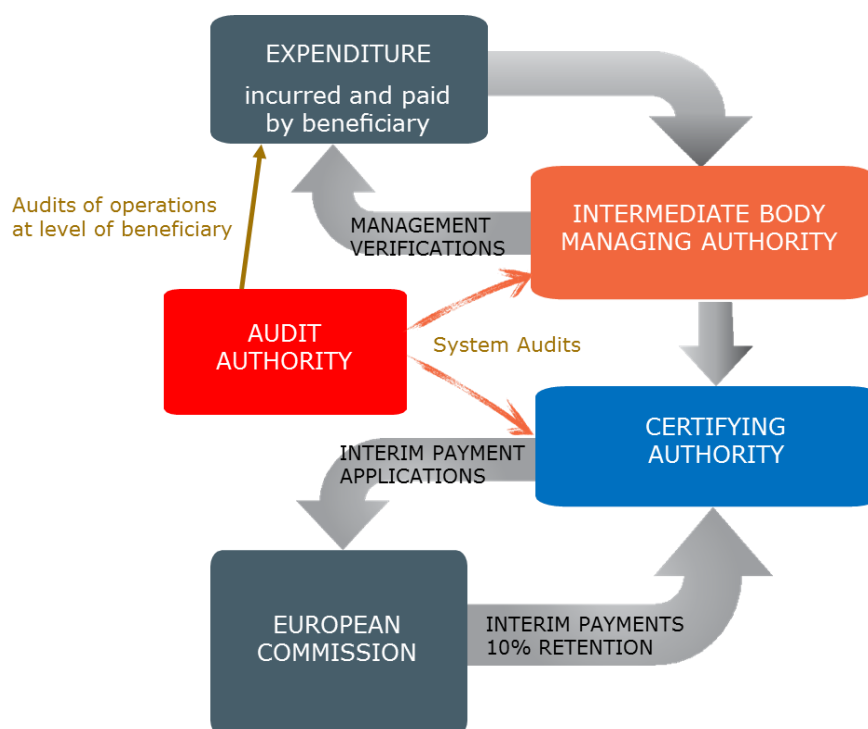
The **Managing Authority/Intermediate Body** carries out verifications until the submission of the programme accounts. It verifies that the co-financed products have been delivered, that the expenditure declared by the beneficiaries has been paid and that it complies with the applicable law, the operational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

The verifications shall include:

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

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

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



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

The assurance documents are to be provided by the various Member States' authorities to the Commission. The Managing Authority finalises the verifications to ensure that the expenditure to be certified in the accounts is legal and regular. It takes account of findings of the audit authority and makes necessary financial corrections including flat rates corrections. It draws up the management declaration and annual summary.

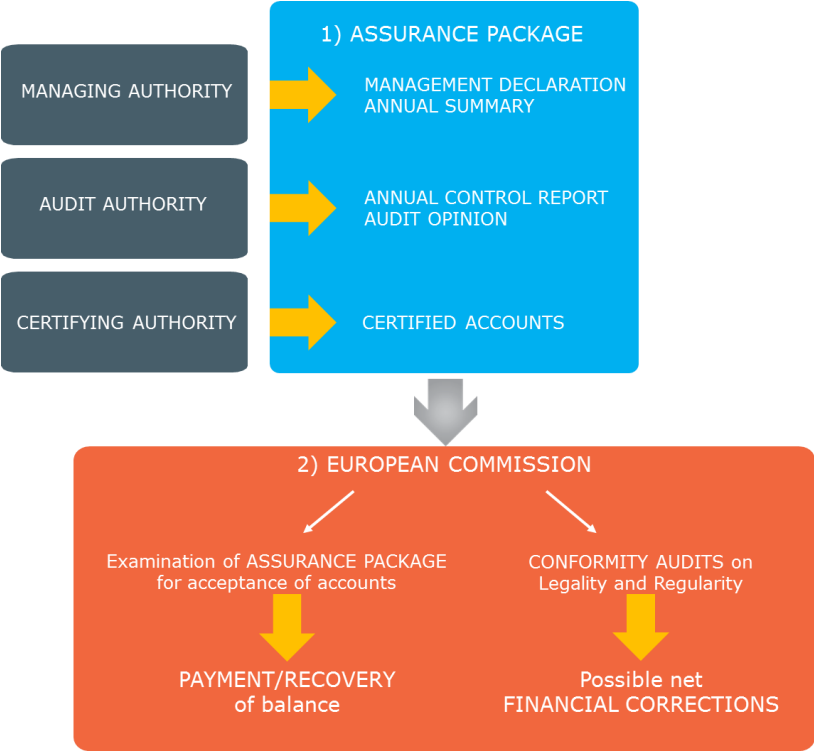
The Certifying Authority collates all interim claims in the accounts and excludes the irregular amounts (and those under ongoing assessment) detected in relation to expenditure included in interim payment claims. It takes account of findings of the audit authority and satisfies itself that necessary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

The Audit Authority finalises the system audits and audit of operations. It informs the 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.

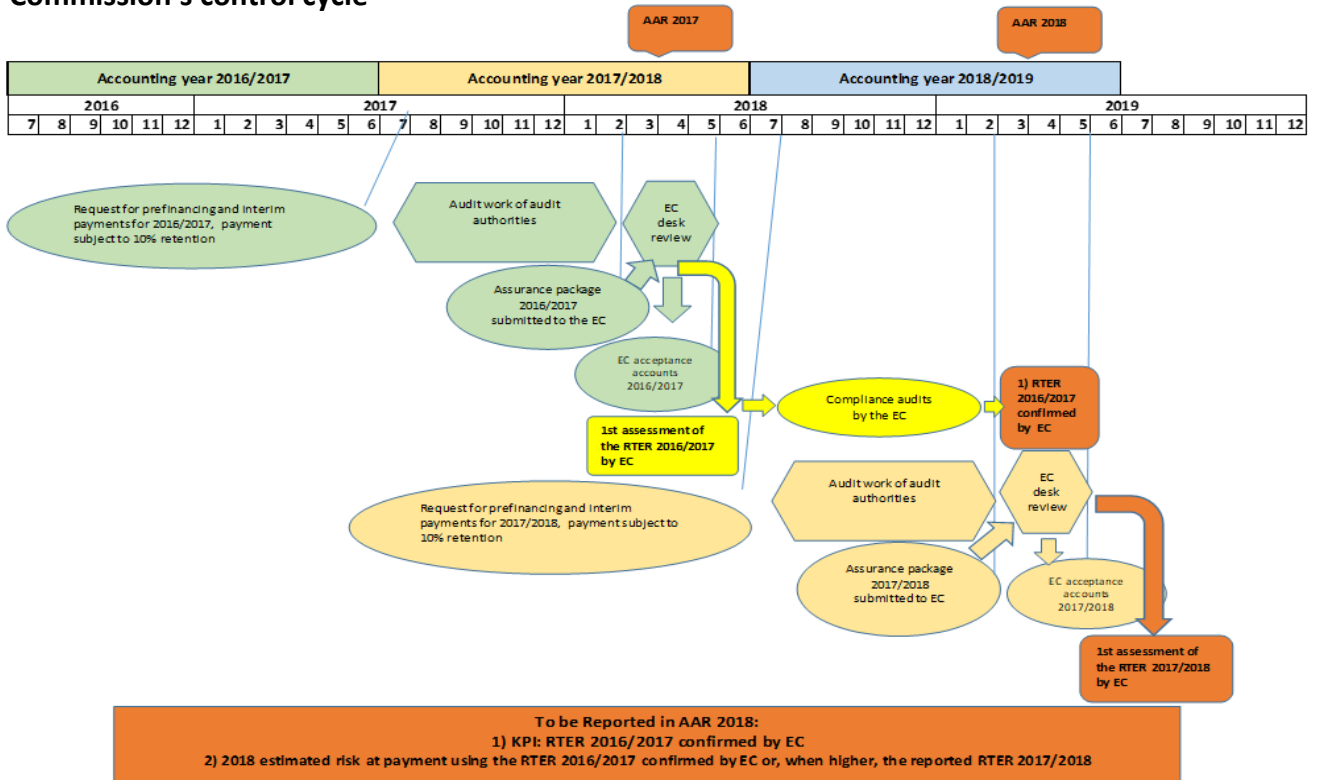
The Commission carries out the examination of the assurance documents by 31 May year N+1 to determine whether the accounts are complete, accurate and true and the accounts can be accepted. Within 30 days of the acceptance of accounts the Commission will pay/recover the balance due. In justified cases, 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.

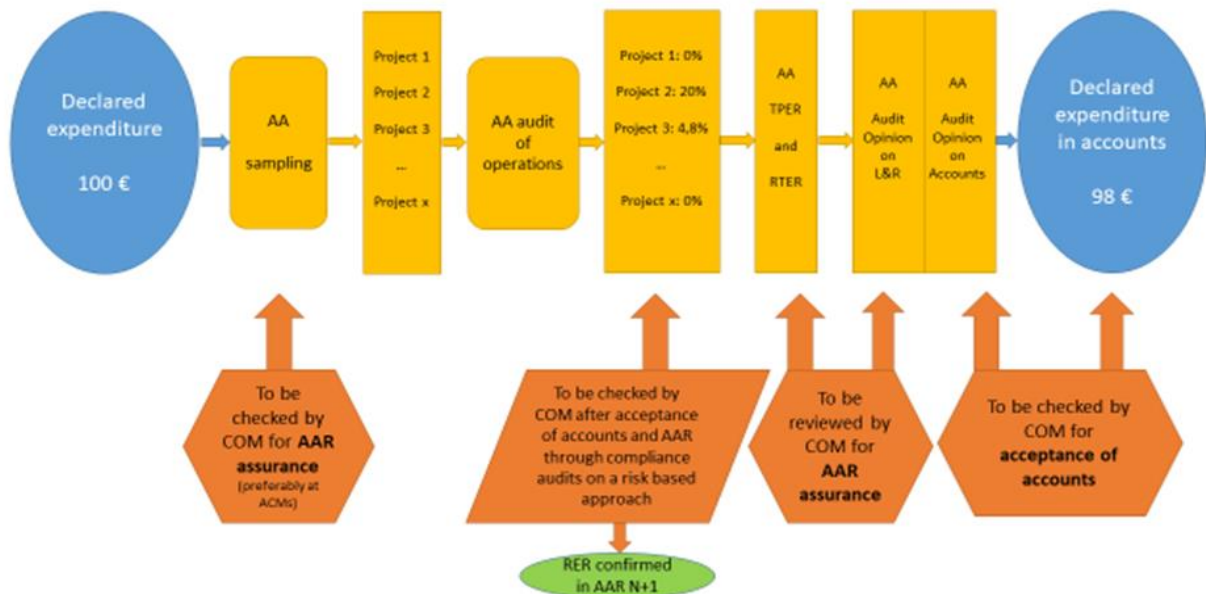


The graphs below demonstrate the whole process of assessment by the Commission of the declared expenditure:

### 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.

The following approach is applied for the validation of the Residual Total Error Rates (RTER):

- The DG assesses their reliability as reported by the Audit Authorities for the accounting year 2018/2019 and confirms or re-calculates the average and individual rates after the whole control process by both Member States' authorities and the Commission has been performed.
  - The average residual total error rate represents the most relevant key performance indicator of the residual risk since the whole control chain has been applied to it.<sup>44</sup>
  - Total Projected Error Rates (TPERs) and RTERs for individual programmes are confirmed or re-calculated taking into account all available audit information, and are the result of a two-stage audit process: a thorough desk review of the Annual Control Reports for all programmes completed by on-the spot compliance audits for programmes considered at risk. Where the contradictory procedures for compliance audits are still ongoing at the moment of drafting the AAR, a prudent approach is followed and the RTERs are estimated using the worst case scenario (meaning in some cases a flat rate). In such limited cases, DG EMPL may still further adjust downwards the TPER/RTER upon completion of the contradictory procedure with the Member States. A similar approach is followed for Court's audits on 2018-2019 error rates, until completion of the contradictory procedure.
- As for the accounting year 2019-2020 (assurance packages including residual total error rates communicated by the Audit Authorities by 1 March 2021 at the latest), a first preliminary consistency review has been carried out before signature of the AAR to identify potential inconsistencies or deteriorations in the effectiveness of management and control systems that would require additional reservations in the AAR.
- In relation to the contribution to the corporate reporting covering the risk at payment and the risk at closure for the 2020 relevant expenditure (2020 Annual Management and Performance Report), the approach agreed with the Central Services of the Commission is the following:
  - The risk at payment is calculated by applying to the relevant expenditure<sup>45</sup> of the 2020 reporting year the confirmed average residual total error rate for the accounting year 2018-2019 as defined above.

---

<sup>44</sup> After neutralizing the impact of advances paid into financial instruments and included (in line with Article 127 of the Common Provisions Regulation) in the sample of Audit Authorities based on declared expenditure.

<sup>45</sup> Relevant expenditure = payments made during the 2019 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 1 July 2018 to 30 June 2019.



- The risk at closure indicates the remaining risk to the end 2020 relevant expenditure once the Commission applies the necessary financial corrections to bring the total residual error rates for all operational programmes down to 2%.

### Audit work in 2020

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		2020		2019		2018		2017	
		EMPL CdF <sup>46</sup>	REGIO CdF	EMPL CdF	REGIO CdF	EMPL CdF	REGIO CdF	EMPL CdF	REGIO CdF
2014-2020	Designation fact finding							1	
	Early Preventive System Audit			5		15	5	9	3
	YEI Performance audit								
	Performance data reliability					3	3	2	8
	Compliance audit	32	2	12	5	14	3	2	
	ACR fact-finding	5		8	3	9	1	4	
	Thematic	2	1						
	Other			3				1	
	<b>Total 2014-2020</b>	<b>39</b>	<b>3</b>	<b>28</b>	<b>8</b>	<b>41</b>	<b>12</b>	<b>19</b>	<b>11</b>

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

<sup>46</sup> CdF: Chef de File, or DG in charge of performing the audit.

- **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 34 compliance audits performed in 2020 out of the 214 ESF/YEI and FEAD programmes with accounts (15,9%) for an amount of EUR 2.5 billion out of EUR 18.2 billion (13,7%) declared in the annual accounts 2018/2019. 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.

DG EMPL also launched 3 thematic audits in 2020 to obtain reasonable assurance that the management verifications at the level of the Managing Authorities are functioning effectively (KR2, KR4 and KR5).

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.

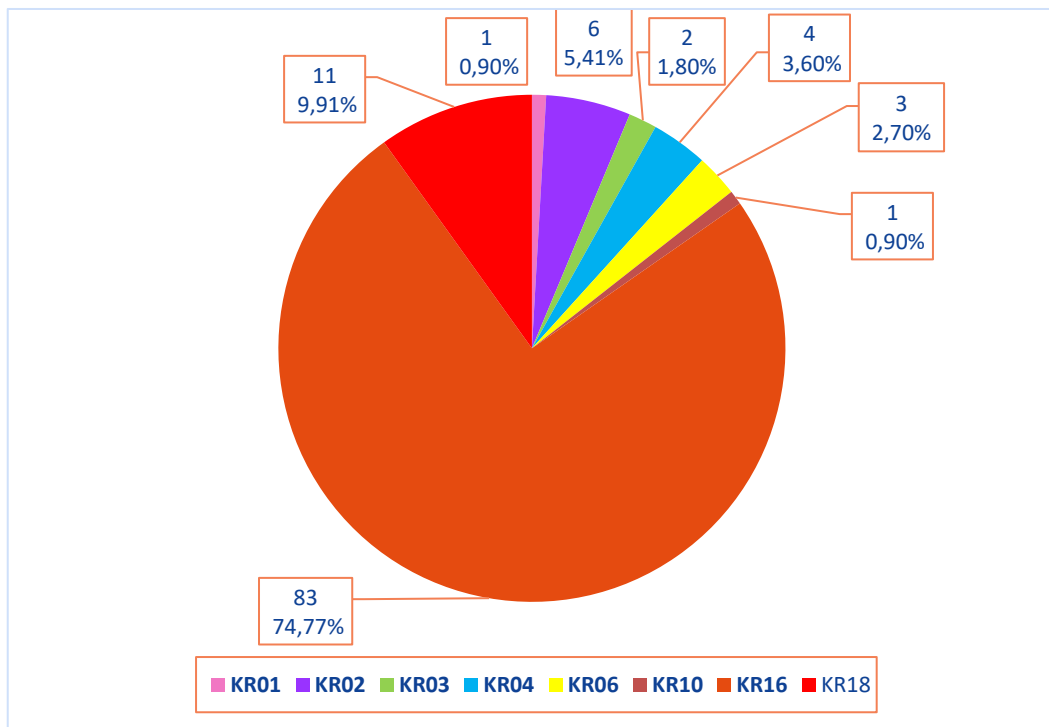
Priority is therefore given to remote legality and regularity audits. In particular, audits on programmes with a high risk score and that have a potential material impact (above 2%) on the Commission payments during the year are carried out as from April/May each year. This allows, if necessary, for 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.

In terms of results, **the audits carried out led to the identification of 111 observations** at the level of the key requirements (KR)<sup>47</sup> of the management and control

systems. Most of the findings (83) concerned the Audit Authorities and are related to the lack of adequate audits of operations (KR 16) and adequate of procedures for providing a reliable audit opinion and for preparing the annual control report (KR 18). Other findings concerned the Managing Authorities and the selection of operations (KR 2) or flaws in the management verifications (KR 4).

The following graph shows the breakdown of the findings covering the various key requirements:

**Findings of DG EMPL’s audits by Key Requirements**



Each finding entails a recommendation, for which there are three categories of importance: "critical", "very important" and "important". Although the number of "critical" recommendations has dropped considerably over the last years, some programme authorities continue to have difficulties with the implementation of robust management and control systems. Most findings classified as "very important" and "important" concern KR 16. For each of these, EMPL closely follows the implementation of the recommendations and takes (financial) corrective action where needed.

## 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 2020 (2014-2020 programmes)

Number of Decisions in 2020 – 2014-2020 programmes				
	Warning letters	Interruptions of payment	Pre-suspension letters	Suspension decisions
DE	2			
ES	3			
FR	17	2		
HU	4			1
HR	1			
IT	3	2	2	
LT	2			
PL	2			
SK	1			
UK	2			
<b>Total</b>	<b>37</b>	<b>4</b>	<b>2</b>	<b>1</b>

### Number of Decisions in first quarter of 2021 (2014-2020 programmes)

	Warning letters	Interruptions of payment	Pre-suspension letters	Suspension decisions
DE	1			
ES	1			
FR	1			
HR	1			
IT	1			
SE	1			
<b>Total</b>	<b>6</b>			

### Number of open decisions

	End 2018	End 2019	End 2020	State of play 31/03/2021
Warning letters	30	17	27	14
Interruptions	3	3	0	
Pre-suspensions		3	0	
Suspensions		1	2	1
<b>Total</b>	<b>33</b>	<b>24</b>	<b>29</b>	<b>15</b>

## INTERRUPTIONS DECIDED IN 2020

NR	MS	Region/ Operational programme	CCI Nr	DATE	AMOUNT	DATE of LIFTING	Main weaknesses identified
	IT	Puglia ERDF ESF	2014IT16M20P002	31-01-2020	55.527.036,83	27-05-2020	Irregularities on 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	2014FR05M00P001	11-02-2020	20.095.757,92	17-11-2020	Déficiences liées aux exigences clés : 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 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	15-10-2020	Non-functioning of MCS assessed in category 3 by the AA on the basis of KRs 2 and 4 for the MA. However, DG EMPL auditors consider that a category 4 should have been conveyed instead.
4	FR	National OP ESF Employment and Social Inclusion 2014-2020	2014FR05SFOP001	26-05-2020	183.563.897,03	18-09-2020	KR 4, KR 16 and KR 18

## INTERRUPTIONS DECIDED IN 2021

NR	MS	Region/ Operational programme	CCI Nr	DATE	AMOUNT	DATE of LIFTING	Main weaknesses identified

## WARNING LETTERS SENT IN 2020

Nbr	MS	Region – OP	CCI N°	DATE	DATE of LIFTING	Main weaknesses identified
1	SK	ESF OP Human Resources	2014SK05M00P001	06-01-2020	26-03-2021	Deficiencies are linked to KR 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	25-01-2021	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	02-10-2020	Deficiencies in MCS 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	2014LT16MAOP001	04-03-2020		Weaknesses identified in the Simplified Costs Options methodologies. The MA KR1 and KR 4 was assessed in cat 3.

