

**2017**

# **Annual Activity Report**

## **Annexes**

**Employment, Social  
Affairs and Inclusion**

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# **ANNEX 1: STATEMENT OF THE RESOURCES DIRECTOR**

*"I declare that in accordance with the Commission's communication on clarification of the responsibilities of the key actors in the domain of internal audit and internal control in the Commission<sup>1</sup>, I have reported my advice and recommendations to the Director-General on the overall state of internal control in the DG.*

*I hereby certify that the information provided in Section 2 of the present AAR and in its annexes is, to the best of my knowledge, accurate and complete."*

*Brussels, 25 April 2018*

*Anne Grisard  
[Signed]*

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

# ANNEX 2: REPORTING HUMAN RESOURCES, BETTER REGULATION, INFORMATION MANAGEMENT AND EXTERNAL COMMUNICATION

## 2.1 Policy outputs

Description	Status
<b>General Objective 1: A New Boost for Jobs, Growth and Investment</b>	
<b>Specific objective 1.3: Better functioning labour markets</b>	
European Solidarity Corps (non-legislative/ legislative) <b>CWP 2017 "Youth initiative"</b>	Completed
Mid-term evaluation of the "European Union programme for employment and social innovation - EaSI" (2016/EMPL/010)	Postponed (Q1-2018)
EGF mid-term evaluation (2015/EMPL/022)	Postponed (Q1-2018)
<b>Specific objective 1.4 Decent and safe working conditions for all</b>	
Revision of the Written Statement Directive (legislative, incl. impact assessment; Art 153.1(b)/154 TFEU) (2017/EMPL/001) <b>CWP 2017 initiative "European Pillar of Social Rights"</b>	Completed
Implementation of the Working Time Directive (non-legislative) (2017/EMPL/002) <b>CWP 2017 initiative "European Pillar of Social Rights"</b>	Completed
Evaluation of the Fixed-Term Work and the Part-Time Work directives - Refit action 25 - CWP 2015 (2016/EMPL/022)	Postponed (2018)
Evaluation of the Written Statement Directive - REFIT action - CWP 2016 (2015/EMPL/021)	Completed
Evaluation of the European Works Council Directive - CWP 2016 (2016/EMPL/011)	Postponed (Q1/2-2018)
Commission Directive establishing a 4th list of Indicative Occupational Exposure Limit Values (2016/EMPL/009)	Completed
Commission Directive amending Annex II of Directive 2004/37/EC on carcinogens and mutagens (2016/EMPL/021)	Completed <sup>2</sup>
<b>Specific objective 1.5 A skilled and more entrepreneurial workforce</b>	
Quality Framework for Apprenticeships <b>CWP 2017 "Youth initiative"</b>	Completed
Proposals for a revision of the European Quality Assurance Reference Framework for Vocational Education and Training (EQAVET) and the European Credit System for Vocational Education and Training (ECVET) <b>CWP 2016 initiative "Skills Agenda"</b>	Cancelled
<b>Specific objective 1.6 Greater social inclusion and effective social protection</b>	

<sup>2</sup> Superseded by the adoption of a proposal of a Commission Directive amending Annex III of Directive 2004/37/EC on carcinogens and mutagens (2nd batch, 10/01/2017)

Access to social protection (legislative/non-legislative, incl. impact assessment; Art. 153/ 292) (2017/EMPL/003) <b>CWP 2017 initiative "European Pillar of Social Rights"</b>	Completed with a delay (Q1-2018)
Initiatives to address the challenges of work-life balance faced by working families (legislative/non-legislative, incl. impact assessment; Art. 153/ 157 TFEU) (2015/JUST/012) <b>CWP 2017 initiative "European Pillar of Social Rights"</b>	Completed
Report on implementation of the 2013 Investing in Children (IiC) Recommendation: stock-taking and accelerating (2017/EMPL/006)	Completed
Report on implementation of Active inclusion Recommendation (2017/EMPL/007)	Completed
Summary report on FEAD implementation (PLAN/2016/126)	Completed

## **General Objective 2: A Deeper and Fairer Internal Market with a Strengthened Industrial Base**

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

Ex-post evaluation of the Your first EURES job mobility scheme (2016/EMPL/012)	Completed (Q1-2018)
Ex-post evaluation of EURES activities covering the period 2009-13 (2016/EMPL/017)	Completed (Q1-2018)
Commission implementing Decisions implementing Article 11 , 17 and 31 of Regulation (EU) 2016/589	Completed
Commission implementing Decision implementing Article 19 (6) of Regulation (EU) 2016/589	Postponed (Q2/3-2018)
Commission implementing Decision implementing Article 19(1) of Regulation (EU) 2017/589	Postponed (Q2/3-2018)

## **General Objective 3: A deeper and fairer Economic and Monetary Union**

### **Specific objective 3.1: Strengthened social dimension of the EMU**

<b>Pillar of social rights</b> following the public consultation (PLAN/2016/160) <b>CWP 2017 initiative</b>	Completed
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## 2.2 Organisational management outputs

### A. Human Resource Management

**Objective:** The DG deploys effectively its resources in support of the delivery of the Commission's priorities and core business, has a competent and engaged workforce, which is driven by an effective and gender-balanced management and which can deploy its full potential within supportive and healthy working conditions.

**Indicator 1: Percentage of female representation in middle management**

**Source of data:** HR Analytics Platform (QlikView)

Baseline (2014)	Target 2019	Latest known results 2017
26%	40%	58%

**Indicator 2: Percentage of staff who feel that the Commission cares about their well-being**

**Source of data:** Commission staff satisfaction survey

Baseline (2014)	Target 2020	Latest known results 2016
24.2%	40%	27.3%

**Indicator 3: Staff engagement index**

**Source of data:** Commission staff satisfaction survey

Baseline (2014)	Target 2020	Latest known results 2016
63.7%	At least equal to Commission average in 2020 survey	63.0%

**Main outputs in 2017:**

Description	Indicator	Status
Regrouping services in line with organisation chart	Office moves done	Completed
2017 L&D programme	Learning priorities established	Completed
Implementation of the internal mobility scheme	Number of movements achieved	Postponed (Q4- 2018)
Staff engagement: definition of an action plan following the 2016 Staff Survey	Degree of implementation of the Action plan	Completed
Integration of new managers	Setting up of a mentoring scheme	Completed

## B. Financial Management

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

Main outputs in 2017:		
Description	Indicator	Status
<b>Shared management</b>		
Assess reliance that can be placed on the work of national audit authorities	Analysis designation packages	Completed
	Analysis of Member States Annual Control Reports	
	Implementation ex-post audit work audit plan	
Protect EU budget	% timely interruption and suspensions of payments notified to MS (>80%)	Completed
<b>Direct management</b>		
Audit activity of the DG	Implementation audit plan	Completed

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

Main outputs in 2017:		
Description	Indicator	Status
Shared management: analysis of 2007-2013 closure documents submitted by MS	Timely response from Commission	Completed
Direct Management: simplification	Action plan complete	Completed/ ongoing
Adaptation to the new Internal control System	Implementation of new framework	Completed

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

Main outputs in 2017:		
Description	Indicator	Status
Anti-fraud strategy of DG EMPL is elaborated on the basis of the methodology provided by OLAF: "Joint Anti-Fraud Strategy 2015-2020" (Oct 2015)	Updated Anti-fraud strategy	Postponed to 2018
Number of named users of ARACHNE in MS	1500 by end 2017	Completed
Analysis of Member States' anti-fraud efforts	Results obtained and incorporated in EMPL own risk assessment	Postponed to 2018

## C. Better Regulation

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

Main outputs in 2017:		
Description	Indicator	Status
Gather evaluation evidence from Member States on the current programmes (ESF)	Adoption of summary report and synthesis of evaluation findings (common ESIF) report	Completed
Support operational directorates to deliver quality evaluations and impact assessments	Major ongoing evaluations finalised	Partially completed

## D. Information management

Objective (mandatory): Information and knowledge in the DG is shared and reusable by other DGs. Important documents are registered, filed and retrievable		
<b>Indicator 1: Percentage of registered documents that are not filed<sup>3</sup> (ratio)</b>		
<b>Source of data: Hermes-Ares-Nomcom (HAN)<sup>4</sup> statistics</b>		
Baseline 2015	Target	Latest known results 2017
3.78%	0%	0.31%
<b>Indicator 2: Percentage of HAN files readable/accessible by all units in the DG</b>		
<b>Source of data: HAN statistics</b>		
Baseline 2015	Target	Latest known results

<sup>3</sup> Each registered document must be filed in at least one official file of the *Chef de file*, as required by the [e-Domec policy rules](#) (and by ICS 11 requirements). The indicator is to be measured via reporting tools available in Ares.

<sup>4</sup> Suite of tools designed to implement the [e-Domec policy rules](#)



		2017
70.5%	100%	70.26%
<b>Indicator 3: Percentage of HAN files shared with other DGs</b>		
<b>Source of data:</b> <i>HAN statistics</i>		
Baseline 2015	Target	Latest known results 2017
0.09%	100%	0.12%
<b>Main outputs in 2017:</b>		
Description	Indicator	Status
Maintenance of the 'datawarehouse IT system': activities will include fixing bugs, technical maintenance, hardware and licences	Available and up-to-date	Completed
Develop the Open Data portal on financing and expected achievements under the different ESI Funds (2014-2020) launched end 2015 in close cooperation with MARE, REGIO and AGRI	Available and up-to-date	Completed

<b>Main outputs in 2017:</b>		
Description	Indicator	Status
Participate in the next phases of development of the EU Budget focused on results web site by contributing with projects from EMPL managed funds (ESF, FEAD, EaSI, EGF)	Timely and adequate response to BUDG requests	Completed
EMPL staff uses calendars and collaborative sites on MyIntraComm collab	Stable increase of the use of calendars and collaborative sites (5 -10 %)	Postponed (Q1-2018)
Deciding which EMPL Nomcom files should be visible to other Commission services	Feed-back of all EMPL lead department available through a survey	Postponed (Q2-2018)
Further reducing the parallel circulation of paper and electronic signatories with an electronic only workflow in the framework of the centralization of mail circulation services in OIB	Reduction by 10% of current parallel circulation	Completed
Implementation of new procedures for paper filing and archiving in order to comply with edomec rules and reduce paper archiving (transfer of responsibility to lead departments)	No problems signalled to CAD by staff or financial units	Completed

	(EMPL.R2/F3) in retrieving paper documents and files	
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## E. External Communication

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

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

**Source of data:** Standard Eurobarometer

Baseline November 2014	Target 2020	Latest known results 2017
Total "Positive": 39% Neutral: 37 % Total "Negative": 22%	Positive image of the EU ≥ 50%	Positive: 5% Neutral: 38% Negative: 25% (Don't know: 2%)

**Main communication actions in 2017:**

Description	Indicator	Status
Conference on the European Pillar of Social Rights, 23 January 2017	Number of participants and overall satisfaction with the event	Completed
Production and dissemination of online information material linked to the new youth initiative	Coverage on social media of launch of specific initiatives	Completed

**Annual communication spending** (based on estimated commitments):<sup>[1]</sup>

Baseline (2016):	Target (2017):	Total amount spent	Total of FTEs working on external communication
EUR 6 million	EUR 7 million	EUR 7.3 million	8

<sup>[1]</sup> These amounts cover the budget of EMPL's communication unit & the expenditure for communication activities of operational units in EMPL.

## **ANNEX 3: FINANCIAL REPORTS - DG EMPL**

### **Annex 3 Financial Reports - DG EMPL - Financial Year 2017**

**Table 1 : Commitments**

**Table 2 : Payments**

**Table 3 : Commitments to be settled**

**Table 4 : Balance Sheet**

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**Table 5 Bis: Off Balance Sheet**

**Table 6 : Average Payment Times**

**Table 7 : Income**

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

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**Table 11 : Negotiated Procedures (excluding Building Contracts)**

**Table 12 : Summary of Procedures (excluding Building Contracts)**

**Table 13 : Building Contracts**

**Table 14 : Contracts declared Secret**

<b>TABLE 1: OUTTURN ON COMMITMENT APPROPRIATIONS IN 2017 (in Mio €)</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	24,20469975	19,0003075	78,50 %
	04 02	European Social Fund	15074,56398	15072,2223	99,98 %
	04 03	Employment, Social Affairs and Inclusion	276,3270645	266,400339	96,41 %
	04 04	European Globalisation Adjustment Fund (EGF)	58,92615589	17,778774	30,17 %
	04 06	Fund for European Aid to the Most Deprived	552,2664099	551,797098	99,92 %
<b>Total Title 04</b>			15986,28831	15927,1988	99,63%
<b>Title 05 Agriculture and rural development</b>					
05	05 04	Rural development	0,5869878	0,58695813	99,99 %
<b>Total Title 05</b>			0,5869878	0,58695813	99,99%
<b>Title 15 Education and culture</b>					
15	15 01	Administrative expenditure of the 'Education and culture' policy area	0,12206766	0,12206766	100,00 %
	15 02	Erasmus+	18,96853141	18,96611	99,99 %
<b>Total Title 15</b>			19,09059907	19,0881777	99,99%
<b>Title 18 Migration and home affairs</b>					
18	18 01	Administrative expenditure of the 'Migration and home affairs' policy area	0,53071288	0,52960722	99,79 %
<b>Total Title 18</b>			0,53071288	0,52960722	99,79%
<b>Title 33 Justice and consumers</b>					
33	33 01	Administrative expenditure of the 'Justice and consumers' policy area	0,196745	0,19646231	99,86 %
	33 02	Rights, Equality and Citizenship	6,10884763	6,08397581	99,59 %
<b>Total Title 33</b>			6,30559263	6,28043812	99,60%
<b>Total DG EMPL</b>			16012,80221	15953,684	99,63 %

\* 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 2017 (in Mio €)</b>					
<b>Chapter</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	15,1553019	5,49695423	36,27 %
	04 02	European Social Fund	10838,16759	9780,255153	90,24 %
	04 03	Employment, Social Affairs and Inclusion	216,9979799	209,9718376	96,76 %
	04 04	European Globalisation Adjustment Fund (egf)	41,14738189	17,778774	43,21 %
	04 05	Instrument for Pre-Accession Assistance - Employment, Social Policies and Human Resources Development	40,5468512	40,5467901	100,00 %
	04 06	Fund for European Aid to the Most Deprived	297,4194979	290,9213118	97,82 %
<b>Total Title 04</b>			11449,4346	10344,97082	90,35%
<b>Title 05 Agriculture and rural development</b>					
05	05 04	Rural development	0,0289878	0,02104876	72,61 %
<b>Total Title 05</b>			0,0289878	0,02104876	72,61%
<b>Title 15 Education and culture</b>					
15	15 01	Administrative expenditure of the 'Education and culture' policy area	0,30894208	0,05090072	16,48 %
	15 02	Erasmus+	7,51106207	7,46243607	99,35 %
<b>Total Title 15</b>			7,82000415	7,51333679	96,08%
<b>Title 18 Migration and home affairs</b>					
18	18 01	Administrative expenditure of the 'Migration and home affairs' policy area	0,53071288	0	0,00 %
<b>Total Title 18</b>			0,53071288	0	0,00%
<b>Title 33 Justice and consumers</b>					
33	33 01	Administrative expenditure of the 'Justice and consumers' policy area	0,2865726	0,17004532	59,34 %
	33 02	Rights, Equality and Citizenship	4,63655538	4,383339	94,54 %
<b>Total Title 33</b>			4,92312798	4,55338432	92,49%
<b>Total DG EMPL</b>			11462,73743	10357,05859	90,35 %

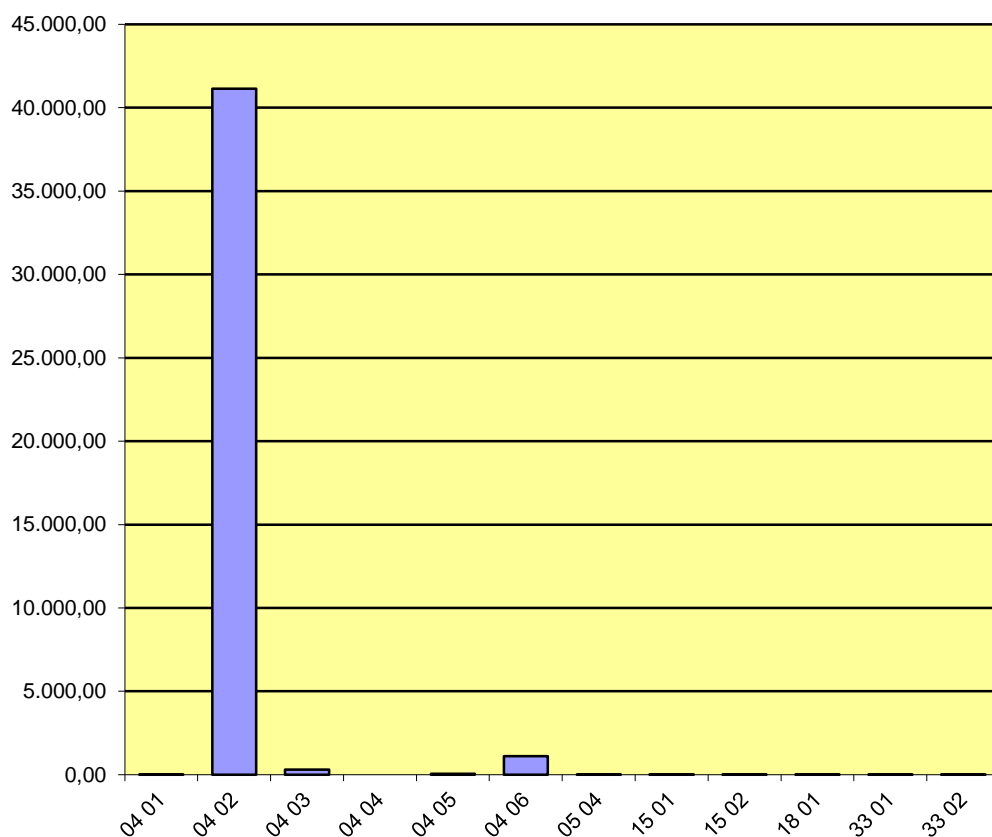
\* Payment appropriations authorised include, in addition to the budget voted by the legislative authority, appropriations carried over from the previous exercise, budget amendments as well as miscellaneous payment appropriations for the period (e.g. internal and external assigned revenue).

**TABLE 3 : BREAKDOWN OF COMMITMENTS TO BE SETTLED AT 31/12/2017 (in Mio €)**

			2017 Commitments to be settled				Commitments to be settled from financial years previous to 2017	Total of commitments to be settled at end of financial year 2017	Total of commitments to be settled at end of financial year 2016
<b>Chapter</b>			Commitments 2017	Payments 2017	RAL 2017	% to be settled			
			1	2	3=1-2	4=1-2/1	5	6=3+5	7
<b>Title 04 : Employment, social affairs and inclusion</b>									
04	04 01	Administrative expenditure of the 'Employment, social affairs and inclusion' policy area	19,00031	11,20	7,8047978	41,08 %	0,01	7,81	9,21
	04 02	European Social Fund	15072,22	93,11	14979,113	99,38 %	26.165,79	41.144,90	36113,98
	04 03	Employment, Social Affairs and Inclusion	266,4003	121,91	144,49252	54,24 %	162,12	306,61	262,85
	04 04	European Globalisation Adjustment Fund (egf)	17,77877	17,78	0	0,00 %	0,00	0,00	0,00
	04 05	Instrument for Pre-Accession Assistance - Employment, Social Policies and Human Resources Development	0	0,00	0	0,00 %	48,30	48,30	88,85
	04 06	Fund for European Aid to the Most Deprived	551,7971	24,01	527,78563	95,65 %	573,09	1.100,87	840,07
<b>Total Title 04</b>			15927,2	268,00	15659,196	98,32%	26949,3	42608,5	37314,9529
<b>Title 05 : Agriculture and rural development</b>									
05	05 04	Rural development	0,586958	0,02	0,5659094	96,41 %	0,00	0,57	0,00
<b>Total Title 05</b>			0,586958	0,02	0,5659094	96,41%	0	0,565909	0
<b>Title 15 : Education and culture</b>									
15	15 01	Administrative expenditure of the 'Education and culture' policy area	0,122068	0,02	0,1025922	84,05 %	0,00	0,10	0,19

	15 02	Erasmus+	18,96611	4,97	13,992694	73,78 %	4,21	18,21	7,34
<b>Total Title 15</b>			19,08818	4,99	14,095287	73,84%	4,2148654	18,3101 5	7,5280334 4
<b>Title 18 : Migration and home affairs</b>									
18	18 01	Administrative expenditure of the 'Migration and home affairs' policy area	0,529607	0,00	0,5296072	#### ###	0,00	0,53	0,00
<b>Total Title 18</b>			0,529607	0,00	0,5296072	100,00 %	0	0,52960 7	0
<b>Title 33 : Justice and consumers</b>									
33	33 01	Administrative expenditure of the 'Justice and consumers' policy area	0,196462	0,10	0,10032	51,06 %	0,00	0,10	0,09
	33 02	Rights, Equality and Citizenship	6,083976	0,13	5,9491571	97,78 %	4,12	10,07	8,37
<b>Total Title 33</b>			6,280438	0,23	6,0494771	96,32%	4,1189927	10,1684 7	8,4582633 6
<b>Total DG EMPL</b>			15953,68	273,25	15680,436	98,29 %	26957,634	42638,0 7	37330,939 2

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



**TABLE 4 : BALANCE SHEET EMPL**

<b>BALANCE SHEET</b>	<b>2017</b>	<b>2016</b>
<b>A.I. NON CURRENT ASSETS</b>	<b>3979863388</b>	<b>4064829777</b>
A.I.4. Non-Current Financial Assets	67.435.120,37	75.106.240,37
A.I.5. Non-Current Pre-Financing	3.912.428.267,59	3.989.723.536,15
<b>A.II. CURRENT ASSETS</b>	<b>2477715334</b>	<b>2588915497</b>
A.II.2. Current Pre-Financing	2.273.067.264,65	2.520.721.839,50
A.II.3. Curr Exch Receiv & Non-Ex Recoverables	142.685.741,53	10.082.318,97
A.II.6. Cash and Cash Equivalents	61.962.327,60	58.111.338,94
<b>ASSETS</b>	<b>6457578722</b>	<b>6653745274</b>
<b>P.I. NON CURRENT LIABILITIES</b>	<b>-12401342,73</b>	<b>-6961203,73</b>
P.I.2. Non-Current Provisions	-12.401.342,73	-6.961.203,73
<b>P.III. NET ASSETS/LIABILITIES</b>	<b>-0,37</b>	<b>4893759,63</b>
P.III.1. Reserves	-0,37	4.893.759,63
<b>P.II. CURRENT LIABILITIES</b>	<b>-6759404022</b>	<b>-7702230660</b>
P.II.2. Current Provisions	-13.669.472,04	-10.765.288,04
P.II.4. Current Payables	-3.789.113.367,34	-4.118.988.059,85
P.II.5. Current Accrued Charges & Defrd Income	-2.956.621.182,89	-3.572.477.311,97
<b>LIABILITIES</b>	<b>-6771805365</b>	<b>-7704298104</b>
<b>NET ASSETS (ASSETS less LIABILITIES)</b>	<b>-314226643,6</b>	<b>-</b> <b>1.050.552.830,03</b>

P.III.2. Accumulated Surplus/Deficit	45.009.065.368,18	35149648270
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Non-allocated central (surplus)/deficit*	44.694.838.724,55	-34099095440
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<b>TOTAL</b>	<b>0,00</b>	<b>0,00</b>
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It should be noted that the balance sheet and statement of financial performance presented in Annex 3 to this Annual Activity Report, represent only the assets, liabilities, expenses and revenues that are under the control of this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

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



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

<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>2017</b>	<b>2016</b>
II.1 REVENUES	-133281808	3546315,33
II.1.1. NON-EXCHANGE REVENUES	-135296528,6	3085377,21
II.1.1.5. RECOVERY OF EXPENSES	-134.496.528,59	3.835.377,21
II.1.1.6. OTHER NON-EXCHANGE REVENUES	-800.000,00	-750.000,00
II.1.2. EXCHANGE REVENUES	2014720,6	460938,12
II.1.2.1. FINANCIAL INCOME	-99.613,00	-75.671,35
II.1.2.2. OTHER EXCHANGE REVENUE	2.114.333,60	536.609,47
II.2. EXPENSES	8048612602	9855870783
II.2. EXPENSES	8048612602	9855870783
II.2.10. OTHER EXPENSES	24.371.682,07	22.036.611,02
II.2.1. EXP IMPLM BY MEMBER STATES (SHARED)	7.714.000.493,99	9.593.385.019,76
II.2.2. EXP IMPLM BY COMMISS&EX.AGENC. (DM)	152.293.185,35	144.877.183,71
II.2.3. EXP IMPL BY OTH EU AGENC&BODIES (IM)	70.894.088,99	73.061.082,73
II.2.4. EXP IMPL BY 3RD CNTR & INT ORG (IM)	75.498.581,99	24.121.520,14
II.2.5. EXP IMPLM BY OTHER ENTITIES (IM)	-600.000,00	73.841,80
II.2.6. STAFF AND PENSION COSTS	-514.500,00	-1.743.330,00
II.2.8. FINANCE COSTS	12.669.069,84	58.853,86
<b>STATEMENT OF FINANCIAL PERFORMANCE</b>	<b>7.915.330.794,24</b>	<b>9.859.417.098,35</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 this Directorate General. Significant amounts such as own resource revenues and cash held in Commission bank accounts are not included in this Directorate General's accounts since they are managed centrally by DG Budget, on whose balance sheet and statement of financial performance they appear. Furthermore, since the accumulated result of the Commission is not split amongst the various Directorates General, it can be seen that the balance sheet presented here is not in equilibrium.