		Funds Investments for 2014-2020 ERDF ESF				
5	ES	Andalucia	2014ES05SFOP022	20-04-2020	30-11-2020	KR 2, KR 4, KR 5
6	FR	Languedoc-Roussillon	2014FR16M00P006	18-05-2020	19-01-2021	KR 4
7	FR	Franche-Comté et Jura ERDF ESF	2014FR16M20P005	20-05-2020	05-08-2020	KR 16 + KR 18
8	FR	Franche-Comté et Jura ERDF ESF	2014FR16M20P005	05-08-2020	19-01-2021	KR 4 + Le non-respect des règles de la commande publique ; - Le non-respect de la réglementation sur les aides d'Etat ; - L'inéligibilité de certaines dépenses ; - L'absence de la piste complète d'audit ; - La mauvaise application de la méthodologie des options de couts simplifiés
9	FR	Bourgogne ERDF ESF	2014FR16M00P014	20-05-2020	05-08-2020	Dysfonctionnement important constaté lié à: Exigence clé n° 16: Audits adéquats des opérations, Exigence clé n° 18: Procédures adéquates relatives à la production d'un avis d'audit fiable et à la préparation du rapport de contrôle annuel
10	FR	Bourgogne ERDF ESF	2014FR16M00P014	05-08-2020	19-01-2021	KR 4 + Le non-respect des règles de la commande publique ; - Le non-respect de la réglementation sur les aides d'Etat ; - L'inéligibilité de certaines dépenses ; - L'absence de la piste complète d'audit ; - La mauvaise application de la méthodologie des options de couts simplifiés
11	UK	United Kingdom ESF Gibraltar	2014UK05SFOP005	29-05-2020	20-10-2020	KR 4, first warning letter tacitly closed by the follow up letter of October 2020
12	FR	Midi-Pyrénées et Garonne ERDF ESF	2014FR16M00P007	03-06-2020	19-01-2021	KR 4 total error rate 5,71%, high above 2%.
13	FR	Regional Programme Martinique Conseil régional 2014-2020 ERDF ESF	2014FR16M00P011	03-06-2020	02-09-2020	KR 16, KR 18 - error rate provisoire AA dans le RAC 2020 est de 21,88% et le taux d'erreur résiduel total provisoire de 21,72%
14	ES	ESF OP 2014 CATALUÑA	2014ES05SFOP007	09-06-2020	15-02-2021	KR 16, KR 18 total error rated greater than 2%
15	FR	France Regional programme Auvergne 2014-2020	2014FR16M00P002	10-06-2020	19-02-2021	KR 4 for FI, error rate 18,21%
16	FR	Aquitaine ERDF ESF	2014FR16M00P001	15-06-2020	14-10-2020	Dysfonctionnement important constaté lié au KR 4. La Commission a retenu le taux d'erreur total de 7,29% communiqué par l'autorité d'audit dans le rapport annuel de contrôle 2020, soit un taux supérieur au seuil d'importance significative de 2%. ACR indique irrégularités identifiées lors des audits d'opérations en ce qui concerne principalement 1) le non-respect des règles de la commande publique; 2) le non-respect des règles d'aides d'Etat; 3) l'inéligibilité de certaines dépenses (hors période d'éligibilité, non payées, ou non rattachables à l'opération); 4) TVA/taxes inéligibles, double financement, etc.).
17	FR	France : Poitou-Charentes	2014FR16M20P009	15-06-2020	14-10-2020	KR 4 taux d'erreur total de 7,29%
18	FR	Limousin	2014FR16M20P006	15-06-2020	14-10-2020	KR 4 error rate 7,29%
19	FR	Provence-Alpes-Côte d'Azur 2014-2020	2014FR16M00P013	15-06-2020	15-02-2021	KR 4 error rate 7,03%
20	FR	Regional Prog Corse 2014-2020 ERDF ESF	2014FR16M20P004	15-06-2020	11-02-2021	KR 16, KR 18 - Error rate 54,01% and residual error rate 51,05% provisional
21	FR	Haute Normandie	2014FR16M00P005	15-06-2020	14-10-2020	KR 4 error rate 5,99%



22	DE	ESF Saxony / Sachsen Operational Programme 2014-2020	2014DE05SFOP012	12-06-2020	10-03-2021	KR 7 cat. 3
23	FR	France : Rhône-Alpes	2014FR16M20P010	18-06-2020	19-02-2021	KR 4 FI total error rate 18,21%
24	HR	Efficient Human Resources	2014HR05M90P001	23-06-2020		Cat 3 assessment by AA for the following bodies: Min Culture (for KR 2), Min Demography, Family, Youth and Social Policy (for KR 2), Croatian Employment Service (for KR 4), National Foundation for Civil Society Development (for KR 2 and KR 6).
25	DE	Hessen 2014-2020	2014DE05SFOP008	22-06-2020		KRs 4, 16 and 18
26	HU	Competitive Central Hungary	2014HU16M20P002	29-06-2020	15-10-2020	Warning of possible interruption of the payment deadlineWarning of possible interruption of the payment deadline - deficiencies are linked to adequate project selection and management verifications (key requirements 2 and 4
27	HU	Territorial and Settlement Development	2014HU16M20P001	29-06-2020	15-10-2020	Warning of possible interruption of the payment deadlineWarning of possible interruption of the payment deadline - deficiencies are linked to adequate project selection and management verifications (key requirements 2 and 4
28	IT	Lombardia	2014IT05SFOP007	10-07-2020		KR 4. Adequate management verifications
29	FR	Mise en œuvre de l'IEJ en Métropole et Outre-Mer	2014FR05M90P001	29-07-2020	26-01-2021	KR 4. Adequate management verifications. Commission a retenu le taux d'erreur total de 5,04%, soit au-dessus du seuil d'importance significative admis de 2%.
30	FR	Basse Normandie	2014FR16M20P001	31-07-2020	14-10-2020	KR 4 - taux d'erreur total de 6,24 % et un taux d'erreur total résiduel de 4,94 %
31	IT	National Programme on social inclusion PON	2014IT05SFOP001	14-07-2020	18-02-2021	KR 4, KR 6, KR 10, KR 11 & 13 To adopt exhaustive checklist for management verifications as indicated in the EGESIF 14-0012_02_final, in particular regarding eligibility of expenditure and the correct selection of the operations. 2. To ensure that an adequate audit trail is kept, in particular regarding the supporting documents related to the expenditure and the indicators; 3. To ensure that the CA is provided with the expenditure supporting documents when drawing up and submitting payment applications; 4. To ensure that an appropriate record is maintained in the IT system regarding the irregularities and amounts of withdrawals and recoveries; 5. To ensure that the CA adopts an adequate sampling methodology to draw the sample for its own verifications; 6. To complete the automation in the IT system in order to draw the annexes of the accounts
32	PL	Wielkopolskie Regional Operational Programme	2014PL16M20P015	10-08-2020		KR 4 - revised total error rate indicates that there are significant deficiencies in the functioning of the management and control system as regards KR4
33	IT	Calabria ERDF ESF	2014IT16M20P006	16-07-2020		OR ESF ONLY - KR 4 - 2018 ACR and opinion, the audit authority has calculated a Total Error Rate at 10.01% for ESF, (recalculated by DG EMPL at 10.10%). The TER for the OP is 6,58%. The RTER for ESF is 1,14%. The overall RTER for the programme is 0,93%
34	PL	Poland: Regional Operational Programme Śląskie	2014PL16M20P012	02-10-2020		Both the TER and RTER recalculated by the Commission increased further to 5.57% and 3.65% respectively, taking into account the results of the audit by the European Court of Auditors (ARPF-9897). The Court's finding concerned ineligibility of participants in one ESF operation. KR 4 - recalculated TER of 5.30% and RTER of 3.38%.
35	HU	Competitive Central Hungary	2014HU16M20P002	15-10-2020		Total error rate resulting from the audits of operations carried out by the audit authority and confirmed by the recalculation of our services is 13.19%. As regards the requested corrective action 1), the national authorities singled out two systemic issues: (a) State aid advance related deficiencies, and (b) weaknesses in research and development projects under priority axis 2 of the Competitive Central Hungary programme – that were the main reasons of the error rate above 10%, and committed to undertake the actions mentioned above
36	HU	Territorial and Settlement Development	2014HU16M20P001	15-10-2020		Total error rate resulting from the audits of operations carried out by the audit authority and confirmed by the recalculation of our services is 13.19%.

37	UK	United Kingdom ESF Gibraltar	2014UK05SFOP005	20-10-2020		<p>KR 4, further improvement of the management verifications methodology to ensure that it meets the legal requirements. Once these improvements have been introduced by the managing authority and verified by the audit authority, the revised methodology should be submitted to the Commission auditors for approval. 2) Considering the stage of implementation of both the ERDF and ESF operational programmes 2014-2020, programme authorities may put in place additional measures to ensure the adequacy of verifications that they have already performed or are performing on expenditure to be declared to the Commission in the payment claim for the final accounting year. The purpose of this is to provide assurance on the legality and regularity of the expenditure at closure. Thereby, the managing authority should re-perform parts of the management verifications using the improved verification checklist and ensure that all relevant aspects are covered.</p> <p>3) The audit authority should review the adequacy of the preventive and corrective measures taken and report to the Commission services the result of this audit work.</p>
----	----	---------------------------------	-----------------	------------	--	---

## WARNING LETTERS SENT IN Q1 2021

Nbr	MS	Region – OP	CCI N°	DATE	DATE of LIFTING	Main weaknesses identified
1	ES	ESF OP 2014 CATALUÑA	2014ES05SFOP007	15/02/2021		Convert the warning for interruption of 09/06/2020 into a warning for corrective actions (estimated remaining risk level now below 10%) and proceed with the pending interim payment KR 16, KR 18 total error rated greater than 2%
2	HR	FEAD	2014HR05FMOP001	16/02/2021		MCS cat. 3 for KR 2 & 4 and linked to findings for which the amount of ineligible costs need to be determined for corrections into the accounts 2019-2020: – Contracting of ineligible activities (donations) – Applicability of rules on procurement related to costs in contracts with the Red Cross – Addendums to the contracts – Extension of contract was contracted after implementation period of the contract – Declared ineligible cost related to donations – Tolerances of absences in school meals (ineligible amounts): the determination of the error rate related to absences
3	IT	National Programme on social inclusion PON	2014IT05SFOP001	18/02/2021		Significant number of serious system deficiencies have been identified and substantiated (notably for the selection of operations, management verifications, the reliability of the AA work, and systems key requirements 2, 4, 5, 6, 15, 16 & 18 assessed in category 3). DG EMPL auditors established the error rate to 8,52% with possible additional findings under discussion. If these are confirmed, the total error rate may go up to 9,33%
4	SE	CLLD Sweden	2014SE16M20P001	25-02-2021		Warning letter for corrective actions (estimated risk below 10%) for the following OP managing entities: Swedish Board of Agriculture (SBA) and the intermediate bodies County Administrative Boards in Västra Götaland, Norrbotten and Gotland). 1. KR 4 & KR 5
5	FR	Operational Programme FEDER-FSE Mayotte	2014FR16M20P012	05-03-2021		Déficiences sont liées aux exigences clés suivantes KR 4, 16 et 18
6	DE	ESF Saxony / Sachsen Operational Programme 2014-2020	2014DE05SFOP012	10-03-2021		Deficiencies are linked to: – KR 4: Adequate management verifications, – KR 16: Adequate audits of operations, – KR 18: Adequate procedures for providing a reliable audit opinion and for preparing the annual control report

## PRE-SUSPENSIONS DECIDED IN 2020

Nbr	MS	Region – OP	CCI N°	DATE	DATE of ABORT/ LIFTED	Main weaknesses identified
1	IT	Puglia	2014IT16M20P002	08/01/2020	27/05/2020	Project A0810.6 - Acquisizione nuove professionalità per potenziare i servizi presso Città Metropolitana di Bari 2016 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
2	IT	Bolzano	2014IT05SF0P017	29-05-2020	02/10/2020	ACR Total Error Rate of 12.38% and a Residual Total Error Rate of 1.28% - KR2 + KR4

## PRE-SUSPENSIONS DECIDED IN Q1 2021

Nbr	MS	Region – OP	CCI N°	DATE	DATE of ABORT/ LIFTED	Main weaknesses identified

## SUSPENSIONS ADOPTED IN 2020

Nbr	MS	Region – OP	CCI N°	DATE	Decision	Main weaknesses identified
1	HU	Human Resource Development OP HRDOP ERDF ESF	2014HU05M20P001	20-02-2020	C(2020)1063	Only for priority Axis 1 and Priority Axis 5 + KR 2 + 4

## SUSPENSIONS LIFTED IN Q1 2021

Nbr	MS	Region – OP	CCI N°	DATE	Decision	Main weaknesses identified
1	HU	Human Resource Development OP HRDOP ERDF ESF	2014HU05M20P001	14/01/2021	C(2021)270	Only for priority Axis 1 and Priority Axis 5 + KR 2 + 4

## SUSPENSIONS ADOPTED IN Q1 2021

Nbr	MS	Region – OP	CCI N°	DATE	Decision	Main weaknesses identified

## Adjustments applied by the Member States in the annual accounts submitted for the accounting year 2019-2020

### 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 the accounts		Withdrawals & recoveries at 30 of June 2020		
			Total deductions	Out of which amounts corrected in the current accounts as a result of audits of operations according to Article 127(1) of Regulation (EU) No 1303/2013	Total eligible withdrawal amount of expenditure	Total eligible recoveries amount of expenditure	Out of which amounts corrected in the current accounts as a result of audits of operations according to Article 127(1) of Regulation (EU) No 1303/2013
AT	125,419,113.83	121,694,572.41	3,724,541.42	39,457.53	-	-	-
BE	268,770,619.03	263,198,573.39	5,572,045.64	1,581,033.76	142,843.55	-	-
BG	240,054,873.09	239,321,350.04	733,523.05	124,585.73	328,920.66	73,402.24	36,863.53
CY	11,649,103.34	11,649,103.34	-	-	99,946.10	-	-
CZ	623,959,510.11	616,562,996.10	7,396,514.01	63,180.11	1,331,476.45	747,747.93	2,205.35
DE	1,753,961,638.65	1,714,584,265.14	39,377,373.51	2,833,769.19	3,807,301.32	33,811.41	26,431.69
DK	55,647,254.30	54,278,240.53	1,369,013.77	-	-	-	-
EE	100,991,854.21	98,497,198.05	2,494,656.16	14,067.68	50,547.23	75,432.92	45,721.57
ES	1,314,263,627.46	1,283,074,716.91	31,188,910.55	10,030,525.87	-	-	-
FI	139,679,519.14	138,848,968.61	830,550.53	14,947.49	48,093.09	26,217.68	-
FR	1,229,369,710.17	1,198,825,767.44	30,543,942.73	19,447,572.26	1,004,501.05	-	-
GR	549,013,818.08	545,756,259.30	3,257,558.78	1,902,603.83	6,574,558.67	-	6,292,631.80
HR	110,717,938.26	108,606,434.59	2,111,503.67	1,987,294.92	50,473.24	-	762.77
HU	465,601,427.64	412,134,657.01	53,466,770.63	1,289,555.25	6,290,444.57	-	1,517,364.06
IE	178,531,598.69	177,596,791.67	934,807.02	916,201.02	-	-	-
IT	1,621,160,540.29	1,568,200,122.60	52,960,417.69	9,173,746.52	8,657,266.17	45,539.07	47,597.92
LT	248,497,707.31	245,200,290.43	3,297,416.88	-	1,338,999.28	-	7,263.68
LU	6,089,028.34	6,089,028.34	-	-	-	-	-
LV	77,972,564.37	75,290,302.09	2,682,262.28	12,026.93	584.98	-	-
MT	15,102,115.65	14,906,736.25	195,379.40	280.99	-	-	-
NL	29,027,754.00	29,024,017.00	3,737.00	3,737.00	-	-	-
PL	2,074,843,979.08	2,029,503,391.55	45,340,587.53	173,742.48	4,927,989.80	78,481.12	69,167.97
PT	935,369,521.34	925,471,081.82	9,898,439.52	5,209,195.43	1,737,135.27	-	215,856.21
RO	654,930,378.86	645,201,778.97	9,728,599.89	1,241,100.30	1,107,781.00	-	57,854.42
SE	158,169,003.62	156,462,258.60	1,706,745.02	120,763.93	-	633,252.68	-
SI	111,853,769.19	110,962,530.63	891,238.56	17,020.33	360,243.25	280,670.48	-
SK	339,209,892.56	333,259,670.03	5,950,222.53	1,048,164.01	1,072,877.68	306,737.95	447,552.50
UK	1,026,378,467.95	834,568,952.24	191,809,515.71	7,659,829.68	1,842,125.94	14,433.21	933,533.08
<b>Total</b>	<b>14,466,236,328.56</b>	<b>13,958,770,055.08</b>	<b>507,466,273.48</b>	<b>64,904,402.24</b>	<b>40,774,109.30</b>	<b>2,315,726.69</b>	<b>9,700,806.55</b>

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 the accounts		Withdrawals & recoveries at 30 of June 2020		
			Total deductions	Out of which amounts corrected in the current accounts as a result of audits of operations according to Article 34(1) of Regulation (EU) No 223/2014	Total eligible withdrawal amount of expenditure	Total eligible recoveries amount of expenditure	Out of which amounts corrected in the current accounts as a result of audits of operations according to Article 34(1) of Regulation (EU) No 223/2014
AT	3,246,332.92	3,246,332.92	-	-	-	-	-
BE	9,541,049.89	9,541,048.16	1.73	1.73	112,589.40	-	-
BG	30,755,830.25	30,755,830.25	-	-	590.81	985.42	1,401.91
CY	618,258.72	618,219.49	39.23	39.23	-	-	-
CZ	1,735,174.26	1,735,174.26	-	-	-	-	-
DE	13,501,698.80	11,104,813.90	2,396,884.90	937,229.85	576,950.29	-	-
DK	858,641.84	851,780.05	6,861.79	6,861.41	-	-	-
EE	1,269,411.01	1,269,411.01	-	-	-	-	-
ES	82,365,090.49	82,365,090.49	-	-	-	-	-
FI	4,383,804.49	4,383,804.49	-	-	-	-	-
FR	80,690,338.41	79,006,282.60	1,684,055.81	-	-	-	-
GR	39,998,349.62	39,444,939.07	553,410.55	502,345.74	-	-	-
HR	7,666,989.98	6,489,683.27	1,177,306.71	844.88	-	-	-
HU	9,514,520.44	9,423,412.42	91,108.02	91,108.02	74,563.61	-	-
IE	5,453,408.01	5,453,408.01	-	-	-	-	-
IT	110,729,861.14	110,141,093.09	588,768.05	-	-	-	-
LT	8,447,367.50	8,447,367.50	-	-	-	-	-
LU	620,834.32	620,834.32	-	-	-	-	-
LV	8,216,136.75	8,216,000.78	135.97	-	-	36.26	-
MT	586,407.22	586,290.16	117.06	-	697.28	-	-
NL	888,684.00	888,684.00	-	-	-	-	-
PL	61,137,226.97	61,105,427.98	31,798.99	9,225.15	690,636.21	-	690,144.03
PT	28,683,653.03	28,474,252.14	209,400.89	56,095.39	125.44	-	-
RO	66,882,609.37	62,939,819.06	3,942,790.31	2,806,048.98	-	-	-
SE	533,057.20	532,925.45	131.75	131.75	-	9,826.00	-
SI	3,647,946.22	3,647,946.21	0.01	-	-	-	-
SK	7,395,598.13	7,395,598.13	-	-	-	-	-
<b>Total</b>	<b>589,368,280.98</b>	<b>578,685,469.21</b>	<b>10,682,811.77</b>	<b>4,409,932.13</b>	<b>1,456,153.04</b>	<b>10,847.68</b>	<b>691,545.94</b>

## Error rates by operational programmes – 2014-2020 programming period

				Accounting year 2016-2017	Accounting year 2017-2018	Accounting year 2018-2019			Accounting year 2019-2020		
				Indicator for the application of the enhanced proportionate arrangements for period 2021-2027							
MS	CCI Ref	Title	Audit opinion	Total Error Rate confirmed by EC	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	Residual Total Error Rate reportable by EC	Relevant expenditure (payments +retentions -deductions)
AT	2014AT05SFOP001	Operational Programme Employment Austria 2014-2020	Unqualified		0.78%	0.62%	0.57%	0.57%	0.41%	0.38%	77,031,544
BE	2014BE05M9OP001	ESF Operationnal Programme Wallonie-Bruxelles 2020.eu	Qualified limited	6.68%	1.87%	1.20%	1.06%	1.06%	3.16%	2.00%	81,745,659
BE	2014BE05M9OP002	Operational programme ESF 2014-2020 of the Brussels-Capital Region : "Investment for growth and jobs"	Qualified significant	1.27%	9.36%	3.67%	2.86%	2.86%	10.47%	0.00%	12,887,807
BE	2014BE05SFOP001	European Social Fund 2014-2020 – German Speaking Community of Belgium	Qualified limited		0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2,706,400
BE	2014BE05SFOP002	Operational Programme ESF Flanders 2014-2020	Qualified limited	1.68%	2.20%	0.54%	0.48%	0.48%	2.10%	2.00%	32,051,262
BG	2014BG05M2OP001	Operational Programme Science and Education for Smart Growth	Unqualified		0.29%	0.96%	0.51%	0.51%	0.61%	0.00%	50,007,159
BG	2014BG05M9OP001	Human Resources Development	Unqualified	0.17%	0.03%	0.81%	0.75%	0.75%	0.26%	0.26%	148,923,220
BG	2014BG05SFOP001	Good Governance	Unqualified	0.46%	0.08%	0.66%	0.00%	0.00%	1.04%	0.74%	36,060,969

CY	2014CY05M9OP001	Employment, Human Capital and Social Cohesion	Unqualified	0.11%	0.10%	0.09%	0.02%	0.02%	0.13%	0.09%	11,878,283
CZ	2014CZ05M2OP001	OP Research, Development and Education	Qualified limited	0.18%	0.17%	0.43%	0.41%	0.41%	0.23%	0.22%	224,498,491
CZ	2014CZ05M9OP001	Operational Programme Employment	Qualified limited	0.02%	1.48%	0.04%	0.04%	0.04%	0.08%	0.07%	263,361,694
CZ	2014CZ16M2OP001	OP Prague – Growth Pole	Qualified limited	0.00%	0.78%	0.18%	0.10%	0.10%	0.70%	0.61%	6,145,193
DE	2014DE05SFOP001	OP Schleswig-Holstein ESF 2014-2020	Unqualified	0.42%	0.68%	0.49%	0.08%	0.08%	0.62%	0.21%	-110,071
DE	2014DE05SFOP002	Operational Programme ESF Federal Germany 2014-2020	Qualified limited	0.98%	0.93%	0.42%	0.27%	0.27%	1.80%	1.79%	439,050,769
DE	2014DE05SFOP003	Operational Programme ESF Baden-Württemberg 2014-2020	Disclaimer of opinion	1.21%	1.26%	0.54%	0.47%	0.47%	0.00%	0.00%	-12,412,746
DE	2014DE05SFOP004	Operational Programme ESF Bayern 2014-2020	Unqualified	0.33%	1.14%	0.78%	0.74%	0.74%	0.66%	0.66%	44,310,858
DE	2014DE05SFOP005	Operational Programme ESF Berlin 2014-2020	Qualified limited		8.01%	2.52%	1.97%	1.97%	2.22%	2.00%	20,567,673
DE	2014DE05SFOP006	Operational Programme ESF Brandenburg 2014-2020	Unqualified		1.67%	0.29%	0.23%	0.23%	0.81%	0.64%	33,629,132
DE	2014DE05SFOP007	Operational Programme ESF Hamburg 2014-2020	Unqualified		0.57%	0.00%	0.00%	0.00%	0.01%	0.01%	22,159,911
DE	2014DE05SFOP008	Operational Programme ESF Hessen 2014-2020	Qualified significant		2.18%	1.78%	1.65%	1.65%	2.34%	1.93%	19,040,149
DE	2014DE05SFOP009	Operational Programme ESF Mecklenburg-Vorpommern 2014-2020	Unqualified		3.62%	0.10%	0.00%	0.00%	0.02%	0.00%	82,816,484
DE	2014DE05SFOP010	Operational Programme ESF Nordrhein-Westfalen 2014-2020	Unqualified		1.71%	3.99%	2.00%	2.00%	1.96%	1.63%	109,001,659
DE	2014DE05SFOP011	Operational Programme ESF Saarland 2014-2020	Disclaimer of opinion		1.32%	0.43%	0.30%	0.30%	0.00%	0.00%	14,423,999
DE	2014DE05SFOP012	Operational Programme ESF Sachsen 2014-2020	Qualified significant	0.38%	1.63%	4.99%	4.98%	5.03%	0.53%	0.52%	64,105,979
DE	2014DE05SFOP013	Operational Programme ESF Sachsen-Anhalt 2014-2020	Unqualified		2.26%	0.02%	0.01%	0.01%	0.29%	0.29%	69,644,023
DE	2014DE05SFOP014	Operational Programme ESF Thüringen 2014-2020	Qualified significant	1.56%	0.32%	6.94%	2.00%	2.00%	7.20%	4.84%	57,706,529

DE	2014DE05SFOP015	Operational Programme ESF Rheinland-Pfalz 2014-2020	Unqualified		0.35%	0.55%	0.44%	0.44%	0.81%	0.49%	16,367,043
DE	2014DE05SFOP016	Operational Programme ESF Bremen 2014-2020	Unqualified		1.94%	1.45%	1.39%	1.39%	0.94%	0.13%	5,524,781
DE	2014DE16M2OP001	OP Niedersachsen ERDF/ESF 2014-2020	Unqualified		3.89%	0.32%	0.31%	0.33%	1.60%	1.14%	41,226,806
DK	2014DK05SFOP001	Educational and Entrepreneurial Growth	Qualified limited	0.85%	0.98%	2.06%	1.89%	1.89%	1.72%	0.84%	29,310,797
EE	2014EE16M3OP001	for Cohesion Policy Funding 2014-2020	Qualified limited	1.46%	0.73%	0.94%	0.81%	0.81%	0.75%	0.67%	77,384,023
ES	2014ES05M9OP001	OP ESF 2014 YOUTH EMPLOYMENT	Qualified limited		9.49%	1.97%	1.58%	1.58%	1.52%	1.43%	496,664,442
ES	2014ES05SFOP001	OP ESF 2014 C.A. LA RIOJA	Unqualified			0.93%	0.69%	0.69%	2.76%	0.13%	632,366
ES	2014ES05SFOP002	OP ESF 2014 EMPLOYMENT, TRAINING AND EDUCATION	Unqualified			0.10%	4.00%	4.00%	0.07%	0.04%	254,907,076
ES	2014ES05SFOP003	OP ESF 2014 REGION DE MURCIA	Unqualified		0.73%	0.09%	0.01%	0.01%	0.43%	0.00%	-44,705
ES	2014ES05SFOP004	OP ESF 2014 PRINCIPADO DE ASTURIAS	Unqualified			0.42%	0.01%	0.01%	0.48%	0.00%	16,166,619
ES	2014ES05SFOP005	OP ESF 2014 ILLES BALEARS	Qualified limited			1.20%	0.36%	0.36%	8.98%	0.00%	18,276,111
ES	2014ES05SFOP006	PO FSE 2014 C.A. CASTILLA Y LEON	Unqualified			4.06%	2.00%	2.00%	0.38%	0.00%	7,874,170
ES	2014ES05SFOP007	PO FSE 2014 C.A. CATALUÑA	Qualified limited			55.08%	2.00%	2.00%	2.75%	2.00%	-251,887
ES	2014ES05SFOP008	OP ESF 2014 CIUDAD A. DE CEUTA	Unqualified			0.00%	0.00%	0.00%	0.00%	0.00%	-9,042
ES	2014ES05SFOP009	OP ESF 2014 C.A. GALICIA	Qualified limited		3.73%	2.10%	1.41%	1.41%	3.80%	1.50%	50,766,939
ES	2014ES05SFOP010	OP ESF 2014 C. FORAL DE NAVARRA	Unqualified			0.01%	0.01%	0.01%	0.00%	0.00%	4,444,334
ES	2014ES05SFOP011	OP ESF 2014 C.A. PAIS VASCO	Qualified limited			1.09%	1.08%	1.08%	1.56%	1.47%	2,839,385
ES	2014ES05SFOP012	OP ESF 2014 SOCIAL INCLUSION AND SOCIAL ECONOMY	Unqualified		5.78%	0.10%	4.00%	4.00%	0.07%	0.04%	90,946,660
ES	2014ES05SFOP014	OP ESF 2014 C.A. CANARIAS	Unqualified			1.80%	1.65%	1.65%	0.15%	0.12%	20,860,126



ES	2014ES05SFOP015	OP ESF 2014 C.A. CASTILLA-LA MANCHA	Qualified limited			6.91%	0.00%	0.00%	3.90%	1.40%	26,831,432
ES	2014ES05SFOP016	OP ESF 2014 C.A. EXTREMADURA	Qualified limited		1.29%	0.37%	0.36%	0.36%	0.00%	0.00%	61,456,764
ES	2014ES05SFOP017	OP ESF 2014 CIUDAD A. DE MELILLA	Qualified limited			0.00%	0.00%	0.00%	0.00%	0.00%	144,665
ES	2014ES05SFOP018	OP ESF 2014 C.A. ARAGON	Unqualified			0.64%	0.63%	0.63%	0.50%	0.02%	33,824,592
ES	2014ES05SFOP019	OP ESF 2014 C.A. CANTABRIA	Unqualified			0.69%	0.60%	0.60%	0.00%	0.00%	3,028,257
ES	2014ES05SFOP020	OP ESF 2014 COMUNITAT VALENCIANA	Unqualified			0.83%	0.02%	0.02%	0.02%	0.02%	81,787,839
ES	2014ES05SFOP021	OP ESF 2014 C. DE MADRID	Qualified limited			3.77%	0.27%	0.27%	4.26%	1.94%	67,079,108
ES	2014ES05SFOP022	OP ESF 2014 C.A. ANDALUCIA	Qualified limited			27.08%	1.84%	1.84%	5.29%	1.75%	117,001,662
ES	2014ES05SFTA001	OP ESF 2014 TECHNICAL ASSISTANCE	Unqualified			0.10%	4.00%	4.00%	0.07%	0.04%	4,842,092
FI	2014FI05M2OP001	Entrepreneurship and skills, Åland Structural Fund Programme 2014-2020	Qualified limited		0.98%	0.00%	0.00%	0.00%	0.00%	0.00%	331,458
FI	2014FI16M2OP001	Sustainable growth and jobs 2014-2020 - Structural Funds Programme of Finland	Qualified limited	0.43%	0.67%	1.31%	1.29%	1.29%	0.60%	0.59%	65,803,129
FR	2014FR05M0OP001	Operational Programme ERDF-ESF Ile-de-France et Seine 2014-2020	Qualified limited	40.89%	36.10%	0.00%	0.00%	0.00%	5.28%	2.00%	32,356,777
FR	2014FR05M2OP001	Operational Programme ERDF-ESF Guadeloupe et St Martin Etat 2014-2020	Qualified limited		11.50%	2.19%	1.88%	1.88%	0.63%	0.54%	19,740,654
FR	2014FR05M9OP001	for the implementation of YEI in mainland France and outermost regions	Unqualified	2.40%	2.23%	5.17%	2.14%	2.14%	1.07%	0.94%	119,075,898
FR	2014FR05M9OP002	Operational Programme ESF Alsace 2014-2020	Unqualified	10.00%	4.83%	1.33%	0.83%	0.83%	0.52%	0.47%	14,467,359
FR	2014FR05SFOP001	National Operational Programme ESF Employment and Social Inclusion 2014-2020	Qualified limited	2.40%	2.40%	11.68%	2.00%	2.00%	4.37%	2.00%	454,970,311

FR	2014FR05SFOP003	Operational Programme ESF Guyane Etat 2014-2020	Unqualified		0.00%	3.31%	2.00%	2.00%	0.74%	0.62%	7,709,605
FR	2014FR05SFOP004	Operational Programme ESF Martinique Etat 2014-2020	Unqualified	0.00%	4.55%	4.37%	2.00%	2.00%	0.04%	0.03%	10,887,876
FR	2014FR05SFOP005	Operational Programme ESF Réunion Etat 2014-2020	Qualified limited	8.74%	3.18%	4.22%	2.00%	2.00%	3.46%	2.00%	62,453,094
FR	2014FR16M0OP001	Regional programme Aquitaine 2014-2020	Qualified limited	5.11%	3.64%	7.29%	2.00%	2.00%	3.95%	2.00%	12,089,485
FR	2014FR16M0OP002	Regional programme Auvergne 2014-2020	Qualified limited	0.94%	3.13%	18.21%	1.59%	2.19%	3.80%	1.59%	13,614,675
FR	2014FR16M0OP003	Regional programme Centre 2014-2020	Unqualified	4.22%	2.61%	2.69%	2.00%	2.02%	1.25%	1.19%	10,285,364
FR	2014FR16M0OP004	Regional programme Champagne-Ardenne 2014-2020	Unqualified	10.00%	4.83%	1.33%	0.83%	0.83%	0.52%	0.47%	21,369,992
FR	2014FR16M0OP005	Regional programme Haute-Normandie 2014-2020	Unqualified		2.98%	5.99%	2.00%	2.39%	0.13%	0.07%	8,139,189
FR	2014FR16M0OP006	Regional programme Languedoc-Roussillon 2014-2020	Qualified limited	1.92%	2.00%	5.71%	2.00%	2.05%	2.56%	1.90%	12,191,016
FR	2014FR16M0OP007	Regional programme Midi-Pyrénées et Garonne 2014-2020	Qualified limited	0.81%	1.04%	5.71%	2.00%	2.05%	2.56%	1.90%	10,451,947
FR	2014FR16M0OP008	Regional programme Picardie 2014-2020	Qualified limited	5.00%	2.98%	0.94%	0.65%	0.65%	2.46%	2.00%	10,640,751
FR	2014FR16M0OP009	Regional programme Guadeloupe Conseil Régional 2014-2020	Adverse		0.38%	2.22%	1.37%	1.37%	10.28%	2.00%	4,422,294
FR	2014FR16M0OP011	Regional programme Martinique Conseil Régional 2014-2020	Unqualified	2.05%	9.22%	1.09%	0.87%	0.87%	0.72%	0.54%	3,649,539
FR	2014FR16M0OP012	Regional programme Nord-Pas de Calais 2014-2020	Qualified limited	4.16%	0.59%	0.96%	0.65%	0.69%	2.46%	2.00%	35,241,250
FR	2014FR16M0OP013	Regional programme Provence Alpes Côte d'Azur 2014-2020	Unqualified	2.67%	1.31%	7.03%	2.00%	2.19%	1.18%	1.01%	16,280,573
FR	2014FR16M0OP014	Regional programme Bourgogne 2014-2020	Unqualified	5.70%	5.38%	6.60%	2.00%	2.00%	1.33%	0.72%	7,819,713
FR	2014FR16M0OP015	Regional programme Lorraine et Vosges 2014-	Unqualified	10.00%	4.83%	1.33%	0.83%	0.83%	0.52%	0.47%	44,163,741

		2020									
FR	2014FR16M2OP001	Regional programme Basse-Normandie 2014-2020	Unqualified		1.00%	6.24%	2.00%	2.19%	0.76%	0.74%	0
FR	2014FR16M2OP003	Regional programme Bretagne 2014-2020	Unqualified		1.51%	3.65%	3.40%	3.48%	1.29%	0.77%	6,755,384
FR	2014FR16M2OP004	Regional programme Corse 2014-2020	Qualified limited		36.16%	2.57%	2.00%	2.35%	4.24%	2.00%	0
FR	2014FR16M2OP005	Regional programme Franche-Comté et Jura 2014-2020	Unqualified	17.68%	7.07%	6.60%	2.00%	2.00%	1.33%	0.72%	2,406,277
FR	2014FR16M2OP006	Regional programme Limousin 2014-2020	Qualified limited	0.00%	0.19%	7.29%	2.00%	2.00%	3.95%	2.00%	1,279,116
FR	2014FR16M2OP008	Regional programme Pays de la Loire 2014-2020	Unqualified	0.84%	0.84%	4.35%	2.00%	2.00%	1.79%	1.61%	17,683,927
FR	2014FR16M2OP009	Regional programme Poitou Charentes 2014-2020	Qualified limited	17.01%	0.00%	7.29%	2.00%	2.00%	3.95%	2.00%	5,780,279
FR	2014FR16M2OP010	Regional programme Rhône Alpes 2014-2020	Qualified limited	0.00%	2.22%	18.21%	1.59%	1.59%	3.80%	1.59%	28,176,491
FR	2014FR16M2OP011	Regional programme Guyane Conseil Régional 2014-2020	Qualified significant		0.00%	0.58%	0.54%	0.54%	9.34%	2.00%	9,284,011
FR	2014FR16M2OP012	Regional programme Mayotte 2014-2020	Adverse		0.41%	0.00%	0.00%	0.00%	0.00%	0.00%	-7,040,755
FR	2014FR16M2TA001	National technical assistance programme 2014-2020	Unqualified	0.00%	0.00%	0.25%	0.21%	0.21%	0.00%	0.00%	3,505,120
GR	2014GR05M2OP001	Reform of the Public Sector	Qualified limited	2.87%	2.99%	3.75%	2.10%	2.10%	3.85%	1.99%	15,875,769
GR	2014GR05M9OP001	Human Resources Development, Education and Lifelong Learning	Qualified limited	2.87%	2.99%	3.75%	2.10%	2.10%	3.85%	1.99%	483,381,245
GR	2014GR16M2OP001	COMPETITIVENESS, ENTREPRENEURSHIP AND INNOVATION OP	Qualified limited	2.87%	2.99%	3.75%	2.10%	2.25%	3.85%	1.99%	52,409,282
GR	2014GR16M2OP002	CENTRAL MACEDONIA OP	Qualified limited	2.87%	2.99%	3.75%	2.10%	2.10%	3.85%	1.99%	22,534,843
GR	2014GR16M2OP003	THESSALY OP	Qualified limited	2.87%	2.99%	3.75%	2.10%	2.10%	3.85%	1.99%	6,041,283
GR	2014GR16M2OP004	EPIRUS OP	Qualified limited	2.87%	2.99%	3.75%	2.10%	2.28%	3.85%	1.99%	4,866,196

GR	2014GR16M2OP005	WESTERN GREECE OP	Qualified limited	2.87%	2.99%	3.75%	2.10%	2.36%	3.85%	1.99%	7,510,578
GR	2014GR16M2OP006	WESTERN MACEDONIA OP	Qualified limited	2.87%	2.99%	3.75%	2.10%	2.10%	3.85%	1.99%	2,666,915
GR	2014GR16M2OP007	CONTINENTAL GREECE OP	Qualified limited	2.87%	2.99%	3.75%	2.10%	2.13%	3.85%	1.99%	3,224,506
GR	2014GR16M2OP008	PELOPONNESUS OP	Qualified limited	2.87%	2.99%	3.75%	2.10%	2.10%	3.85%	1.99%	2,865,462
GR	2014GR16M2OP009	IONIAN ISLANDS OP	Qualified limited	2.87%	2.99%	3.75%	2.10%	2.10%	3.85%	1.99%	2,543,014
GR	2014GR16M2OP010	NORTH AEGEAN OP	Qualified limited	2.87%	2.99%	3.75%	2.10%	2.10%	3.85%	1.99%	2,318,575
GR	2014GR16M2OP011	CRETE OP	Qualified limited	2.87%	2.99%	3.75%	2.10%	2.10%	3.85%	1.99%	8,414,215
GR	2014GR16M2OP012	ATTICA OP	Qualified limited	2.87%	2.99%	3.75%	2.10%	2.10%	3.85%	1.99%	26,065,010
GR	2014GR16M2OP013	SOUTH AEGEAN OP	Qualified limited	2.87%	2.99%	3.75%	2.10%	2.10%	3.85%	1.99%	2,290,276
GR	2014GR16M2OP014	EASTERN MACEDONIA-THRACE OP	Qualified limited	2.87%	2.99%	3.75%	2.10%	2.10%	3.85%	1.99%	7,026,580
GR	2014GR16M3TA001	Technical Assistance Programme	Qualified limited	2.87%	2.99%	3.75%	2.10%	2.10%	3.85%	1.99%	9,528,186
HR	2014HR05M9OP001	ESF Operational Programme Efficient Human Resource	Qualified significant		2.13%	3.36%	2.38%	2.38%	3.84%	2.00%	180,062,175
HU	2014HU05M2OP001	Human Resources Development	Qualified limited		3.45%	5.04%	0.96%	0.96%	2.22%	1.29%	70,801,504
HU	2014HU05M3OP001	Public Administration and Civil Service Development OP	Qualified limited		11.80%	6.42%	1.05%	1.05%	3.42%	1.17%	63,227,841
HU	2014HU16M0OP001	Economic Development and Innovation OP	Qualified limited	0.87%	3.06%	3.95%	2.11%	3.32%	3.50%	2.00%	455,201,720
HU	2014HU16M2OP001	Territorial and settlement development OP	Qualified limited	0.00%	11.19%	13.19%	1.99%	1.87%	2.13%	1.99%	82,271,302
HU	2014HU16M2OP002	Competitive Central-Hungary OP	Qualified limited		11.19%	13.19%	1.99%	1.87%	2.13%	1.99%	34,970,057
IE	2014IE05M9OP001	ESF Operational Programme 2014-2020	Qualified limited			1.97%	1.58%	1.58%	1.46%	0.96%	26,742,318
IT	2014IT05M2OP001	National on Education	Qualified limited		0.28%	0.82%	0.81%	0.81%	1.14%	1.14%	265,765,841