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

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

<b>OFF BALANCE</b>	<b>2017</b>	<b>2016</b>
OB.1. Contingent Assets	1697814,12	384225
GR for pre-financing	1.697.814,12	384.225,00
OB.3. Other Significant Disclosures	-77764989315	-85456273224
OB.3.2. Comm against app. not yet consumed	-35.887.625.888,22	-29.639.854.553,57
OB.3.3.1 Structural operations	-41.877.363.426,63	-55.816.418.670,00
OB.4. Balancing Accounts	88824667281	96517264779
OB.4. Balancing Accounts	88.824.667.280,92	96.517.264.778,76
<b>OFF BALANCE</b>	<b>11.061.375.780,19</b>	<b>11.061.375.780,19</b>

**TABLE 6: AVERAGE PAYMENT TIMES FOR 2017 - DG EMPL**

<b>Legal Times</b>							
<b>Maximum Payment Time (Days)</b>	<b>Total Number of Payments</b>	<b>Nbr of Payments within Time Limit</b>	<b>Percentage</b>	<b>Average Payment Times (Days)</b>	<b>Nbr of Late Payments</b>	<b>Percentage</b>	<b>Average Payment Times (Days)</b>
15	7	6	85,71 %	12,16666667	1	14,29 %	18
30	1759	1646	93,58 %	15,27217497	113	6,42 %	41,8938053
45	5	3	60,00 %	17,66666667	2	40,00 %	73
50	2	2	100,00 %	35,5			
60	819	780	95,24 %	27,42820513	39	4,76 %	66,3589744
90	268	255	95,15 %	49,84313725	13	4,85 %	106,384615
105	1	1	100,00 %	91			
180	1	1	100,00 %	21			
365	220	220	100,00 %	20,05			

<b>Total Number of Payments</b>	<b>3082</b>	<b>2914</b>	<b>94,55 %</b>		<b>168</b>	<b>5,45 %</b>	
<b>Average Net Payment Time</b>	<b>23,63108371</b>			<b>21,94989705</b>			<b>52,7916667</b>
<b>Average Gross Payment Time</b>	<b>32,19338092</b>			<b>30,21002059</b>			<b>66,5952381</b>

<b>Suspensions</b>							
<b>Average Report Approval Suspension Days</b>	<b>Average Payment Suspension Days</b>	<b>Number of Suspended Payments</b>	<b>% of Total Number</b>	<b>Total Number of Payments</b>	<b>Amount of Suspended Payments</b>	<b>% of Total Amount</b>	<b>Total Paid Amount</b>
0	29	902	29,27 %	3082	##### #	89,01 %	##### #

<b>Late Interest paid in 2017</b>			
<b>DG</b>	<b>GL Account</b>	<b>Description</b>	<b>Amount (Eur)</b>
EMPL	65010100	Interest on late payment of charges New FR	12 321,84
			<b>12 321,84</b>

**TABLE 7 : SITUATION ON REVENUE AND INCOME IN 2017**

Chapter	Revenue and income recognized			Revenue and income cashed from			Outstanding balance	
	Current year RO	Carried over RO	Total	Current Year RO	Carried over RO	Total		
	1	2	3=1+2	4	5	6=4+5	7=3-6	
52	REVENUE FROM INVESTMENTS OR LOANS GRANTED, BANK AND OTHER INTEREST	2463784	0	2463784	2463784	0	2463784	0
57	OTHER CONTRIBUTIONS AND REFUNDS IN CONNECTION WITH THE ADMINISTRATIVE OPERATION OF THE INSTITUTION	100000	0	100000	100000	0	100000	0
60	CONTRIBUTIONS TO UNION PROGRAMMES	800000	0	800000	800000	0	800000	0
61	REPAYMENT OF MISCELLANEOUS EXPENDITURE	1671178581	1999346,75	1673177928	1670012025	1124836,33	1671136861	2041066,79
65	FINANCIAL CORRECTIONS	52947,4	406004,08	458951,48	52947,4	196010,01	248957,41	209994,07
66	OTHER CONTRIBUTIONS AND REFUNDS	27924699,94	877938,86	28802638,8	25765486,23	496331,7	26261817,93	2540820,87
<b>Total DG EMPL</b>		<b>1702520012</b>	<b>3283289,69</b>	<b>1705803302</b>	<b>1699194242</b>	<b>1817178,04</b>	<b>1701011420</b>	<b>4791881,73</b>

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

<b>INCOME BUDGET RECOVERY ORDERS ISSUED IN 2017</b>	<b>Irregularity</b>		<b>OLAF notified</b>		<b>Total undue payments recovered</b>		<b>Total transactions in recovery context(incl. non- qualified)</b>		<b>% Qualified/Total RC</b>	
	<b>Nbr</b>	<b>RO Amount</b>	<b>Nbr</b>	<b>RO Amount</b>	<b>Nbr</b>	<b>RO Amount</b>	<b>Nbr</b>	<b>RO Amount</b>	<b>Nbr</b>	<b>RO Amount</b>
Year of Origin (commitment)										
<b>2006</b>	2	213001,77			<b>2</b>	<b>213001,77</b>	2	213001,77	100,00%	100,00%
<b>2011</b>	1	4811,56			<b>1</b>	<b>4811,56</b>	1	4811,56	100,00%	100,00%
<b>2012</b>	3	115880,38			<b>3</b>	<b>115880,38</b>	3	115880,38	100,00%	100,00%
<b>2013</b>	2	309354,41			<b>2</b>	<b>309354,41</b>	3	384875,07	66,67%	80,38%
<b>2014</b>	6	32357,68			<b>6</b>	<b>32357,68</b>	213	1034952245	2,82%	0,00%
<b>2015</b>							111	654698388,5		
<b>2016</b>							11	7265010,21		
<b>2017</b>							6	1177729,1		
<b>No Link</b>	5	837275,39	1	10000	<b>6</b>	<b>847275,39</b>	7	947275,39	85,71%	89,44%
<b>Sub-Total</b>	<b>19</b>	<b>1512681,19</b>	<b>1</b>	<b>10000</b>	<b>20</b>	<b>1522681,19</b>	<b>357</b>	<b>1699759217</b>	<b>5,60%</b>	<b>0,09%</b>

<b>EXPENSES BUDGET</b>	<b>Error</b>		<b>Irregularity</b>		<b>OLAF Notified</b>		<b>Total undue payments recovered</b>		<b>Total transactions in recovery context(incl. non-qualified)</b>		<b>% Qualified/Total RC</b>	
	<b>Nbr</b>	<b>Amount</b>	<b>Nbr</b>	<b>Amount</b>	<b>Nbr</b>	<b>Amount</b>	<b>Nbr</b>	<b>Amount</b>	<b>Nbr</b>	<b>Amount</b>	<b>Nbr</b>	<b>Amount</b>
INCOME LINES IN INVOICES												
NON ELIGIBLE IN COST CLAIMS	4	27864,81	42	208559,91			<b>46</b>	<b>236424,72</b>	407	#####	11,30%	0,01%
CREDIT NOTES	7	833176,6	7	8527,32			<b>14</b>	<b>841703,92</b>	86	7.270.950,27	16,28%	11,58%
<b>Sub-Total</b>	<b>11</b>	<b>861041,41</b>	<b>49</b>	<b>217087,23</b>			<b>60</b>	<b>1078128,64</b>	<b>493</b>	<b>3104825926</b>	<b>12,17%</b>	<b>0,03%</b>
<b>GRAND TOTAL</b>	<b>11</b>	<b>861041,41</b>	<b>68</b>	<b>1729768,42</b>	<b>1</b>	<b>10000</b>	<b>80</b>	<b>2600809,83</b>	<b>850</b>	<b>4804585143</b>	<b>9,41%</b>	<b>0,05%</b>

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

	<b>Number at 01/01/2017</b>	<b>Number at 31/12/2017</b>	<b>Evolution</b>	<b>Open Amount (Eur) at 01/01/2017</b>	<b>Open Amount (Eur) at 31/12/2017</b>	<b>Evolution</b>
2004	1	1	0,00 %	209.994,07	209.994,07	0,00 %
2006	1		-100,00 %	160.054,37		-100,00 %
2008	1		-100,00 %	90.190,72		-100,00 %
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	2	1	-50,00 %	315.640,73	72.106,36	-77,16 %
2016	8	1	-87,50 %	2.197.909,00	874.510,42	-60,21 %
2017		8			3.325.770,08	
	15	13	-13,33 %	3.283.289,69	4.791.881,73	45,95 %

**TABLE 10 : RECOVERY ORDER WAIVERS IN 2017 >= EUR 100.000**

	<b>Waiver Central Key</b>	<b>Linked RO Central Key</b>	<b>RO Accepted Amount (Eur)</b>	<b>LE Account Group</b>	<b>Commission Decision</b>	<b>Comments</b>
1	3233170016	3241508541	-243.534,37	Private Companies		
2	3233170088	3240808273	-160.054,37	Private Companies		

<b>Total DG EMPL</b>	<b>- 403.588,74</b>
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<b>Number of RO waivers</b>	<b>2</b>
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**TABLE 11 : CENSUS OF NEGOTIATED PROCEDURES - DG EMPL - 2017**

**Internal Procedures > € 60,000**

<b>Negotiated Procedure Legal base</b>	<b>Number of Procedures</b>	<b>Amount (€)</b>
Art. 134.1(e) (Without prior publication) New services or works consisting in the repetition of similar services or works	1	1.000.000,00
<b>Total</b>	<b>1</b>	<b>1.000.000,00</b>



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

**Internal Procedures > € 60,000**

<b>Procedure Legal base</b>	<b>Number of Procedures</b>	<b>Amount (€)</b>
Call for expressions of interest - List of vendors (Art. 136.1(b) RAP)	2	165.350,00
Exceptional Negotiated Procedure without publication of a contract notice (Art. 134 RAP)	1	1.000.000,00
Open Procedure (Art. 104(1) (a) FR)	12	9.271.637,14
Open Procedure (Art. 127.2 RAP)	1	8.000.000,00
<b>Total</b>	<b>16</b>	<b>18.436.987,14</b>

**TABLE 13 : BUILDING CONTRACTS**

<b>Legal base</b>	<b>Contract Number</b>	<b>Contractor Name</b>	<b>Description</b>	<b>Amount (€)</b>

**TABLE 14 : CONTRACTS DECLARED SECRET**

<b>Legal base</b>	<b>Contract Number</b>	<b>Contractor Name</b>	<b>Description</b>	<b>Amount (€)</b>

# ANNEX 4: MATERIALITY CRITERIA

## For centralised management

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

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

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

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

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

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

## For EGF

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

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

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

## For ESF/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 2007-13**

### ➤ **The assessment is based on three elements as follows:**

1. The first element is the **assessment of the functioning of management and control systems** carried out by the audit directorate. This assessment may take into account results of corrective actions implemented by the Member State in the reporting year. This assessment is complemented at the Directorate General level taking into account elements received by the operational managers and the regular contacts with regional and national programme authorities.

2. The second element is the projected error rate reported by programme audit authorities in the Annual Control Reports (ACR), based on expenditure for the year preceding the reporting year. The Directorate General assesses the reliability of the projected error rates for each programme, on the basis of all available information and audit results, including on-the-spot missions, and uses this information as the best estimate of the possible risk for expenditure in the reporting year.

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

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

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

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

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

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

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

#### ➤ **Materiality criteria and reservations**

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

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

reservations are made in any case for programmes included in the categories 'limited assurance with medium risk' and 'limited assurance with high risk' (see below).

Following the approach set out during the implementation of the programmes, reservations are made as a general rule if at least one of the following conditions applies: material deficiencies in the management and control systems; validated error rate exceeding or equalling 5%<sup>5</sup>; cumulative residual risk/residual error rate exceeding 2%. Exceptions, if any, are clearly reported and explained in the body of the Annual Activity Report. In some cases, reservations may be made at **sub-programme level** (priority axis or implementing bodies) when the systemic deficiencies only affect a specific component of the management and control system, not used for the other activities under the same programme.

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

Following the in-depth assessment of closure documents, reservations are made for programmes with estimated financial corrections to be implemented exceeding the 5% retention of the overall allocation made at programme level<sup>6</sup>. In those cases, the amount of the 5% retention to be released at closure is not sufficient to cover the financial risks to the EU budget, which should then be disclosed.

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

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

The same approach is followed to calculate the amount at risk for programmes under reservation. For a reservation made at sub-programme level, a flat rate depending on the deficiencies identified is applied to the relevant expenditure<sup>7</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.

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

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

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

**Reasonable assurance with low risk** of irregularities covers:

- programmes with some deficiencies in key elements of the systems and/or with a validated error rate below 5% but with a residual risk rate below 2%;
- programmes with a validated error rate above 5% and a cumulative residual risk below 2% as a result of implemented financial corrections and if -on the basis of professional judgement- the implementation of the action plan has been assessed as satisfactory;

**Limited assurance with medium risk**<sup>8</sup> of irregularities covers:

- programmes with some deficiencies in key elements of the systems and/or with a validated error rate below 5% and a residual risk above 2%;

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

<sup>6</sup> The decision on whether to keep a reservation issued in the 2016 AAR will be made taking into account both the level of payments for a given programme and the amount of expenditure certified, in order to assess the residual risk.

<sup>7</sup> i.e. paid in the relevant year in relation to the concerned sub-programme

<sup>8</sup> Exceptions duly justified are disclosed in the AAR

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

**Limited assurance with high risk<sup>3</sup>** of irregularities covers:

- programmes with material deficiencies in several key elements of the systems and/or with a validated error rate above 5% and a residual risk rate above 2%.

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

### ➤ **The assessment of each operational programme is based on the following elements:**

1. The first element is the **assessment of the effectiveness of management and control systems** carried out by the audit directorate based on all information available (i.e. opinion issued by the audit authority on the management and control systems, total error rate, results of national systems audits, results of Commission audit work and/or the European Court of Auditors, elements received from operational managers in their regular contacts with regional and national programme authorities).

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

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

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

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

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

### ➤ **Materiality criteria and reservations**

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

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

As a general rule, a programme will be put under reservation if at least one of the following conditions applies:

- a total error rate above 10%
- deficiencies in key elements of the systems, which could result in/lead to irregularities above

10% and for which no adequate corrective measures to remedy the deficiencies have yet been implemented;

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

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

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

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

The operational programmes are classified in four categories:

✓ **Operational programmes not in reservation:**

- **Reasonable assurance** means that there is no material deficiency affecting key elements of the systems (only minor improvements may be needed in some cases) and there are no material issues concerning either conformity of expenditure (residual total error rate < 2%) or the accounts;
- **Reasonable assurance with low risk** of irregularities covers programmes with the existence of some deficiencies in key elements of the systems without material impact on the EU Budget; and where there are no material issues with either the legality and regularity of the expenditure (residual total error rate < 2%) or the accounts.
- **Limited assurance with medium risk** of irregularities covers programmes with deficiencies in key elements of the systems with no material risk for the EU budget (e.g. programme with a total error rate between 5% and 10% and where adequate financial corrections have been implemented);

✓ **Operational programmes in reservation:**

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

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

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

The risk "at payment" is calculated for each programme by applying the residual total error rate communicated by the audit authorities to the "relevant expenditure" (i.e. payments made during the reporting year excluding new pre-financing and including the 10% retained, and including the cleared pre-financing minus the retentions released and any deductions applied in the accounts covering the expenditure of the period 1<sup>st</sup> July N-1 to 30<sup>th</sup> June N). In case no error rates are reported by the audit authorities a flat rate is used.

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

For the quantification of reservations, where the reservation is due to a risk estimated to be above 10%, the estimated risk rate is applied on the expenditure of the second semester while the residual error rate is applied to the expenditure of the first semester, if applicable.

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



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

## ESF

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

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

Main risks	Mitigating controls	Coverage frequency and depth	Costs and benefits of controls	Control indicators
The Operational Programmes (OPs) financed do not adequately reflect the policy objectives or priorities.	Internal consultation, hierarchical validation at DG-level of each OP. Inter-service consultation (including all relevant DGs) Adoption by Commission Decision, where foreseen by EU law.	Coverage / Frequency: 100%. Depth: checklist, guidelines, lists of requirements in the relevant regulatory provisions and reflection of policy objectives and priorities in position papers and CSRs.	Overall COM cost: see AAR section 2.1.3.2. Benefits: adopted OPs focus on challenges MS and regions are facing (as identified in European Semester) and have a clear intervention logic, allowing the Commission to evaluate their impact [ <i>non-quantifiable individually</i> ]	Effectiveness: - % of OPs adopted/ approved Efficiency: - average time to adopt/ approve an OP <sup>9</sup>

### **Stage 2 – Implementation of operations (Member States):**

#### **A. Setting up of the systems**

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

Main risks	Mitigating controls	Coverage, frequency and depth	Costs/benefits of controls	Control indicators
The process of designation of national authorities in the Member States (MS) is not effective and, as a	Supervision by Commission (for 2014-2020): - Commission review (and audits) of a sample of	Coverage / Frequency: fixed in sector-specific rules Depth: verification (desk review + audit missions)	Overall COM cost: see AAR section 2.1.1.2. Benefits:(part of) the amounts associated with	Effectiveness: - % of authorities designated Efficiency:

<sup>9</sup> Impacted by the time required by Member States to react

result, the management and control systems are not compliant with the applicable rules.	national designations - submission of MS Audit Strategies to the Commission (on request)	where necessary) of description of management and control systems communicated by MS. Designation audits are generally done on-the-spot.	unreliable systems for which the Commission audit work revealed substantial compliance problems [not quantifiable]	- number of authorities for which serious weaknesses found by designation reviews/audits (% of total checked)
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### **B. MS controls to prevent, detect and correct errors within the declared certified expenditure**

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

<b>Main risks</b>	<b>Mitigating controls</b>	<b>Coverage, frequency and depth</b>	<b>Control indicators</b>
Periodic expenditure declarations submitted to the Commission include expenditure which is irregular or non-compliant with EU and/or national eligibility rules and legislation.	Management verifications: first level checks by Management Authorities (MA). Certification, audit opinion and annual report by the relevant authorities designated/accredited.	Coverage: fixed in sector-specific rules Depth: - <u>management verifications</u> : performance of first-level checks (administrative and on the spot controls). - <u>certification</u> : additional verification (desk checks and on-the-spot). - <u>audit opinion</u> : system audits on the checks already carried out, where necessary with re-performance of on-the-spot checks; where applicable, audits of operations (on a statistical basis) and additional substantive testing on expenditure.	Effectiveness: - weighted average error rate as reported by the Member States. Efficiency: - time to lift interruption of payments <sup>10</sup>

### **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

<b>Main risks</b>	<b>Mitigating controls</b>	<b>Coverage, frequency and depth</b>	<b>Costs/benefits of controls</b>	<b>Control indicators</b>
The management verifications and subsequent audits/controls by the	Commission checks of periodic MS expenditure declarations. Commission assessment of	Coverage: verification of information provided in the annual control reports and annual audit opinions.	Overall COM cost: see AAR section 2.1.1.2. Benefits: errors prevented [ <i>unquantifiable</i> ], errors	Effectiveness: - cumulative residual risk (EU and per MS) - number of programmes with a

<sup>10</sup> impacted by the complexity of the issues and the time required by MS to react

Main risks	Mitigating controls	Coverage, frequency and depth	Costs/benefits of controls	Control indicators
<p>Member States have failed to detect and correct ineligible costs or calculation errors.</p> <p>The audit work carried out by the audit/certifying authorities is not sufficient to obtain adequate assurance on the submitted declarations.</p> <p>The Commission services have failed to take appropriate measures to safeguard EU funds, based on the information it received.</p>	<p>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 projected error rate</li> <li>- estimation of a residual error rate (RER)</li> <li>- assessment of systems audits reports from AA</li> <li>- assessment of annual summaries</li> <li>- own Commission audits</li> <li>- technical and bilateral meetings with MS</li> </ul> <p>Interruptions and suspensions of payments</p> <p>Financial corrections (implemented by MS resulting from Commission audit work)</p>	<p>Depth: desk checks and/or on-the-spot audits based on risk assessment; verification of the quality and reliability of the information based on Commission's own audit work; 'validation' and where necessary adjusting of error rates reported by MS to calculate a cumulative residual error risk (RER);</p> <p><i>[at closure: where applicable scrutiny of closure report and closure opinion, if needed with audits on sample of OPS]</i></p>	<p>detected or corrected (amount of financial corrections); the impact of the Commission's adjustments made on the error rates reported by the MS following its own audit work and the total amount of expenditure for which the Commission has assurance</p>	<p>reported error rate assessed as reliable (unchanged or recalculated)</p> <ul style="list-style-type: none"> <li>- Number of interruptions/suspensions of payments</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 AA (based on ACRs unchanged or recalculated error rates)</li> <li>- weighted average 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 MS within 2 months</li> <li>- % suspensions of payments notified to MS within 6 months</li> <li>- Audit coverage of Audit Authorities (cumulative basis)</li> </ul>

## Direct and indirect management

### Stage 1: Programming, evaluation and selection.

**Main control objectives:** Ensuring that the Commission (COM) 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	Costs/benefits controls	Control 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 (FYWP), the Annual Work Programme (AWP) and the subsequent actions do not adequately reflect the policy objectives and priorities and or are incoherent. Budget not optimally allocated.</p>	<p><u>Grants and procurement:</u></p> <ul style="list-style-type: none"> <li>- 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)</li> <li>- Inter-service consultation on Financing Decisions including all relevant DGs</li> <li>- Adoption by the Commission</li> </ul> <p><u>Agencies:</u> Through the mechanism of the Bureau and Governing Board, the COM contributes to the setting of the goals and strategies, the appointment of the Director, the adoption of the annual management plan, work programme and budget. Discussions (notably on programme) between the Agency's director and Dir. Gen. of EMPL.</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 Dir. Gen. EMPL/Dir. Agency: min 1x/year</p>	<p>see AAR section 2.1.1</p>	<p><u>Grants and procurement:</u></p> <ul style="list-style-type: none"> <li>- Validation of actions in the annual work programme (relevance and compliance) (%)</li> <li>- Budget execution (%)</li> <li>- Overall cost of control/financial management of the Commission checks and assessment (as a % of total payment appropriations)</li> <li>- Cost of evaluation and selection procedure/value contracted (%)</li> </ul> <p><u>Agencies:</u> Participation of the COM to all meetings of the Bureau and Governing Board Meeting Dir. Gen. EMPL and Director Agency</p>

<b>Main risks</b>	<b>Mitigating controls</b>	<b>Coverage, frequency</b>	<b>Costs/benefits controls</b>	<b>Control indicators</b>
<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 (including support from the Financial Advice team) 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 directorates;</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>
<p><u>Procurement:</u> The best offer/s are not submitted due to the poor definition of the tender specifications</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> </ul>	<p><u>Procurement:</u> 95%<sup>11</sup> of the specifications are</p>	<p>see AAR section 2.1.1</p>	<p><u>Procurement:</u></p> <ul style="list-style-type: none"> <li>- Formal opinion given by the Financial Unit before award</li> </ul>

<sup>11 4</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	Costs/benefits controls	Control indicators
The most economically advantageous offer not being selected, due to a biased, inaccurate or 'unfair' evaluation process	<ul style="list-style-type: none"> <li>- Prior Information Notices and invitations to tender are checked for compliance with the Financial Regulation and Financing Decision by the Central Financial Unit before publication</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>	scrutinised. 95% <sup>12</sup> of calls are scrutinized by the Financial Unit		

## Stage 2: Implementing and monitoring the execution

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

Main risks	Mitigating controls	Coverage, frequency	Costs/ benefits controls	Control indicators
<p><u>Grant/Procurement:</u> The actions foreseen are not, totally or partially, carried out in accordance with the technical description and requirements foreseen in the agreement/contract and/or the amounts paid exceed that due in accordance with the applicable contractual and regulatory provisions</p>	<p><u>Grant/Procurement:</u> Operational and financial checks in accordance with the financial circuits. Operation authorisation by the AOSD</p> <p><u>Grants:</u> Ex ante verification of financial report</p>	<p><u>Grants:</u> 100% of projects are controlled. Analytical review performed on all final payment requests. Detailed desk check on all final costs statements above a certain threshold (20% of costs statements under this threshold at random).</p> <p><u>Procurement:</u> 100% of contracts are controlled</p>	<p>see AAR section 2.1.1</p>	<p><u>Grants:</u> - Verification of transactions by operational and financial agents (%) - Ex-ante in depth check of final cost claims - sample representing 20% of the eligible costs for each action grant (at least 30% of staff cost - higher risk) (% error)</p> <p><u>Procurement</u> - Verification of transactions by operational and financial agents</p> <p><u>Grants and procurement:</u> Costs of control from contracting and monitoring the execution up to payment included / amount paid (%)</p>
<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 COM contributes to:</p> <ul style="list-style-type: none"> <li>- the discussions leading to the set-up of internal control systems and anti-fraud strategies</li> <li>- to the follow up of the agency's performance</li> </ul>	<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</p>	<p><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	Costs/benefits of controls	Control indicators
The ex-ante controls fail to prevent, detect and correct erroneous payments or attempted fraud.	Strategy of ex-post audit : (a) combine risk-based and ad random selection (b) consider operational aspects whenever possible during the on-the-spot audit.	Ex post controls relate only to grant aided projects which have been closed by the Operational Units. Contracts bear no risk to be audited ex-post.	see AAR section 2.1.1	<u>Grants/procurement:</u> - Cost of control ex post audits / value audited - Ex-post audits finalised (number) - % amount controlled by ex-post audit vs. total amount - Error rate
<u>Agencies</u> The Agency's control system does not allow drawing conclusions on the assurance for the budget entrusted to the entity – which may reflect negatively on the Commission's governance reputation.	<u>Agencies</u> Through the mechanism of the Bureau and Governing Board, the COM contributes to: - the preparation and adoption of the Agency's Annual Activity Report - the follow-up of the discharge process by participating and if necessary intervening in the relevant parliamentary debates	<u>Agencies</u> Bureau OSHA: 4 times a year Bureau EUROFOUND: 6 times a year Governing boards: 1 time a year	see AAR section 2.1.1	<u>Agencies</u> Positive discharge