IT	2014IT05M2OP002	National Operational Programme on Governance, networks, special projects and technical assistance	Qualified significant		0.00%	5.00%	5.00%	5.00%	2.33%	2.32%	26,401,718
IT	2014IT05M9OP001	National on Youth Employment	Qualified significant	5.53%	5.04%	7.25%	2.00%	2.00%	3.20%	2.00%	232,101,127
IT	2014IT05SFOP001	National Operational Programme on Social Inclusion	Qualified significant	9.34%	31.33%	0.00%	5.00%	5.00%	6.44%	3.27%	80,729,243
IT	2014IT05SFOP002	National Operational Programme on Systems for Active Employment Policies	Qualified significant	0.29%	9.33%	0.48%	0.39%	0.39%	1.25%	0.00%	297,685,065
IT	2014IT05SFOP003	POR Emilia Romagna ESF	Qualified limited	0.38%	0.14%	0.65%	0.64%	0.64%	0.10%	0.09%	39,857,022
IT	2014IT05SFOP004	POR Friuli Venezia Giulia ESF	Qualified significant	0.46%	0.00%	0.00%	0.00%	0.00%	2.50%	2.12%	20,971,688
IT	2014IT05SFOP005	POR Lazio ESF	Qualified significant	3.03%	0.11%	1.02%	0.53%	0.61%	9.58%	0.63%	10,872,074
IT	2014IT05SFOP006	POR Liguria ESF	Qualified significant	0.01%	0.20%	0.08%	0.08%	0.08%	2.54%	2.53%	18,774,359
IT	2014IT05SFOP007	POR Lombardia ESF	Qualified significant	2.36%	2.36%	5.00%	5.00%	5.00%	0.21%	0.21%	37,110,497
IT	2014IT05SFOP008	POR Marche ESF	Qualified limited	1.09%	0.02%	0.61%	0.56%	0.56%	1.02%	0.91%	15,817,262
IT	2014IT05SFOP009	POR Abruzzo ESF	Qualified limited		0.68%	0.15%	0.08%	0.08%	1.00%	0.58%	8,404,648
IT	2014IT05SFOP010	POR Umbria ESF	Qualified limited		1.18%	0.46%	0.42%	0.42%	1.67%	1.55%	18,691,297
IT	2014IT05SFOP011	POR Valle d'Aosta ESF	Qualified limited		48.99%	3.12%	0.99%	0.99%	0.47%	0.46%	4,894,460
IT	2014IT05SFOP012	POR Veneto ESF	Qualified limited	2.65%	21.65%	0.95%	0.90%	0.90%	0.00%	0.00%	81,974,941
IT	2014IT05SFOP013	POR Piemonte ESF	Qualified significant	1.23%	1.02%	0.01%	0.01%	0.01%	5.00%	5.00%	53,096,731
IT	2014IT05SFOP014	POR Sicilia ESF	Qualified limited		4.68%	1.93%	1.90%	1.90%	4.12%	0.77%	-1,577,213
IT	2014IT05SFOP015	POR Toscana ESF	Qualified limited	1.22%	1.34%	0.43%	0.43%	0.43%	0.90%	0.90%	80,585,735
IT	2014IT05SFOP016	POR Basilicata ESF	Qualified limited	0.00%	0.07%	0.08%	0.08%	0.10%	1.81%	1.81%	18,366,006

IT	2014IT05SFOP017	ROP PA Bolzano ESF	Qualified significant			12.38%	1.28%	1.28%	0.68%	0.65%	16,679,712
IT	2014IT05SFOP018	ROP PA Trento ESF	Qualified limited	0.76%	0.32%	1.44%	1.34%	1.34%	0.02%	0.02%	7,834,639
IT	2014IT05SFOP020	ROP Campania ESF	Qualified limited	1.88%	1.00%	0.65%	0.62%	0.62%	0.56%	0.55%	109,304,595
IT	2014IT05SFOP021	POR Sardegna ESF	Qualified limited	6.93%	0.00%	0.93%	0.45%	0.45%	2.30%	1.91%	25,550,727
IT	2014IT16M2OP001	ROP Molise ERDF ESF	Qualified limited	1.48%	0.00%	0.21%	0.02%	0.02%	0.30%	0.30%	1,411,138
IT	2014IT16M2OP002	ROP Puglia ERDF ESF	Qualified limited		5.41%	27.43%	0.18%	0.45%	4.00%	0.18%	108,290,830
IT	2014IT16M2OP003	National Operational Programme on Legality	Qualified limited		1.19%	0.15%	0.15%	0.15%	0.00%	0.00%	1,468,374
IT	2014IT16M2OP004	National Operational Programme on Metropolitan Cities	Qualified significant		0.00%	2.66%	1.48%	1.48%	7.89%	6.99%	15,086,924
IT	2014IT16M2OP005	National Operational Programme on Research and Innovation	Qualified limited		0.00%	0.52%	0.31%	0.33%	0.00%	0.00%	51,733,650
IT	2014IT16M2OP006	ROP Calabria ERDF ESF	Qualified limited	0.00%	1.52%	7.56%	2.11%	2.14%	1.03%	0.25%	-1,357,783
LT	2014LT16MAOP001	Operational Programme for EU Structural Funds Investments for 2014-2020	Qualified limited	8.79%	5.00%	3.60%	1.97%	2.22%	0.80%	0.77%	243,764,466
LU	2014LU05SFOP001	Operational Programme ESF 2014-2020	Unqualified	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2,545,366
LV	2014LV16MAOP001	Growth and Employment	Qualified limited	0.03%	2.07%	0.38%	0.37%	0.38%	0.69%	0.58%	87,234,207
MT	2014MT05SFOP001	Investing in human capital to create more opportunities and promote the wellbeing of society	Unqualified		0.00%	4.20%	4.18%	4.18%	0.08%	0.08%	5,387,882
NL	2014NL05SFOP001	Operational Programme ESF 2014-2020	Qualified limited	0.00%	0.01%	0.79%	0.79%	0.79%	0.73%	0.72%	60,467,950
PL	2014PL05M9OP001	OP Knowledge Education Growth	Qualified limited	1.18%	2.01%	0.97%	0.14%	0.14%	0.37%	0.19%	472,295,974
PL	2014PL16M2OP001	ROP 1 Regional for Dolnośląskie Voivodeship 2014-2020	Qualified significant	0.49%	1.08%	0.35%	0.23%	0.24%	0.44%	0.40%	117,532,344

PL	2014PL16M2OP002	ROP 2 Regional for Kujawsko-Pomorskie Voivodeship 2014-2020	Qualified significant	1.33%	0.61%	3.89%	2.10%	2.33%	2.32%	2.05%	67,279,709
PL	2014PL16M2OP003	ROP 3 Regional Operational Programme for Lubelskie Voivodeship 2014-2020	Qualified limited	2.08%	1.46%	0.67%	0.37%	0.38%	0.17%	0.17%	100,778,779
PL	2014PL16M2OP004	ROP 4 Regional Operational Programme for Lubuskie Voivodeship 2014-2020	Unqualified	1.54%	1.87%	0.25%	0.12%	0.12%	0.49%	0.37%	39,757,267
PL	2014PL16M2OP005	ROP 5 Regional Operational Programme for Łódzkie Voivodeship 2014-2020	Unqualified	0.67%	1.78%	0.32%	0.10%	0.10%	1.78%	1.77%	83,114,091
PL	2014PL16M2OP006	ROP 6 Regional Operational Programme for Małopolskie Voivodeship 2014-2020	Qualified limited	1.61%	1.84%	0.81%	0.67%	0.68%	0.47%	0.47%	146,090,532
PL	2014PL16M2OP007	ROP 7 Regional Operational Programme for Mazowieckie Voivodeship 2014-2020	Unqualified	0.57%	2.77%	2.00%	1.81%	1.81%	0.45%	0.15%	77,264,624
PL	2014PL16M2OP008	ROP 8 Regional Operational Programme for Opolskie Voivodeship	Qualified limited	0.53%	2.07%	2.55%	1.87%	1.85%	0.99%	0.78%	32,441,550
PL	2014PL16M2OP009	ROP 9 Regional Operational Programme for Podkarpackie Voivodeship	Qualified limited	1.62%	1.17%	0.46%	0.26%	0.26%	0.20%	0.19%	101,875,023
PL	2014PL16M2OP010	ROP 10 Regional Operational Programme for Podlaskie Voivodeship	Qualified limited	1.15%	0.79%	0.95%	0.65%	0.67%	0.74%	0.71%	65,953,881
PL	2014PL16M2OP011	ROP 11 Regional Operational Programme for Pomorskie Voivodeship	Unqualified	1.44%	2.82%	2.07%	1.68%	1.75%	0.90%	0.83%	68,896,688
PL	2014PL16M2OP012	ROP 12 Regional Operational Programme for Śląskie Voivodeship	Qualified significant	1.28%	5.52%	1.29%	1.02%	1.07%	2.81%	2.11%	176,008,643
PL	2014PL16M2OP013	ROP 13 Regional Operational Programme for Świętokrzyskie Voivodeship	Unqualified	2.35%	0.93%	0.78%	0.52%	0.52%	0.23%	0.20%	73,494,389
PL	2014PL16M2OP014	ROP 14 Regional Operational Programme for Warmińsko-Mazurskie Voivodeship	Qualified significant	1.38%	2.19%	0.72%	0.42%	0.44%	3.66%	2.14%	71,211,381

PL	2014PL16M2OP015	ROP 15 Regional for Wielkopolskie Voivodeship	Qualified significant	0.34%	1.91%	6.71%	5.16%	5.71%	5.00%	5.00%	82,929,718
PL	2014PL16M2OP016	ROP 16 Regional Operational Programme for Zachodniopomorskie Voivodeship	Qualified limited	0.81%	0.54%	0.52%	0.35%	0.37%	1.38%	1.33%	64,091,791
PT	2014PT05M9OP001	OP Social Inclusion and Employment	Qualified limited	1.78%	1.51%	1.90%	2.00%	2.00%	2.55%	2.00%	423,442,183
PT	2014PT05SFOP001	OP Human Capital	Qualified limited	1.78%	1.51%	1.90%	2.00%	2.00%	2.55%	2.00%	287,599,187
PT	2014PT16M2OP001	Regional OP Norte	Qualified limited	1.78%	1.51%	1.90%	2.00%	2.00%	2.55%	2.00%	45,725,779
PT	2014PT16M2OP002	Regional OP Centro	Qualified limited	1.78%	1.51%	1.90%	2.00%	2.00%	2.55%	2.00%	23,910,203
PT	2014PT16M2OP003	Regional OP Alentejo	Qualified limited	1.78%	1.51%	1.90%	2.00%	2.00%	2.55%	2.00%	13,515,309
PT	2014PT16M2OP004	Regional OP Azores (Autonomous Region)	Qualified limited	1.78%	1.51%	1.90%	2.00%	2.00%	2.55%	2.00%	41,585,919
PT	2014PT16M2OP005	Regional OP Lisboa	Qualified limited	1.78%	1.51%	1.90%	2.00%	2.00%	2.55%	2.00%	28,689,446
PT	2014PT16M2OP006	Regional OP Madeira (Autonomous Region)	Qualified limited	1.78%	1.51%	1.90%	2.00%	2.00%	2.55%	2.00%	10,172,664
PT	2014PT16M2OP007	Regional OP Algarve	Qualified limited	1.78%	1.51%	1.90%	2.00%	2.00%	2.55%	2.00%	10,291,080
PT	2014PT16M3OP001	Competitiveness and Internationalisation OP	Qualified limited	1.78%	1.51%	1.90%	2.00%	2.00%	2.55%	2.00%	20,434,470
RO	2014RO05M9OP001	Operational Programme Human Capital	Qualified limited		1.51%	2.37%	1.97%	1.97%	1.84%	1.66%	840,940,576
RO	2014RO05SFOP001	Operational Programme Administrative Capacity	Qualified limited		0.13%	9.74%	0.24%	0.24%	0.47%	0.19%	82,790,214
SE	2014SE05M9OP001	National Operational Programme ESF for investments in growth and employment 2014 – 2020	Unqualified	0.02%	0.03%	1.89%	1.75%	1.75%	0.22%	0.16%	78,718,672
SE	2014SE16M2OP001	Community-led local development programme with support from ERDF and ESF 2014-2020	Qualified significant	0.00%	0.17%	0.00%	0.00%	0.00%	2.41%	0.00%	46,450
SI	2014SI16MAOP001	Operational Programme for the Implementation of the	Qualified significant	0.65%	0.94%	1.46%	1.34%	1.34%	4.38%	2.74%	140,724,211



		EU Cohesion Policy in the period 2014 – 2020										
SK	2014SK05M0OP001	Operational Programme Human Resources	Qualified significant	0.00%	0.17%	3.00%	2.74%	2.74%	8.54%	8.08%	516,217,550	
SK	2014SK05SFOP001	Operational Programme Effective Public Administration	Qualified limited	0.00%	0.00%	0.05%	0.01%	0.01%	1.60%	1.59%	30,350,509	
UK	2014UK05M9OP001	ESF England	Qualified limited	0.09%	0.12%	2.36%	1.24%	1.24%	3.29%	2.00%	89,474,901	
UK	2014UK05M9OP002	ESF Scotland (incl. YEI)	Qualified significant		24.13%	29.62%	29.62%	29.62%	3.23%	1.98%	-7,666,590	
UK	2014UK05SFOP001	United Kingdom - ESF West Wales and the Valleys	Unqualified	0.27%	0.29%	0.67%	0.28%	0.28%	0.03%	0.03%	54,224,217	
UK	2014UK05SFOP002	United Kingdom - ESF East Wales	Unqualified	0.27%	0.29%	0.67%	0.28%	0.28%	0.03%	0.03%	9,340,350	
UK	2014UK05SFOP004	ESF Northern Ireland	Qualified limited		1.02%	0.27%	0.23%	0.23%	0.00%	0.00%	15,906,625	
UK	2014UK05SFOP005	ESF Gibraltar	Qualified significant	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3,469,440	
	<b>187</b>						<b>KPI 5</b>	<b>1.4%</b>			<b>12,726,783,801</b>	

maximum  
risk

1.9%

## 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%	0.00%	3,621,121
BE	2014BE05FMOP001	Operationeel Programma FEAD België	Qualified limited	0.60%	0.00%	1.32%	0.90%	0.90%	0.00%	0.00%	9,767,751
BG	2014BG05FMOP001	Оперативна програма за храни и/или основно материално подпомагане	Unqualified	0.27%	0.32%	0.01%	0.01%	0.01%	0.00%	0.00%	25,242,911
CY	2014CY05FMOP001	Επιχειρησιακό Πρόγραμμα Επισιτιστικής ή/και Βασικής Υλικής Συνδρομής	Qualified limited	0.00%	0.13%	2.07%	2.07%	2.07%	0.01%	0.00%	521,991

CZ	2014CZ05FMOP001	Operační program potravinové a materiální pomoci	Qualified limited	2.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3,000,079
DE	2014DE05FSOP001	Operationelles Programm zur sozialen Inklusion der am stärksten benachteiligten Personen - FEAD Deutschland 2014-2020	Qualified significant	0.77%	0.00%	7.75%	2.00%	2.00%	11.11%	0.00%	9,439,092
DK	2014DK05FSOP001	Operationelt program for social inklusion af de socialt dårligst stillede personer	Unqualified	4.36%	2.23%	2.00%	0.00%	0.00%	0.80%	0.00%	835,851
EE	2014EE05FMOP001	Enim puudust kannatavate inimeste abifondi 2014-2020 rakenduskaava	Unqualified	9.88%	8.72%	0.00%	0.00%	0.00%	0.00%	0.00%	1,033,914
ES	2014ES05FMOP001	PO FEAD 2014 España	Unqualified	0.11%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	78,348,989
FI	2014FI05FMOP001	Vähävaraisten avun toimenpideohjelman 2014-2020	Qualified limited	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3,960,549
FR	2014FR05FMOP001	Programme Opérationnel FEAD 2014-2020	Qualified Significant	2.54%	0.00%	2.25%	1.24%	1.24%	8.29%	0.00%	73,333,388
GR	2014GR05FMOP001	Επιχειρησιακό Πρόγραμμα Επισιτιστικής και Βασικής Υλικής Συνδρομής για το FEAD	Qualified limited	0.00%	7.79%	4.76%	4.30%	4.30%	3.23%	0.00%	36,315,522
HR	2014HR05FMOP001	Operativni program za hranu i/ili osnovnu materijalnu pomoć	Unqualified	0.90%	2.24%	4.70%	2.00%	2.00%	0.15%	0.00%	5,516,231
HU	2014HU05FMOP001	Rászoruló Személyeket Támogató Operatív Program - élelmiszert és/vagy alapvető anyagi támogatást biztosító OP	Qualified limited	0.00%	0.00%	5.04%	0.96%	0.96%	2.22%	0.00%	15,113,779
IE	2014IE05FMOP001	Food and/or basic material assistance operational programme	Qualified limited		3.45%	0.00%	0.00%	0.00%	0.05%	0.00%	5,535,091
IT	2014IT05FMOP001	Programma Operativo 1 FEAD 2014-2020	Qualified Significant	5.66%	0.00%	0.66%	0.66%	0.66%	0.00%	0.00%	77,711,918
LT	2014LT05FMOP001	Pagalbos maistu ir pagrindinės materialinės pagalbos veiksmų programa	Unqualified	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	6,979,630

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%	0.00%	0.00%	527,709
LV	2014LV05FMOP001	Darbības programma pārtikas un pamata materiālās palīdzības sniegšanai	Unqualified	0.03%	0.00%	0.02%	0.02%	0.02%	0.00%	0.00%	0.00%	8,051,053
MT	2014MT05FMOP001	Programm Operattiv Tal-ghajnuna Alimentari u/jew Materjali bażika	Unqualified	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	445,247
NL	2014NL05FSOP001	Sociale inclusie van meest behoeftigen	Unqualified	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	829,571
PL	2014PL05FMOP001	Program Operacyjny Pomoc Żywnościowa 2014-2020	Qualified limited	0.50%	1.35%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	84,139,181
PT	2014PT05FMOP001	PROGRAMA OPERACIONAL DE APOIO ÀS PESSOAS MAIS CARENCIADAS	Qualified limited	0.00%	0.00%	0.94%	0.94%	0.94%	0.78%	0.00%	0.00%	29,766,818
RO	2014RO05FMOP001	Programul Operational Ajutorarea Persoanelor Dezavantajate	Qualified significant	4.22%	3.00%	0.00%	0.00%	0.00%	4.13%	0.00%	0.00%	53,498,846
SE	2014SE05FSOP001	Operativt program för social delaktighet för dem som har det sämst ställt	Qualified Limited	0.05%	0.05%	3.35%	2.00%	2.00%	0.13%	0.00%	0.00%	452,987
SI	2014SI05FMOP001	Operativni program za hrano in/ali osnovno materialno pomoč	Qualified Limited	0.48%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3,922,042
SK	2014SK05FMOP001	Operačný program potravinovej a základnej materiálnej pomoci	Qualified Limited	0.00%	1.88%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	731,889
UK	2014UK05FMOP001	food and/or basic material assistance operational programme										
<b>28</b>									<b>0.7%</b>			<b>538,643,148</b>

**215**

**13,265,426,949**

## Shared management – ESF 2007-2013: closure

### ESF Financial corrections following Commission, ECA, OLAF audit work

#### Financial corrections accepted/decided in 2020 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 57,0 million at the end of 2020.

The table below shows, per Member State, the total cumulative accepted/decided amount of financial corrections for all programming periods at the end of 2020. The total stands at EUR 4.6 billion.

	in M€	1994-1999			2000-2006			2007-2013			
	Total end 2019	cumul end 2019	2020	cumul end 2020	cumul end 2019	2020	cumul end 2020	cumul end 2019	2020	cumul end 2020	Total end 2020
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	46,6	78,7	106,7
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	0,02	0,0	0,8
ES	1433,5	180,2		180,2	877,6		877,6	375,7		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	1,0	371,5	68,5	7,0	75,5	492,6
GR	114,2	0,0		0,0	20,3		20,3	93,9		93,9	114,2
HR	0,0	0,0		0,0	0,0		0,0	0,0		0,0	0,0
HU	54,8	0,0		0,0	8,2		8,2	46,6		46,6	54,8
IE	53,0	28,3		28,3	3,4		3,4	21,3		21,3	53,0
IT	1003,4	126,5		126,5	769,3		769,3	107,6	0,4	108,0	1003,7
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	24,9	0,0		0,0	9,2		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	233,5	8,8		8,8	163,9		163,9	60,8	2,0	62,8	235,5
	<b>4532,5</b>	<b>569,1</b>	<b>0,0</b>	<b>569,1</b>	<b>2379,7</b>	<b>1,0</b>	<b>2380,7</b>	<b>1583,6</b>	<b>56,0</b>	<b>1639,6</b>	<b>4589,5</b>

## Financial corrections implemented in 2020 relating to all programming period

Considering all programming periods the amount of financial corrections implemented by Member States stands at EUR 85.3 million at the end of 2020.

The table below shows, per Member State, the total cumulative implemented amount of financial corrections for all programming periods at the end of 2020. The total stands at EUR 4.5 billion.

	in M€	1994-1999			2000-2006			2007-2013			
	Total end 2019	cumul end 2019	2020	cumul end 2020	cumul end 2019	2020	cumul end 2020	cumul end 2019	2020	cumul end 2020	Total end 2020
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	69,3	0,0		0,0	0,0		0,0	69,3		69,3	69,3
DE	53,6	1,9		1,9	26,1		26,1	25,6	53,0	78,6	106,6
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	0,02	0,0	0,8
ES	1433,5	180,2		180,2	877,6		877,6	375,7		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	1,0	371,5	57,0	18,5	75,5	492,6
GR	114,2	0,0		0,0	20,3		20,3	93,9		93,9	114,2
HR	0,0	0,0		0,0	0,0		0,0	0,0		0,0	0,0
HU	43,8	0,0		0,0	8,2		8,2	35,6	11,0	46,6	54,8
IE	53,0	28,3		28,3	3,4		3,4	21,3		21,3	53,0
IT	937,3	126,5		126,5	769,3		769,3	41,5	0,8	42,3	938,1
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	24,9	0,0		0,0	9,2		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	233,5	8,8		8,8	163,9		163,9	60,8	2,0	62,8	235,5
	<b>4434,7</b>	<b>569,1</b>	<b>0,0</b>	<b>569,1</b>	<b>2379,7</b>	<b>1,0</b>	<b>2380,7</b>	<b>1485,8</b>	<b>85,3</b>	<b>1571,2</b>	<b>4521,0</b>

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

				2020		Total Programming Period	
MS	CCI	CCI Title	EMPL validated Residual Risk Rate	relevant expenditure	RRR	Maximum expenditure paid/to be paid	RRR
AT	2007AT051PO001	Burgenland	1.52%			52,140,000	792,528
AT	2007AT052PO001	Beschäftigung	1.20%			465,863,365	5,590,360
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%	174,389,417	1,499,749	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%	19,575,866	125,286	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%			97,859,231	1,242,812
FR	2007FR051PO002	Guadeloupe	1.27%			184,189,694	2,339,209
FR	2007FR051PO003	Guyane	1.27%	284,195	3,609	95,056,261	1,207,215
FR	2007FR051PO004	Reunion	1.27%			529,987,062	6,730,836
FR	2007FR052PO001	Programme opérationnel national FSE	1.27%			4,577,880,760	58,139,086
GR	2007GR051RV001		0.51%			148,800,403	758,882
GR	2007GR05UPO001	Développ. Ress.humaines	0.51%			2,404,653,617	12,263,733
GR	2007GR05UPO002	Education, formation	0.51%			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%			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%			559,000,000	1,565,200
IT	2007IT051PO002	Calabria	2.00%			288,502,959	5,770,059
IT	2007IT051PO003	Sicilia	0.49%	45,410,132	222,510	1,042,154,149	5,106,555
IT	2007IT051PO004	Basilicata	0.44%			128,946,235	567,363
IT	2007IT051PO005	Puglia	1.34%			607,620,000	8,142,108
IT	2007IT051PO006	Pon Governance e AT	0.23%			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%			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%			146,341,533	1,507,318

IT	2007IT052PO006	Lombardia	0.90%
IT	2007IT052PO007	Marche	0.00%
IT	2007IT052PO008	Molise	0.45%
IT	2007IT052PO009	Bolzano	0.00%
IT	2007IT052PO010	Trento	0.00%
IT	2007IT052PO011	Piemonte	0.09%
IT	2007IT052PO012	Toscana	0.69%
IT	2007IT052PO013	Umbria	0.70%
IT	2007IT052PO014	Valle d'Aosta	0.00%
IT	2007IT052PO015	Veneto	0.37%
IT	2007IT052PO016	Sardegna	0.19%
IT	2007IT052PO017	Azioni di sistema	0.00%
LT	2007LT051PO001	Development of Human Resources	0.62%
LT	2007LT051PO002	Technical Assistance	0.27%
LU	2007LU052PO001	Programme opérationnel FSE	0.37%
LV	2007LV051PO001	Human Resources and Employment	0.03%
MT	2007MT051PO001	Operational Prgramme II - Empowering people for more jobs and a better quality of life	0.21%
NL	2007NL052PO001	Operationeel Programma ESF 2007-2013	1.25%
PL	2007PL051PO001	Program Operacyjny Kapitał Ludzki	0.17%
PT	2007PT051PO001	Açores	0.65%
PT	2007PT052PO001	Madeira	0.65%
PT	2007PT05UPO001	Potencial Humano	0.65%
PT	2007PT05UPO002	Assistência Técnica	0.65%
RO	2007RO051PO001	Human Resources Development	2.00%
RO	2007RO051PO002	Administrative Capacity Development	0.00%
SE	2007SE052PO001		0.50%
SI	2007SI051PO001	Operativni program razvoja človeških virov za obdobje 2007-2013	0.33%
SK	2007SK05UPO001	OP Education	1.25%
SK	2007SK05UPO002	OP Employment and Social Inclusion	0.92%
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%

			337,256,050	3,035,304	
			110,438,698	0	
			37,110,126	166,996	
			35,582,316	0	
			60,833,846	0	
			394,622,239	355,160	
			310,649,767	2,143,483	
			97,681,522	683,771	
			32,077,773	0	
			346,518,568	1,282,119	
			277,130,647	526,548	
			58,335,129	0	
			957,512,796	5,936,579	
			70,793,931	191,144	
			25,243,666	93,402	
			583,103,717	174,931	
			112,000,000	235,200	
			830,002,737	10,375,034	
			10,007,397,937	17,012,576	
			190,000,000	1,235,000	
			135,378,798	879,962	
			6,453,009,067	41,944,559	
			75,000,000	487,500	
			2,799,731,658	55,994,633	
			208,002,622	0	
			685,188,288	3,425,941	
			755,699,370	2,493,808	
			515,200,681	6,440,009	
			908,583,930	8,358,972	
			48,416,829	174,301	
		41,679,273	20,840	833,585,460	416,793
		6,467,842	3,234	63,332,376	31,666
				251,225,471	3,567,402
				188,539,649	641,035
				2,785,963,831	8,915,084
		287,806,726	1,875,227	75,029,297,763	441,674,113
				<b>0.65%</b>	<b>0.59%</b>



## The underlying reasoning behind each operational programme in reservation

### ESF/YEI and FEAD 2014-2020

MS	Reference	Name	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 (%)	Quantification	Reason for reservation
BE	2014BE05M9OP002	Brussels-Capital Region : "Investment for growth and jobs"	Acceptable	Qualified significant	Unqualified	Qualified significant	10,47%	0,00%	0	Reported total error rate > 10%
DE	2014DE05SFOP012	Operational Programme ESF Sachsen 2014-2020	Acceptable	Qualified significant	Unqualified	Qualified significant	0,53%	0,52%	333.351	Reservation maintained from last year: recalculated TER and RTER both exceeding 2 % due to one operation coming from the measure "Weiterbildung", which is assessed as a systemic finding that could also have an impact on 19/20 accounts.
DE	2014DE05SFOP014	Operational Programme ESF Thüringen 2014-2020	Not acceptable	Qualified significant	Qualified significant	Qualified significant	7,20%	4,84%	2.792.996	Due to the non-finalisation of 1 audit of operation, the exact amount of corrections resulting from the AA audits of operations and the recalculation of the final RTER containing extrapolated financial corrections within the accounts cannot be determined yet
ES	2014ES05SFOP007	PO FSE 2014 C.A. CATALUÑA	Acceptable	Qualified limited	Unqualified	Qualified limited	2,75%	2,00%	0	Reservation maintained from last year: the 2018/2019 accounts have not yet been accepted due to unfinished AA work. The audit work has now been completed and the accounts are currently being revised by the national authorities.
FR	2014FR16M0OP009	Regional programme Guadeloupe Conseil Régional 2014-2020	Acceptable	Adverse	Unqualified	Adverse	10,28%	2,00%	88.446	Reported total error rate > 10%; Adverse opinion on management and control systems

FR	2014FR16M2OP012	Regional programme Mayotte 2014-2020	Acceptable	Adverse	Unqualified	Adverse	-	-	0	Significant deficiencies in management and control systems identified by EC compliance audit. Final payment withdrawn, pending contradictory procedure
HR	2014HR05M9OP001	ESF Operational Programme Efficient Human Resource	Acceptable	Qualified significant	Qualified significant	Qualified significant	3,84%	2,00%	3.601.243	In reservation last year: the Member State has not taken the necessary preventive and corrective measures, therefore highly likely that the RTER will continue to be above materiality.
IT	2014IT05M2OP002	Governance, networks, special projects and technical assistance	Acceptable	Qualified significant	Unqualified	Qualified limited	2,33%	2,32%	612.520	Recalculated RTER higher than materiality due to the application of a flat rate financial correction for limitation of subcontracting in public procurement
IT	2014IT05SFOP001	National Operational Programme on Social Inclusion	Acceptable	Qualified significant	Qualified limited	Qualified significant	6,44%	3,27%	2.639.846	Recalculated RTER higher than materiality due to the application of a flat rate financial correction for limitation of subcontracting in public procurement
IT	2014IT05SFOP004	POR Friuli Venezia Giulia ESF	Acceptable	Qualified significant	Unqualified	Unqualified	2,50%	2,12%	444.600	Recalculated RTER higher than materiality due to the application of a flat rate financial correction for public procurement. Partial reservation for axis AT and 4.
IT	2014IT05SFOP006	POR Liguria ESF	Acceptable	Qualified significant	Unqualified	Qualified limited	2,54%	2,53%	474.991	Recalculated RTER higher than materiality due to the application of a flat rate financial correction for public procurement. Partial reservation for axis AT and 4.
IT	2014IT05SFOP007	POR Lombardia ESF	Acceptable	Qualified significant	Unqualified	Qualified significant	0,21%	0,21%	77.932	Reservation of last year is maintained: the 2018/19 accounts have not yet been accepted due to the ongoing quantification by the Member State authorities of the irregularities concerned.
IT	2014IT05SFOP013	POR Piemonte ESF	Acceptable	Qualified significant	Unqualified	Qualified limited	5,00%	5,00%	2.654.837	Recalculated RTER has been provisional set at 5% due to unquantified irregularities in call for proposals with restrictive selection requirements.
IT	2014IT16M2OP004	National Operational Programme on Metropolitan Cities	Acceptable	Qualified significant	Qualified significant	Qualified significant	7,89%	6,99%	1.054.576	Recalculated RTER higher than materiality due to the application of a flat rate financial correction for limitation of subcontracting in public procurement

PL	2014PL16M2OP002	ROP 2 Regional for Kujawsko-Pomorskie Voivodeship 2014-2020	Acceptable	Qualified significant	Qualified significant	Qualified limited	2,32%	2,05%	1.379.234	RTER higher than materiality due to risk of ineligible participants
PL	2014PL16M2OP012	ROP 12 Regional Operational Programme for Śląskie Voivodeship	Acceptable	Qualified significant	Qualified significant	Qualified significant	2,81%	2,11%	3.713.782	RTER higher than materiality due to risk of ineligible participants
PL	2014PL16M2OP014	ROP 14 Regional Operational Programme for Warmińsko-Mazurskie Voivodeship	Acceptable	Qualified significant	Qualified significant	Qualified limited	3,66%	2,14%	1.523.924	RTER higher than materiality due to risk of ineligible participants
PL	2014PL16M2OP015	ROP 15 Regional for Wielkopolskie Voivodeship	Acceptable	Qualified significant	Qualified significant	Qualified significant	5,00%	5,00%	4.146.486	For the accounting year 01/07/2018 - 30/06/2019 the recalculated RTER was higher than materiality and has not yet been corrected. Furthermore, a recent compliance audit also shows evidence of multiple quantifiable errors with an RTER higher than materiality. Therefore, the reservation is maintained.
SI	2014SI16MAOP001	Implementation of the EU Cohesion Policy in the period 2014 – 2020	Acceptable	Qualified significant	Qualified significant	Qualified limited	4,38%	2,74%	3.855.843	RTER higher than materiality.
SK	2014SK05M0OP001	Operational Programme Human Resources	Acceptable	Qualified significant	Qualified significant	Qualified significant	8,54%	8,08%	41.710.378	Re-calculated RTER is higher than materiality due to national SCO irregularities detected in the draft audit report from the Commission compliance audit.
UK	2014UK05M9OP002	ESF Scotland (incl. YEI)	Acceptable	Qualified significant	Unqualified	Qualified significant	3,23%	1,98%	0	Suspension maintained awaiting National System Audit Report on public procurement checks to be received soon).

DE	2014DE05FSOP001	FEAD Deutschland 2014-2020	Not acceptable	Qualified significant	Adverse	Qualified significant	11,11%	5,00%	471.955	Risk of misstatement of accounts due to insufficient sample selection, which renders the audit opinion unreliable and a risk that the TER and RTER are understated.
FR	2014FR05FMOP001	Programme Opérationnel FEAD 2014-2020	Not acceptable	Qualified Significant	Qualified Significant	Qualified Significant	8,29%	7,86%	5.764.004	The RTER is higher than materiality and has not yet been corrected.

### ESF 2007-2013

1	IT	2007IT051PO002	Calabria	Commission audit mission carried out in 2018. Still awaiting for the MS reply to the draft report. Amount of financial corrections to be agreed.
2	RO	2007RO051PO001	Human Resources Development	Updated closure package submitted on 30/10/2020, under review by the Commission. Amount of financial corrections to be agreed.

### Special reports and Opinions published by the ECA in 2020

In 2020, the ECA published the following eight special reports and opinions in the field of employment and social affairs:

#### (1) Combating child poverty

The ECA published on 29 September 2020 its Special Report 20/2020: Combating child poverty –Better targeting of Commission support required

The audit objective was to determine whether the Commission had made an effective contribution to Member States' efforts to reduce child poverty.

The ECA found that the relevance of the Commission's non-legally binding instruments is limited by nature, but it has more powerful tools at its disposal. However, the lack of available information directly related to child poverty means their effective contribution to Member States' efforts to reduce child poverty was difficult, if not impossible, to assess.

The report recognises the added value of Commission interventions, such as the 2013 Recommendation on investing in children, the European Pillar of Social Rights, and the Country Specific Recommendations in the European Semester process. And the Commission agrees that more needs to be done. Addressing poverty in general, as well as child poverty specifically, is a high priority for the Commission, in particular in the current Covid-19 crisis.

The Commission will present in 2021 an Action Plan to further implement the principles of the European Pillar of Social Rights.

The Commission will present in 2021 a European Child Guarantee to provide a policy framework to reduce poverty and inequalities among children and to ensure that children in need have access to all the services and support they need, most notably education and health care.

Finally, the Commission has also proposed that Member States allocate at least 5% of their European Social Fund Plus (ESF+) resources under the upcoming MFF to tackle child poverty.

#### (2) Cost of implementing cohesion policy

The ECA published on 16 April 2020 its Special Report 07/2020: Implementing Cohesion policy: comparatively low costs, but insufficient information to assess simplification savings.

The implementation of the Cohesion policy funds through operational programmes entails a number of activities, which generate costs by the Commission, Member States and beneficiaries.

The ECA examined whether the Commission's and Member States' costs of implementing Cohesion policy funds are comparable to other similar schemes building on complete, consistent and coherent information, and whether the cost information allows for analysis and decision taking on legislation such as simplifying the rules.

The ECA concluded that the overall cost of implementing the Cohesion policy funds presented by the Commission is low compared to other EU funds and internationally funded programmes. However, the ECA concluded also that the Commission had not collected underlying data on costs that were complete, consistent and coherent enough to allow this data to be used, for example, for assessing the impact of simplifying EU rules on how to implement the Cohesion policy funds. In this regard, the ECA noted that the estimated cost savings from simplification measures for the 2014-2020 and 2021-2027 periods may not be reached, as the ultimate impact depends largely on national or regional administrative practices.

The ECA recommended that the Commission should aim to identify further potential savings by assessing administrative practices in Member States, in close cooperation with them, and follow-up whether the estimated costs savings have materialised.

The Commission has accepted all the recommendations addressed to it.

### (3) The European semester

The ECA published on 03 September 2020 its Special Report 16/2020: The European Semester – Country Specific Recommendations address important issues but need better implementation.

The ECA examined whether the Commission was effectively implementing the European Semester procedures for strengthening the surveillance of Member States policies as set out in Regulation (EU) No 1466/97. The ECA found that progress towards six of the eight Europe 2020 strategy targets set for 2020 – on key domains such as employment, educational attainment and energy – has been positive, and that these are likely to be met in full. However, the ECA found that progress has been slow with regard to poverty and research and development targets.

The ECA found that Member States have implemented 26 % of CSRs substantially or fully, and about 44 % with at least “some progress”, from 2011-2018. There was “limited progress” or “no progress on implementing the remaining 30 % of CSRs. The ECA found that CSRs generally address the issues identified in the Country Reports, the priorities set in the Annual Growth Survey and in the Integrated Guidelines. CSRs also identify policy areas which need to be addressed, but often without sufficiently explaining why certain reforms should be prioritised over others. The Commission's Country reports generally identify

important risks and serve as a good basis for formulating CSRs. The National Reform Programmes (NRPs) contain Member States' own risk assessments and policy responses. However, the ECA found a number of cases where NRPs lack sufficient information on which priorities and targets are being addressed by their proposed measures. Based on these findings, the ECA recommends that the Commission should strengthen: the focus on the social and research dimensions in the European Semester process; the monitoring of CSR implementation; the link between EU funds and Country Specific Recommendations; the quality of CSR formulation; its assessments of NRPs.

The Commission notes that while further progress can and should be made to encourage reform implementation, between 2011 and 2019, around 70% of recommendations have seen at least 'some' implementation. The Commission is working with Member States to improve their rate of implementation. Furthermore, the newly proposed Recovery and Resilience Facility will provide a major additional incentive for Member States to implement reforms in the areas covered by the European Semester.