## **ANNEX 6: NOT APPLICABLE**

## **ANNEX 7: NOT APPLICABLE**

## **ANNEX 8: NOT APPLICABLE**

## ANNEX 9: EVALUATIONS AND OTHER STUDIES FINALISED OR CANCELLED IN 2017

No	Title	Reason <sup>1</sup> L, LMFF, FR, REFIT, CWP, O	Scope <sup>2</sup>	Timing			Associated DGs	Costs <sup>3</sup> (EUR)	Comments <sup>4</sup>	Reference <sup>5</sup>
				Start	End	Type				
<b>I. Evaluations finalised or cancelled in 2017</b>										
<b>a. Evaluations finalised in 2017</b>										
1	Ex-post evaluation of the EURES programme covering the period 2009-2013	L, LMFF	Preparation of the two-yearly report on EURES activities to Council and European Parliament. The evaluation covers the activities of all the grant beneficiaries for the period 1/4/2009 to 31/05/2013.	2015-Q1	2018-Q1		SG, REGIO	€142.920		pending publication
2	Evaluation of the Your First EURES job mobility scheme	FR	To provide a broader evidence-based analysis of possibilities for the future of YfEj (continuation, extension of the scheme, modification, etc.)	2015-Q1	2018-Q1		SG	€328.550		pending publication
3	Evaluation of Directive 91/533/EC on an employer's obligation to inform employees of the conditions applicable to the contract or employment relationship-contract VC/2015/0267	REFIT	REFIT evaluation on Directive 91/533/EC	2015-Q1	2016-Q2	FC - fitness check	GROW, LS, SG, JUST	€306.875	SWD published on 26 April 2017, not available at EU Book shop, so the reference is to Europa website	SWD(2017)205, ec.europa.eu/social/BlobServlet?docId=17615&langId=en
4	Evaluation on the implementation of Directive 2009/38/EC on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees-contract VC/2015/0077	L	Requirement of the legal basis. The evaluation assesses the compliance, effectiveness, efficiency, relevance, coherence and EU added value of the Directive.	2015-Q1	2016-Q2	R-regulatory measure (not recognised as a FC)	GROW, LS, SG, JUST, ECFIN	€341.875	The Inter-Service Consultation ISC/2017/09169 with SWD was launched on 11 and concluded on 31 January 2018. As of 6 February, the SWD is being updated in line with the received comments, clean version soon to be uploaded.	ISC/2017/09169
5	EGF - Mid-term evaluation	L, FR, LMFF	The evaluation will assess the effectiveness, sustainability, efficiency, coherence, relevance and EU added value of the results achieved of the EGF. Wherever possible and useful, the economic, social and environmental impact of EGF interventions shall be examined. It will also help fostering new ideas for further development of the EGF.	2015-Q3	2017-Q2		SG, ENTR, COMP, TRADE, Eurofound	€265.082		pending publication
6	EaSI mid-term evaluation	LMFF	Legal requirement art. 13 of Reg. 1296/2013. The EaSI mid-term evaluation will measure on a qualitative and quantitative basis the progress made in meeting the programme objectives. Deadline 01/07/2017	2016-Q1	2018-Q2		SG	€500.000		pending publication
11	Evaluation of the four DG EMPL Agencies (EUROFOUND, CEDEFOP, ETF, EU-OSHA)	FR	This evaluation is required by the FR, better regulation and the common approach governing EU agencies	2017-Q1	2017-Q4		BUDG, EAC, DEVCO, GROW, HR, JUST, RTD, SANTE	€524.950,00	towards Final Report, SWD	
<b>b. Evaluations cancelled in 2017</b>										

II. Other studies finalised or cancelled in 2017										
a. Other studies finalised in 2017										
22	Feasibility study for a European Mobility Portal	CWP	Feasibility study on the development of a European Mobility Portal aimed at facilitating the interaction between mobile citizens and public authorities on social security coordination issues	2015-Q4	2017-Q2		None	909.100	Completed	Not published, used internally only
23	Teachers and trainers in work-based learning/apprenticeships. Mapping of models and practices	O	The objective of this study is to map and analyse existing approaches to qualifications, profiles and competence development of teachers and trainers in work-based learning. The study will identify good practice examples and propose models of frameworks, policy approaches and cooperation at national and organisational level. Furthermore, the study shall make recommendations and propose follow-up actions at the EU, national, sector, providers' and company level.	2016-Q1	2017-Q1			200.000	Completed	<a href="http://publications.europa.eu/publication/catalogue_number/KE-04-17-637-EN-N">http://publications.europa.eu/publication/catalogue_number/KE-04-17-637-EN-N</a>
24	European Alliance for Apprenticeships – Assessment of progress and planning the future	O	This study will evaluate the achievements of the EAfA so far. It will evaluate the various activities under EAfA, identify challenges as well as the success factors for effective implementation of the pledges. On the basis of the evaluation of the activities, this study will make recommendations on how to further develop the EAfA to maximise its benefits.	2016-Q1	2017-Q1			150.000	Completed	Not published, used internally only
29	Study on assessment of labour provisions in trade and investment arrangements	O	The study to be carried out by the International Labour Organisation (ILO) will analyse a substantial number of trade and investment agreements concluded by the EU, the US, Canada and other countries, with a view to identify their social impacts, notably on labour standards and other pillars of the Decent Work Agenda	2014-Q4	2016-Q4		TRADE	400.000	Completed	pending publication
31	OECD joint analysis of labour market policies 2	O	Contribution to policy evaluation (European Semester, Youth Guarantee) on the basis of labour market policy data collection by DG EMPL	2016-Q4	2017-Q4		ESTAT,	150.000	Study	
32	Statistical reports on social security coordination and free movement of workers	O	1. Report on the use of the European Health Insurance Card (EHIC) 2. Report on the use of Portable Document A1 (posting of workers) 3. Report on the use of Portable Document U2 (export of unemployment benefits) 4. Report on the use of Portable Document S2 (authorisation for planned healthcare) 5. Annual report on labour mobility 6. Annual report on Fraud and Error in the field of social security coordination 7. Report on the export of family benefits 8. Report on the reimbursement of healthcare costs 9. Report on quantitative indicators on recovery 10. Report on PD U1 (insurance periods to be taken into account when calculating an unemployment benefit) 11. Report on the use of the PD S1 (entitlement to healthcare) 12. Report on EU pensions	2015-Q1	2017-Q1		None	179.555	Completed	
33	Data collection, validation and analysis under the Indicator Framework for monitoring the LTU Council recommendation	L	To develop a Indicator Framework to monitor the implementation of the Council Recommendation on long term unemployed	juin-16	oct-17	R-regulatory measure (not recognised as a FC)	None	187.955		Not published, used internally only

35	Evaluating Governance Mechanisms and incentives for matching skills supply to labour market needs	O	Provide qualitative and quantitative information and analysis of the skills governance arrangements in the Member States	2015-Q2	2017-Q1			500.000	<a href="http://www.oecd.org/publications/getting-skills-right-assessing-and-anticipating-changing-skill-needs-9789264252073-en.htm">http://www.oecd.org/publications/getting-skills-right-assessing-and-anticipating-changing-skill-needs-9789264252073-en.htm</a>	
37	Study on branding for EU tools on skills	O	Study to collect evidence on visibility of some EU brands. The study is intended to support work on better tools and services for skills and qualifications in the context of the Skills Agenda	2016-Q3	2017-Q2			70.000		Not published, used internally only
38	Targeted surveys on application of core labour standards	O	Study report- working conditions in countries covered by GSP+FTAs (pilot project)	2015-Q4	2017-Q1			150.000		Not published, used internally only
40	Reviewing the first results of the EPALE	O	The objective of the study is to review the first results of EPALE, assess the efficiency of the current management structure and make proposals for improved efficiency	2016-Q3	2017-Q4			200.000		<a href="http://publications.europa.eu/publication/catalogue_number/KE-04-18-206-EN-N">http://publications.europa.eu/publication/catalogue_number/KE-04-18-206-EN-N</a>
41	Quality assurance in VET	O	The study will review the use of key outcome and income indicators in VET QA systems and it will identify successful practices allowing VET graduate tracking. It will review the EQAVET recommendation against national practices and develop concrete guidance for VET system actors on devising and implementing QA indicators, and managing the QA cycle.	2016-Q2	2017-Q4			180.000		Pending acceptance of final report
44	Joint EU-OECD research project on "intergenerational aspects of integration of immigrants"	O	Explore and understand the experience of the children of immigrants and mobile citizens to see how their outcomes compare with those of the children of native-born parents. The Action will examine why their outcomes might not match those of their native counterparts, and possible policy solutions. Within this it will also attempt to explore why and to what extent the 2008 economic crisis affected children of immigrants and mobile citizens differently.	2015-Q3	2017-Q4		HOME	200.000		<a href="http://www.oecd.org/social/catching-up-intergenerational-mobility-and-children-of-immigrants-9789264288041-en.htm">http://www.oecd.org/social/catching-up-intergenerational-mobility-and-children-of-immigrants-9789264288041-en.htm</a>
45	OECD Tax Wedge and Effective Tax Rates on Labour	O	The OECD will provide annual updates of the set of standard indicators on tax burdens and work incentives. The OECD will also deliver substantive analytical works.	sept-15	2018-08		ECFIN, TAXUD	600.000		
65	Study for impact assessment in relation to a possible review of Directive 91/533/EEC (Written Statement Directive)contract VC/2017/0248	CWP, REFIT	The study will feed into a possible review of Directive 91/533/EEC (Written Statement Directive)	2017-Q2	2018-Q1	R-regulatory measure (not recognised as a FC)	SG, GROW, LS	402.700	Proposal for a DIRECTIVE OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL on transparent and predictable working conditions in the European Union - COM(2017)797 was adopted on 21 December 2017.	Reference <sup>13</sup>
69	Platform on Undeclared Work	O	Several studies are planned under the Platform's work programme 2017-2018 including on evasion of taxes and social security contributions, on practices of Enforcement Bodies to detect and prevent bogus self-employment/disguised employment, a compilation of existing sources of information on undeclared work, an analysis on new developments and trends, and an overview of organisational characteristics of national enforcement bodies.	2017 Q1-Q4			None	200.000	Finished small-scale studies on 'Practices of Enforcement Bodies in Detecting and Preventing Bogus Self-Employment', on 'Factsheets on Existing Tools to Address Undeclared Work', on 'New Developments and Trends in Undeclared Work within the Sharing/Collaborative Economy' Under-declaring work, falsely declaring work: under-declared employment in the EU, other small-scale studies under production, to be finished in 2018	Not published, used internally only

<sup>13</sup> COM(2017)797 [https://publications.europa.eu/en/publication-detail/-/publication/b794e98f-ff77-11e7-b8f5-01aa75ed71a1/language-en?\\_portal2012documentDetail\\_WAR\\_portal2012portlet\\_source=64732202](https://publications.europa.eu/en/publication-detail/-/publication/b794e98f-ff77-11e7-b8f5-01aa75ed71a1/language-en?_portal2012documentDetail_WAR_portal2012portlet_source=64732202), SWD Executive summary of the Impact Assessment SWD/2017/0479 final <https://publications.europa.eu/en/publication-detail/-/publication/fadea565-e640-11e7-9749-01aa75ed71a1/language-en/format-PDF/source-64731936>, SWD/2017/0478 Impact Assessment final <https://publications.europa.eu/en/publication-detail/-/publication/07a07c16-e641-11e7-9749-01aa75ed71a1/language-en/format-PDF/source-64712642>

b. Other studies cancelled in 2017										
51	small scale studies on mobility	O	This item caters for ad hoc analytical analysis to support employment initiatives. Such small scale studies provide analytical and policy support to upcoming issues in the field of employment and mobility.	2016-Q3	2017-Q1			150.000		
53	Study to support the proportionate IA following the SP agreement on information and consultation in central government administrations	O		possibly 2018-Q4 - or to be cancelled	possibly 2019 - or to be cancelled	I - internal Commission activity	SG, SJ, HR, JUST	300000 possibly to be CANCELLED	The Inter-Service Consultation with a Draft Commission Decision is expected to be launched in 1Q 2018. The study can possibly be cancelled, to be decided within a couple of weeks.	
59	Adult Learning		Upskilling pathways						Cancelled	
63	Studies to support the follow up to WTD Enforcement Strategy (CWP 2017)	CWP, O	These studies will be launched as a follow up to the planned Enforcement Strategy for the Working Time Directive (CWP 2017 - Q1). Topics foreseen are : overview of redress systems in MS in case of ill implementation of the WTD; overview of implications and potential issues when implementing the WTD to new forms of work			R-regulatory measure (not recognised as a FC)	SG, JUST, LS		A different line was taken as concerns this area. Interpretative Communication C(2017)2601 on Directive 2003/88/EC of the European Parliament and of the Council concerning certain aspects of the organisation of working time and Implementation Report COM(2017)254 / SWD(2017)204 published on 26 April 2017	C(2017)2601 <a href="https://publications.europa.eu/en/publication-detail/-/publication/043c52a1-4046-11e7-a9b0-01aa75ed71a1/language-en/format-PDF/source-64712620">https://publications.europa.eu/en/publication-detail/-/publication/043c52a1-4046-11e7-a9b0-01aa75ed71a1/language-en/format-PDF/source-64712620</a> COM(2017)254/ SWD(2017)204 <a href="https://publications.europa.eu/en/publication-detail/-/publication/890d5889-2b3a-11e7-9412-01aa75ed71a1/language-en/format-PDF/source-64732479">https://publications.europa.eu/en/publication-detail/-/publication/890d5889-2b3a-11e7-9412-01aa75ed71a1/language-en/format-PDF/source-64732479</a>
75	Small scale studies: Impact assessments for possible proposals for Council decisions authorising EU MS to ratify up to date ILO conventions affecting EU competences and useful for combining flexibility with security and for facilitating mobility/migration for EU citizens to third countries			2017-Q4				50.000	CANCELLED: Funds allocated to European Solidarity Corps	

<sup>1</sup> reason why the evaluation/other study was carried out L - legal act, LMFF - legal base of MFF instrument, FR - financial regulation, REFIT - listed on REFIT programme, REFIT/L - both legal act requirement+listed on REFIT, CWP - 'evaluate first', O - other (please specify in Comments)

<sup>2</sup> Specify what programme/regulatory measure/initiative/policy area has been covered

<sup>3</sup> Provide the budget for an evaluation/other study. Where no budget is indicated it will be assumed that all work was carried out internally by the Services of the Commission.

<sup>4</sup> Allows to provide any comments related to the items, in particular changes compared to the planning. When relevant, reasons for cancelling evaluations/other studies also need to be explained.

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

# ANNEX 10: SPECIFIC ANNEXES RELATED TO FINANCIAL MANAGEMENT

## 2.1.1. Control results

### 2.1.1.1. 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 they are spent is based on a system of shared responsibility between the European Commission and national authorities:

- the Commission negotiates and approves programmes proposed by EU Member States, and allocates resources.
- 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).

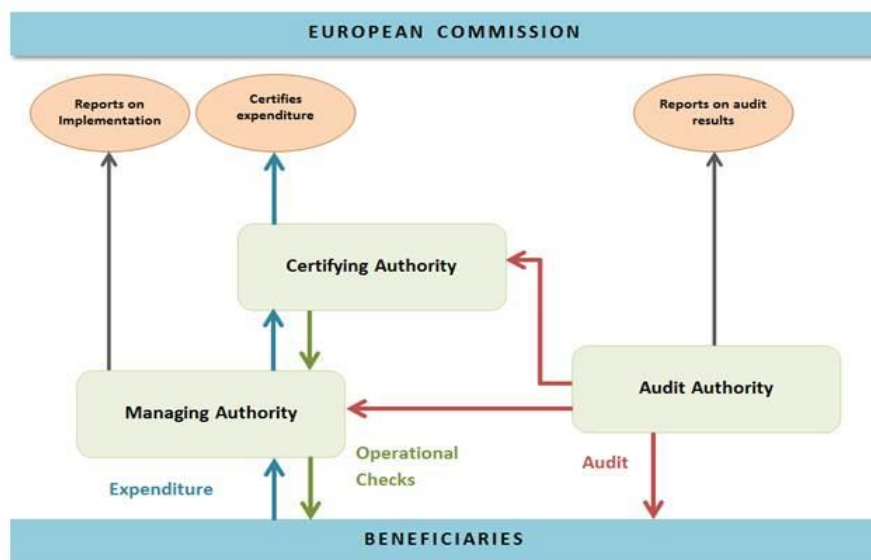
#### *Control architecture for funds under shared management*

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>14</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 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 Regional and Urban single audit strategy and risk-assessment in place:

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

<sup>14</sup> For the 2014-2020 period, certifying authorities can be merged with managing authorities.

- 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.1 A strong control framework for the 2014-2020 programming period***

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

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

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

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

- the Commission shall carry out an examination of the assurance package and shall accept the accounts where it is able to conclude that the accounts are complete, accurate and true by the 31 May. If the accounts are accepted, the Commission shall pay/recover the balance within 30 days taking into account the amount declared in the annual accounts, the interim payments made during the reference period and clearing of the annual pre-financing.

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

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

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

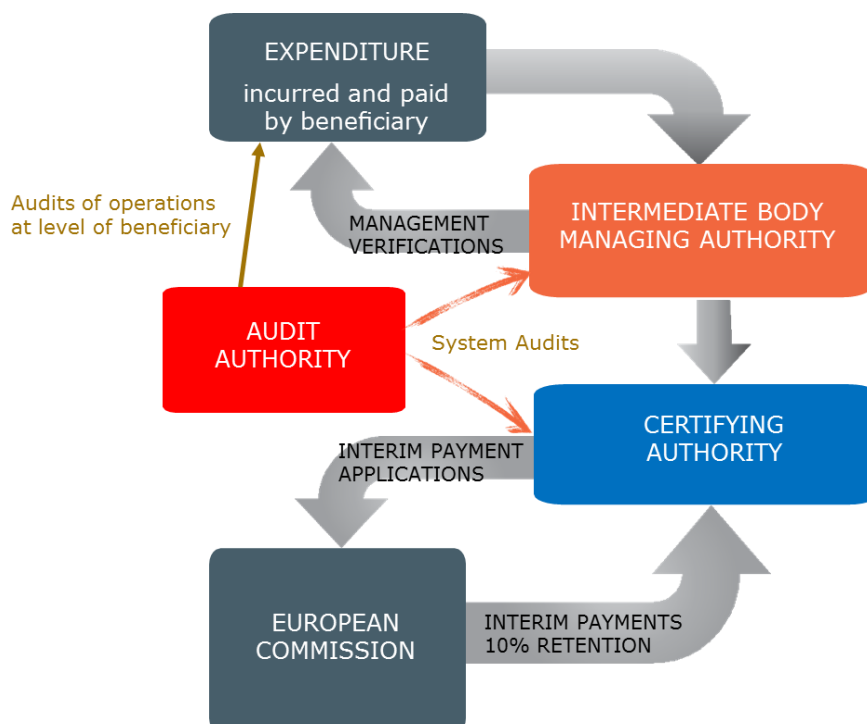
The **managing authority/intermediate body** carries out verifications until the submission of the programme accounts. It verifies that the co-financed products have been delivered, that the expenditure declared by the beneficiaries has been paid and that it complies with the applicable law, the operational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

The verifications shall include:

- Administrative verifications in respect of each application for reimbursement from beneficiaries;
- 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)

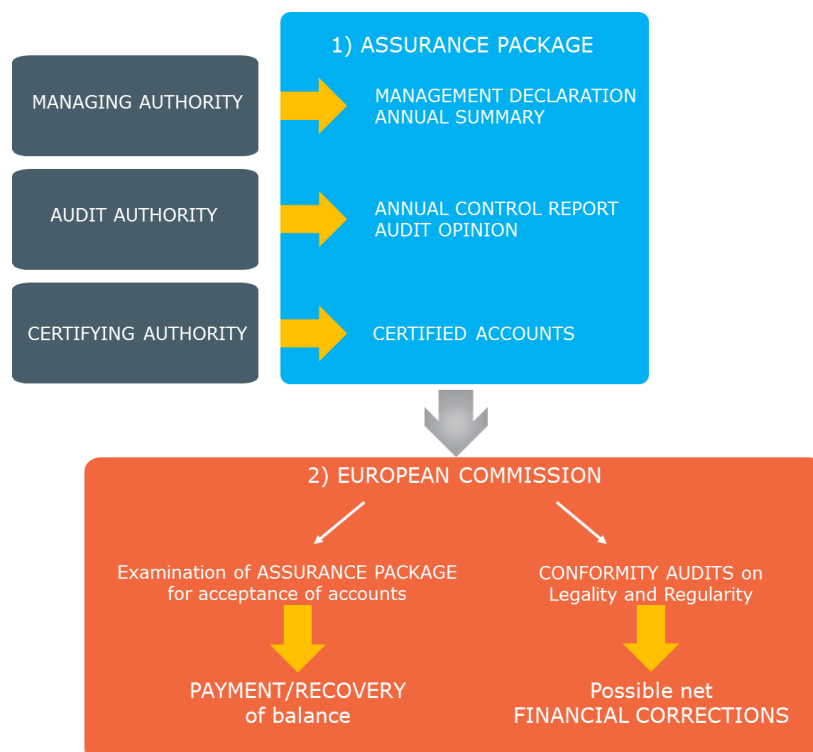
The assurance documents are to be provided by the various MS authorities to the Commission. The Managing Authority finalises the verifications to ensure that the expenditure to be certified in the accounts is legal and regular. It takes account of findings of the audit authority and makes necessary financial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

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

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

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

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



## 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

## **A.1. Shared management – ESF/YEI/FEAD 2014-2020**

### **Designation**

Table showing the state of play as of 28/02/2018 of designation per Member States

<b>State of play Designation by Member States</b>						
	<b>ESF/YEI</b>			<b>FEAD</b>		
	number of OPs	Designation notified	%	number of OPs	Designation notified	%
AT	1	1	100%	1	1	100%
BE	4	4	100%	1	1	100%
BG	3	3	100%	1	1	100%
CY	1	1	100%	1	1	100%
CZ	3	3	100%	1	1	100%
DE	17	17	100%	1	1	100%
DK	1	1	100%	1	1	100%
EE	1	1	100%	1	1	100%
ES	23	23	100%	1	1	100%
FI	2	2	100%	1	1	100%
FR	33	33	100%	1	1	100%
GR	17	17	100%	1	1	100%
HR	1	1	100%	1	1	100%
HU	5	5	100%	1	1	100%
IE	1	0	0%	1	1	100%
IT	29	29	100%	1	1	100%
LT	1	1	100%	1	1	100%
LU	1	1	100%	1	1	100%
LV	1	1	100%	1	1	100%
MT	1	1	100%	1	1	100%
NL	1	1	100%	1	1	100%
PL	17	17	100%	1	1	100%
PT	10	10	100%	1	1	100%
RO	2	2	100%	1	1	100%
SE	2	2	100%	1	1	100%
SI	1	1	100%	1	1	100%
SK	2	2	100%	1	1	100%
UK	6	6	100%	1	0	0%
	187	186	99%	28	27	96%

## INTERRUPTIONS DECIDED IN 2017 AND 2018 – PP 2014-2020

MS	Region – OP	CCI N°	DATE	AMOUNT	Payments resumed as of 31-12-2017	Main weaknesses identified
<b>INTERRUPTIONS DECIDED IN 2017</b>						
						<b>No interruptions decided in 2017</b>

MS	Region – OP	CCI N°	DATE	Interrupted amount	Main weaknesses identified
<b>INTERRUPTIONS DECIDED IN 1Q 2018</b>					

## WARNING LETTERS SENT IN 2017 AND 2018

MS	Region – OP	CCI N°	DATE	Main weaknesses identified
<b>WARNING LETTERS SENT IN 2017</b>				
BG	Science and Education for Smart Growth	2014BG05M2OP 001	9/02/2017	The significant deficiencies identified relate to: i). separation of functions for the selection of operations and management verifications ii) non-fulfilment of the obligation established under the provisions of Article 14(4) of Regulation 1304/2013 concerning the obligatory use of the simplified cost option (SCO); iii) lack of audit trail and transparency concerning the award of points during the selection stage iv) selection of operations procedure and lack of audit trail and transparency for the evaluation process v) organization of the Project Implementation Units with staff arrangements triggering risks related to the audit trail and performance of the operations; vi) Non-competitive procedures for the selection of external experts performing activities within the Project Implementation Units; vii) assessment of fraud indicators Lifting of the warning letter ongoing.
FR	Europ'act	2014FR16M2TA 001	18/09/2017	organisation of the MA (KR1) – a 'fragile' separation of functions: some functions/tasks done by the same person contrary to good practice; the reality does not follow the official description and the procedural guide is not adhered to in practice. management verifications (KR4) – the verifications are inappropriate/insufficient and some reports do not follow the model. audit trail (KR5) – there is a problem with the record-keeping, in particular the IT tracking of data is insufficient. In addition, there have been irregularities with some expenditure, although with non-serious financial consequences. Lifting of the warning letter ongoing.

MS	Region – OP	CCI N°	DATE	Main weaknesses identified
HR	Efficient Human Resources	2014HR05M9OP001	1/03/2017	Category 3, because of: <ul style="list-style-type: none"> <li>• deficiencies concerning the call for applications for the allocation of the funds under Priority Axis n°1 (KR 2);</li> <li>• major deficiencies in relation to the management verifications (KR 4) and</li> <li>• inadequate procedures for ensuring the completeness and reliability of the indicator data (KR 6).</li> </ul>
GR	Human Resources Development , Education and Lifelong Learning	2014GR05M9OP001	10/11/2017	- selection procedure : MA's assessment of applications is limited to a general outline of the operations, and does not cover essential elements such as delivery approach, selection processes for participants and training providers, activities, costs and outputs (determined and implemented by Final Beneficiary without review by MA). - management verification: serious deficiencies found in the implementation of operations that are not covered by appropriate Management Verifications, such as absence of the foreseen individual approach for participants, inadequate evidence for training, actions with very low added value, cases of work placements in companies associated with the training centre or the participant, etc. Finally, the national authorities have been recommended to develop a concrete action plan to amend the system for the forthcoming actions/calls.

MS	Region – OP	CCI N°	DATE	Main weaknesses identified
<b>WARNING LETTERS SENT IN 1Q 2018</b>				
HU	Territorial and Settlement Development	2014HU16M2OP001	3/01/2018	Deficiencies found relate to the project selection mechanism and an often low quality of evaluation of project proposals. Beyond these deficiencies, the audit also found that in the single payment application received so far under this OP (for ESF only), "state aid advances" are systematically higher than the amounts classified as state aid in the relevant grant agreements.
IT	Calabria	2014IT16M2OP006	4/01/2018	Category 3 with regard to key requirement 1(KR1 - Adequate separation of functions and adequate systems for reporting and monitoring where the responsible authority entrusts execution of tasks to another authority"): <p>The auditors note that the level and frequency of the reorganisation of the authority lead to a lack of clarity regarding the resources/manpower available to the MA.</p> <p>There appears to be inadequate staffing levels at the moment and the auditors recommend the recruiting of more officials; they recommend that selection procedures be carried out as soon as possible.</p>



MS	Region – OP	CCI N°	DATE	Main weaknesses identified
UK	Scotland	2014UK05M9OP002	4/01/2018	The Scottish Audit Authority issued three audit reports on the Managing Authority, all with the overall Category 3 assessment ("the MCS works partially and substantial improvements are needed") due to Category 3 assessment in KR1, 2, and 4. Preliminary results of the joint REGIO / EMPL Early preventive systems audit (EPSA) carried out in September confirm Category 3 assessment for KR2 (selection of operations) and assess preliminarily KR4 (management verifications) as Category 2 but these results will be subject to further substantive testing in early 2018.
LT	Lithuania	2014LT16MAOP001	14/02/2018	The Lithuanian AA has issued an audit report (Audit Report Nr. S-(80-4712)-1428 on the Ministry of Interior - Ares(2017)5597039 - 16/11/2017) which resulted in an overall Category 3 assessment, due to problems with KR2 (Effective system in place to ensure that all documents relating to expenditure and the audit are kept, thus ensuring an adequate audit trail) and 5 (Appropriate selection of operations) because of an inadequate performance by the Ministry of the Interior of its functions as the authority coordinating the programming and use of integrated territorial investments and the implementation of community-led local development initiatives.
RO	Romania	2014RO05FMOP001	28/03/2018	incomplete and inaccurate management verifications, lack of quality checks; lack of a reliable IT system, weaknesses of the public procurement procedures including an overestimation of the price per package.

## **SUSPENSIONS ADOPTED IN 2017 AND 2018**

**No suspensions have so far been adopted in 2017 and Q1 2018.**

## Adjustments applied by the Member States in the annual accounts submitted for the accounting year 2016-2017

### ESF/YEI

Member State	Total eligible expenditure in final interim payment ESF-YEI	Total eligible expenditure confirmed in the accounts ESF-YEI	Difference between the expenditure submitted in the final payment claim and in the accounts	
			Total deductions	Out of which Financial Corrections
AT	0,00	0,00	0,00	0,00
BE	106.841.587,08	83.289.616,66	23.551.970,42	189.924,29
BG	95.109.283,43	95.046.668,44	62.614,99	32.296,36
CY	6.817.539,16	6.492.892,60	324.646,56	0,00
CZ	212.616.021,85	202.643.085,59	9.972.936,26	10.009,68
DE	567.259.853,93	562.625.846,44	4.634.007,49	4.152.755,75
DK	19.699.008,29	19.645.233,52	53.774,77	0,00
EE	54.598.916,68	54.392.933,62	205.983,06	22.367,50
ES	0,00	0,00	0,00	0,00
FI	133.276.554,76	133.053.603,06	222.951,70	24.728,11
FR	337.186.119,53	308.686.990,26	28.499.129,27	822.852,14
GR	548.298.841,81	494.349.879,67	53.948.962,14	11.581.680,49
HR	0,00	0,00	0,00	0,00
HU	4.158.869,32	1.694.951,50	2.463.917,82	2.189.225,90
IE	0,00	0,00	0,00	0,00
IT	566.971.988,86	545.407.732,48	21.564.256,38	983.869,88
LT	149.912.447,01	138.871.528,16	11.040.918,85	5.891.045,32
LU	5.089.391,39	5.089.391,39	0,00	0,00
LV	50.201.304,37	50.165.536,82	35.767,55	124,22
MT	0,00	0,00	0,00	0,00
NL	23.655.011,00	23.655.011,00	0,00	0,00
PL	882.464.160,47	845.563.583,85	36.900.576,62	7.782.699,45
PT	563.238.397,61	546.889.626,31	16.348.771,30	1.863.951,81
RO	0,00	0,00	0,00	0,00
SE	109.913.299,41	104.160.280,54	5.753.018,87	3.406,26
SI	17.074.342,71	16.703.634,13	370.708,58	22.141,48
SK	169.096.298,73	15.898.812,62	153.197.486,11	153.172.517,02
UK	194.789.572,29	194.782.350,22	7.222,07	7.175,83
<b>Total</b>	<b>4.818.268.809,69</b>	<b>4.449.109.188,88</b>	<b>369.159.620,81</b>	<b>188.752.771,49</b>
			7,7%	3,9%

### FEAD

Member State	Total eligible expenditure in final interim payment FEAD	Total eligible expenditure confirmed in the accounts FEAD	Difference between the	
			Total deductions	Out of which Financial Corrections
AT	2.631.447,26	2.631.447,26	0,00	0,00
BE	13.090.464,43	13.011.459,48	79.004,95	0,00
BG	24.586.181,32	24.577.386,94	8.794,38	5.338,80
CY	43.048,79	43.048,79	0,00	0,00
CZ	1.405.592,87	1.405.592,87	0,00	0,00
DE	2.634.528,82	2.627.212,07	7.316,75	7.316,75
DK	238.607,42	228.208,89	10.398,53	10.398,53
EE	2.254.016,22	2.031.330,22	222.686,00	222.686,00
ES	215.249.122,12	214.786.113,77	463.008,35	463.008,35
FI	3.790.702,18	3.790.702,18	0,00	0,00
FR	21.253.018,28	21.035.509,89	217.508,39	91.385,97
GR	16.689.400,69	16.689.400,69	0,00	0,00
HR	131.272,15	130.679,29	592,86	592,86
HU	1.070,54	1.070,54	0,00	0,00
IE	0,00	0,00	0,00	0,00
IT	73.916.855,03	73.542.609,30	374.245,73	374.245,73
LT	9.975.729,08	9.975.729,08	0,00	0,00
LU	897.433,93	897.433,93	0,00	0,00
LV	5.000.493,80	4.999.024,52	1.469,28	0,80
MT	474.971,16	474.622,84	348,32	0,00
NL	97.601,05	97.601,05	0,00	0,00
PL	57.059.594,86	57.058.495,69	1.099,17	20,38
PT	20.906.493,82	20.906.493,82	0,00	0,00
RO	5.047.896,39	4.897.695,03	150.201,36	150.079,63
SI	4.570.393,23	4.570.393,23	0,00	0,00
SK	4.059.620,28	4.059.620,28	0,00	0,00
SE	839.865,02	770.797,51	69.067,51	100,60
UK	0,00	0,00	0,00	0,00
<b>Total</b>	<b>486.845.420,74</b>	<b>485.239.679,16</b>	<b>1.605.741,58</b>	<b>1.325.174,40</b>
			0,3%	0,3%

## 2014-2020 – EMPL opinion

ESF/YEI	Number OP	Accounts					Legality & Regularity						
		Disclaimer	Acceptable	Not Acceptable	Total	%	1	2	3a	3b	4	Total	%
AT	1	1	0	0	1	100,0%	0	1	0	0	0	1	100,0%
BE	4	1	3	0	4	100,0%	0	3	1	0	0	4	100,0%
BG	3	1	2	0	3	100,0%	0	3	0	0	0	3	100,0%
CY	1	0	1	0	1	100,0%	1	0	0	0	0	1	100,0%
CZ	3	0	3	0	3	100,0%	0	3	0	0	0	3	100,0%
DE	17	11	6	0	17	100,0%	9	7	1	0	0	17	100,0%
DK	1	0	1	0	1	100,0%	1	0	0	0	0	1	100,0%
EE	1	0	1	0	1	100,0%	0	1	0	0	0	1	100,0%
ES	23	23	0	0	23	100,0%	0	23	0	0	0	23	100,0%
FI	2	1	1	0	2	100,0%	0	2	0	0	0	2	100,0%
FR	33	9	24	0	33	100,0%	3	23	3	1	3	33	100,0%
GR	17	0	17	0	17	100,0%	0	0	17	0	0	17	100,0%
HR	1	1	0	0	1	100,0%	0	0	1	0	0	1	100,0%
HU	5	3	2	0	5	100,0%	0	4	0	1	0	5	100,0%
IE	1	1	0	0	1	100,0%	0	1	0	0	0	1	100,0%
IT	29	11	18	0	29	100,0%	2	18	5	3	1	29	100,0%
LT	1	0	1	0	1	100,0%	0	1	0	0	0	1	100,0%
LU	1	0	1	0	1	100,0%	1	0	0	0	0	1	100,0%
LV	1	0	1	0	1	100,0%	0	1	0	0	0	1	100,0%
MT	1	1	0	0	1	100,0%	0	1	0	0	0	1	100,0%
NL	1	0	1	0	1	100,0%	1	0	0	0	0	1	100,0%
PL	17	0	17	0	17	100,0%	0	14	0	3	0	17	100,0%
PT	10	4	6	0	10	100,0%	6	4	0	0	0	10	100,0%
RO	2	2	0	0	2	100,0%	0	2	0	0	0	2	100,0%
SE	2	0	2	0	2	100,0%	2	0	0	0	0	2	100,0%
SI	1	0	1	0	1	100,0%	0	1	0	0	0	1	100,0%
SK	2	0	2	0	2	100,0%	0	1	1	0	0	2	100,0%
UK	6	2	4	0	6	100,0%	3	2	1	0	0	6	100,0%
	187	72	115	0	187		29	116	30	8	4	187	

FEAD	Number OP	Accounts					Legality & Regularity						
		Disclaimer	Acceptable	Not Acceptable	Total	%	1	2	3a	3b	4	Total	%
AT	1	0	1	0	1	100,0%	1	0	0	0	0	1	100,0%
BE	1	0	1	0	1	100,0%	0	1	0	0	0	1	100,0%
BG	1	0	1	0	1	100,0%	1	0	0	0	0	1	100,0%
CY	1	0	1	0	1	100,0%	0	1	0	0	0	1	100,0%
CZ	1	0	0	1	1	100,0%	0	0	0	1	0	1	100,0%
DE	1	0	1	0	1	100,0%	0	1	0	0	0	1	100,0%
DK	1	0	1	0	1	100,0%	0	1	0	0	0	1	100,0%
EE	1	0	1	0	1	100,0%	0	0	1	0	0	1	100,0%
ES	1	0	1	0	1	100,0%	1	0	0	0	0	1	100,0%
FI	1	0	1	0	1	100,0%	1	0	0	0	0	1	100,0%
FR	1	0	1	0	1	100,0%	0	1	0	0	0	1	100,0%
GR	1	0	1	0	1	100,0%	0	1	0	0	0	1	100,0%
HR	1	0	1	0	1	100,0%	0	1	0	0	0	1	100,0%
HU	1	0	1	0	1	100,0%	0	1	0	0	0	1	100,0%
IE	1	1	0	0	1	100,0%	0	1	0	0	0	1	100,0%
IT	1	0	1	0	1	100,0%	0	0	0	1	0	1	100,0%
LT	1	0	1	0	1	100,0%	0	1	0	0	0	1	100,0%
LU	1	0	1	0	1	100,0%	1	0	0	0	0	1	100,0%
LV	1	0	1	0	1	100,0%	0	1	0	0	0	1	100,0%
MT	1	0	1	0	1	100,0%	1	0	0	0	0	1	100,0%
NL	1	0	1	0	1	100,0%	1	0	0	0	0	1	100,0%
PL	1	0	1	0	1	100,0%	0	1	0	0	0	1	100,0%
PT	1	0	1	0	1	100,0%	1	0	0	0	0	1	100,0%
RO	1	0	1	0	1	100,0%	0	0	1	0	0	1	100,0%
SE	1	0	1	0	1	100,0%	0	1	0	0	0	1	100,0%
SI	1	0	1	0	1	100,0%	1	0	0	0	0	1	100,0%
SK	1	0	1	0	1	100,0%	0	1	0	0	0	1	100,0%
UK	1	1	0	0	1	100,0%	0	1	0	0	0	1	100,0%
	28	2	25	1	28		9	15	2	2	0	28	
		7,1%	89,3%	3,6%	100,0%		32,1%	53,6%	7,1%	7,1%	0,0%	100,0%	

## Error rates by operational programmes – PP 2014-2020

<b>M S</b>	<b>Reference</b>	<b>Name</b>	<b>2016-2017 annual accounts</b>	<b>2017 relevant expenditure</b>	<b>EMPL Reportable Gross Error Rate (%)</b>	<b>EMPL Reportable Residual Error Rate (%)</b>	<b>Category</b>	<b>Reservation (Yes/No)</b>
<b>AT</b>	2014AT05SFOP001	Operational Programme Employment Austria 2014-2020		27.477.380	2,00%	2,00%	2	No
<b>BE</b>	2014BE05M9OP001	ESF Operationnal Programme Wallonie-Bruxelles 2020.eu	0	37.492.950	0,00%	0,00%	2	No
<b>BE</b>	2014BE05M9OP002	Operational programme ESF 2014-2020 of the Brussels-Capital Region : "Investment for growth and jobs"	12.476.509	5.349.096	1,27%	0,00%	3	No
<b>BE</b>	2014BE05SFOP001	European Social Fund 2014-2020 – German Speaking Community of Belgium		1.237.941	2,00%	2,00%	2	No
<b>BE</b>	2014BE05SFOP002	Operational Programme ESF Flanders 2014-2020	70.813.108	38.815.602	1,68%	1,59%	2	No
<b>BG</b>	2014BG05M2OP001	Operational Programme Science and Education for Smart Growth		0	2,00%	2,00%	2	No
<b>BG</b>	2014BG05M9OP001	Human Resources Development	88.440.092	113.435.256	0,17%	0,16%	2	No
<b>BG</b>	2014BG05SFOP001	Good Governance	6.606.576	8.976.719	0,46%	0,00%	2	No
<b>CY</b>	2014CY05M9OP001	Employment, Human Capital and Social Cohesion	6.492.893	1.907.964	0,11%	0,10%	1	No
<b>CZ</b>	2014CZ05M2OP001	OP Research, Development and Education	7.120.884	36.849.523	0,07%	0,05%	2	No
<b>CZ</b>	2014CZ05M9OP001	Operational Programme Employment	194.053.281	207.794.514	0,02%	0,23%	2	No

<b>CZ</b>	2014CZ16M2OP001	OP Prague – Growth Pole	1.468.920	2.216.194	0,00%	0,00%	2	No
<b>DE</b>	2014DE05SFOP001	OP Schleswig-Holstein ESF 2014-2020	19.548.964	7.418.828	0,42%	0,02%	1	No
<b>DE</b>	2014DE05SFOP002	Operational Programme ESF Federal Germany 2014-2020	405.703.504	361.728.261	0,05%	0,03%	3	No
<b>DE</b>	2014DE05SFOP003	Operational Programme ESF Baden-Württemberg 2014-2020	69.703.275	50.272.296	1,21%	1,17%	1	No
<b>DE</b>	2014DE05SFOP004	Operational Programme ESF Bayern 2014-2020	4.931.544	28.996.711	0,33%	0,13%	1	No
<b>DE</b>	2014DE05SFOP005	Operational Programme ESF Berlin 2014-2020		26.919.888	2,00%	2,00%	2	No
<b>DE</b>	2014DE05SFOP006	Operational Programme ESF Brandenburg 2014-2020		30.126.886	2,00%	2,00%	2	No
<b>DE</b>	2014DE05SFOP007	Operational Programme ESF Hamburg 2014-2020		21.632.390	2,00%	2,00%	1	No
<b>DE</b>	2014DE05SFOP008	Operational Programme ESF Hessen 2014-2020		37.428.235	2,00%	2,00%	2	No
<b>DE</b>	2014DE05SFOP009	Operational Programme ESF Mecklenburg-Vorpommern 2014-2020		22.497.299	2,00%	2,00%	1	No
<b>DE</b>	2014DE05SFOP010	Operational Programme ESF Nordrhein-Westfalen 2014-2020		61.633.943	2,00%	2,00%	1	No
<b>DE</b>	2014DE05SFOP011	Operational Programme ESF Saarland 2014-2020		19.474.260	2,00%	2,00%	2	No
<b>DE</b>	2014DE05SFOP012	Operational Programme ESF Sachsen 2014-2020	13.015.441	55.052.603	0,38%	0,38%	1	No
<b>DE</b>	2014DE05SFOP013	Operational Programme ESF Sachsen-Anhalt 2014-2020		76.192.936	2,00%	2,00%	2	No
<b>DE</b>	2014DE05SFOP014	Operational Programme ESF Thüringen 2014-2020	49.723.118	73.205.991	1,56%	1,24%	1	No
<b>DE</b>	2014DE05SFOP015	Operational Programme ESF Rheinland-Pfalz 2014-2020		28.109.997	2,00%	2,00%	1	No

<b>DE</b>	2014DE05SFOP016	Operational Programme ESF Bremen 2014-2020		9.743.592	2,00%	2,00%	2	No
<b>DE</b>	2014DE16M2OP001	OP Niedersachsen ERDF/ESF 2014-2020		0	2,00%	2,00%	2	No
<b>DK</b>	2014DK05SFOP001	Educational and Entrepreneurial Growth	19.645.234	17.763.711	0,85%	0,69%	1	No
<b>EE</b>	2014EE16M3OP001	for Cohesion Policy Funding 2014-2020	54.392.934	54.041.418	0,36%	0,32%	2	No
<b>ES</b>	2014ES05M9OP001	OP ESF 2014 YOUTH EMPLOYMENT		379.235.403	2,00%	2,00%	2	No
<b>ES</b>	2014ES05SFOP001	OP ESF 2014 C.A. LA RIOJA		0	2,00%	2,00%	2	No
<b>ES</b>	2014ES05SFOP002	OP ESF 2014 EMPLOYMENT, TRAINING AND EDUCATION		0	2,00%	2,00%	2	No
<b>ES</b>	2014ES05SFOP003	OP ESF 2014 REGION DE MURCIA		0	2,00%	2,00%	2	No
<b>ES</b>	2014ES05SFOP004	OP ESF 2014 PRINCIPADO DE ASTURIAS		0	2,00%	2,00%	2	No
<b>ES</b>	2014ES05SFOP005	OP ESF 2014 ILLES BALEARS		0	2,00%	2,00%	2	No
<b>ES</b>	2014ES05SFOP006	PO FSE 2014 C.A. CASTILLA Y LEON		0	2,00%	2,00%	2	No
<b>ES</b>	2014ES05SFOP007	PO FSE 2014 C.A. CATALUÑA		0	2,00%	2,00%	2	No
<b>ES</b>	2014ES05SFOP008	OP ESF 2014 CIUDAD A. DE CEUTA		0	2,00%	2,00%	2	No
<b>ES</b>	2014ES05SFOP009	OP ESF 2014 C.A. GALICIA		0	2,00%	2,00%	2	No
<b>ES</b>	2014ES05SFOP010	OP ESF 2014 C. FORAL DE NAVARRA		0	2,00%	2,00%	2	No
<b>ES</b>	2014ES05SFOP011	OP ESF 2014 C.A. PAIS VASCO		0	2,00%	2,00%	2	No
<b>ES</b>	2014ES05SFOP012	OP ESF 2014 SOCIAL INCLUSION AND SOCIAL ECONOMY		0	2,00%	2,00%	2	No
<b>ES</b>	2014ES05SFOP014	OP ESF 2014 C.A. CANARIAS		0	2,00%	2,00%	2	No

<b>ES</b>	2014ES05SFOP015	OP ESF 2014 C.A. CASTILLA-LA MANCHA		0	2,00%	2,00%	2	No
<b>ES</b>	2014ES05SFOP016	OP ESF 2014 C.A. EXTREMADURA		0	2,00%	2,00%	2	No
<b>ES</b>	2014ES05SFOP017	OP ESF 2014 CIUDAD A. DE MELILLA		0	2,00%	2,00%	2	No
<b>ES</b>	2014ES05SFOP018	OP ESF 2014 C.A. ARAGON		0	2,00%	2,00%	2	No
<b>ES</b>	2014ES05SFOP019	OP ESF 2014 C.A. CANTABRIA		0	2,00%	2,00%	2	No
<b>ES</b>	2014ES05SFOP020	OP ESF 2014 COMUNITAT VALENCIANA		0	2,00%	2,00%	2	No
<b>ES</b>	2014ES05SFOP021	OP ESF 2014 C. DE MADRID		0	2,00%	2,00%	2	No
<b>ES</b>	2014ES05SFOP022	OP ESF 2014 C.A. ANDALUCIA		0	2,00%	2,00%	2	No
<b>ES</b>	2014ES05SFTA001	OP ESF 2014 TECHNICAL ASSISTANCE		0	2,00%	2,00%	2	No
<b>FI</b>	2014FI05M2OP001	Entrepreneurship and skills, Åland Structural Fund Programme 2014-2020		456.239	2,00%	2,00%	2	No
<b>FI</b>	2014FI16M2OP001	Sustainable growth and jobs 2014-2020 - Structural Funds Programme of Finland	133.053.603	62.882.898	0,43%	0,41%	2	No
<b>FR</b>	2014FR05M0OP001	Operational Programme ERDF-ESF Ile-de-France et Seine 2014-2020	1.069.263	22.934.035	40,89%	2,00%	4	Yes
<b>FR</b>	2014FR05M2OP001	Operational Programme ERDF-ESF Guadeloupe et St Martin Etat 2014-2020		7.833.592	2,00%	2,00%	2	No
<b>FR</b>	2014FR05M9OP001	for the implementation of YEI in mainland France and outermost regions	11.734.099	10.782.686	2,40%	1,38%	2	No
<b>FR</b>	2014FR05M9OP002 (ex. 2014FR05SFOP002)	Operational Programme ESF Alsace 2014-2020	5.818.276	3.178.211	0,60%	0,01%	2	No

<b>FR</b>	2014FR05SFOP001	National Operational Programme ESF Employment and Social Inclusion 2014-2020	183.870.298	373.922.160	2,40%	2,00%	2	No
<b>FR</b>	2014FR05SFOP003	Operational Programme ESF Guyane Etat 2014-2020		6.582.881	2,00%	2,00%	2	No
<b>FR</b>	2014FR05SFOP004	Operational Programme ESF Martinique Etat 2014-2020	4.988.182	8.779.060	0,00%	0,00%	1	No
<b>FR</b>	2014FR05SFOP005	Operational Programme ESF Réunion Etat 2014-2020	1.182.395	44.958.375	8,74%	2,00%	3	No
<b>FR</b>	2014FR16M0OP001	Regional programme Aquitaine 2014-2020	94.907	6.565.884	5,11%	2,00%	3	No
<b>FR</b>	2014FR16M0OP002	Regional programme Auvergne 2014-2020	4.843.623	4.062.440	0,94%	0,03%	2	No
<b>FR</b>	2014FR16M0OP003	Regional programme Centre 2014-2020	5.721.021	9.736.314	4,05%	2,00%	2	No
<b>FR</b>	2014FR16M0OP004	Regional programme Champagne-Ardenne 2014-2020	6.306.518	7.775.009	0,60%	0,01%	2	No
<b>FR</b>	2014FR16M0OP005	Regional programme Haute-Normandie 2014-2020		6.069.263	2,00%	2,00%	2	No
<b>FR</b>	2014FR16M0OP006	Regional programme Languedoc-Roussillon 2014-2020	875.748	8.341.841	1,72%	1,37%	2	No
<b>FR</b>	2014FR16M0OP007	Regional programme Midi-Pyrénées et Garonne 2014-2020	4.701.618	2.350.809	10,00%	10,00%	3	Yes
<b>FR</b>	2014FR16M0OP008	Regional programme Picardie 2014-2020	19.386.055	14.542.330	0,82%	0,59%	2	No
<b>FR</b>	2014FR16M0OP009	Regional programme Guadeloupe Conseil Régional 2014-2020		2.678.098	2,00%	2,00%	2	No
<b>FR</b>	2014FR16M0OP011	Regional programme Martinique Conseil Régional 2014-2020	0	3.633.825	2,00%	2,00%	2	No
<b>FR</b>	2014FR16M0OP012	Regional programme Nord-Pas de Calais 2014-2020	4.282.893	21.563.448	4,16%	0,67%	2	No