The Commission has also strengthened its focus on social issues by integrating the European Pillar of Social Rights and the 'Social Scoreboard' into the European Semester. The CSRs have aimed at directly alleviating poverty and addressing gaps in social protection systems, whilst many more address issues related to employment, skills acquisition, adult learning, childcare and the integration of those furthest from the labour market. In 2020, 21 Member States received CSRs on social protection or social inclusion issues.

#### (4) Digitising European industry

The ECA published on 22 September 2020 its Special Report 19/2020: [Digitising European Industry: an ambitious initiative whose success depends on the continued commitment of the EU, governments and businesses.](#)

For this audit, the focus has been on the Digital Europe programme run by DG CNECT. DG EMPL was involved to a limited extent.

The ECA examined the extent to which the EU was effective in supporting national strategies on digitalising industry and the Digital Innovation Hubs by focusing on three out of the five pillars of the DEI initiative. In particular, the ECA assessed whether the Commission supported Member States effectively in developing and implementing their strategies on digitising industry, and, together with Member States, was assessing the implementation of those strategies. In addition, it reviewed the Commission's and Member States' support for the establishment and operation of DIHs; whether the Commission was identifying and addressing regulatory barriers that could affect the implementation of the DEI initiative; and whether it was taking action to ensure appropriate connectivity.

The ECA found that the Commission strategy for supporting the digitisation of European industry was soundly based and supported by Member States, but lacked information on intended outcomes, result indicators and targets. For the ESI funds, since the DEI initiative

was launched mid-way through the 2014-2020 programme period, there was no legal requirement for Member States to monitor projects relevant to the DEI initiative. Therefore, data collection arrangements in most Member States do not capture information about the DEI initiative, preventing monitoring at Member State and EU level.

The ECA recommends that the Commission, together with Member States: offer support to Member States in identifying their funding gaps and draw their attention to the EU funding available; improve monitoring of the DEI initiative by setting appropriate result indicators and tracking spending; define, coordinate and adopt the framework for a network of European DIHs covering all regions in Europe; and take further action to support the achievement of appropriate levels of broadband connectivity.

#### (5) Future of EU Agencies

The ECA published on 22 October 2020 its Special Report 22/2020: Future of EU agencies – Potential for more flexibility and cooperation.

EU decentralised agencies and other bodies (EU agencies) are bodies governed by European public law and equipped with their own legal personality, making them distinct from the EU institutions. Today, 37 EU agencies are located in 23 Member States and serve a wide range of matters of interest to EU citizens. Most were set up between 2000 and 2010. They include, inter alia, agencies for aviation safety, food safety, vocational training, equal opportunities, stability of the financial and banking sectors, the environment, animal protection, migration and border control. In 2018, their total annual budget amounted to EUR 4.0 billion (equivalent to 2.8 % of the EU general budget) and all the agencies together employed a total of 8 957 staff (13.4 % of all staff working for the EU).

Having mainly focused in the past on the performance of individual agencies, this is the ECA's first overall assessment of the conditions put in place by the EU to ensure that the agencies are effectively delivering its policies to the benefit of all citizens. EU agencies are characterised by their diverse governance structures, mandates and tasks; and different agencies have been created to meet different kinds of challenges. This makes evaluating the overall performance of agencies difficult. However, their common purpose is to deliver EU policy and European cooperation in the interest of EU citizens.

The ECA carried out this audit based on the interest expressed by the European Parliament, the European Commission and the EU agencies themselves. This report intended to raise a discussion on the EU's future management of the performance of its agencies. It builds on knowledge the ECA has gathered in its annual financial audits of the agencies and in previous performance audits of individual agencies. The ECA complemented this by an extensive review of key documents from EU institutions and all agencies, interviews with key Commission and agency staff, a large-scale survey of agency stakeholders, two panels of experts and stakeholders, an analysis using big data techniques of agencies' media presence and a comparison of the EU performance framework for agencies with those in the United States and Australia.



The ECA's overall audit question was whether the Commission and the agencies have put in place adequate conditions to ensure the performance of EU agencies. They identified two key criteria relevant for all agencies. The first is flexibility to serve the relevant EU policy and European cooperation, especially when the scope of the policy is wide and subject to change in a complex global context. This was one of the intentions of the Common Approach signed by the Commission, Council and Parliament in 2012, requiring all agencies to be regularly evaluated. In practice, however, this has only been partially realised and the ECA identified a lack of flexibility in the set-up, functioning, and possible winding-up of agencies.

The second performance criterion that the ECA examined was the extent to which agencies acted as centres of expertise and networking for the implementation of EU policies. This requires well-organised governance and cooperation. The ECA identified cases of overly complex or weak governance arrangements and found that performance information focused on outputs and activities rather than on their contribution to policy implementation. Furthermore, the ECA's audit showed that a lack of cooperation with and/or support from Member States, industry, Commission or other agencies prevents some agencies from fully performing their role.

The ECA recommended that the Commission and the agencies:

- (1) ensure the relevance, coherence and flexibility of the set-up of agencies;
- (2) allocate resources in a more flexible manner;
- (3) improve governance, accountability and reporting on performance; and
- (4) strengthen the role of agencies as centres of expertise and networking.

The Commission has accepted all the recommendations addressed to it.

#### (6) Opinion on the Commission's amended proposal of 14 January 2020 on the Common Provisions Regulation

The ECA published on 17 April 2020 its Opinion N° 2/2020 on the Commission's amended proposal of 14 January 2020 on the Common Provisions Regulation, COM(2020) 23 final.

On 14 January 2020, the Commission published its proposal for an amendment of the common provisions regulation (CPR) for the next programme period 2021-2027. It deals with the introduction of the new Just Transition Fund (JTF), which will complement the proposed cohesion policy funds covered by the CPR, including the European Regional Development Fund, the European Social Fund Plus and the Cohesion Fund. As an integral part of the 'Green Deal', this JTF will receive some EUR 7.5 billion of fresh EU money to help the EU become the first climate-neutral bloc in the world by 2050.

Neither the Commission's amended proposal for the CPR, nor its accompanying proposal for Regulation of the European Parliament and of the Council establishing the Just Transition

Fund (the JTF Regulation), was subject to an impact assessment. According to the proposal, this was owing to time constraints and the previous work that had been done in the context of the original CPR proposal.

The ECA welcomes the debate on EU priorities launched by the Commission in conjunction with the presentation of the European Green Deal.

The amended CPR proposal introduces a new specific objective for JTF funding, but this objective is broad and does not clearly specify what is expected with the money. In order for the funding to be effective, once the Green Deal has been endorsed by Member States they will have to define meaningful and specific objectives in their regional strategies (territorial just transition plans).

The proposal for an amended CPR introduces a performance framework for monitoring, reporting and evaluating the performance of JTF interventions. The JTF Regulation proposes common output and result indicators for use in the programmes. These common indicators are largely aligned with the common indicators proposed for the ERDF and ESF+. In addition, Member States may propose programme-specific indicators, on the basis of their territorial just transition plans. The ECA welcomes the introduction of the common output and result indicators as an important step to increase the focus on performance, by enabling the aggregation of performance data and comparisons of performance.

As regards the use of the performance data for the JTF, the amended CPR introduces the possibility of financial corrections for the under-achievement of JTF targets. This proposal has the potential to strengthen accountability for achieving results, as it seeks to establish a direct link between good performance and funding.

Since the proposal envisages payments under the JTF being more closely linked to the achievement of certain conditions, the JTF would be well suited to use a simplified delivery mode: 'financing not linked to costs'.

#### (7) Opinion on amending EU regulation for the European Structural and Investments Funds' use in response to the COVID-19 outbreak

The ECA published on 15 April 2020 its Opinion N° 3/2020 on the amending of EU regulation for the European Structural and Investments Funds' use in response to the COVID-19 outbreak.

The Commission's proposal is part of the EU's response to the COVID-19 crisis. In particular, as an exceptional measure, new rules are proposed to transfer ESI funds faster to the Member States and give them greater flexibility to target EU support where it is most needed. For example, this would allow Member States to request 100 % EU funding without putting up their own co-financing or needing to devote a fixed share to key topics such as research or climate. In addition, they could more easily transfer funds between their programmes and regions and decide themselves where they want to target them.

The ECA is of the opinion that the current situation requires the urgent mobilisation of all available financial means to address the effects of the COVID-19 outbreak on health, businesses and citizens. This short-term reaction proposed by the Commission is necessary to support Member States in mitigating the crisis effects, but the right balance should be set and this proposal should not lead to substantial compromises in terms of accountability.

The ECA notes that the proposal does not provide additional clarification on the intended nature of operations for fostering crisis response capacities. They also highlight that reliable information about ESI fund spending in response to the COVID-19 outbreak would not be readily available to the Commission or the legislators, potentially affecting accountability to EU citizens for the use of funds.

The ECA also notes that the Commission will have to monitor the developing situation carefully to ensure the temporary and exceptional measures are in place only as long as the extraordinary situation requires. While some measures would be available for a fixed period, others could remain until the end of 2023, when the current programme payment period ends. This would allow Member States to finance their crisis response operations, and fund COVID-19-related measures that they have already undertaken.

#### (8) Opinion regarding the proposed REACT-EU regulation and Common Provisions Regulation governing the ESI funds

The ECA published on 14 July 2020 its Opinion N° 4/2020 regarding the proposed REACT-EU regulation and Common Provisions Regulation governing the ESI funds.

The EU has put forward a EUR 750 billion package known as ‘Next Generation EU’ to support Member States in their efforts to minimise the socioeconomic impact of the pandemic and get back on a path of sustainable growth. The package includes the Recovery Assistance for Cohesion and the Territories of Europe (REACT-EU), as part of the 2014-2020 budget period, intended to lay the groundwork for the EU’s recovery in 2020-2022. In addition, the Commission proposed new rules for the European Structural and Investment (ESI) funds in the 2021-2027 budget period, which aim to provide mechanisms that can be triggered quickly in the event of further shocks in the coming years.

The ECA has assessed both of these proposals.

After the Covid-19 outbreak, the Commission took action on a number of fronts, including quickly mobilising additional funds and proposing new funding rules, the ECA said. These measures are welcome, but need to be well coordinated at EU and national levels to be effective.

The ECA commends the Commission’s proposal to administer the REACT-EU funding under existing ESI funds structures in Member States, which they say is “a sensible, pragmatic idea.” However, the proposal gives Member States a free hand in terms of how to use the additional funding and lacks detail on how it will be coordinated with other EU instruments and national schemes. This creates the risk of fragmenting or duplicating EU support.

Furthermore, Member States would need to commit the extra funding (i.e. earmark it for specific purposes) by 2022, which will put extra pressure on their ability to spend it correctly and soundly, leading to the risk of rushed spending that prioritises absorption over value for money ('use it or lose it') and higher risk of irregularity and fraud. This risk applies particularly to Member States likely to be hit hardest by the pandemic, which have lower absorption rates. Finally, the ECA stressed that the new method for allocating the funding to Member States may be distorted by their underestimated unemployment figures.

The proposed modifications of the common provisions governing the use of ESI funds in 2021– 2027 aim to strengthen the EU's capacity to respond to exceptional and unusual circumstances. They would apply to any situation the Council recognises as a crisis and enable the Commission temporarily to react faster by using 'implementing decisions'. However, the Commission's proposal does not specify when its temporary empowerment would end, nor does it set out a number of aspects conducive to sound financial management, such as mitigating the risk of 'deadweight' (funding projects that would have been completed anyway) from retrospective project approval. The Commission may thus need to add further rules relating to crisis situations as and when they arise. On the positive side, the proposal brings improved provisions for tracking emergency funding, which is a first step towards more transparency.

The following special reports and review-based documents were in the pipeline at the end of 2020:

- 1)** Closures of the 2007-2013 Financial instruments
- 2)** Gender mainstreaming in the EU budget
- 3)** Reporting on legality and regularity in Cohesion
- 4)** Blacklisting economic operators
- 5)** Long-term unemployment
- 6)** Digital skills in the future
- 7)** Performance incentivisation
- 8)** Commission's management of external consultancy services.

## **ANNEX 8: Specific annexes related to "Assessment of the effectiveness of the internal control systems"**

Not applicable.

**ANNEX 9: Reporting – Human resources, digital transformation and information management and sound environmental management**

**Objective:** DG EMPL employs a competent and engaged workforce and contributes to gender equality at all levels of management to effectively deliver on the Commission's priorities and core business

**Indicator 1: Number and percentage of first female appointments to middle management positions**

**Source of data: SYSPER (HR IT tool)**

Baseline (1 December 2019)	Target (2024)	Latest known results (2020)
20 first female appointments out of 35 total appointments (57%)	First female appointment targets: 2 out of 3 new appointments (67%)	2 out of 3 (67%)

**Indicator 2: DG EMPL staff engagement index**  
**Source of data: Commission staff survey and pulse surveys (13 and 14) covering the period 2020-2021**

Baseline (2019)	Target (2024)	Latest known results (2020)
72% (based on Commission staff survey)	At least 72%	69% (same as the Commission average; based on pulse surveys 13 and 14) <sup>48</sup>

<b>Main outputs in 2020:</b>			
<b>Description</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b>
Female talent development	Number of individual coaching packages offered	At least 3	Completed
Female talent	First female appointments to middle	2	Completed

<sup>48</sup> Given the different source of data and the COVID-19 circumstances, the latest known result is not fully comparable with the baseline and target.

development	management positions		
Staff engagement	Staff engagement index	At least 72%	69% <sup>49</sup>

**Objective:** DG EMPL is using innovative, trusted digital solutions for better policy-shaping, information management and administrative processes to forge a truly digitally transformed, user-focused and data-driven Commission

**Indicator 1: Degree of implementation of the digital strategy principles by the most important IT solutions**

**Source of data: Internal calculation based on guidance from DIGIT**

Baseline (2020)	Milestone (2022)	Target (2024)	Latest known results (2020)
55%	80%	88%	55%

**Indicator 2: Percentage of DG EMPL key data assets for which corporate principles for data governance have been implemented**

**Source of data: Internal calculation based on guidance from the Secretariat General**

Baseline (2020)	Milestone (2022)	Target (2024)	Latest known results (2020)
25%	50%	80%	25%

**Indicator 3: Percentage of staff attending awareness raising activities on data protection compliance**

**Source of data: HR and the data protection coordinator**

Baseline (2018)	Milestone (2022)	Target (2024)	Latest known results (2020)
20% of DG EMPL staff had attended data protection trainings at SG and inhouse	<p><b>2020:</b> 100% of senior management;</p> <p><b>2021:</b> 50% of staff; 100% of senior and middle management; 100% of newcomers;</p> <p><b>2022:</b> 70% of staff, 100% of senior and middle management; 100% of newcomers;</p> <p><b>2023:</b> 90% of staff, 100% of senior and middle management;</p>	100%	100% of senior management; 35% of staff;

<sup>49</sup> As for indicator 2, given the different source of data and the COVID-19 circumstances, the latest known result is not fully comparable with the target.

	100% of newcomers.		
<b>Main outputs in 2020:</b>			
<b>Description</b>	<b>Indicator</b>	<b>Target</b>	<b>Latest known results</b>
Rationalisation of Data Centre	All systems in DG EMPL Data Centre would be moved to DIGIT Data Centre with the goal of closing it	100% (of systems)	Completed
All personal equipped with laptop	All staff is equipped with a corporate laptop unless for work related reasons is not possible (people working with advance calculus for instance)	100%	Completed
Migration to Skype for business	All staff is equipped with the possibility of using Skype for business (software and hardware)	100%	Completed
Shared management information in Open Data Portal	Available and up-to-date	Regular update	Completed (automatic system put in place)
Basic DG EMPL Knowledge Management Strategy	Set up	Q4 2020	Postponed to Q4 2021
DG EMPL staff uses calendars and collaborative sites on MyIntraComm collab	Share of units using collaborative sites	80%	65%



**Objective:** DG EMPL takes full account of its environmental impact in all its actions and actively promotes measures to reduce the related day-to-day impact of the administration and its work

**Main outputs in 2020:**

Description	Indicator	Target	Latest known results
Mobility awareness actions	Short videos promoting DG EMPL colleagues who left aside their cars	10 short videos	Cancelled
Awareness raising campaign to promote the EC guidelines for sustainable meetings and events	Lunchtime session	Q3 2020	Postponed to Q2 2021
Awareness raising workshops on zero waste	3 Workshops	Q2 2020	Completed
Waste reduction	Glass container	Q3 2020	Postponed for Q4 2021
Waste reduction	Sorting stations in all DG EMPL	Q4 2020	Completed

Some initiatives could not be completed in 2020 due to the unexpected COVID-19 outbreak and were therefore fully postponed to 2021 or partially completed in 2020 with the remainder to be completed in 2021.

**Annual communication spending** (based on estimated commitments):

Baseline (Year n-1):	Target (Year n):	Total amount spent	Total of FTEs working on external communication
EUR 6 642 133	EUR 7 229 286	EUR 7 229 286	15.45 FTEs

## **ANNEX 10: Implementation through national or international public-sector bodies and bodies governed by private law with a public sector mission**

Not applicable.

## **ANNEX 11: EAMR of the Union Delegations**

Not applicable.

## ANNEX 12: Decentralised agencies

### 1. EUROPEAN CENTRE FOR THE DEVELOPMENT OF VOCATIONAL TRAINING

<p>Short <b>presentation of the agency's activities from 2020</b> that contributed to the specific objectives of DG EMPL.</p> <p>References:</p> <p><a href="#">Management Plan 2020</a></p> <p><a href="#">Strategic Plan 2020-2024</a></p> <p><a href="#">Annual Activity Report 2019 (annex 8)</a></p>	<p>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 (VET) 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 objectives of DG EMPL: 3.1 Effective support to Member States in their structural reforms and investments in the context of the European Semester, 5.1 A skilled workforce to master the green and digital transition, and 5.2 Vocational education and training effectively addresses the labour market needs and prepares people for the green and digital transition.</p> <p>Activities supporting these objectives included the following:</p> <ul style="list-style-type: none"><li>• VET policy monitoring, drawing on the ReferNet national experts, and thematic country reviews on apprenticeships that fed into the European Semester country analysis;</li><li>• Supporting the implementation of the Council Recommendation on Upskilling Pathways, amongst others, by organising a policy learning forum and by publishing an analytical framework for developing upskilling pathways for low-skilled adults;</li><li>• Hosting Europass1 and contributing to the development of and migration to Europass2, hosted by the Commission as from July 2020;</li><li>• Contributing to the European Vocational Skills Week, including through its annual #CedefopPhotoAward and contributing to/organising events;</li><li>• 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;</li><li>• analytical work on tools and principles promoting lifelong and lifewide learning (including EQF, EQAVET/ECVET, ESCO, key competences, lifelong guidance, validation, etc.), which contributed to</li></ul>
---	---

	<p>rendering labour market policies more effective and inclusive;</p> <ul style="list-style-type: none"> <li>• Based on the study on the Changing role and nature of VET in Europe, providing input to DG EMPL's VET policy framework post-2020 (VET Recommendation, and updated Skills Agenda);</li> <li>• In close cooperation with the Management Board and the Commission, Cedefop revised its strategy post-2020 as part of the Programming Document 2021-2023, in order to ensure strong alignment of its activities with the new policy framework for VET, skills and qualifications, adopted by the Commission in 2020.</li> </ul>
<p><b>DG EMPL's participation in the governance of the agency and nr of votes</b></p>	<p>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).</p> <p>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.</p>
<p>Description of <b>ex ante monitoring, supervision and control activities</b> (control 'with' the agency)</p>	<p><b>Role of Management Board</b></p> <p>The functions of the Management Board are laid down in Article 5 of Cedefop's Founding Regulation<sup>50</sup> 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</p>

<sup>50</sup> REGULATION (EU) 2019/128 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 16 January 2019 establishing a European Centre for the Development of Vocational Training (Cedefop) and repealing Council Regulation (EEC) No 337/75.

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.

### **Number of Management Board / Executive Board meetings**

- Management Board: 1
- Executive Board: 5

DG EMPL attended all MB/EB meetings. It should be noted that, while many issues are debated at the Management Board / Executive Board meetings, most decisions are effectively taken by written procedure. There were 15 such written procedures in 2020.