<b>FR</b>	2014FR16M0OP013	Regional programme Provence Alpes Côte d'Azur 2014-2020	3.777.283	12.033.679	2,67%	1,88%	2	No
<b>FR</b>	2014FR16M0OP014 (ex. 2014FR16M2OP002)	Regional programme Bourgogne 2014-2020	1.466.843	1.814.153	5,70%	1,34%	3	No
<b>FR</b>	2014FR16M0OP015 (ex. 2014FR16M2OP007)	Regional programme Lorraine et Vosges 2014-2020	8.050.619	5.091.282	0,60%	0,01%	2	No
<b>FR</b>	2014FR16M2OP001	Regional programme Basse-Normandie 2014-2020		5.617.363	2,00%	2,00%	2	No
<b>FR</b>	2014FR16M2OP003	Regional programme Bretagne 2014-2020		4.859.123	2,00%	2,00%	2	No
<b>FR</b>	2014FR16M2OP004	Regional programme Corse 2014-2020		833.727	2,00%	2,00%	2	No
<b>FR</b>	2014FR16M2OP005	Regional programme Franche-Comté et Jura 2014-2020	4.348.561	4.683.561	17,66%	2,00%	4	Yes
<b>FR</b>	2014FR16M2OP006	Regional programme Limousin 2014-2020	881.016	3.414.039	0,00%	0,00%	1	No
<b>FR</b>	2014FR16M2OP008	Regional programme Pays de la Loire 2014-2020	8.195.056	8.122.271	0,84%	0,65%	1	No
<b>FR</b>	2014FR16M2OP009	Regional programme Poitou Charentes 2014-2020	3.209.162	3.177.503	17,01%	2,00%	4	Yes
<b>FR</b>	2014FR16M2OP010	Regional programme Rhône Alpes 2014-2020	20.600.208	18.760.437	0,00%	0,00%	2	No
<b>FR</b>	2014FR16M2OP011	Regional programme Guyane Conseil Régional 2014-2020		3.135.021	2,00%	2,00%	2	No
<b>FR</b>	2014FR16M2OP012	Regional programme Mayotte 2014-2020		2.710.700	2,00%	2,00%	2	No
<b>FR</b>	2014FR16M2TA001	National technical assistance programme 2014-2020	3.283.347	277.744	0,00%	0,00%	2	No

<b>GR</b>	2014GR05M2OP001	Reform of the Public Sector	14.545.330	15.958.735	2,85%	0,55%	3	No
<b>GR</b>	2014GR05M9OP001	Human Resources Development, Education and Lifelong Learning	390.348.198	304.386.807	2,85%	0,55%	3	No
<b>GR</b>	2014GR16M2OP001	COMPETITIVENESS, ENTREPRENEURSHIP AND INNOVATION OP	2.540.460	2.174.094	2,85%	0,55%	3	No
<b>GR</b>	2014GR16M2OP002	CENTRAL MACEDONIA OP	9.527.792	14.379.141	2,85%	0,55%	3	No
<b>GR</b>	2014GR16M2OP003	THESSALY OP	7.385.030	5.552.204	2,85%	0,55%	3	No
<b>GR</b>	2014GR16M2OP004	EPIRUS OP	3.150.858	3.777.610	2,85%	0,55%	3	No
<b>GR</b>	2014GR16M2OP005	WESTERN GREECE OP	4.799.840	4.824.139	2,85%	0,55%	3	No
<b>GR</b>	2014GR16M2OP006	WESTERN MACEDONIA OP	3.416.386	2.519.442	2,85%	0,55%	3	No
<b>GR</b>	2014GR16M2OP007	CONTINENTAL GREECE OP	3.797.315	1.410.536	2,85%	0,55%	3	No
<b>GR</b>	2014GR16M2OP008	PELOPONNESUS OP	6.484.230	4.488.993	2,85%	0,55%	3	No
<b>GR</b>	2014GR16M2OP009	IONIAN ISLANDS OP	2.197.253	1.779.546	2,85%	0,55%	3	No
<b>GR</b>	2014GR16M2OP010	NORTH AEGEAN OP	1.769.680	2.190.603	2,85%	0,55%	3	No
<b>GR</b>	2014GR16M2OP011	CRETE OP	4.812.715	6.848.543	2,85%	0,55%	3	No
<b>GR</b>	2014GR16M2OP012	ATTICA OP	22.640.008	24.176.283	2,85%	0,55%	3	No
<b>GR</b>	2014GR16M2OP013	SOUTH AEGEAN OP	3.465.960	2.468.497	2,85%	0,55%	3	No
<b>GR</b>	2014GR16M2OP014	EASTERN MACEDONIA-THRACE OP	5.088.937	5.826.871	2,85%	0,55%	3	No
<b>GR</b>	2014GR16M3TA001	Technical Assistance Programme	8.379.887	8.601.868	2,85%	0,55%	3	No

<b>HR</b>	2014HR05M9OP001	ESF Operational Programme Efficient Human Resource		0	2,00%	2,00%	3	No
<b>HU</b>	2014HU05M2OP001	Human Resources Development		32.646.886	2,00%	2,00%	2	No
<b>HU</b>	2014HU05M3OP001	Public Administration and Civil Service Development OP		79.092.283	2,00%	2,00%	2	No
<b>HU</b>	2014HU16M0OP001	Economic Development and Innovation OP	1.694.952	233.955.969	0,87%	0,08%	2	No
<b>HU</b>	2014HU16M2OP001	Territorial and settlement development OP	0	1.217.293	2,00%	2,00%	3	Yes
<b>HU</b>	2014HU16M2OP002	Competitive Central-Hungary OP		20.617.953	2,00%	2,00%	2	No
<b>IE</b>	2014IE05M9OP001	ESF Operational Programme 2014-2020		0	2,00%	2,00%	2	No
<b>IT</b>	2014IT05M2OP001	National on Education		0	2,00%	2,00%	3	No
<b>IT</b>	2014IT05M2OP002	National Operational Programme on Governance, networks, special projects and technical assistance		0	2,00%	2,00%	2	No
<b>IT</b>	2014IT05M9OP001	National on Youth Employment	177.294.463	276.745.893	5,12%	4,71%	3	Yes
<b>IT</b>	2014IT05SFOP001	National Operational Programme on Social Inclusion	1.114.596	3.846.540	9,34%	1,24%	3	No
<b>IT</b>	2014IT05SFOP002	National Operational Programme on Systems for Active Employment Policies	25.086.515	47.845.482	15,45%	15,45%	3	Yes
<b>IT</b>	2014IT05SFOP003	POR Emilia Romagna ESF	26.696.751	31.681.398	0,38%	0,35%	2	No
<b>IT</b>	2014IT05SFOP004	POR Friuli Venezia Giulia ESF	21.412.542	5.734.372	0,00%	0,00%	1	No
<b>IT</b>	2014IT05SFOP005	POR Lazio ESF	5.710.173	2.855.086	43,49%	0,00%	4	Yes
<b>IT</b>	2014IT05SFOP006	POR Liguria ESF	17.385.860	15.392.009	0,01%	0,01%	1	No

<b>IT</b>	2014IT05SFOP007	POR Lombardia ESF	57.450.951	28.725.476	2,57%	1,91%	3	No
<b>IT</b>	2014IT05SFOP008	POR Marche ESF	5.751.071	2.386.065	1,09%	1,04%	2	No
<b>IT</b>	2014IT05SFOP009	POR Abruzzo ESF		1.323.638	2,00%	2,00%	2	No
<b>IT</b>	2014IT05SFOP010	POR Umbria ESF		0	2,00%	2,00%	2	No
<b>IT</b>	2014IT05SFOP011	POR Valle d'Aosta ESF		0	2,00%	2,00%	2	No
<b>IT</b>	2014IT05SFOP012	POR Veneto ESF	62.302.978	31.151.489	0,83%	0,78%	2	No
<b>IT</b>	2014IT05SFOP013	POR Piemonte ESF	81.305.030	44.932.309	0,00%	0,00%	2	No
<b>IT</b>	2014IT05SFOP014	POR Sicilia ESF		3.975.760	2,00%	2,00%	2	No
<b>IT</b>	2014IT05SFOP015	POR Toscana ESF	30.330.834	26.704.615	1,25%	0,86%	2	No
<b>IT</b>	2014IT05SFOP016	POR Basilicata ESF	6.407.664	8.032.447	0,00%	0,00%	3	No
<b>IT</b>	2014IT05SFOP017	ROP PA Bolzano ESF		0	2,00%	2,00%	2	No
<b>IT</b>	2014IT05SFOP018	ROP PA Trento ESF	3.135.009	2.930.418	0,76%	0,60%	2	No
<b>IT</b>	2014IT05SFOP020	ROP Campania ESF	13.209.704	9.907.278	1,88%	1,63%	2	No
<b>IT</b>	2014IT05SFOP021	POR Sardegna ESF	8.279.643	4.139.821	10,00%	8,00%	3	Yes
<b>IT</b>	2014IT16M2OP001	ROP Molise ERDF ESF	649.453	324.726	1,48%	0,00%	2	No
<b>IT</b>	2014IT16M2OP002	ROP Puglia ERDF ESF		10.802.482	2,00%	2,00%	2	No
<b>IT</b>	2014IT16M2OP003	National Operational Programme on Legality		0	2,00%	2,00%	3	No
<b>IT</b>	2014IT16M2OP004	National Operational Programme on Metropolitan Cities		0	2,00%	2,00%	2	No

<b>IT</b>	2014IT16M2OP005	National Operational Programme on Research and Innovation		0	2,00%	2,00%	2	No
<b>IT</b>	2014IT16M2OP006	ROP Calabria ERDF ESF	1.884.494	1.413.371	0,00%	0,00%	2	No
<b>LT</b>	2014LT16MAOP001	Operational Programme for EU Structural Funds Investments for 2014-2020	138.871.528	68.741.256	2,21%	1,81%	2	No
<b>LU</b>	2014LU05SFOP001	Operational Programme ESF 2014-2020	5.089.391	3.627.963	0,00%	0,00%	1	No
<b>LV</b>	2014LV16MAOP001	Growth and Employment	50.165.537	47.834.695	0,03%	0,02%	2	No
<b>MT</b>	2014MT05SFOP001	Investing in human capital to create more opportunities and promote the wellbeing of society		6.001.494	2,00%	2,00%	2	No
<b>NL</b>	2014NL05SFOP001	Operational Programme ESF 2014-2020	23.655.011	86.706.077	0,00%	0,00%	1	No
<b>PL</b>	2014PL05M9OP001	OP Knowledge Education Growth	388.112.536	377.763.351	0,01%	0,01%	2	No
<b>PL</b>	2014PL16M2OP001	ROP 1 Regional for Dolnośląskie Voivodeship 2014-2020	31.227.350	52.221.922	2,00%	2,00%	3	Yes
<b>PL</b>	2014PL16M2OP002	ROP 2 Regional for Kujawsko-Pomorskie Voivodeship 2014-2020	18.002.218	20.768.310	0,25%	0,03%	2	No
<b>PL</b>	2014PL16M2OP003	ROP 3 Regional Operational Programme for Lubelskie Voivodeship 2014-2020	21.164.150	36.146.518	0,26%	0,19%	2	No
<b>PL</b>	2014PL16M2OP004	ROP 4 Regional Operational Programme for Lubuskie Voivodeship 2014-2020	19.581.083	21.515.462	1,12%	1,11%	2	No
<b>PL</b>	2014PL16M2OP005	ROP 5 Regional Operational Programme for Łódzkie Voivodeship 2014-2020	34.924.295	51.929.221	0,12%	0,12%	2	No
<b>PL</b>	2014PL16M2OP006	ROP 6 Regional Operational Programme for Małopolskie	28.118.376	48.938.711	1,22%	1,22%	2	No

		Voivodeship 2014-2020						
<b>PL</b>	2014PL16M2OP007	ROP 7 Regional Operational Programme for Mazowieckie Voivodeship 2014-2020	32.336.846	37.035.920	2,00%	1,99%	3	Yes
<b>PL</b>	2014PL16M2OP008	ROP 8 Regional Operational Programme for Opolskie Voivodeship	16.062.887	16.705.404	0,27%	0,26%	2	No
<b>PL</b>	2014PL16M2OP009	ROP 9 Regional Operational Programme for Podkarpackie Voivodeship	45.049.838	50.361.493	0,40%	0,39%	2	No
<b>PL</b>	2014PL16M2OP010	ROP 10 Regional Operational Programme for Podlaskie Voivodeship	14.138.010	17.034.421	2,00%	1,95%	3	Yes
<b>PL</b>	2014PL16M2OP011	ROP 11 Regional Operational Programme for Pomorskie Voivodeship	23.686.157	48.339.807	0,89%	0,89%	2	No
<b>PL</b>	2014PL16M2OP012	ROP 12 Regional Operational Programme for Śląskie Voivodeship	58.671.691	59.788.148	0,48%	0,48%	2	No
<b>PL</b>	2014PL16M2OP013	ROP 13 Regional Operational Programme for Świętokrzyskie Voivodeship	31.541.593	37.717.526	1,02%	1,02%	2	No
<b>PL</b>	2014PL16M2OP014	ROP 14 Regional Operational Programme for Warmińsko-Mazurskie Voivodeship	29.646.706	38.679.973	0,50%	0,44%	2	No
<b>PL</b>	2014PL16M2OP015	ROP 15 Regional for Wielkopolskie Voivodeship	32.290.666	43.228.833	0,08%	0,08%	2	No
<b>PL</b>	2014PL16M2OP016	ROP 16 Regional Operational Programme for Zachodniopomorskie Voivodeship	21.009.179	22.687.888	0,29%	0,24%	2	No
<b>PT</b>	2014PT05M9OP001	OP Social Inclusion and Employment	109.521.882	110.443.876	1,78%	1,46%	1	No
<b>PT</b>	2014PT05SFOP001	OP Human Capital	334.528.527	290.423.136	1,78%	1,46%	1	No

<b>PT</b>	2014PT16M2OP001	Regional OP Norte		15.601.550	2,00%	2,00%	2	No
<b>PT</b>	2014PT16M2OP002	Regional OP Centro	3.230.542	2.726.601	1,78%	1,46%	1	No
<b>PT</b>	2014PT16M2OP003	Regional OP Alentejo		11.084.194	2,00%	2,00%	1	No
<b>PT</b>	2014PT16M2OP004	Regional OP Azores (Autonomous Region)	77.668.155	21.544.996	1,78%	1,46%	1	No
<b>PT</b>	2014PT16M2OP005	Regional OP Lisboa	8.339.982	8.803.313	1,78%	1,46%	2	No
<b>PT</b>	2014PT16M2OP006	Regional OP Madeira (Autonomous Region)	13.600.539	440.863	1,78%	1,46%	1	No
<b>PT</b>	2014PT16M2OP007	Regional OP Algarve		1.568.583	2,00%	2,00%	2	No
<b>PT</b>	2014PT16M3OP001	Competitiveness and Internationalisation OP		0	2,00%	2,00%	2	No
<b>RO</b>	2014RO05M9OP001	Operational Programme Human Capital		0	2,00%	2,00%	2	No
<b>RO</b>	2014RO05SFOP001	Operational Programme Administrative Capacity		22.964.870	2,00%	2,00%	2	No
<b>SE</b>	2014SE05M9OP001	National Operational Programme ESF for investments in growth and employment 2014 – 2020	103.873.629	56.968.687	0,02%	0,02%	1	No
<b>SE</b>	2014SE16M2OP001	Community-led local development programme with support from ERDF and ESF 2014-2020	286.651	34.374	0,00%	0,00%	1	No
<b>SI</b>	2014SI16MAOP001	Operational Programme for the Implementation of the EU Cohesion Policy in the period 2014 – 2020	16.703.634	15.209.785	0,03%	0,00%	2	No
<b>SK</b>	2014SK05M0OP001	Operational Programme Human Resources	14.730.460	24.870.597	0,00%	0,00%	3	No
<b>SK</b>	2014SK05SFOP001	Operational Programme Effective Public Administration	1.168.353	11.864.535	0,00%	0,00%	2	No

<b>UK</b>	2014UK05M9OP001	ESF England	38.209.665	21.645.752	0,09%	0,08%	2	No
<b>UK</b>	2014UK05M9OP002	ESF Scotland (incl. YEI)		0	2,00%	2,00%	3	Yes
<b>UK</b>	2014UK05SFOP001	United Kingdom - ESF West Wales and the Valleys	110.573.056	92.190.047	0,05%	0,05%	1	No
<b>UK</b>	2014UK05SFOP002	United Kingdom - ESF East Wales	45.596.874	27.945.014	0,05%	0,05%	1	No
<b>UK</b>	2014UK05SFOP004	ESF Northern Ireland		13.769.414	2,00%	2,00%	2	No
<b>UK</b>	2014UK05SFOP005	ESF Gibraltar	402.755	158.306	0,00%	0,00%	1	No
	<b>187</b>		<b>4.449.109.189</b>	<b>5.830.965.650</b>	1,78%	1,21%		

#### FEAD

<b>AT</b>	2014AT05FMOP001	Operationelles Programm 2014-2020 zur Umsetzung des Europäischen Hilfsfonds für die am stärksten benachteiligten Personen in Österreich	2.631.447	2.551.006	0,00%	0,00%	1	No
<b>BE</b>	2014BE05FMOP001	Operationeel Programma FEAD België	13.011.459	6.782.218	0,69%	0,00%	2	No
<b>BG</b>	2014BG05FMOP001	Оперативна програма за храни и/или основно материално подпомагане	24.577.387	25.888.018	0,27%	0,21%	1	No
<b>CY</b>	2014CY05FMOP001	Επιχειρησιακό Πρόγραμμα Επισιτιστικής ή/και Βασικής Υλικής Συνδρομής	43.049	36.591	0,00%	0,00%	2	No
<b>CZ</b>	2014CZ05FMOP001	Operační program potravinové a materiální pomoci	1.405.593	142.959	2,00%	2,00%	3	Yes
<b>DE</b>	2014DE05FSOP001	Operationelles Programm zur sozialen Inklusion der am stärksten benachteiligten Personen - FEAD Deutschland 2014-	2.627.212	2.233.130	0,77%	0,49%	2	No



		2020						
<b>DK</b>	2014DK05FSOP001	Operationelt program for social inklusion af de socialt dårligst stillede personer	228.209	481.700	4,36%	0,00%	2	No
<b>EE</b>	2014EE05FMOP001	Enim puudust kannatavate inimeste abifondi 2014-2020 rakenduskava	2.031.330	1.227.667	9,88%	0,00%	3	No
<b>ES</b>	2014ES05FMOP001	PO FEAD 2014 España	214.786.114	82.499.623	0,11%	0,00%	1	No
<b>FI</b>	2014FI05FMOP001	Vähävaraisten avun toimenpideohjelma 2014-2020	3.790.702	4.852.779	0,00%	0,00%	1	No
<b>FR</b>	2014FR05FMOP001	Programme Opérationnel FEAD 2014-2020	21.035.510	17.880.183	2,54%	1,53%	2	No
<b>GR</b>	2014GR05FMOP001	Επιχειρησιακό Πρόγραμμα Επισιτιστικής και Βασικής Υλικής Συνδρομής για το FEAD	16.689.401	4.611.272	0,00%	0,00%	2	No
<b>HR</b>	2014HR05FMOP001	Operativni program za hranu i/ili osnovnu materijalnu pomoć	130.679	2.484.856	0,90%	0,45%	2	No
<b>H U</b>	2014HU05FMOP001	Rászoruló Személyeket Támogató Operatív Program - élelmiszert és/vagy alapvető anyagi támogatást biztosító OP	1.071	111.581	0,00%	0,00%	2	No
<b>IE</b>	2014IE05FMOP001	Food and/or basic material assistance operational programme		0	2,00%	2,00%	2	No
<b>IT</b>	2014IT05FMOP001	Programma Operativo 1 FEAD 2014-2020	73.542.609	29.499.271	10,00%	10,00%	3	Yes
<b>LT</b>	2014LT05FMOP001	Pagalbos maistu ir pagrindinės materialinės pagalbos veiksmų programa	9.975.729	11.620.110	0,00%	0,00%	2	No
<b>LU</b>	2014LU05FMOP001	Programme opérationnel d'aide alimentaire et/ou d'assistance matérielle de	897.434	536.441	0,00%	0,00%	1	No

		base						
<b>LV</b>	2014LV05FMOP001	Darbības programma pārtikas un pamata materiālās palīdzības sniegšanai	4.999.025	5.133.461	0,03%	0,03%	2	No
<b>MT</b>	2014MT05FMOP001	Programm Operattiv Tal-ghajnuna Alimentari u/jew Materjali bażika	474.623	555.953	0,00%	0,00%	1	No
<b>NL</b>	2014NL05FSOP001	Sociale inclusie van meest behoeftigen	97.601	567.384	0,00%	0,00%	1	No
<b>PL</b>	2014PL05FMOP001	Program Operacyjny Pomoc Żywnościowa 2014-2020	57.058.496	54.900.398	0,00%	0,00%	2	No
<b>PT</b>	2014PT05FMOP001	PROGRAMA OPERACIONAL DE APOIO ÀS PESSOAS MAIS CARENCIADAS	20.906.494	0	0,00%	0,00%	1	No
<b>RO</b>	2014RO05FMOP001	Programul Operational Ajutorarea Persoanelor Dezavantajate	4.897.695	53.717.023	4,22%	1,29%	3	No
<b>SE</b>	2014SE05FSOP001	Operativt program för social delaktighet för dem som har det sämst ställt	770.798	529.347	0,05%	0,04%	2	No
<b>SI</b>	2014SI05FMOP001	Operativni program za hrano in/ali osnovno materialno pomoč	4.570.393	2.864.639	0,48%	0,48%	1	No
<b>SK</b>	2014SK05FMOP001	Operačný program potravinovej a základnej materiálnej pomoci	4.059.620	9.150.774	0,00%	0,00%	2	No
<b>UK</b>	2014UK05FMOP001	food and/or basic material assistance operational programme		0	2,00%	2,00%	2	No
	<b>28</b>		<b>485.239.679</b>	<b>320.858.383</b>	1,89%	1,25%		

## A.2. Shared management – ESF 2007-2013: closure

### ESF Financial corrections, withdrawals and recoveries

#### Financial corrections accepted/decided in 2017 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 65, 1 million at the end of 2017.

The table below shows, per Member State, the total cumulative accepted/decided amount of financial corrections for all programming periods at the end of 2017. The total stands at EUR 4199 million.

European Social Fund											
in M€	Total end 2016	1994-1999			2000-2006			2007-2013			Total end 2017
		cumul end 2016	2017	cumul end 2017	cumul end 2016	2017	cumul end 2017	cumul end 2016	2017	cumul end 2017	
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	5,8	0,0		0,0	0,0		0,0	5,8	0,1	5,9	5,9
CY	0,0	0,0		0,0	0,0		0,0	0,0		0,0	0,0
CZ	62,2	0,0		0,0	0,0		0,0	62,2	0,1	62,3	62,3
DE	60,1	1,9		1,9	26,1		26,1	32,1		32,1	60,1
DK	0,0	0,0		0,0	0,0		0,0	0,0		0,0	0,0
EE	0,8	0,0		0,0	0,8		0,8	0,0		0,0	0,8
ES	1427,1	180,2		180,2	877,6		877,6	369,3	4,6	373,9	1431,7
FI	0,5	0,1		0,1	0,0		0,0	0,4		0,4	0,5
FR	484,6	45,6		45,6	370,5		370,5	68,5		68,5	484,6
GR	79,3	0,0		0,0	20,3		20,3	59,0		59,0	79,3
HR	0,0	0,0		0,0	0,0		0,0	0,0		0,0	0,0
HU	43,7	0,0		0,0	8,2		8,2	35,5		35,5	43,7
IE	53,0	28,3		28,3	3,4		3,4	21,3		21,3	53,0
IT	669,9	126,5		126,5	503,2	0,2	503,4	40,2	60,0	100,2	730,2
LT	0,0	0,0		0,0	0,0		0,0	0,0		0,0	0,0
LU	5,9	4,1		4,1	1,8		1,8	0,0		0,0	5,9
LV	7,7	0,0		0,0	3,2		3,2	4,5		4,5	7,7
MT	0,9	0,0		0,0	0,0		0,0	0,9		0,9	0,9
NL	203,5	159,7		159,7	43,8		43,8	0,0		0,0	203,5
PL	208,8	0,0		0,0	51,2		51,2	157,6		157,6	208,8
PT	22,0	0,0		0,0	6,3		6,3	15,7		15,7	22,0
RO	461,2	0,0		0,0	0,0		0,0	461,2		461,2	461,2
SE	11,9	0,0		0,0	11,5		11,5	0,4		0,4	11,9
SI	2,0	0,0		0,0	1,9		1,9	0,1		0,1	2,0
SK	48,0	0,0		0,0	2,9		2,9	45,1		45,1	48,0
UK	233,2	8,8		8,8	163,9		163,9	60,5		60,5	233,2
	<b>4133,8</b>	<b>569,1</b>	<b>0,0</b>	<b>569,1</b>	<b>2110,7</b>	<b>0,2</b>	<b>2110,9</b>	<b>1454,0</b>	<b>64,8</b>	<b>1518,8</b>	<b>4198,8</b>

## Financial corrections implemented in 2017 relating to all programming period

Considering all programming periods the amount of financial corrections implemented by Member States stands at EUR 23 million at the end of 2017.

The table below shows, per Member State, the total cumulative implemented amount of financial corrections for all programming periods at the end of 2017. The total stands at EUR 3943, 2 million.

European Social Fund											
in M€	Total end 2016	1994-1999			2000-2006			2007-2013			Total end 2017
		cumul end 2016	2017	cumul end 2017	cumul end 2016	2017	cumul end 2017	cumul end 2016	2017	cumul end 2017	
AT	4,9	1,5		1,5	3,4		3,4	0,0		0,0	4,9
BE	46,1	12,4		12,4	10,7		10,7	23,0		23,0	46,1
BG	5,8	0,0		0,0	0,0		0,0	5,8		5,8	5,8
CY	0,0	0,0		0,0	0,0		0,0	0,0		0,0	0,0
CZ	61,9	0,0		0,0	0,0		0,0	61,9		61,9	61,9
DE	53,6	1,9		1,9	26,1		26,1	25,6		25,6	53,6
DK	0,0	0,0		0,0	0,0		0,0	0,0		0,0	0,0
EE	0,8	0,0		0,0	0,8		0,8	0,0		0,0	0,8
ES	1278,1	180,2		180,2	877,6		877,6	215,7	4,6	220,3	1278,1
FI	0,1	0,1		0,1	0,0		0,0	0,0	0,4	0,4	0,5
FR	473,1	45,6		45,6	370,5		370,5	57,0		57,0	473,1
GR	69,6	0,0		0,0	20,3		20,3	49,3		49,3	69,6
HR	0,0	0,0		0,0	0,0		0,0	0,0		0,0	0,0
HU	43,7	0,0		0,0	8,2		8,2	35,5		35,5	43,7
IE	53,0	28,3		28,3	3,4		3,4	21,4		21,4	53,0
IT	649,2	126,5		126,5	503,2		503,2	19,5		19,5	649,2
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	206,3	0,0		0,0	51,2		51,2	155,1	2,5	157,6	208,8
PT	6,5	0,0		0,0	6,3		6,3	0,2	15,5	15,7	22,0
RO	461,2	0,0		0,0	0,0		0,0	461,2		461,2	461,2
SE	11,9	0,0		0,0	11,5		11,5	0,4		0,4	11,9
SI	2,0	0,0		0,0	1,9		1,9	0,1		0,1	2,0
SK	45,8	0,0		0,0	2,9		2,9	42,9		42,9	45,8
UK	233,2	8,8		8,8	163,9		163,9	60,5		60,5	233,2
	<b>3920,2</b>	<b>569,1</b>	<b>0,0</b>	<b>569,1</b>	<b>2110,7</b>	<b>0,0</b>	<b>2110,7</b>	<b>1240,4</b>	<b>23,0</b>	<b>1263,4</b>	<b>3943,2</b>

The table gives the detail on financial corrections reported by Member States, reflecting MS actions during the 2007-2013 programming period.

Financial Corrections implemented by MS		
AT	Austria	6,0
BE	Belgium	31,9
BG	Bulgaria	10,0
HR	Croatia	0,4
CY	Cyprus	1,9
CZ	Czech Republic	14,8
DK	Denmark	0,2
EE	Estonia	1,1
FI	Finland	1,0
FR	France	111,2
DE	Germany	258,5
GR	Greece	74,3
HU	Hungary	6,7
IE	Ireland	30,1
IT	Italy	143,5
LV	Latvia	2,8
LT	Lithuania	1,2
LU	Luxembourg	0,2
MT	Malta	-
NL	Netherlands	6,1
PL	Poland	11,6
PT	Portugal	63,8
RO	Romania	85,7
SK	Slovakia	15,2
SI	Slovenia	-
ES	Spain	513,4
SE	Sweden	2,3
UK	United Kingdom	82,2
		<b>1.475,9</b>

## Residual Risk Rates by operational programmes – PP 2007-2013

MS	CCI	CCI Title	Reservati on in AAR 2016	Lifted after analys is FCR	2007-2013			2017			
					EMPL validat ed Residu al Risk Rate	EMPL Audit Opinion	Interim Paymen ts	Final Payments	clearing PF	TPER applie d to IP	RRR applied to FP
AT	2007AT051PO001	Burgenland	Yes	Lifted	1,52%	No reservation			0	0	0
AT	2007AT052PO001	Beschäftigung	Yes		1,62%	Reservation			0	0	0
BE	2007BE051PO001	Convergence' Hainaut			0,75%	No reservation			0	0	0
BE	2007BE052PO001	Deutschsprachige Gemeinschaft Belgiens			0,02%	No reservation	614.201		0	0	123
BE	2007BE052PO002	Troïka Wallonie ( hors Hainaut ) Bruxelles			0,00%	No reservation			0	0	0
BE	2007BE052PO003	Etat fédéral	Yes	Lifted	0,00%	No reservation			0	0	0
BE	2007BE052PO004	Bruxelles-Capitale			1,29%	No reservation			0	0	0
BE	2007BE052PO005	Vlaanderen			0,00%	No reservation	23.443.72 8		0	0	0
BG	2007BG051PO001	Human Resources Development			0,26%	No reservation			0	0	0
BG	2007BG051PO002	Administrative Capacity			0,00%	No reservation			0	0	0
CY	2007CY052PO001	Employment, Human Capital and Social Cohesion	Yes	Lifted	1,91%	No reservation			0	0	0
CZ	2007CZ052PO001	Praha Adaptabilita			0,05%	No reservation			0	0	0
CZ	2007CZ05UPO001	Lidské zdroje a zaměstnanost			1,33%	Reservation			0	0	0
CZ	2007CZ05UPO002	Vzdělávání pro konkurenceschopnost			0,46%	No reservation			0	0	0
DE	2007DE051PO001	Brandenburg			0,55%	No reservation			0	0	0
DE	2007DE051PO002	Mecklenburg-Vorpommern	Yes	Lifted	0,00%	No reservation	51.236.28 3	31.310.510			0
DE	2007DE051PO003	Niedersachsen - Region Lüneburg			0,00%	No reservation			0	0	0
DE	2007DE051PO004	Sachsen			0,00%	No reservation			0	0	0
DE	2007DE051PO005	Sachsen-Anhalt			1,40%	No reservation			0	0	0
DE	2007DE051PO006	Thüringen			0,00%	No reservation	31.450.45 5		0	0	0

DE	2007DE052PO001	Baden-Württemberg			0,34%	No reservation		13.299.929	0	0	45.220
DE	2007DE052PO002	Bayern			1,13%	No reservation		15.502.985	0	0	175.184
DE	2007DE052PO003	Berlin	Yes	Lifted	0,00%	No reservation		16.798.802	0	0	0
DE	2007DE052PO004	Bremen	Yes		0,00%	Reservation			0	0	0
DE	2007DE052PO005	Hamburg			0,34%	No reservation		4.557.645	0	0	15.496
DE	2007DE052PO006	Hessen			0,26%	No reservation		9.336.760	0	0	24.276
DE	2007DE052PO007	Niedersachsen (ohne Region Lüneburg)			0,00%	No reservation			0	0	0
DE	2007DE052PO008	Nordrhein-Westfalen			0,00%	No reservation		34.199.818	0	0	0
DE	2007DE052PO009	Rheinland-Pfalz			0,16%	No reservation		5.688.313	0	0	9.101
DE	2007DE052PO010	Saarland			0,22%	No reservation		4.324.517	0	0	9.514
DE	2007DE052PO011	Schleswig-Holstein			0,05%	No reservation		5.000.587	0	0	2.500
DE	2007DE05UPO001	Bund			0,86%	Reservation			0	0	0
DK	2007DK052PO001	Flere og bedre job			0,53%	No reservation		12.739.431	0	0	67.519
EE	2007EE051PO001	Human Resource Development	Yes	Lifted	0,64%	No reservation			0	0	0
ES	2007ES051PO002	CASTILLA LA MANCHA			1,08%	No reservation		9.020.011	0	0	97.416
ES	2007ES051PO003	EXTREMADURA			0,00%	No reservation		14.175.753	0	0	0
ES	2007ES051PO004	GALICIA			0,70%	No reservation		17.925.091	0	0	125.476
ES	2007ES051PO005	ANDALUCIA			0,00%	No reservation	31.915.083		86.681.737		0
ES	2007ES051PO006	ASTURIAS			0,00%	No reservation		5.039.375	0	0	0
ES	2007ES051PO007	CEUTA			0,00%	No reservation		512.161	0	0	0
ES	2007ES051PO008	MELILLA			0,00%	No reservation		359.672	239.504	0	0
ES	2007ES051PO009	MURCIA			0,00%	No reservation		3.787.198	0	0	0
ES	2007ES052PO001	CANARIAS			0,13%	No reservation		5.864.594	0	0	7.624
ES	2007ES052PO002	CASTILLA Y LEON			0,00%	No reservation		3.754.044	0	0	0
ES	2007ES052PO003	COMUNIDAD VALENCIANA	Yes	Lifted	0,00%	No reservation		6.864.857	0	0	0

ES	2007ES052PO004	ARAGON			1,02%	No reservation		3.611.998	0	0	36.842
ES	2007ES052PO005	BALEARES	Yes	Lifted	0,63%	No reservation		5.158.682	2.904.904		50.801
ES	2007ES052PO006	CANTABRIA			0,00%	No reservation		634.206	0	0	0
ES	2007ES052PO007	CATALUÑA			0,22%	No reservation			0	0	0
ES	2007ES052PO008	MADRID	Yes	Lifted	0,78%	No reservation		9.054.800	0	0	70.627
ES	2007ES052PO009	NAVARRA			0,00%	No reservation			0	0	0
ES	2007ES052PO010	PAIS VASCO			0,00%	No reservation		3.055.239	0	0	0
ES	2007ES052PO011	LA RIOJA			0,00%	No reservation			0	0	0
ES	2007ES05UPO001	ADAPTABILIDAD Y EMPLEO			0,14%	No reservation	656.242. 456		0	7.481.1 64	0
ES	2007ES05UPO002	LUCHA CONTRA LA DISCRIMINACION			1,49%	No reservation			11.238.592	17.982	
ES	2007ES05UPO003	ASISTENCIA TÉCNICA			1,49%	No reservation			0	0	0
FI	2007FI052PO001	Manner-Suomen	Yes	Lifted	0,25%	No reservation		30.771.92 6	12.820.653		108.981
FI	2007FI052PO002	Åland			0,46%	No reservation		43.214	0	0	199
FR	2007FR051PO001	Martinique			1,78%	Reservation			0	0	0
FR	2007FR051PO002	Guadeloupe			1,78%	Reservation			0	0	0
FR	2007FR051PO003	Guyane			1,78%	Reservation			0	0	0
FR	2007FR051PO004	Reunion			1,78%	Reservation			0	0	0
FR	2007FR052PO001	Programme opérationnel national FSE			1,78%	Reservation			0	0	0
GR	2007GR051RV001				1,34%	No reservation			0	0	0
GR	2007GR05UPO001	Développ. Ress.humaines			1,34%	No reservation			0	0	0
GR	2007GR05UPO002	Education, formation			1,34%	No reservation			0	0	0
GR	2007GR05UPO003	Développement administration			1,34%	No reservation			0	0	0
HR	2007HR051PO001	Human Resources Development			1,43%	No reservation	3.328.93 7		28.860.840	453.87 6	
HU	2007HU05UPO001	Revitalisation sociale	Yes		1,04%	Reservation			0	0	0
HU	2007HU05UPO002	Reforme de l'Etat			0,98%	No reservation			0	0	0
IE	2007IE052PO001	Human Capital Investment			0,00%	No		18.768.11	0	0	0



						reservation		9			
IT	2007IT051PO001	Campania			0,28%	No reservation			0	0	0
IT	2007IT051PO002	Calabria	Yes		2,00%	Reservation			0	0	0
IT	2007IT051PO003	Sicilia	Yes		2,00%	Reservation		8.584.821	858.482		
IT	2007IT051PO004	Basilicata			0,44%	No reservation			0	0	0
IT	2007IT051PO005	Puglia			0,00%	Reservation			0	0	0
IT	2007IT051PO006	Pon Governace e AT			0,42%	No reservation			0	0	0
IT	2007IT051PO007	Pon Istruzione			0,71%	No reservation			0	0	0
IT	2007IT052PO001	Abruzzo			0,00%	No reservation			0	0	0
IT	2007IT052PO002	Emilia Romagna			0,23%	No reservation			0	0	0
IT	2007IT052PO003	Friuli Venezia Giulia			0,00%	No reservation			0	0	0
IT	2007IT052PO004	Lazio	Yes		2,00%	Reservation			0	0	0
IT	2007IT052PO005	Liguria			1,03%	No reservation		332.860	8.188		
IT	2007IT052PO006	Lombardia	Yes	Lifted	0,90%	No reservation			0	0	0
IT	2007IT052PO007	Marche			0,00%	No reservation			0	0	0
IT	2007IT052PO008	Molise			0,33%	No reservation		2.529.969	54.900		
IT	2007IT052PO009	Bolzano	Yes	Lifted	0,00%	No reservation			0	0	0
IT	2007IT052PO010	Trento			0,00%	No reservation			0	0	0
IT	2007IT052PO011	Piemonte			0,09%	No reservation			0	0	0
IT	2007IT052PO012	Toscana			0,69%	No reservation			0	0	0
IT	2007IT052PO013	Umbria			0,70%	No reservation			0	0	0
IT	2007IT052PO014	Valle d'Aosta	Yes	Lifted	0,00%	No reservation		990.021	17.424		0
IT	2007IT052PO015	Veneto			0,37%	No reservation			0	0	0
IT	2007IT052PO016	Sardegna			0,19%	No reservation			0	0	0
IT	2007IT052PO017	Azioni di sistema			0,13%	No reservation			0	0	0
LT	2007LT051PO001	Development of Human Resources			0,62%	No		47.875.64	0	0	296.829

					reservation		0				
LT	2007LT051PO002	Technical Assistance			0,27%	No reservation		2.846.873	0	0	7.687
LU	2007LU052PO001	Programme opérationnel FSE			0,37%	No reservation		1.262.183	0	0	4.670
LV	2007LV051PO001	Human Resources and Employment			0,03%	No reservation		29.155.186	0	0	8.747
MT	2007MT051PO001	Empowering people for more jobs and a better quality of life			0,21%	No reservation	15.536.485	5.600.000	10.080.000		65.555
NL	2007NL052PO001	Operationeel Programma ESF 2007-2013			1,25%	No reservation		35.111.035	0	0	438.888
PL	2007PL051PO001	Program Operacyjny Kapitał Ludzki			0,12%	No reservation		500.369.897	0	0	600.444
PT	2007PT051PO001	Açores			0,65%	No reservation		9.500.000	0	0	61.750
PT	2007PT052PO001	Madeira			0,65%	No reservation		6.768.940	0	0	43.998
PT	2007PT05UPO001	Potencial Humano			0,65%	No reservation		322.650.453	0	0	2.097.228
PT	2007PT05UPO002	Assistência Técnica			0,65%	No reservation		3.750.000	0	0	24.375
RO	2007RO051PO001	Human Resources Development	Yes		2,00%	Reservation			0	0	0
RO	2007RO051PO002	Administrative Capacity Development	Yes		0,06%	Reservation			0	0	0
SE	2007SE052PO001				0,50%	No reservation			0	0	0
SI	2007SI051PO001	razvoja človeških virov za			0,00%	No reservation			0	0	0
SK	2007SK05UPO001	OP Education			1,43%	No reservation			0	0	0
SK	2007SK05UPO002	OP Employment and Social Inclusion	Yes		0,92%	Reservation			0	0	0
UK	2007UK051PO001	Highlands and Islands of Scotland			1,77%	No reservation			0	0	0
UK	2007UK051PO002	West Wales and the Valleys			0,05%	No reservation			0	0	0
UK	2007UK052PO001	East Wales			0,05%	No reservation			0	0	0
UK	2007UK052PO002	Lowlands and Uplands of Scotland	Yes		1,62%	Reservation			0	0	0
UK	2007UK052PO003	Northern Ireland			0,34%	No reservation			0	0	0
UK	2007UK05UPO001	England and Gibraltar			0,32%	No reservation			0	0	0

23 13 **0,72%** 707.022.960 1.331.484.601 196.574.412 8.892.017 4.497.068  
2.038.507.561

**Reserv  
ation 18**

<b>2.235.081. 972</b>	<b>13.389.0 85</b>
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## F. Conclusion as regard control results

### Calculation of the relevant expenditure

	2017 payments (annex 3 AAR)	prefinancing paid	prefinancing cleared	10 % retention	adjustment in the 14-20 Ops' annual accounts	expenditure paid in 2017
FSE 2007-2013	2.038,5	0,0	196,6 ***	0,0	0,0	2.235,1
FSE/YEI 2014-2020	7.731,0	-2.213,6	0,0 *	613,0	-299,5	5.831,0
FEAD	290,0	0,0	0,0	32,2	-1,4	320,9
FSE 2000-2006	0,0	0,0	0,0	0,0	0,0	0,0
FSE Prior 2000-2006	0,0	0,0	0,0	0,0	0,0	0,0
EGF	17,8	-17,8	32,8	0,0	0,0	32,8
IPA	40,5	0,0	9,5 **	0,0	0,0	50,0
Centralised w/o Agencies	166,9	-68,3	58,0	0,0	0,0	156,5
Agencies	72,3	-72,3	52,7	0,0	0,0	52,7
<b>Overall</b>	<b>10.357,1</b>	<b>-2.372,0</b>	<b>349,6</b>	<b>645,3</b>	<b>-300,9</b>	<b>8.679,0</b>

\* 85 million of cleared PF not taken into account for the relevant expenditure as already taken into account the year before through the 10% retention and the adjustment received in the annual accounts.

\*\* including 4,3 million of cleared PF for EU Trust Fund Madad.

\*\*\* excluding the cancellation of a clearing made in 2016 (35,6 million)

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

### A- ESF 2007-2013

MS	CCI	CCI Title	AAR 2016 reservation	projected error rate 2015/16 /17	Residual Risk Rate	Comments
AT	2007AT052PO001	Beschäftigung	Yes	13,05%	1,62%	High error rate 2015/16/17. Based on disagreement between MA and AA, the extend of the financial corrections still needs to be determined
CZ	2007CZ05UPO001	Lidské zdroje a zaměstnanost		5,00% (provisional)	1,33% (provisional)	For the expenditure 2015 and 2016 the flat rate correction of 5% was used due to the on-going DG EMPL audit No EMPG307CZ0193. Final audit report was sent to CZ authorities in December 2017 with the request to calculate final TPER based on which RRR will be re-calculated (and might be above 2%). National version of CZ final audit report sent in January 2018.
DE	2007DE052PO004	Bremen	Yes	2,29%	0,00%	Ongoing assessment of the reliability of the audit work of the (new) AA, following the EMPL management verification audit (2016) in category 3 and the previous AA assessment in category 4.
DE	2007DE05UPO001	Bund		0,73%	0,86%	Based on EMPL closure audit (draft report sent 01/2018), a possible 10% correction on expenditure 2015/2016/2017
FR	2007FR052OP001	National ESF		5,00% (provisional)	1.78% (provisional)	For the expenditure 2015 and 2016 the flat rate correction of 5% was used due to the on-going DG EMPL audit No EMPG307FR0199 (instead of TPER=3.26% and RRR=1.27% from the FCR). On 06/04/2018, final audit report in MAPAR to be sent with the request to recalculate final TPER based on which RRR will be re-calculated (if TPER=5%, RRR=1.78% - if TPER=6%, RRR=2.08%).
FR	2007FR051OP001	Martinique				
FR	2007FR051OP002	Guadeloupe				
FR	2007FR051OP003	Guyane				
FR	2007FR051OP004	Réunion				
HU	2007HU05UPO001	Revitalisation sociale	Yes	6,13%	1,04%	Additional audit work has been requested from the AA and is going on, including several projects with soft deliverables (e.g. studies) and high staff costs.
IT	2007IT051PO002	Calabria	Yes	14,14%	4,94%	Following closure audit in January 2018, systemic issues and potential high financial correction

IT	2007IT051PO003	Sicilia	Yes	20,75%	4,96%	Reply of the AA to the closure observations received on 28/09/17 - additional info requested informally - yet to be received in order to update the error rates.
IT	2007IT051PO005	Puglia		3,56%	0,00%	During the EPSA 2014-2020, issues have been identified with projects for which the legality of the selection procedure needs to be assessed. EMPL is currently assessing the extent of the potential issue for 07-13 - in case the situation identified in 14-20 applies also to 07-13 and is deemed non-compliant with the public procurement rules, the impact could amount to approx. 95 MEUR.
IT	2007IT052PO004	Lazio	Yes	25,00%	25,00%	Closure audit performed in September 2017: draft report issued in December 2017: Cat. 4
RO	2007RO051PO001	Human Resources Development	Yes	40,00%	25,00%	TPER of initial analysis. Audit work still on-going on the scope limitation and on the treatment of suspended projects falling under Art.95 of the Regulation 1083/2006. Deadline extended until 31/03/2018. The RRR 25 % EMPL estimation is due to non-quantified errors still present in the final payment application - based on calculations, it is 17.72%
RO	2007RO051PO002	Administrative Capacity Development	Yes	2,38%	0,06%	EC recalculated TPER is 2.38%, considering the amount of 218,964.74 Euro – expenditure certified at closure - as 100% error. On-going treatment of suspended projects falling under Art.95 of the Regulation 1083/2006, previously included in the scope limitation.
SK	2007SK05UPO002	Employment and Social Inclusion	Yes	0,81%	0,92%	Assessment of additional information and audit work submitted in December 2017 not yet finalised (observation letter (Ares(2017)4245992 - 30/08/2017: AA reply on 13/12/2017 (Ares(2017)6116995) and MA reply on 19/12/2017 (Ares(2017)6226424); adverse opinion from the AA not yet lifted (reminder asking for new opinion sent on 06/04/2018);
UK	2007UK052PO002	Lowlands and Uplands of Scotland	Yes	9,26%	1,62%	No new data yet. Assessment of additional information ongoing, still some information to be received (especially re corrections made, thus no reliable RER available yet).

## B- ESF/YEI and FEAD 2014-2020

			EMPL validate d TPER	EMPL validated RER	EMPL Audit opinion	Justification
	ESF/YEI					
FR	2014FR05M0OP001	ERDF-ESF Ile-de-France et Seine	40,89 %	2,0 %	Adverse	Recalculated TER = 40.89%. There is an action plan that should be fully implemented by the MA until the end of the 2018. According to the ACR, at the present date the actions are being implemented. In addition, an EMPL system audit took place in January 2018 which concludes with a category 3 for the Managing Authority with issues for KR 1 – separation of functions, KR 2 – selection of operations, KR 4 – management verifications and KR 5 – audit trail.
FR	2014FR16M0OP007	Regional programme Midi-Pyrénées et Garonne 2014-2020	10,00 %	10,00 %	Qualified significant	Significant deficiencies of the management and control system with respect to the following key requirements: - Adequate audits of operations; - Adequate procedures for the production of a reliable audit opinion and the preparation of the annual audit report.  In particular, the report states that, during the controls of operations, various aspects had not been, or not sufficiently, been verified, in particular as regards the public procurement procedures and the eligibility of the participants. In addition, the nature of the observations in the report implies deficiencies in the implementation of the first-level verifications carried out by the managing authority. Various irregularities identified during the audit were not detected during these first-level checks (Article 125 (4) (a) of EU Regulation No 1303/2013).
FR	2014FR16M2OP005	Regional programme Franche- Comté et Jura	17,66 %	2,00 %	Adverse	Corrective measures to avoid recurrence of the irregularities (public procurement). An audit is envisaged to follow-up on the adequacy of the corrective measures and their implementation.  The recalculated TER/RTER using HT method are 17.66% instead of 21.73% and -3.10% instead of 2%. Therefore, as the RTER is <0%, the financial corrections were too severe. On 13/03/2018, an email was sent by REGIO Geo Units to MA/CA, proposing to correct the accounts. On 21/03/2018, the MA/CA submitted new accounts by replacing the flat-rate financial correction from 1.629.049,19 € (Axe 3

						ERDF) to 1.170.280,19 (Axe 3 ERDF) in order to obtain a RTER of 2.00%.
FR	2014FR16M2OP009	Regional programme Poitou Charentes	17,01 %	2,00 %	Adverse	The AA gave Unqualified opinion because TER/RTER < 2%, according to their calculation. However, recalculated TER=17.01% with a RTER=16.69%.  An additional financial correction has been requested for the recalculated RTER= 16.69% (2.203.123,78€ minimum)and implemented by the MS in the resubmitted accounts and preventive measures to improve the MCS due to a TER= 17.01%.
HU	2014HU16M2OP001	Territorial and settlement development OP	2,00 %	2,00 %	Qualified significant	Based on the EPSA audit and the national system audit, significant issues related to: KR2 Selection of operations, KR 4 Management verifications, KR 5 Audit trail, KR 6 IT system for collecting, recording and storing data, KR 10 Appropriate procedures for payment applications, KR 11 Computerised records of expenditure declared and of the corresponding public contribution.
IT	2014IT05M9OP001	National on Youth Employment	5,12%	4,71%	Qualified significant	Recalculated residual error rate above 2%. The payment of the balance will include the adequate correction to have a residual error rate at 2 %.
IT	2014IT05SFOP002	National OP on Systems for Active Employment Policies	15,45 %	15,45 %	Qualified significant	EMPL carried out an EPSA audit from the 13/11/2017 until the 17/11/2017. The draft report was notified to the authorities after the submission of the accounts. The audited project ANPAL01308 (i.e. Excelsior project 2015) was found as 100% ineligible due to non-compliance with the rules on public procurement (i.e. this direct award was found not compliant with the Directive 2004/18/EC).  Consequently, the EMPL TPER (due to the Unioncamere project) is 15.45% (above the 10% retention). A financial correction (100% of the Unioncamere project) is needed (3.846.269,53 €). With such a correction, the RTER (currently at 15.45%) would decrease to 0.29%.
IT	2014IT05SFOP005	POR Lazio ESF	43,49 %	0,00 %	Adverse	MA is in cat. 3 due to KR1 in cat.4 and KR2,4,5,6,7 in cat. 3 CA is in cat. 3 due to KR 10 AA is in cat. 2 due to KR14, 15 and 16 (i.e. IGRUE assessment). The MCS should be assessed in cat.4 due to the high TPER 43.49%. However, as 100% of the population is audited and all the errors are deducted, the RTER is 0.05%.