- Key decisions of the Management Board included:
  - Single Programming Document 2021-2023;
  - Consolidated Annual Activity Report 2019 and Management Board's assessment;
  - Final Accounts 2019 and Management Board opinion;
  - Implementing rules on the Data Protection Officer;
  - Internal Rules concerning restrictions of certain rights of data subjects in relation to processing of personal data;
  - Decision on deputising for the Accounting Officer;
  - Decision on the revision of Cedefop's Performance Management System;
  - Decision on the confirmation of the Executive Director in his function.

### **Meetings at senior management level**

In January 2020, Commissioner Schmit met with the Cedefop Executive Director, who took office in September 2019, to discuss his views on the future of Cedefop, to welcome Cedefop's expert input for the updating of the Skills Agenda and the Commission's proposal for modernising VET, and to stress the need for continued close cooperation between Cedefop and DG EMPL.

In 2020, DG EMPL established the practice of organising bilateral meetings at Director level to discuss the agenda of the upcoming Executive Board / Management

	<p>Board meetings. Four such meetings were held in 2020.</p> <p><b>Technical meetings</b></p> <p>Colleagues from DG EMPL’s units E.2 and E.3 have regular contacts on topics and files of mutual interest, be it by phone (bilateral or conference calls), videoconference or in person at meetings in Brussels or Thessaloniki, thus ensuring optimal alignment, synergy and efficiency of DG EMPL’s and Cedefop’s activities. While it is not possible to provide a reliable number of such contacts/meetings, DG EMPL estimates these to be between 50-100 in 2020.</p> <p>Upon invitation by the Commission, Cedefop launched a reflection on the strategy of Cedefop post-2020 at the Management Board meeting of October 2019. A smaller reflection group was composed, including two staff members of DG EMPL (units E.2 and E.3). A first meeting took place in November 2019, and another three meetings were held in 2020.</p> <p><b>Initiatives taken by DG EMPL to exchange good practices and ensure coherent approach between the agencies</b></p> <p>The units in charge of DG EMPL agencies systematically share relevant draft rules and provisions prepared by the agencies for comments, thus ensuring alignment of such rules where possible / appropriate. In 2020, this concerned, for instance, the clarification of the agencies’ obligation (as laid down in the recast Founding Regulations) to report twice a year to the Commission on progress on implementation of conclusions / recommendations of internal or external audit reports and evaluations, as well as investigations by OLAF.</p> <p><b>Assessing the agency’s control framework and financial rules</b></p> <p>As Cedefop ensured the necessary alignment of the agency’s Internal Control framework with the Commission’s updated Internal Control Framework, as well as the alignment of the agency’s rules to the new Financial Regulation in 2019, no further action was required in 2020.</p>
<p>Description of <b>ex post controls</b> (audits, external evaluations and</p>	<p><b>Ongoing and completed audits in 2020</b></p> <ul style="list-style-type: none"> <li>• IAS audit on human resource management and</li> </ul>

discharge)

ethics: report published in November 2018; all recommendations were implemented, (only) one remains to be closed by the IAS;

- ECA performance audit on agencies; launched in March 2019; final report published on 22 October 2020: 'Special Report 22/2020: Future of EU agencies – Potential for more flexibility and cooperation'.

#### **Ongoing and completed external evaluations in 2020**

- 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 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 (SWD(2019)159). 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. Since then, DG EMPL agreed to consider two recommendations as implemented (by letter of 4 August 2020); implementation of other agreed actions is progressing according to plan.

#### **ECA's declaration of assurance for the reliability of the agency's 2019 accounts and the legality and regularity of the underlying transactions**

- ECA gave a positive assessment of the reliability of the agency's 2019 accounts and the legality and regularity of the underlying transactions;
- Critical remarks were made on the following:
  - The execution of a contract (lack of proper documenting of changes during the execution), which did however not call into question the regularity of the procurement procedure nor the contract itself;
  - Budgetary management (calculation of contributions of Norway and Iceland): Cedefop considers that it correctly applied the agreed method.
  -

	<p><b>Was the discharge granted?</b></p> <p>Discharge for 2019 is expected to be granted end of April 2021 (the decision to grant discharge to all DG EMPL decentralised agencies has passed the committee stage on 22 March; the final vote in the Plenary is expected at the end of April).</p> <p><b>Does DG EMPL follow up the implementation of the recommendations?</b></p> <p>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.</p>
<p>As the <b>annual subsidy</b> is transferred in tranches, please explain the conditions for releasing / transferring a tranche</p>	<p>Tranches are released upon request by the agency and following an assessment of the agency's cash position.</p>
<p><b>Overall conclusion on legality and regularity of subsidy payments to the agency and benefits of controls</b></p>	<p>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.</p> <p>The Court of Auditors gave a positive declaration of assurance for Cedefop for the year 2019, as well as for previous years. The comments made by the Court do not call into question DG EMPL's reasonable assurance on the budget managed by Cedefop.</p> <p>From its own monitoring and supervision work as 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 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.</p> <p>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</p>



	Audit Service, as well as DG EMPL's verification and monitoring of the agency's Internal Control Framework, including the agency's anti-fraud strategies and policies to prevent conflicts of interest.
<b>Regulatory changes</b>	There were no regulatory changes in 2020.
<b>Major events not captured above</b>	Following a successful nine-month probation period, the new Executive Director, who took office on 2 September 2019, was confirmed in his function in 2020.

## 2. EUROPEAN LABOUR AUTHORITY

<p>Short <b>presentation of the agency's activities from 2020</b> that contributed to the specific objectives of DG EMPL.</p> <p>References:</p> <p><a href="#">Management Plan 2020</a></p> <p><a href="#">Strategic Plan 2020-2024</a></p> <p><a href="#">Annual Activity Report 2019 (annex 8)</a></p>	<p>The European Labour Authority (ELA) was established as a Union body by Regulation (EU) 2019/1149 of the European Parliament and of the Council, which entered into force on 31 July 2019.</p> <p>During 2020, ELA was in its early growing phase, with progress on all dimensions: staff were recruited, some priority activities chosen by its Management Board were initiated and delivered while others were in preparatory stage, and at the same time internal systems and processes were gradually put in place.</p> <p>The year 2020 was for ELA the first full year of activity. In agreement with the ELA Management Board, from the seven operational tasks defined in the ELA regulation, two activities were selected and delivered in 2020: facilitating access to information on labour mobility and coordinating and supporting concerted and joint inspections. Other activities were in preparatory stage.</p> <p>ELA contributed also to the 3.6 specific objective of DG EMPL, which focuses on Enhanced labour mobility.</p> <p>ELA, with oversight from DG EMPL, advanced on all activities related to setting up of the Authority. As regard operational tasks / activities, ELA and the Commission initiated the preparatory work for the transfer of certain functions and bodies, such as the EURES Coordination Office. Once fully operational, the Authority will assist Member States and the Commission in their effective application and enforcement of Union</p>
---	---

	<p>law related to labour mobility and the coordination of social security systems within the Union.</p> <p>ELA's main achievements include:</p> <ul style="list-style-type: none"> <li>• The organisation and participation in five pilot inspections in September 2020;</li> <li>• Over 100 documents translated in less than 6 months by ELA's Translation Facility, which were submitted by national authorities;</li> <li>• The elaboration of tools and procedures for concerted and joint inspections, providing guidance on how to prepare, implement and follow up effectively to cross-border inspections;</li> <li>• The Road transport workshop, with over 150 participants from the Commission (DG EMPL and DG MOVE), national enforcement authorities, sectoral social partners and enforcement organisations.</li> </ul> <p>Moreover, ELA also welcomed its first 18 National Liaison Officers (with the remaining 9 at the beginning of 2021). This is a fundamental step in facilitating the day-to-day cooperation between national administrations and the Authority.</p> <p>Lastly, ELA also started exploring cooperation with other EU Agencies, bodies, services and networks in the field of inspections and labour mobility analyses and risk assessment. This cooperation will create valuable synergies and eliminate duplications, thereby improving the quality of discussions and policy outcomes.</p>
<p><b>DG EMPL's participation in the governance of the agency and nr of votes</b></p>	<p>As it was the case for 2019, also for most of 2020, ELA was lead by an Interim Executive Director (Director of Directorate D in DG EMPL) and coordinated by an Establishment Group of DG EMPL, in accordance with the Regulation, to support the ELA during the initial phase.</p> <p>Two members are representing the Commission with right to vote in ELA's Management Board (according to Article 17 of ELA Regulation).</p> <p>Two members are also representing the Commission in ELA's Stakeholder Group (according to Article 23 of ELA's founding Regulation). In his capacity of Interim</p>

Executive Director of ELA, the Director of Directorate D in DG EMPL was also Chair of the Stakeholder Group.

The Executive Director was appointed on 22 October by the Management Board of the Authority. He received the confirmation by the European Parliament, following which he was officially appointed on 10 December 2020 and took office on 16 December 2020.

The Management Board was set to meet three times in 2020 (March, June and December) but the March meeting was cancelled due to the COVID-19 related measures. The meeting was replaced by the launch of written procedures for the documents to be adopted during the meeting and a number of bilateral discussions with Management Board members on ELA's priorities for 2021 and the period 2022-2024. Additionally, one extraordinary meeting took place in October, dedicated to the nomination of ELA's first Executive Director.

Over the course of 2020, 73 documents were presented to the attention of the Management Board, of which 26 decisions. Among the number of important issues on which the Management Board deliberated, are:

- The appointment of ELA's first Executive Director;
- The move from short-term to mid-term planning of activities, with the preparation and adoption of the first ELA multi-annual Single Programming Document for the period 2022-2024;
- ELA's budget for 2021 and draft estimate budget for 2022;
- The Rules of Procedure of the Stakeholder Group;
- The appointment of the ELA Accountant;
- The development of a comprehensive set of tools and procedures to facilitate concerted and joint inspections, allowing for their operationalisation and implementation in 2021;
- ELA's first communication and dissemination plan;
- Preparatory work for the setting-up of the ELA Mediation, including the establishment of the Working Group on Mediation;
- The transfer of EURES European Coordination

	<p>Office (ECO) activities to ELA;</p> <ul style="list-style-type: none"> <li>• A decision to delegate relevant appointing authority powers to the ELA Executive Director;</li> <li>• A number of human resources related decisions (e.g. education costs for children of ELA staff, appraisal of temporary and contract agents).</li> </ul> <p>DG EMPL provided input and guidance on some of the above mentioned decisions. ELA received input from DG EMPL on its Work Programme 2021 and consulted the DG on the drafting of ELA Draft Single Programming Document 2022-2024.</p>
<p>Description of <b>ex ante monitoring, supervision and control activities</b> (control 'with' the agency)</p>	<p>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.</p> <p>In December 2020, ELA's Management Board adopted its own Internal Control Framework, in line with the Commission guidance. The Management Board adopted as well the ELA Financial rules, which are in line with the new Framework Financial Regulation.</p>
<p>Description of <b>ex post controls</b> (audits, external evaluations and discharge)</p>	<p>Since the establishment of ELA in June 2019, no internal or external audits related specifically to ELA's accounts took place.</p> <p>Until the financial autonomy, financial transactions are implemented by DG EMPL and are covered by its ex post controls.</p>
<p>As the <b>annual subsidy</b> is transferred in tranches, please explain the conditions for releasing / transferring a tranche</p>	<p>Tranches are released upon request by the agency and following an assessment of the agency's cash position.</p>
<p><b>Overall conclusion on legality and regularity of subsidy payments</b> to the agency and <b>benefits of controls</b></p>	<p>Under DG EMPL's control.</p>
<p><b>Regulatory changes</b></p>	<p>N/A</p>

<b>Major events not captured above</b>	N/A
--	-----

### 3. EUROPEAN TRAINING FOUNDATION

<p>Short <b>presentation of the agency’s activities from 2020</b> that contributed to the specific objectives of DG EMPL.</p> <p>References:</p> <p><a href="#">Management Plan 2020</a></p> <p><a href="#">Strategic Plan 2020-2024</a></p> <p><a href="#">Annual Activity Report 2019 (annex 8)</a></p>	<p>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.</p> <p>In 2020, 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.</p> <p>In response to the COVID-19 pandemic, the ETF:</p> <ul style="list-style-type: none"> <li>• Regularly mapped measures in place in the EU neighbourhood in education and training systems to cope and respond to the impact of the pandemic and socioeconomic issues. The reports were shared with partner countries and the Commission services;</li> <li>• Increased collaboration with partners such as UNICEF, UNIDO, EBRD, CEDEFOP, ILO in areas including skills for enterprise, youth and career guidance;</li> <li>• Launched the #LearningConnects web-campaign to offer support during the COVID-19 crisis, as well as producing webinars for professionals in education and training.</li> </ul> <p>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).</p> <p>With regard to support for EU accession, the ETF provided information and analysis to the Commission</p>
---	---

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 5<sup>th</sup> 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 completed in 2020 and will culminate in an International conference foreseen in a hybrid format in the week of 21-25 June 2021.

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).

In the context of the Osnabrück Declaration agreed by EU stakeholders at a ministerial virtual meeting on 30 November during the German Presidency of the Council of the European Union, the ETF will support the implementation of actions in the EU's candidate countries working closely with its sister EU agency Cedefop, which will support implementation and undertake monitoring in the EU Member States.

The ETF actively supported DG EMPL in the European Vocational Skills Week, promoting the initiative in the ETF partner countries, leading the conference on VET internationalisation and organising the ETF Innovation and Skills Award under the VET Excellence Awards.

In 2020, ETF continued to collaborate with EU agencies, notably Eurofound and Cedefop, with a joint programme of action included in the respective agency work programmes, and participated as an Observer on the European Labour Authority (ELA) and Cedefop Management Boards.

The ETF together with the other Agencies working with DG EMPL, contributed to a consultation meeting organised by DG EMPL in October 2020 as part of the consultation launched by the Commission

	<p>Communication ‘A strong social Europe for just transitions’ to prepare the Action Plan to implement the European Pillar of Social Rights.</p>
<p><b>DG EMPL’s participation in the governance of the agency and nr of votes</b></p>	<p>The ETF Governing Board is chaired by the Director-General of DG EMPL. The Board adopted 15 decisions in 2020, meeting once. 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 the Governing Board meeting in November, DG EMPL organised and chaired the Troika meeting to discuss the agenda of the following day meeting with the representatives of the current, former and future Presidencies, DG NEAR, DG DEVCO and the ETF.</p>
<p>Description of <b>ex ante monitoring, supervision and control activities</b> (control ‘with’ the agency)</p>	<p><u>Ex ante controls - Monitoring, supervision and coordination (control ‘with’ the agency):</u></p> <p><b>Role of the Management/Governing Board and Audit Committee</b></p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• The ETF does not have an Audit Committee.</li> <li>• One Governing Board meeting was organised in November 2020. The June meeting was cancelled due to the COVID-19 pandemic and documents were adopted by written procedure. In 2020, fifteen decisions were adopted, including: the adoption of the Consolidated Annual Activity Report 2019, Annual Accounts 2019, Revision of the ETF Organisational Structure, Annual Work Programme 2021, Budget 2021 and the 2021-2023 IAS Strategic Internal Audit Plan for the ETF.</li> </ul> <p><b>Main points discussed/agreed in the bilateral senior management meetings in 2020 between the agency and their interlocutors in DG EMPL</b></p>

	<p>The bilateral meetings from 2020 focussed on the ETF response to the COVID-19 pandemic and the Revision of the ETF Organisational Structure. In addition, the ETF Director and management participated in two Structured Dialogue meetings chaired by DG EMPL on ETF's draft Consolidated Annual Activity Report 2019, the draft agenda of the November Governing Board meeting, the ETF's draft Annual Work Programme 2021 and the list of requests to ETF.</p> <p><b>Initiatives taken by DG EMPL in 2020 to exchange good practices and ensure coherent approach between the agencies</b></p> <ul style="list-style-type: none"> <li>• Cedefop and Eurofound have joint action plans with the ETF in the respective annual work programmes. Cedefop and ETF organised a joint conference on Enhancing European Cooperation in VET in June 2020 together with the Croatian and the German Presidencies and DG EMPL. The ETF Director participated as an Observer on the ELA Management Board.</li> <li>• Through the network of EU agencies, ETF together with the other Agencies working with DG EMPL conducted a peer review of risk management practices in all four agencies.</li> </ul> <p><b>Assessing the agency's control framework and financial rules in 2020</b></p> <ul style="list-style-type: none"> <li>• The changes adopted in June 2019 to the ETF Financial Regulation (based on the Commission's revised Framework Financial Regulation for the decentralised agencies) provided for increased simplification, clarification and additional flexibility, whilst strengthening governance.</li> <li>• Following the revision of its internal control framework in 2017 (in line with the update in the Commission), the new 17 Internal Control Principles (clustered into five components) in force are reported in the ETF Consolidated Annual Activity Reports.</li> </ul>
Description of <b>ex post controls</b> (audits, external evaluations and discharge)	<b>Ongoing and completed audits in 2020</b>



- Audit on legality and regularity of transactions: in November 2020, ECA published the annual audit report on EU agencies for the financial year 2019 with a clean unqualified audit opinion for the ETF.
- In November 2020, ECA carried out the first audit on the legality and regularity of transactions for the financial year 2020. This resulted in one preliminary finding for the ETF on alignment of cross-delegations and nomination tables. ECA will finalise the 2020 audit on the ETF with an audit desk review planned for February 2021.
- A performance audit of Agencies was carried out by ECA in 2019 for which the final report was published by ECA in 2020. The report is positive for the ETF, it did not lead to any specific findings for it.
- Audit on ETF accounts 2019 was carried out in the first quarter of 2020 by KPF LittleJohn LLP, through the inter-institutional framework contract on audits and controls. The audit report was issued in 2020 and contains a clean unqualified audit opinion.
- Audit on ETF accounts 2020 was outsourced through the inter-institutional framework contract on audits and controls. This will be carried out by Baker Tilly in February 2021.
- Audit on human resources management and ethics in the ETF was completed by IAS with a final report issued in July 2019. The report is positive and provides the ETF with reasonable assurance regarding the functioning of human resources and ethics processes. Six recommendations for improvement were made from which five ranked as important and one ranked as very important on recruitment and selection procedures. As a follow up, two recommendations have been formally closed by IAS, including the very important recommendation on recruitment and selection procedures. Four recommendations ranked as important have been implemented by the ETF, pending review by IAS.

The ETF does not have any open recommendations

issued by IAS prior to 2019. The ETF has not received any recommendations by the IAS ranked as critical.

### **Ongoing and completed external evaluations in 2020**

- The regulation of the ETF calls for an evaluation every 4 years by the Commission and within the overall performance management system of the Agency, the ETF commissions external evaluations in line with the Framework Financial Regulation to assess the extent to which the ETF's activities have achieved its planned results, added value and impact. All evaluations are followed up by action plans and reported to the Governing Board and in the Annual Activity Report.
- In 2020, the ETF commissioned two evaluations on the reform of qualifications systems and ETF networks in partner countries. The conclusions were that ETF activities produce 'high impact' in developing the mechanisms, frameworks and processes of partner countries to undertake qualifications systems reforms and that the ETF networks were used effectively for building communities of practice and bringing positive changes directly to partner countries through co-creation of knowledge as well creating opportunities to learn from EU Member States practices.

### **ECA's declaration of assurance**

- ECA's declaration of assurance for the reliability of the ETF's 2019 accounts and the legality and regularity of the underlying transactions was positive.

### **Discharge for 2019**

Discharge for 2019 is expected to be granted end of April 2021 (the decision to grant discharge to all DG EMPL decentralised agencies has passed the committee stage on 22 March; the final vote in the Plenary is expected at the end of April).

	<p><b>DG EMPL’s follow up on the implementation of the recommendations</b></p> <p>All audit follow up actions are reported in the Governing Board meetings and in the Annual Activity Reports of the ETF.</p>
<p>As the <b>annual subsidy</b> is transferred in tranches, please explain the conditions for releasing / transferring a tranche</p>	<p>Tranches are released upon request by the agency and following an assessment of its cash position.</p>
<p><b>Overall conclusion on legality and regularity of subsidy payments</b> to the agency and <b>benefits of controls</b></p>	<p>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 2019, as well as for previous years. The comments made by the Court do not call into question DG EMPL’s reasonable assurance on the 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 anti-fraud strategy and policies to prevent conflicts of interest.</p>
<p><b>Regulatory changes</b></p>	<p>N/A</p>
<p><b>Major events not captured above</b></p>	<p>As Italy was the first country affected by the pandemic in Europe, the ETF had to activate its established crisis management procedures early in the year and from the outset it was decided that, concerning critical</p>

governance procedures, full transparency of information to the Governing Board and Chair was important. As a consequence, in consultation with the Chair of the Governing Board, the ETF Director informed the Governing Board of critical developments and decisions affecting the Agency.