						<p>Given the high TPER of 43.49%, the risk for the accounting year 2017-2018 is estimated above the 10% retention.</p> <p>In relation to the systemic errors identified during the audit of operations, the AA should monitor the application of the financial corrections by the MA on the projects affected by these irregularities, hence:</p> <ul style="list-style-type: none"> <li>- 10% on the expenditure related to the call published by Lazio region for the assignment of supplementary staff resources to the regional schools;</li> <li>- 25% on the expenditure related to 15 operations financed under the same call for the selection of operators.</li> </ul>
IT	2014IT05SFOP021	POR Sardegna ESF	10,00 %	8,00 %	Qualified significant	<p>For the 3 projects with errors in the sample, the AA applies a 25% correction as there is no verification of eligibility of participants against the description set by the actions established in the OP and under which they are allocated. Indeed, the call "MACISTE" (2 projects included in the sample) is addressed to unemployed and not to long-term unemployed as set by the Action 8.5.5 of the OP. The call AGATA (1 project in the sample) is addressed to the professionals employed in the health sector, with limited proof of the crisis situation of the employer as requested by action 8.6.1 set in the OP. DG EMPL considers these projects 100% ineligible. The accounts are accepted despite the recalculated residual error rate above 2%. The payment of the balance will include the adequate correction to have a residual error rate at 2 %.</p>
PL	2014PL16M2OP001	ROP 1 Regional for Dolnośląskie Voivodeship	2,00 %	2,00 %	Qualified significant	<p>Based on the preliminary conclusions of ECA DAS-2017 on the 2015-2016 annual accounts, possible systemic problems of VAT eligibility in Poviats Labour Office projects for the unemployed (start-up grants, grants for equipping work place).</p>
PL	2014PL16M2OP007	ROP 7 Regional for Mazowieckie Voivodeship	2,00 %	2,00 %	Qualified significant	
PL	2014PL16M2OP010	ROP 10 Regional for Podlaskie Voivodeship	2,00 %	2,00 %	Qualified significant	
<b>FEAD</b>						
CZ	2014CZ05FMOP001	Operační program potravinové a materiální	2,00 %	2,00 %	Qualified significant	<p>As per Article 34 of the FEAD Regulation, the non-statistical sample method shall cover 10% of the expenditure that has been declared to the Commission during an accounting year. The AA audited only 3.67% of declared expenditure. As a conclusion,</p>



		pomoci - FEAD				we can conclude that insufficient quantity of audit work was carried out and therefore the Commission is unable to accept the audit opinion of the AA and the accounts are not accepted.
IT	2014IT05FMOP001	Programma Operativo 1 FEAD 2014-2020	10,00 %	10,00 %	Qualified significant	<p>MCS in cat. 3 (MA, CA and the IB AGEA, both for the management and the certification functions).  EC EPSA FEAD draft report Ares(2018)1235388 of 6/03/2018 - cat. 3 with a financial impact estimated as being likely higher than 10%.</p> <p>Main issues identified:</p> <ul style="list-style-type: none"> <li>- No supervision of the activity delegated to the IB;</li> <li>- Absence of a procedure for checking the pre-requisites of new POs;</li> <li>- No financial quantification of the issues identified by AGEA at PO level in relation to the audit trail for the food packages delivery to recipients (NB: on the basis of the audit trail rules defined by the IT MA);</li> <li>- no procedure for aggregating the data for the indicators (specifically in relation to the quantities of food aid distributed);</li> <li>- AIR2016: the values inserted relate to quantities of food delivered to the POs and not to the actual recipients (most deprived persons);</li> <li>- defined a procedure for the transmission of the results of audits performed by the AA to the IB certification service or the inclusion of the results of such checks in the subsequent payment claim;</li> <li>- financial finding: non compliance with the interdiction to subcontract for one lot 1.731.181,63 € ineligible.</li> </ul> <p>Additional corrections need to be applied i.e.:</p> <ul style="list-style-type: none"> <li>- 1.731.181,63 € individual correction;</li> <li>- 10% flat rate correction, due to the issues identified at the level of the MCS, namely as regards the lack of financial quantification of the issues identified by AGEA at PO level in relation to the audit trail for the food packages delivery to recipients (NB: on the basis of the audit trail rules defined by the IT MA) i.e. 7.181.142,77 €.</li> </ul> <p>The accounts are accepted despite the recalculated residual error rate above 2%. The payment of the balance will include the adequate correction to have a residual error rate at 2 %.</p>

## 2.1.2. Audit observations and recommendations

### A. European Court of Auditors

#### **Follow up of main 2016 DAS cases**

Concerning EMPL, 10 ESF OPs related to the 2007-2013 programming period and 1 financial instrument under shared management were selected for audit on-the-spot in 8 Member States: Bulgaria, Czech Republic, Spain, Greece, Hungary, Ireland, Italy and Romania as well as 4 direct management transactions.

As in previous years, the main source of substantive errors is the inclusion of ineligible expenditure in the beneficiaries' cost declarations. The most common types of eligibility issues detected are the following: partly ineligible projects (ES), exaggerated hours charged to the ESF-project not substantiated by timesheets (IE), exaggerated salary costs charged to the ESF-project (RO), ineligible invoices (ES) or breach in national public procurement rules (HU). Formal errors have also been found in Bulgaria, Hungary, Italy and Romania.

#### **Spain (Andalucía & Adaptability and Employment OP 2000-2007)**

The ECA audited 8 projects in Spain in the framework of the DAS 2016, 4 of the Andalucía OP and another 4 of the Adaptability and Employment OP. The audited projects gave rise to 3 quantifiable errors, 2 in the Andalucía OP (2x80%) and 1 in the Adaptability and Employment OP (9, 23%).

The Andalucía OP co-financed the salaries of specialised residential internships (EIR programme for medical professionals) under the Priority Axis 3 development of human potential in the field of research and innovation. The ECA found disproportionate to consider the whole project as a research activity and concluded it was partly ineligible and should not have been declared for co-financing.

The Commission considers that the training of professionals of health services through the EIR programme of postgraduate studies is eligible under Priority Axis 3 *"Increase and improvement of human capital"*. The project fully reflects the objectives of this Priority Axis and was selected by the intermediate body concerned in accordance with the criteria fixed by the monitoring committee. Therefore, the Commission strongly disagrees with the assessment of the Court and will not propose any financial correction.

The error detected in a project of the Adaptability and Employment OP concerned ineligible expenditure (training hours not justified by time sheets and ineligible equipment). The MS agreed with the ECA finding and will make the appropriate financial corrections.

#### **Hungary (ESF OP 2000-2007)**

The Hungarian project which the ECA audited concerned job creation in the reformed church community of Vilonya, through vocational, practical and language training of socially disadvantaged young employment seekers. The ECA found that only one of three companies invited to tender for the ESF language-training project had a suitable profile to deliver the training.

The ECA concluded therefore that the contract was awarded directly without due justification. The Commission has argued that the selection procedure took place in line with the applicable tendering rules set out by the Member State, as all organisations invited to tender had the Adult Education accreditation required to participate in such tender. They moreover had the opportunity to set up a consortium including organisations with more specific training accreditations, as was done by the winning tenderer.

Despite this, the ECA has maintained its finding and the Commission has accepted. The Commission will follow-up on the finding and recover the ineligible amount.

#### **Ireland (ESF OP 2000-2007)**

The ECA reported a finding for an audited project concerning skills training for unemployed job seekers in Athlone, which gave rise to a quantifiable error of 20%. The ECA reported that

there was a lack of evidence to support training hours charged for participants' work placements; and that the training retention fee was unduly paid by the beneficiary (FAS) to the training contractor.

The Commission has taken a different view to the ECA, considering that the clocking-in record provided by the beneficiary was sufficient proof of course attendance, and that the release of the retention fee by the beneficiary to the subcontractor, was made in accordance with national rules.

Despite this, the ECA has maintained its finding. Therefore, the Commission will not follow-up on the finding.

### **Romania (ESF OP 2000-2007)**

The ECA audited 8 projects in Romania in the framework of the DAS 2016, of the 'Human Resources Development' OP. The audited projects gave rise to 4 quantifiable errors, 3 of them related to personnel salary costs exceeded the maximum allowable by national rules (10,67%, 10,40%, and 1,36%), and the fourth one concerning ineligible expenditure (3,31%).

In all of the cases the Member State agrees with the ECA findings, has already issued irregularity reports and the errors will be corrected, taking into account the Financial Correction which the Commission has imposed on the Member State regarding this OP. Therefore, the Commission will follow-up on the findings discovered.

### **Conclusion**

Concerning the DAS 2016 cases in general, the Commission will initiate the necessary steps to follow-up on each individual finding it accepted once it receives the final analyses of the ECA (four cases still pending). For two cases necessitating a follow-up, letters have already been sent.

### **Table on the follow-up of previous DAS cases**

	<b>MS and OP concerned</b>	<b>N° of open rec</b>	<b>FC to be implemented</b>
<b>DAS 2012</b>	Romania 2007RO051PO001	1	€ 855.633,57
<b>DAS 2013</b>	Germany 1999DE161PO002	1	€ 0
	Romania 2007RO051PO001	3	€ 0
	France 2007FR052PO001	1	€ 0
<b>DAS 2014</b>	Romania 2007RO051PO001	8	€ 1.668.604,40
	Italy 2007IT051PO001	3	€ 0
<b>DAS 2015</b>	Romania 2007RO051PO001	3	€ 23 191,04
	Italy 2007IT052PO004	3	€ 0
	France 1999FR053DO001	4	€ 100.921,08
	Austria 2007AT052PO001	4	€ 1.285

## Performance audits (special reports) by the Court in 2017

In 2017, ECA adopted the following six special reports concerning Employment and Social Affairs:

- **Youth unemployment (SR No 5/2017)**

Is the Youth Guarantee delivering results in MS and is YEI contributing to it?

As a complement to the Special Report on Youth Guarantee (N°3/2015), the Court launched a second performance audit on the Youth Guarantee and Youth employment in September 2015, focussing this time on the implementation at Member State level. Audit missions have been conducted from October 2015 to May 2016 in the 7 selected Member States (FR, IT, PT, HR, ES, IE and SK).

The Court has concluded that, while the seven Member States sampled have made progress in implementing the Youth Guarantee and some results have been achieved, the current situation, more than 3 years after the Council's recommendation, falls short of initial expectations.

The Court considers that none of the visited Member States have yet ensured that all NEETs had the opportunity to take-up an offer within four months and that the whole NEET population can't be covered with the resources available from the EU budget alone.

The Court also concluded that the contribution of the YEI has so far been very limited.

The Commission has replied that the October 2016 Commission Communication on YG and YEI points at first positive results reached already by the YG and in particular the YG's impetus on structural reforms and policy innovation, as recognised by the European Council on 15.12.2016, which called for a continuation of the YG and welcomed the increased support for the YEI.

The Commission has recognised that YG schemes have not yet reached all young people and that further efforts are still necessary to reach all NEETs.

The Commission has underlined that although substantial EU financial support is available to support Member States, they must also prioritise youth employment measures in their national budgets.

Out of the seven recommendations made by the Court, five are addressed to the Member States (of which we simply take note) or are already considered as implemented by the Commission. Two recommendations are not accepted by the Commission.

Recommendation 6 requires the Commission to ensure, through its approval process for OPs amendments, that Member States perform a global assessment of the characteristics of the NEET population. The Commission disagrees as the Regulations do not set out a specific requirement for a detailed assessment of the characteristics of the different subgroups of young people supported by the YEI. However, the Commission considers that the measures should be tailored to the needs of the young persons and has provided guidance to the Member States in this sense.

Recommendation 7 proposes that the Commission revises its guidance on data collection and that the Member States revise their baselines and targets in line with the modified guidance. The Commission considers this recommendation unacceptable as it would mean to reopen all the OPs.

The report was adopted on 11 January 2017 and published on 31 January 2017.

- **Closure of the 2007-2013 Cohesion and Rural Development OPs (SR No 36/2016)**

In this audit, the Court examined whether the rules and procedures for the closure provide a basis for the Commission and Member States to close cohesion and rural development programmes in an efficient and timely manner. The Court compared the closure arrangements of three programme periods for the two policy areas and assessed in particular how the Commission obtains assurance that the final declaration contains expenditure that is legal and regular and used in accordance with the programme objectives. They also analysed the

timeliness of the closure process and whether the budgetary authority is informed about the outcome of programme closure.

In the cohesion area, closure can generally be seen as denoting final acceptance that the expenditure is legal and regular. To allow this, the Commission calculates a residual risk rate for each programme, taking into account the financial corrections for the period as a whole.

The Court is of the opinion that for the 2007-2013 period, there is a limited focus on the achievement of outputs and results. While Member States' reporting of their programme results is mandatory and duly evaluated by the Commission, payment of the final balance at closure is not directly linked to the actual achievement of outputs and results in the Cohesion area.

For the 2014-2020 period, the assurance framework has been further improved and aligned between the two spending areas. Annual acceptance of the accounts is now a feature of both policy areas. However, certain differences remain in terminology, timing, and deadlines: these affect in particular whether the closure procedures can ensure that the programme expenditure accepted by the Commission is legal and regular.

As to the time of closure, it coincides neither with the end of the programme period nor with that of the period of eligibility. Formal closure is generally initiated after the end of the eligibility period, when the next programme period is already running at full speed; depending on the circumstances, it can take several more years to be completed. The significant overlap between tasks for the different periods and the administrative difficulties faced when following up activities, some of which took place more than a decade earlier, pose a risk to the effectiveness of programme closure. In addition, the possibility to spend the programme budget up to two (n+2) and for the 2014-2020 period even up to three (n+3) years after the end of the programme period creates a disincentive to start the programmes of the subsequent period.

Another concern relates to the limited accountability and transparency of programme closure in both areas. In particular, the Commission does not inform the budgetary authority about the final outcome of the closure process (the regularity of expenditure and the outputs and results achieved). Given that the EU's budget system is built around multi-annual programming, the Court considers that the Commission should provide the European Parliament and the Council with a consolidated closure report containing key information on the most relevant performance and compliance aspects of programme implementation.

The Court also assessed whether the Commission provided adequate and timely guidance and support to Member States as they prepared for the closure of their 2007-2013 programmes. Overall, the Court found that the Commission's closure guidelines for the 2007-2013 period in both cohesion and rural development provide an adequate basis for Member States to prepare effectively for closure. The guidelines were timely, and comprehensive, and the Commission delivered additional support addressing the needs of Member States. The Member States were satisfied with the Commission's support and considered, largely, that they were well prepared for the closure exercise.

The report was adopted in January 2017 and published on 31 January 2017.

- **Partnership Agreements and Programmes in Cohesion (SR No 2/2017)**

In this audit the Court examined whether the Partnership Agreements signed between the European Commission and the Member States help target EU Structural and Investments funds more effectively than in the past. The Court analysed the negotiation process as undertaken by the Commission, including the negotiation mandates and observations given to draft PA and OPs prepared by the Member States.

The Court also looked at a sample of 5 PA and 14 OPs in more detail to see how regulatory requirements had been translated into practice and conducted interviews with Commission and Member States staff.

The Court recognised that the Commission had succeeded in negotiating PA and OPs in time and as a result of the negotiations, there is a better concentration of funding towards EU

objectives and improved result orientation. Nevertheless, they also found that there is a large number of programme specific indicators which might complicate monitoring of results of the programmes.

The audit referred to the following weaknesses:

a) The PA and OPs were adopted late, during 2014 and 2015, mostly due to the late adoption of the 2014-2020 MFF and consequently the ESIF legal framework in December 2013. Also secondary legislation and guidance was deemed to have been provided late.

b) The way the Operational Programmes are structured results in a significant increase in the number of performance indicators for outputs and results. The fund-specific regulations have introduced different requirements for collecting and reporting performance data on outputs and results and for the financial monitoring of investments. There is no common definition of "output" and "result" and no harmonised approach between ERDF and ESF as to the use of common indicators (which need to be reported to the Commission). Moreover, Member States have the option of defining additional programme-specific output indicators and splitting indicators between regions.

c) Thousands of performance indicators were created by Member States and the common indicators are significantly outnumbered by programme-specific indicators. The Court predicts that this high number of indicators will result in an additional administrative burden, while it remains to be seen what use will be made by Member States of this data.

The Court addressed six recommendations to the Commission and the Member States, of which the Commission has accepted most elements of the recommendations addressed to it, except for those relevant for post-2020. At this stage, the Commission is not in a position to make any specific commitment in relation to legislative proposals for the post-2020 period.

The report was adopted in February 2017 and published on 5 April 2017.

#### • **Protection of EU budget in the Cohesion policy (SR No 4/2017)**

In this audit, the Court assessed whether the Commission's preventive measures and financial corrections were effective in protecting the EU budget from co-financing irregular expenditure in Cohesion. It focussed on the 2007-2013 programme period. In addition, the Court also made a comparison with the 2000-2006 programming period and assessed the likely impact of the changes in the regulations for 2014-2020.

The audit included:

- a review of relevant Commission guidelines, publications and reports and an assessment of the Commission's internal procedures for the 2007-2013 period;
- a comparative analysis of preventive measures and financial corrections for the 2000-2006 and 2007-2013 periods and an assessment of the impact of financial corrections after closure of the 2000-2006 programme period;
- an examination of a sample of 72 individual cases closed by the end of 2016. These accounted for 29 % of financial corrections during the 2007-2013 period.

The Court of auditors found that overall, until end 2015 (i.e. before the closure of the 2007-2013 programme period) the Commission has made effective use of the measures at its disposal for the 2007-2013 programming period to protect the EU budget from irregular expenditure. In particular, the Court found that for the 2007-2013 period the Commission used payment suspension more extensively than in the past and the newly introduced payment interruptions were a helpful additional tool. Preventive measures were also applied earlier than in the previous period. The Court also concluded that the Commission imposed its preventive measures and financial corrections in a proportionate manner. The Commission's internal procedures for the 2007-2013 period aimed at ensuring harmonised treatment of cases between programmes and Member States and the Commission's measures for 2007-2013 period focussed on those Member States with the riskiest programmes.

The audit referred to the following weaknesses:

a) Difficulties in monitoring the implementation of financial corrections.

b) The Commission's reporting on preventive measures and financial corrections makes it difficult to get a comprehensive overview of the situation, largely because the information is presented in several reports and documents. At the same time, not one of the Commission reports for the 2007-2013 period provides an analytical overview of preventive measures and financial corrections.

c) The Court noticed shortcomings in information systems used by the Commission to monitor and report on preventive measures and financial corrections for 2007-2013 programmes. In particular, the information systems are not integrated and they do not provide an overview for individual cases of all preventive measures and financial corrections.

The Court addressed four recommendations to the Commission which have all been fully accepted.

The report was adopted in March 2017 and published on 27 April 2017.

• **Ex-ante conditionalities and performance reserve in cohesion (SR No 15/2017)**

The Court's audit looked at two specific instruments introduced for the 2014-2020 programming period to make Cohesion spending more results oriented: ex-ante conditionalities and the performance reserve. The Court sought to determine whether ex-ante conditionalities and the performance framework and reserve were effectively used to incentivise better Cohesion spending by Member States during the 2014-2020 programming period.

The Court found that the ex-ante conditionalities provided a consistent framework for assessing the Member States' readiness to implement EU funds at the start of the 2014-2020 programming period. However, it is unclear to what extent this has effectively led to changes on the ground. The Commission has not made use of the possibility to suspend payments at programme adoption for unfulfilled ex-ante conditionalities. Around half of the more than 700 action plans adopted by Member States to fulfil all ex-ante conditionalities were not reported as completed by the end of 2016. These uncompleted action plans cover at most 27 % of the ERDF, CF and ESF spending. Under the CPR, at this stage, the Commission could not impose any suspension of payments.

The Court also considers that the performance framework and reserve is unlikely to trigger a significant reallocation of Cohesion spending during the 2014-2020 period to better performing programmes. In particular any reallocation will be within and/or between the programmes of the same Member States. While 6 % of ERDF, CF and ESF funding has been set aside for the performance reserve, the way the performance reserve has been designed provides little incentive for a better result orientation of the OPs since it is mostly based on spending and outputs. Furthermore, the additional funding is definitively allocated even if milestones are not met in full by 2018 and can at most be reallocated within the Member State. The newly introduced suspensions and financial corrections for underperformance are a step in the right direction, but are subject to restrictive conditions and therefore unlikely to be applied in practice.

The Court's recommendations are for the post-2020 period, during which both instruments if maintained, should be reinforced so that they are more likely to contribute to a more effective use of Cohesion spending. Therefore when preparing its legislative proposal for the post-2020 period, the Commission should:

\* Recommendation 1: develop and focus ex-ante conditionalities as an instrument to assess Member States' readiness to implement EU funds, and in particular

(a) re-assess the relevance and usefulness of each of the ex-ante conditionalities for 2014-2020, eliminate overlaps and keep only those which can genuinely impact the effective achievement of policy objectives;

(b) ensure consistency of the ex-ante conditionalities for the post-2020 period with the European Semester;

(c) set clear assessment criteria with measurable targets wherever feasible to ensure a common understanding of what needs to be achieved; and

(d) require the fulfilment and application of ex-ante conditionalities throughout the programming period and follow it up taking into account the potential administrative burden.

\* Recommendation 2: Consider turning the performance reserve in a more result-oriented instrument that reallocates funds to those programmes that achieved good results, based on competition, and in particular consider whether it should propose to

(a) based on lessons learned further develop the performance reserve into an instrument better promoting and rewarding good performance where OPs need to demonstrate what they intend to achieve with the additional funding;

(b) make more use of immediate result indicators; and turn the key implementation steps into tools which better demonstrate actual performance of long term infrastructure interventions when assessing performance; and

(c) review the conditions for payment suspensions and financial corrections so that underperformance can be more easily addressed at an earlier stage, with a view to further increasing the incentives to properly implement the funds.

At this stage the Commission is not in a position to make specific commitments in relation to legislative proposals for the post-2020 period. Under the condition that the ex-ante conditionalities, performance framework and reserve are maintained for post-2020, the Commission has accepted both recommendations.

The report was adopted in October 2017 and published on 23 November 2017.

• **Commission's intervention in the Greek financial crisis (SR No 17/2017)**

The Court examined the European Commission's management of the three Economic Adjustment Programmes for Greece, bearing in mind the institutional set-up of the different financial assistance instruments used. In relation to the ongoing programme, the audit focused only on the design aspects. Funding for the first programme (GLF), in 2010, was 110 billion euros; for the second (EFSF; 2012) it was 172.6 billion euros and for the third (ESM; 2015) it was 86 billion euros. Overall, the programmes' design did make the progress of reform in Greece possible, but the court found some weaknesses.

The Commission accepts all the Court's recommendations on the management of financial assistance programmes and will implement all of them by the end of 2018.

The Commission points out that in practice, many recommendations are already implemented in the ongoing ESM programme.

The Commission acknowledges that there have been shortcomings, especially in the early stages of the programmes, but stresses the importance to take into account the urgency and the exogenous factors such as economic and political events, administrative capacity, ownership of the reform process and unexpected shocks.

The special report was adopted on 4 July 2017.

The following performance audits were ongoing at the end of 2017:

• **Absorption capacity of ERDF/CF/ESF in 2007-2013**

In October 2015, the ECA decided to carry out a performance audit on the effectiveness of the Commission's measures to support Member States absorbing ERDF/CF and ESF funds. The audit has mainly focused on the 2007-2013 programming period and covered the operational programmes financed by ERDF, CF and ESF. The main audit question is: 'Is the Commission effective in supporting MS to absorb ERDF/CF and ESF funds?'

The Court examined whether the Commission is effectively monitoring the budgetary implementation of the ERDF/CF and ESF operational programmes in the 2007-2013 period, whether the Commission has made proposals and/or identified actions to help Member States



taking effective measures to absorb the funds of the 2007-2013 programming period, whether the Member States are effectively applying the measures proposed by the Commission in order to increase absorption and whether the experience gained so far has been considered and taken into account for the 2014-2020 programme period framework.

The ECA conducted a series of meetings, interviews and review of documents (e.g. changes in regulatory framework, guidelines and programme changes). An unofficial draft report has been sent to The Commission in January 2018 and feedback has been requested. The official draft report is expected to be released by mid-February 2018. The adoption and publication is expected to take place in the second quarter of 2018.

#### • **Macroeconomic imbalance procedure (SR no 03/2018)**

The ECA assessed the effectiveness of the Commission's implementation of the MIP during the period from 2012 to 2017. DG EMPL was involved in this audit together with the Secretariat-General and DG ECFIN.