Concerning key internal processes, the general approach was to:

- Put measures in place for staff to telework and restrict/limit access to the ETF building for the majority of 2020;
- Ensure regular communication both internally amongst staff members, as well as externally with key stakeholders, partners and beneficiaries;
- Provide means and tools to ensure support coping with change and disruptive social and working environments as well as ensure 'off the shelf' support to EU partners and beneficiaries in partner countries;
- Focus on business continuity while at the same time quickly re-orienting priorities to free resources for COVID-19 related actions;
- Adapt its work programme to address the immediate demands and offer flexible and customized support to its stakeholders, as well as ensure the focus on medium and longer term transformations.

The Director-General of DG EMPL participated in the end of year 'All Staff' meeting online and delivered an address to the ETF staff.

#### 4. EUROPEAN AGENCY FOR SAFETY AND HEALTH AT WORK

<p>Short <b>presentation of the agency's activities from 2020</b> that contributed to the specific objectives of DG EMPL.</p> <p>References:</p> <p><a href="#">Management Plan 2020</a></p> <p><a href="#">Strategic Plan 2020-2024</a></p> <p><a href="#">Annual Activity Report 2019 (annex 8)</a></p>	<p>The European Agency for Safety and Health at Work (EU-OSHA) has greatly contributed to the achievement of DG EMPL policy objectives on Occupational Safety and Health (OSH), in particular to the overall objective to ensure 'Safe working conditions for all', especially as regards the unprecedented challenges raised by the COVID-19 pandemic.</p> <p>Since the early days of the COVID-19 outbreak in 2020, EU-OSHA played a key role in providing useful information and resources to assess the risks and the impact on workplaces and to mitigate them. To do this, the Agency carried out several actions, alone or in collaboration with the Commission and other Agencies. Among the most significant, the 'COVID-19: guidance for the workplace', the guidance on 'COVID-19: Back to the Workplace - Adapting workplaces and protecting workers', a package of new Online Tools (OiRA) to carry out risks assessment on COVID-19 or the publication 'Practical tips to make home-based telework as healthy, safe and effective as possible'. EU-OSHA has also cooperated with the European Center for Diseases Prevention and Control (ECDC) on important files, such as prevention of COVID-19 in healthcare settings or in long-term care services. EU-OSHA has also contributed to the work of other EU agencies, such as the European Aviation Agency (EASA) on issues related to COVID-19.</p> <p>In addition, the Agency carried out a number of significant activities that also contributed to the above DG EMPL objective on OSH, such as:</p> <ul style="list-style-type: none"><li>• Launching in October 2020 a Pan-European 'Healthy Workplaces Campaign' on Musculoskeletal Disorders, that represents a very substantial contribution to preventing this kind of disorders, which is an important objective of the EU OSH Policy;</li><li>• Publication of an extensive report on 'Biological agents and prevention of work-related diseases';</li><li>• Publication of a project overview on the new 'Worker Survey on Exposure to Cancer Risk Factors';</li></ul>
---	---

	<ul style="list-style-type: none"> <li>• Publication of a Paper on ‘Digitalisation and occupational safety and health - An EU-OSHA research programme’;</li> <li>• Publication of data from the last edition of the European Survey of Enterprises on New and Emerging Risks (ESENER III);</li> <li>• Publication of ‘OSH Barometer’, the first data visualisation tool with up-to-date information on the status of and trends in occupational safety and health (OSH) in European countries;</li> <li>• Actively promoting the implementation of the European Pillar of Social Rights, having participated in October 2020 to a meeting with other EU agencies to support the Commission in designing the Action Plan to implement the Pillar;</li> <li>• Actively promoting the Public Consultation on the forthcoming EU Strategic Framework on Health and Safety at Work 2021-2027 as well as a consultation on its Roadmap.</li> </ul>
<p>DG EMPL’s <b>participation in the governance of the agency and nr of votes</b></p>	<p>EU-OSHA has a ‘tripartite’ Management Board, composed of three representatives of each Member State (representing government, employers and employees) and three representatives of the Commission, two of them from DG EMPL, 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).</p> <p>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. DG EMPL has two representatives in the Executive Board.</p>
<p>Description of <b>ex ante monitoring, supervision and control activities</b> (control ‘with’ the agency)</p>	<p><b>Role of Management Board</b></p> <p>The functions of the Management Board are laid down in Article 5 of EU-OSHA’s Founding Regulation and include: providing the strategic orientations for EU-</p>

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

EU-OSHA does not have an Audit Committee.

### **Number of Management Board / Executive Board meetings**

- Management Board: 2
- Executive Board: 4

DG EMPL attended all Management Board / Executive Board meetings.

It should be noted that, while many issues are debated at these meetings, some decisions are effectively taken by written procedure. There were five such written procedures in 2020.

- Key decisions of the Management Board included:
  - Single Programming Document 2021-2023;
  - Budget and Establishment Plan 2021;
  - Management Board and Executive Board Rules of Procedure;
  - Revised policy on prevention and management of conflict of interests;
  - Action plan related to the recommendations included in the Commission's Staff Working Document on the evaluation of the four DG EMPL Agencies;
  - OiRA business plan for 2020;
  - Endorsement of the draft vacancy notice of EU-OSHA next Executive Director;
  - Consolidated Annual Activity Report for 2019 and the analysis and Management Board's assessment;
  - Final Accounts 2019 and Management Board opinion;
  - Implementing rules on the Staff Regulations;
  - Implementing rules on procedures for dealing with professional incompetence,

applicable to officials.

### **Meetings at senior management level**

A meeting by videoconference between Commissioner Schmit and the Director of EU-OSHA took place in June 2020. The main items addressed were the multiannual financial framework - possible implications for the agency, the forthcoming EU OSH Strategic Framework and the recruitment of a new Executive Director of EU-OSHA.

DG EMPL and EU-OSHA continued the practice of organising bilateral meetings linked to the ACSH plenary meetings to discuss the main ongoing and planned initiatives. In 2020, only one of such meetings was held, with participation of EU-OSHA Director, Head of Unit of DG EMPL.B.3 and relevant staff. This was due to the cancellation of the Spring ACSH Plenary due to the pandemic crisis. Ad-hoc bilateral meetings / exchanges between the Director of DG EMPL.B or the Head of Unit of DG EMPL.B.3 and the Director or Heads of Unit of EU OSHA took place during the year to discuss issues of common interest.

### **Technical meetings**

Colleagues of unit DG EMPL.B.3 have regular contacts on topics and files of mutual interest, be it by phone (bilateral or conference calls) or by videoconference, thus ensuring optimal alignment, synergy and efficiency of DG EMPL's and EU-OSHA's activities. These contacts have been much more frequent in 2020 in the context of the COVID-19 pandemic.

While it is not possible to provide a precise number of such contacts/meetings, DG EMPL estimates these to be around 80-90.

### **Initiatives taken by DG EMPL to exchange good practices and ensure coherent approach between the agencies**

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. In 2020, this concerned for instance the clarification of the agencies' obligation (as laid down in the recast Founding Regulations) to report twice a year



	<p>to the Commission on progress on implementation of conclusions / recommendations of internal or external audit reports and evaluations, as well as investigations by OLAF.</p> <p><b>Assessing the agency’s control framework and financial rules</b></p> <p>EU-OSHA ensured the necessary alignment of the agency’s Internal Control framework with the Commission’s updated Internal Control Framework, as well as the alignment of the agency’s rules to the new Financial Regulation in 2019.</p> <ul style="list-style-type: none"> <li>• In January 2020 the Agency performed a regular review assessment of its Internal Control Framework by monitoring its KPIs. The results of the assessment fed into the corporate risk management exercise and documents.</li> </ul>
<p>Description of <b>ex post controls</b> (audits, external evaluations and discharge)</p>	<p><b>Ongoing and completed audits in 2020</b></p> <ul style="list-style-type: none"> <li>• <b>ECA:</b> In early 2020, ECA closed the exercise of their regular audit for 2019 with a final desk review. Towards the end of 2020, ECA also started collecting data and information to support the work for 2020; the desk review for this exercise will be completed in March 2021.</li> <li>• <b>IAS:</b> four recommendations (none of which critical nor very important) were issued in 2019 as part of a compliance and performance audit by IAS, all to be implemented in 2020. Three of these have been submitted for review by end of 2020, one is still open and been carried-forward to 2021. During the course of 2020, IAS visited the Agency to prepare the next SIAP 2021-2023. The document has been finalised in summer 2020 and presented to EU-OSHA Management Board in January 2021. Work will commence in the next months.</li> </ul> <p><b>Ongoing and completed external evaluations in 2020</b></p> <ul style="list-style-type: none"> <li>• Ex post evaluation of the Healthy Workplaces Campaign 2018-2019 on dangerous substances;</li> <li>• Ex post evaluation of the OSH Overview activity Work-related diseases;</li> <li>• Ex post evaluation of the OSH Overview activity Micro and Small Enterprises;</li> </ul>

- Ex post evaluation of the OSH Overview activity cost / benefits and OSH;
- Mid-term evaluation of the OSH Overview format;
- Mid-term evaluation of the activity OiRA;
- Mid-term evaluation of the change to a three year Healthy Workplace Campaign cycle;
- EU-OSHA adopted at the Management Board meeting in June 2020 its action plan as a follow-up to the Commission's Staff Working Document on the evaluation of the four DG EMPL Agencies.

**ECA's declaration of assurance for the reliability of the agency's 2019 accounts and the legality and regularity of the underlying transactions**

ECA gave a positive assessment of the reliability of the agency's 2019 accounts and the legality and regularity of the underlying transactions. Critical remarks were made on the following:

- The execution of a contract in which, by the time of the ECA audit, the Agency had purchased services exceeding the contractual ceiling without any amendment to the contract;
- Under a given contract, the Agency reimbursed accommodation costs on a flat-rate per diem amount basis, whereas the contract states that reimbursements must be based on actual figures shown on supporting documents. This poses a risk that the costs the reimbursed costs may be higher than the actual costs incurred.

**Was the discharge granted?**

Discharge for 2019 is expected to be granted end of April 2021 (the decision to grant discharge to all DG EMPL decentralised agencies has passed the committee stage on 22 March; the final vote in the Plenary is expected at the end of April).

**Does DG EMPL follow up 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 EU-OSHA Executive and Management Boards. The EU-OSHA management reports at each Executive Board and Management

	Board meeting on the actions taken to implement the recommendations and their state of play.
As the <b>annual subsidy</b> is transferred in tranches, please explain the conditions for releasing / transferring a tranche	Tranches are released upon request by the agency and following an assessment of the agency's cash position.
<b>Overall conclusion on legality and regularity of subsidy payments</b> to the agency and <b>benefits of controls</b>	<p>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.</p> <p>The Court of Auditors gave a positive declaration of assurance for EU-OSHA for the year 2019, as well as for previous years. The comments made by the Court do not call into question DG EMPL's reasonable assurance on the budget managed by EU-OSHA.</p> <p>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 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.</p> <p>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 anti-fraud strategies and policies to prevent conflicts of interest.</p>
<b>Regulatory changes</b>	N/A
<b>Major events not captured above</b>	As the mandate of the current EU-OSHA Executive Director ends on 15 September 2021, the vacancy notice for the next Executive Director was published in the Official Journal on 19 May 2020 and the related procedure is on-going.

## 5. EUROPEAN FOUNDATION FOR THE IMPROVEMENT OF LIVING AND WORKING CONDITIONS

<p>Short <b>presentation of the agency's activities from 2020</b> that contributed to the specific objectives of DG EMPL.</p> <p>References:</p> <p><a href="#">Management Plan 2020</a> <a href="#">Strategic Plan 2020-2024</a> <a href="#">Annual Activity Report 2019 (annex 8)</a></p>	<p>The European Foundation for the Improvement of Living and Working Conditions (Eurofound) provides EU institutions or other agencies, the Member States and the social partners with support for the purpose of shaping and implementing policies concerning the improvement of living and working conditions, devising employment policies, and promoting the dialogue between management and labour'. To this end, Eurofound enhances and disseminates knowledge, provides evidence and services for the purpose of policy making and facilitates knowledge sharing among and between Union and national actors.</p> <p>In line with its mission, Eurofound contributed in particular to the following DG EMPL specific objectives: 3.1 Effective support to Member States in their structural reforms and investments in the context of the European Semester, 3.2 Stronger social dialogue and 3.3 Decent and safe working conditions for all. Eurofound supported these objectives by:</p> <ul style="list-style-type: none"><li>• Conducting and publishing research that aims to inform policy action, for example in the area of new forms of employment, industrial relations, minimum wages, the involvement of national social partners in policy making and representativeness of European social partner organisations. In 2020, representativeness studies were published for following sectors: sea fisheries, paper, hospital / human health, education, local and regional governments and social services. These representativeness studies are important for the Commission's understanding of whom to consult under article 154 of the Treaty on the Functioning of the European Union (TFEU) and who may initiate social dialogue negotiations, potentially leading to Council Decisions under article 155 TFEU.</li><li>• At the request of the Commission, Eurofound conducted in 2020 ad hoc research on the Right to Disconnect (R2D), pay transparency, the gender employment gap and the transposition of EU labour law directives</li></ul>
---	---

	<p>through collective agreements. These ad hoc requests fed into the Commission’s policies and knowledge in these areas.</p> <ul style="list-style-type: none"> <li>• Supporting policymakers to shape responses to the pandemic. Eurofound made timely and relevant data and analysis available by conducting the ‘Living, working and COVID-19 online survey’, while taking also comments of the Commission and the groups (governments, employers and employees) into account, and the ‘COVID-19 EU PolicyWatch’ database.</li> <li>• Contributing to policy debate, such as on the European Pillar of Social Rights and on DG EMPL flagship publication Economic and Social Developments in Europe.</li> </ul>
<p><b>DG EMPL’s participation in the governance of the agency and nr of votes</b></p>	<p>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 (including one Deputy Chairperson), 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).</p> <p>The Executive Board is composed of the Chairperson of the Management Board, the three Deputy Chairpersons (including the Commission Deputy), 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.</p> <p>Eurofound had four Advisory Committees in 2020, namely on living conditions, working conditions, industrial relations and employment and change. They carry out the following main functions related to Eurofound’s research projects:</p> <ul style="list-style-type: none"> <li>• Giving advice on their design and implementation;</li> <li>• Monitoring progress in their implementation;</li> <li>• Evaluating their findings;</li> </ul>

	<ul style="list-style-type: none"> <li>• Advising on the dissemination of results (Article 12 of Eurofound’s Founding Regulation). The Commission is represented by two members in each Advisory Committee.</li> </ul> <p>In 2019, Eurofound’s Management Board established the Committee on Staff Matters as a subgroup of the Management Board dealing with staff matters and exercises certain appointing authority powers not delegated to the Executive Director. It is composed of four members of the Management Board, i.e. one nominated by each of the three Groups and one by the Commission and is chaired by the latter. In 2020, the Committee on Staff Matters dealt with one case.</p>
<p>Description of <b>ex ante monitoring, supervision and control activities</b> (control ‘with’ the agency)</p>	<p><b>Role of the Management Board</b></p> <p>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.</p> <p>Eurofound does not have an Audit Committee.</p> <p><b>Number of Management Board / Executive Board meetings:</b></p> <ul style="list-style-type: none"> <li>• Management Board: 1;</li> <li>• Executive Board: 5 (+1 informal Executive Board meeting).</li> </ul> <p>DG EMPL attended all Management Board / Executive Board meetings. It should be noted that, while many issues are debated at the Executive Board meetings, decisions are taken by the Management Board, often by written procedure. There were 14 such written procedures in 2020.</p>

Key decisions of the Management Board included:

- Adoption of the Final Programming Document 2021;
- Adoption of the Consolidated Annual Activity Report 2019;
- Adoption of the Final Accounts 2019;
- Establishment of Advisory Committees (2021-2024).

### **Meetings at senior management level**

The Director of DG EMPL A, who is member and vice-chair of the Eurofound Management Board, and the Head of Unit of DG EMPL A2, who is alternate member of the Management Board, have regular contacts on topics and files of mutual interest. This happens in person at meetings in Brussels and Dublin, by email, phone and videoconference.

### **Meetings at technical level**

Colleagues of unit DG EMPL A.2 have regular contacts on topics and files of mutual interest by email, phone (bilateral or conference calls), videoconference or in person at meetings in Brussels or Dublin, thus ensuring optimal alignment, synergy and efficiency of DG EMPL's and Eurofound's activities.

### **Initiatives taken by DG EMPL to exchange good practices and ensure coherent approach between the agencies**

The units in charge of DG EMPL's agencies systematically share relevant draft rules, provisions and other documents prepared by the agencies for comments, thus ensuring alignment of such rules where possible / appropriate. For example, the Eurofound Programming Document 2022 was shared widely within DG EMPL, including with the units in charge of DG EMPL agencies, for comments in order to foster synergies and avoid overlap.

### **Assessing the agency's control framework and financial rules**

Eurofound ensured the necessary alignment of the agency's Internal Control Framework with the

	<p>Commission’s updated Internal Control Framework, as well as the alignment of the agency’s rules to the new Financial Regulation.</p> <p>The Internal Control Annual Work Plan 2020 was presented to and validated by the Executive Board in January 2020. The 2020 work plan includes the following three areas:</p> <ul style="list-style-type: none"> <li>• Actions following recommendations of audits from the Internal Audit Service (IAS), Court of Auditors (ECA) and evaluations;</li> <li>• Activities to strengthen the Internal Control Framework;</li> <li>• Recurring activities, including reporting.</li> </ul>
<p>Description of <b>ex post controls</b> (audits, external evaluations and discharge)</p>	<p><b>Ongoing and completed audits in 2020</b></p> <ul style="list-style-type: none"> <li>• Following the audit on human resources management and ethics, the Internal audit service (IAS) expects to deliver its conclusions and recommendations in the first quarter of 2021. This will be followed up with an action plan.</li> <li>• ECA performance audit on agencies was launched in March 2019 and the final report was published on 22 October 2020: ‘Special Report 22/2020: Future of EU agencies – Potential for more flexibility and cooperation’.</li> </ul> <p><b>Ongoing and completed external evaluations in 2020</b></p> <ul style="list-style-type: none"> <li>• 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 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 (SWD(2019)159).</li> <li>• Eurofound presented its action plan as a follow-up to the Staff Working Document at the Management Board meeting of 8 November 2019. A revised action plan was presented at the Executive Board of 17 January 2020.</li> </ul>



	<p>Eurofound expects to complete during 2021 the specific actions in response to the recommendations in the Staff Working Document.</p> <p><b>ECA’s declaration of assurance for the reliability of the agency’s 2019 accounts and the legality and regularity of the underlying transactions</b></p> <p>ECA gave a positive assessment of the reliability of the agency’s 2019 accounts and the legality and regularity of the underlying transactions. It had an observation without putting its positive assessment into question, namely: the execution of a public procurement procedure, which was not entirely ensuring full compliance with the applicable rules.</p> <p><b>Was the discharge granted?</b></p> <p>Discharge for 2019 is expected to be granted end of April 2021 (the decision to grant discharge to all DG EMPL decentralised agencies has passed the committee stage on 22 March; the final vote in the Plenary is expected at the end of April).</p> <p><b>Does DG EMPL follow up the implementation of the recommendations?</b></p> <p>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 regularly on the actions taken to implement the recommendations and their state of play.</p>
<p>As the <b>annual subsidy</b> is transferred in tranches, please explain the conditions for releasing / transferring a tranche</p>	<p>Tranches are released upon request by the agency and following an assessment of the agency’s cash position.</p>
<p><b>Overall conclusion on legality and regularity of subsidy payments to the agency and benefits of controls</b></p>	<p>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.</p> <p>The Court of Auditors gave a positive declaration of assurance for the year 2019, as well as for previous</p>

	<p>years. The comments made by the Court do not call into question DG EMPL's reasonable assurance on the budget managed by Eurofound.</p> <p>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 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.</p> <p>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 anti-fraud strategies and policies to prevent conflicts of interest.</p>
<b>Regulatory changes</b>	N/A
<b>Major events not captured above</b>	The selection of a new Executive Director is ongoing and will likely be finalised in the first half of 2021.