The ECA found that although the MIP is generally well designed, the Commission is not implementing it in such a way as to ensure the effective prevention and correction of imbalances. Although their implementation is the responsibility of Member States, the Court found weaknesses in the way the Commission formulates them, contributing to the lack of implementation.

The ECA found that the recommendations do not stem from identified imbalances and analysis of possible policy options to reduce these within a reasonable timeframe. Instead, various reforms stemming from the Europe 2020 agenda are identified as relevant to reducing imbalances. In addition, MIP recommendations do not consider fiscal policy despite its relevance to external imbalances and competitiveness.

The ECA also found that the analysis in IDRs was of a good quality and that imbalances are correctly identified, but that IDRs have become progressively less visible in the Commission's reporting. The MIP has been further weakened by the Commission's decision-making process regarding the classification of the severity of the imbalances. The ECA found that the criteria underlying the final decisions taken by the College of Commissioners lacked transparency.

The auditors recommend that the Commission:

- Clearly link MIP recommendations to specific macroeconomic imbalances;
- Clearly characterise, in its IDRs, the severity of the imbalances that Member States are facing;
- unless there are specific circumstances, recommend activating an excessive imbalance procedure when there is evidence that a Member State is facing excessive imbalances; if specific circumstances exist, and the Commission refrains from taking this step, it should publicly explain its reasons for doing so.
- use the MIP to make fiscal recommendations to Member States when fiscal policy directly affects external imbalances and competitiveness;
- give explicit consideration in the MIP process to policies with cross-country impact that can enhance symmetric rebalancing within the euro area;
- when it assesses imbalances as excessive, make the relevant Commissioners available to Member State parliaments to explain the MIP related policy recommendations;
- give greater prominence to the MIP by improving all communication aspects.

The Commission has accepted these recommendations, and will take these into account during the forthcoming review of the MIP application by the Commission in 2019 (see official Commission reply in the Court's special report).

The special report was adopted on 28 November 2017.

#### • **European Semester after 5 years of implementation**

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

The ECA met with DG EMPL in November 2017, to discuss the assessment of multi annual progress, the role of the Employment Guidelines, and the role of EMPL in the Country Reports and CSR drafting process. Further meetings have taken place in December 2017, involving the country teams for NL, BE, AT, HU, IT, FL.

The report is expected to be adopted in the second quarter of 2018.

- **EU labour mobility**

The audit looked at the measures to support the mobility of workers within the EU. The Main audit question is: Is the Commission effective in facilitating labour mobility between MS?

There were multiple technical meetings between ECA and the colleagues from directorate D 'Labour mobility'. ECA reviewed the EaSI-EURES axis projects financed since 2014 by the Commission. The aim of the review was to assess and – where possible - to determine to which extent the projects contributed to facilitating cross-border labour mobility.

For this audit ECA visited 5 MS: Poland (November 2016), Luxembourg (December 2016), the UK and Romania (January 2017) and Germany (March 2017). The draft report was adopted by Chamber II in November 2017. The consolidated version with the replies was sent to BUDG in December. The Adversarial meeting took place in December 2017.

ECA concluded that overall, the European Commission has put several tools in place to ensure the freedom of movement of workers. However, these can be improved. Furthermore, EU funded actions facilitating labour mobility under the ESF cannot be identified, or their effectiveness cannot be adequately monitored as regards the EaSI programme.

The Commission considers that the effectiveness of EaSI funded actions facilitating labour mobility in general can be adequately monitored. The Commission draws attention to the monitoring reports issued on Your first EURES Job projects under the EURES-EaSI axis and actions by the Commission to monitor the effectiveness of EaSI projects in general.

ECA also concluded that the Commission provides a number of tools to inform workers of their rights. However, the extent to which citizens are aware of these tools remains unknown. Workers can report cases of discrimination against the freedom of movement through numerous channels but a full picture of such cases does not exist. Other restrictions to the freedom of movement continue to persist, despite actions taken by the Commission

The Commission stated that the figures show quite impressive use of the existing tools, in particular the EURES job mobility portal. There are indeed several channels to receive information on labour mobility and to report on any obstacles. The Commission is of the opinion that a "single stop shop" would prove useful – and this is at the core of its forthcoming proposal establishing a European Labour Authority.

Beside this, ECA concluded that the EU funding may support labour mobility through the ESF and the EaSI programme. The similarity of the respective objectives makes complementarity between them challenging. The way in which the ESF is used by all Member States for the support of labour mobility is not known by the Commission. The EaSI monitoring framework has a number of weaknesses. The funding used within the EaSI programme has had little impact in terms of recorded job placements compared to the number of movers.

The Commission concedes that synergies can be further developed and it endeavours to improve the results of its programmes and also to make them more transparent through a better monitoring system.

ECA recommended: measuring awareness amongst EU citizens of existing tools relating to information provision on the freedom of movement of workers and reporting discrimination;

making better use of available information in order to identify types of discrimination against the freedom of movement; improving the collection and the use of data on patterns and flows of labour mobility and labour market imbalances and also the design of EU funding to address labour mobility; improving the monitoring of the EaSI- EURES effectiveness, especially with regard to job placements; addressing the limitations of the EURES Job mobility portal.

The Commission accepted all the recommendations.

The adoption and publication is expected to take place in the first quarter of 2018.

- **Result-orientation in the selection and monitoring of projects**

ECA will look at the way projects are selected and how they fit with the intervention logic of the OP, how monitoring systems are set up and how data from project beneficiaries is aggregated, and will analyse, to the extent possible, how Member States and the Commission are preparing to carry out evaluations and, where available, any actual evaluations carried out.

Audit missions have been conducted in the 4 selected Member States (FI, FR, IT, CZ) between February and March 2017.

The publication of the report is foreseen in March 2018.

- **High-speed broadband**

The ECA published on 14/09/2017 its audit brief regarding their audit on broadband. The ECA indicated the following risks to sound financial management:

- Difficulties for the Member States to put in place the necessary technological and regulatory changes to create a competitive environment which can attract sufficient private sector investments in broadband;
- Overall public funding available for the implementation of Member States' broadband plans being insufficient to connect the not commercially-viable areas;
- Weaknesses in the Commission's broadband strategy and Member States' broadband plans in terms of target setting and timing to reach these targets;
- Poor monitoring by the Commission of the Member States' progress in the implementation of the broadband plan.

- **Integration of migrants and refugees**

The ECA officially announced this audit on 10/03/2017. A first "informative" meeting has taken place on 24/03/2017. A video-conference meeting with the different DG's concerned (HOME, EMPL, REGIO, AGRI, MARE) took place on 30/06/2017 in order to present the audit scope and audit questions. HOME (lead-DG for this audit) has sent a written contribution to the ECA on 14/07/2017 on the basis of all comments received by the other DG's involved.

After the comments sent by the Commission on the documents initially presented by the Court (July 2017), the ECA decided not to perform any longer the audit as initially foreseen.

The ECA has now decided that they will produce a "Briefing Paper" on this subject. A video-conference with the ECA, BUDG, HOME, REGIO, AGRI took place on 20/10/2017 in order to present the key aspects of the planned briefing paper.

- **Management of fraud risks in EU spending**

This audit concerns the protection of the EU budget against fraud by the Commission services on a corporate level, with a focus on preventative actions; therefore, the Commission's horizontal services (OLAF, BUDG, Sec Gen) are at the frontline for this audit. The main audit question is: "Does the Commission properly manage fraud risks in EU spending?"

EMPL, as one out of the 7 vertical DGs (including also REGIO) selected for analyses and interviews, is concerned to a lesser extent. Both shared management and direct management will be covered. The effectiveness of Member States' systems for preventing, detecting, investigating and responding to fraud will not be addressed by this audit. However, the ECA is

planning another audit in 2017 on anti-fraud in Cohesion where the field of fraud risk management responsibilities on Member State level will be covered.

The Court has sent the clearing letter in October 2017. The draft report is expected for the first quarter of 2018.

The adoption and publication is expected to take place in the second quarter of 2018.

- **Management of anti-fraud measures in Cohesion in MS**

The ECA has announced this future audit on 28/09/2017 and two meetings with the responsible units have already taken place in October and November 2017. The ECA has approved the APM for this audit on 08/01/2018 and the following MS were selected for on-the-spot missions: Latvia, Spain, Roumania, Bulgaria, Hungary, France and Greece. The ECA envisages to send all PFs to the Commission before summer 2018 and to publish the Special Report in March 2019.

- **Cross border healthcare access and eHealth in the EU**

Beginning of 2018, the European Court of Auditors is carrying out preparatory works for a performance audit on cross-border healthcare and eHealth in the EU. The ECA auditors are currently in the planning phase for this audit, gathering information on the cross-border and digital healthcare framework in the EU, analysing the risks, mapping the available funding and defining the audit scope.

The audit planning memorandum should be ready in the first quarter of 2018 and the special report is foreseen to be published in April 2019.

- **Simplification**

A videoconference meeting between the ECA and EMPL was organised on 08/12/2017 regarding this subject. The ECA intends to publish an audit brief before summer 2018.

With this Briefing Paper, the ECA would like to:

- Provide an independent contribution to the debate on the simplification of the Cohesion policy in the current programme period ;
- Set out what has been achieved so far with the current procedures and what has been done to simplify these ;
- Provide reflections on the conclusions of High Level Group on simplification for the post 2020 period ;
- Illustrate potential streamlining processes and procedures in the implementation of EU cohesion policy for the next programming period ;
- Propose elements to help structuring the dialogue on simplification among various stakeholders.

- **Audit of the EAFD**

The ECA has announced at the beginning of 2018 that it will carry out a performance audit on the Fund for European Aid to the Most Deprived.

The audit planning memorandum should be ready by April 2018, with the bulk of audit activities being carried out in 2018.

# **ANNEX 11: NOT APPLICABLE**

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# 1. Indicators supporting part 1

General objective 1, associated specific objectives<sup>15</sup> and indicators

<b>General objective 1: A new boost for jobs, growth and investment</b>				
<b>Impact indicator: Employment rate</b>				
<i>Definition: The number of persons (females, males) aged 20-64 in employment as a share of the total population (females, males) of the same age group. Employment contributes to economic performance, quality of life and social inclusion, making it one of the cornerstones of socioeconomic development.</i>				
<i>Source: Eurostat (t2020_10, lfsi_emp_a, lfsa_ergan, hlth_dlm010) -</i>				
<b>Baseline (2014) and latest known results</b>				<b>Target (2020)</b>
2014	2015	2016		At least 75% (EU 2020 target)
69.2%	70.1%	71.1%		
<a href="#">Bookmark<sup>16</sup></a>				
<b>Impact indicator: Tertiary educational attainment (age group 30-34)</b>				
<i>Definition: The share of the population aged 30-34 years who have successfully completed university or university-like (tertiary-level) education. Higher educational attainment levels increase employability in the context of a knowledge-based economy.</i>				
<i>Source: Eurostat (t2020_41)-</i>				
<b>Baseline (2013) and latest known results</b>				<b>Target (2020)</b>
2013	2014	2015	2016	At least 40% (EU 2020 target)
37.1%	37.9%	38.7%	39.1%	
<a href="#">Bookmark</a>				
<b>Impact indicator: Share of early leavers from education and training</b>				
<i>Definition: Percentage of the population aged 18-24 with at most lower secondary education and who were not in further education or training during the last four weeks preceding the LFS survey. Education is critical to promote the quality of job creation. Having an adequate education is crucial also for smoothly entering the labour market, as young adults who lack a basic education are more likely to be unemployed or inactive, working in low-wage jobs, or are less likely to progress in their career.</i>				
<i>Source: Eurostat (t2020_40) -</i>				
<b>Baseline (2013) and latest known results</b>				<b>Target (2020)</b>
2013	2014	2015	2016	Less than 10% (EU 2020 target)
11.9%	11.2%	11%	10.7%	
<a href="#">Bookmark</a>				
<b>Impact indicator: People at risk of poverty or social exclusion<sup>17</sup></b>				
<i>Definition: This indicator corresponds to the share of individuals living at risk of poverty or severely materially deprived or living in households with very low work intensity. Effective, efficient and fair social protection systems help people getting back to work and support household income in case of adverse individual or economic situations. One way of evaluating the success of social protection measures is to compare at-risk-of-poverty indicators before and after social transfers.</i>				
<i>Source: Eurostat (ilc_peps01)-</i>				
<b>Baseline (2013) and latest known results</b>				<b>Target (2020)</b>
2013	2015	2016		At least 20 million people fewer than in 2008 (116.2 million)
122.7 million	118.8 million	118.0 million		
<a href="#">Bookmark</a>				
<b>Planned evaluations:</b>				
Ex post evaluation of ESF 2014-2020; 2024				
Mid-term evaluation of FEAD - ongoing				

<sup>15</sup> Baselines under specific objectives are those set when the objectives were first established

<sup>16</sup> Please note that Eurostat periodically revises its published data to reflect new or improved information, also for previous years. The latest published data is available by clicking on "bookmark". The "latest known value" column reflects the data that was available at the time of the preparation of the AARs 2016 and it is the reference point for the AARs of Commission services.

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

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

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

Related to programmes EaSI-PROGRESS, ESF

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

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

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

*External factors are however important, as Member States are ultimately responsible for the implementation of CSRs.*

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

*Source: European Commission\_EMPL\_A1*

Baseline (2014) and latest known results

Milestone (2017)

Target (2020)

	2014		2015		2016		2017	
	No CSRs	Some or full progress	No CSRs	Some or full progress	No CSRs	Some or full progress	No CSRs	Some or full progress*
More & better jobs	105	55%	66	52%	39	41%	43	51%
Skills	48	46%	57	53%	26	54%	10	80%
Mobility	16	25%	15	53%	5	80%	15	73%
Social protection systems	72	37%	52	42%	53	40%	19	53%

80% partial or complete implementation in each of the four priorities

100% of the CSRs in the employment and social policy field partially or fully complied with

*\* Reforms in the labour market and welfare systems are complex and take time to design and implement. Successful reforms require ownership at national level, and very often the involvement and buy-in by social partners and other stakeholders. Engaging the necessary actors and building the necessary consensus requires time. Reform options are often a compromise balancing different interests, found in order to move forward. Therefore, the implementation rate of CSRs, as calculated only 7 months after its formal adoption, remains relatively low. Internal analysis based on the data from the CESAR database show that the implementation rate increases from the multiannual perspective which suggests that reform implementation requires time. It should also be noted that on average the*



implementation of CSRs in the area of employment, skills and social policy is similar to the global implementation rate of all recommendations. From this perspective the target of 80% is very ambitious and quite difficult to reach.

**Indicator: Degree of implementation of EMPL's initiatives of the CWP**

*Definition: Measured by the number of CWP initiatives that are attributed to EMPL and which could be completed in the given year. Although external factors play an important role in the achievement of this indicator, it provides an indication of the DG's performance as regards its policy objectives.*

*Source: internal - EMPL 01*

**Baseline (2014) and latest known results**

<b>2014</b>	2015	2016	2017
<b>80%</b>	40%	75%	83%*

**Annual target**

100%

\* 5 of 6 CWP items adopted in 2017. These are: Quality Framework for Apprenticeships, the Social Pillar, Work-Life Balance, implementation of Working Time Directive, Transparent and Predictable Working Conditions (former revision of Written Statement Directive). The 'Access to social protection' was adopted on 13 March, 2018. For the 'European Solidarity Corps' and the proposal for 'improved tracking of outcomes for graduates and young people who have followed vocational education and training' DG EAC is in the lead and have not been taken into account for the calculation.

**Result indicator: Declared gain of better understanding of EU policies and legislation<sup>18</sup>**

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

*Source: European CommissionEMPL Unit F3\_EaSI survey (conducted every two years)<sup>19</sup>*

Baseline (2012) and latest known results				Milestone (2017)	Target (2020)
2012	2013	2014	2016	>85%	Maintain results over 85% <sup>21</sup>
92%	92% <sup>20</sup>	91%	87%		

**Result indicator: Active collaboration and partnership between government institutions of the EU and Member States<sup>22</sup>**

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

*Source: European CommissionEMPL\_EaSI survey (every two years)\_F3<sup>23</sup>*

Baseline (2013) and latest known results			Milestone (2017)	Target (2020)
2013	2014	2016	>85%	Maintain results over 85% <sup>25</sup>
91% <sup>24</sup>	86%	88.2%		

**Result indicator: Declared use of social and labour market policy innovation in the implementation of social CSRs and the results of social policy experimentation for policy-making<sup>26</sup>**

*Definition: Reported use of social policy innovation<sup>27</sup> as a tool to design and catalyse social policy reforms for better economic and social outcomes. This will be checked against the references to the use of social policy innovation as reflected in the NRP/NSR and the Semester multilateral surveillance reviews in the SPC as well as the uptake of social policy innovation in the ESF/OPs*

*Source: European CommissionEMPL\_EaSI survey (every two years)\_F3*

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

The analysis of the results of the last EaSI General Stakeholder Survey from January 2017 shows that a large majority (more than 80%) of stakeholders are aware that the EU supports social policy innovations; however, only slightly more than half of them are aware of specific innovations resulting from the EU funding (56.5%) and 49.2% are actually using them or intend to use them. Despite the fact that provisions for the upscaling of the successful tested social innovations and experimentations are made in the current EaSI and ESF regulations, results are limited. This is mainly due to the absence of concrete mechanisms to encourage an effective cooperation between the two Funds; the complexity of the ESF management and delivery system, as well as the absence of a dedicated earmarked budget allocation. The issue will be addressed in the Regulation of the future 'Invest in people' post 2020.

<sup>18</sup> As defined in the baseline report of the framework "Monitoring the performance of EaSI (2014-2020)"

<sup>19</sup> 2012 and 2013 results relate to the 2007-2013 annual performance monitoring report whilst 2014 comes from EaSI-PROGRESS's first performance monitoring report (spring 2015). The data for 2017-2018 will be available in 2019.

<sup>20</sup> Respondents to the 2013 Annual Survey on PROGRESS. Question: Would you agree or disagree (scale 1 to 5 or NA) that the event you participated in helped you gain a better understanding of EU policies and objectives in the field that the event specifically addressed

<sup>21</sup> Based on past experience, the 85% threshold is considered as a good result

<sup>22</sup> As defined in the baseline report of the framework "Monitoring the performance of EaSI (2014-2020)"

<sup>23</sup> 2012 and 2013 results relate to the 2007-2013 annual performance monitoring report whilst 2014 comes from EaSI-PROGRESS's first performance monitoring report (spring 2015). The data for 2017-2018 will be available in 2019.

<sup>24</sup> Respondents to the 2013 Annual Survey on PROGRESS. Question: Would you agree (scale 1 to 5 or NA) that there is a sense of collaboration and partnership between your organisation and the EU institutions?

<sup>25</sup> Based on past experience, the 85% threshold is considered as a good result

<sup>26</sup> As defined in the baseline report of the framework "Monitoring the performance of EaSI (2014-2020)". This is a new indicator of the programming period 2014-2020. 2014 is therefore the first set of data (EaSI-PROGRESS's first performance monitoring report - spring 2015) and forms the baseline. The data for 2017-2018 will be available in 2019.

<sup>27</sup> [Guide to Social Innovation](#)

## Specific objective 1.2: Stronger social dialogue

### Specific objective 1.2: Stronger social dialogue

#### Result indicator: Share of the EU workforce covered by sectoral social dialogue committees

*Definition:* The indicator measures the relevance of sectoral social dialogue committees for the EU labour market and economy. The aim is to increase this share while seeking economies in the operation of social dialogue.

*Source:* European Commission\_EMPL-A2 calculations based on representativeness studies

Baseline (2013) and latest known results					Milestone (2017)	Target (2020 )
2013	2014	2015	2016	2017	76%	78%
75% <sup>28</sup>	75%	75%	75%	75% <sup>29</sup>		

#### Result indicator: Social dialogue outcomes

*Definition :* The indicator measures the outputs of social dialogue on the basis of the number of joint texts (this includes procedural texts, follow-up reports, tools, declarations, joint opinions, policy orientations, codes of conduct, guidelines, frameworks of actions, autonomous agreements, agreements Council Decisions) agreed between social partners in a given year at either sectoral or cross-industry level. It measures the level of activity of EU social dialogue which depends on the activities of the social partners and on the Commission support.

*Source:* European Commission\_EMPL A2 database

Baseline (total period 2007-2013) and latest known results				Target (total period 2014-2020)
2007-2013	2014-2015	2016	2017	300 of which 147 has been achieved
284	77	35	35	

This indicator measures the level of activity of EU social dialogue. This first of all depends on the activities of the social partners themselves. While the Commission is providing continuous support through the organisation of meetings and calls for proposals in particular, the final result depends on the degree of ambition and the possibility to come to joint texts of the social partners themselves. In the light of the 'new start for social dialogue' it can be expected that the level of activity of EU social dialogue will further increase in the coming period, with more texts produced by EU level social partners.

While the majority of the social partners' outcomes are prepared autonomously by the social partners, some of their joint outcomes were sometimes actually triggered by initiatives launched by the Commission. While further evidence is needed, the diminution in the number of Commission initiatives (as part of the Commission Work Programme) may have impacted on the number of joint social partners contributions. At the same time, social partners have been providing an important number of separate contributions (i.e. not joint contributions) in the framework of formal consultations and dedicated hearings organised by the Commission: however, and while these separate contributions are also outcomes necessitating resources and efforts from the social partners, they are not recorded as joint social partners texts.

<sup>28</sup> There are currently 43 SSDC

<sup>29</sup> No new sectoral social dialogue committees have been established since 2014

## Specific objective 1.3: Better functioning labour markets

<b>Specific objective 1.3: Better functioning labour markets</b>	Related to programmes ESF, EGF, EaSI-PROGRESS
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### **Result indicator (ESF): Participants (unemployed or inactive) in employment, including self-employment, upon leaving<sup>30</sup>**

*Definition:* The ESF shall benefit people, including disadvantaged people. Engaging these categories of participants in ESF actions is an important achievement per se as it is often a first step towards (re-) integration on the labour market. The participation in the underlying projects will contribute to achieving the Europe 2020 poverty target.

*Source:* European Commission\_ EMPL F1-G4

Baseline (Employment result estimate for participants in all activities 2007-2013) and latest known results				Milestone 2018	Target 2023
2007-2013	2014	2015	2016	24%	24%
14%	7.7%	10.3%	16.5%		

### **Result indicator (ESF): Number of projects targeting public administrations or public services at national, regional or local level**

*Source:* European Commission\_ EMPL F1-G4

Baseline and latest known results			Milestone 2018	Target 2023
185 projects per year			900 projects (cumulative 2014-2018)	2250 projects
2014	2015	2016		
0	31	3 970		

The baseline provided is based on some Programmes of the 2007-2013 programming period. The related figures on targets and milestones were calculated on the basis of the initially 148 adopted OPs and extrapolated to the 187 OPs. They were maintained following the analysis of the first reporting by all MS on common indicators (2016). EMPL will revise the target again following the performance review.

### **Result indicator (YEI<sup>31</sup>): Unemployed participants who complete the YEI supported intervention<sup>32</sup>**

*Definition:* This indicator provides an indication of how many unemployed participants fully benefitted from the YEI support and of YEI achievements in terms of results on the ground for that specific objective.

*Source:* European Commission\_ EMPL units F1-G4

Baseline and latest known results			Milestone 2016	Target 2020
No baseline <sup>33</sup>			750 000*	2,5 million*
2014	2015	2016		
21 163	144 502	579 759		

### **Result indicator (YEI): Unemployed participants in education/training, gaining a qualification or in employment, including self-employment, upon leaving the YEI supported intervention**

*Definition:* This indicator shows a change in the labour market and/or educational status of the participants. It provides an indication of ESF achievements in terms of results on the ground for that specific objective.

<sup>30</sup> Note 1: These success rates are reported for participants in all investment priorities. Employment results are contingent on nature of IP and interventions. For comparative purposes in Employment results for participations in Access to Employment activities during 2007-2013 period were 28%, while for Human capital and Social Inclusion activities employment results made up 10% and 26% of all reported results and correspondingly lower employment rates. Based on the first reporting by all MS on common indicators (2016), the initial milestone and target are maintained. The target will be reviewed following the performance review.

Note 2: Rates of participants gaining employment are heavily affected by the overall macroeconomic environment. Moreover, a slow start of implementation can also have an incidence on results. Given the length of the operations results might only become available at a later stage. Based on the first reporting by all MS on common indicators (2016), the initial milestone and target are maintained. The target will be reviewed following the performance review.

<sup>31</sup> General explanation on all indicators related to YEI:

- The aim is to follow the result and change in the status for each participant, following the YEI support – and thus to establish the link between the YEI support and the fact that as a result the person is no longer a NEET but is active in some way, either through employment or education activities.

- As the NEETs group has heterogeneous characteristics, it is important to break down the result indicators according to the different types of labour market status (unemployed, LTU, inactive).

- The element of completing the YEI intervention is also an important aspect, in order to measure how many participants fully benefitted from the support.

<sup>32</sup> Despite the increase of the pre-financing YEI implementation started slowly due, in particular, to the late designation of authorities.

<sup>33</sup> ESF/YEI indicators are part of the common result indicators for the new programming periods, hence no baseline

Source: European Commission\_ EMPL units F1-G4

Baseline and latest known results			Milestone 2016	Target 2020
No baseline			347 000*	1,1 million*
2014	2015	2016		
8 843	74 052	266 754		

**Result indicator (YEI): Inactive participants not in education or training who complete the YEI supported intervention**

*Definition: This indicator provides an indication of how many inactive participants fully benefitted from the YEI support and of YEI achievements in terms of results on the ground for that specific objective.*

Source: European Commission\_ EMPL units F1-G4

Baseline and latest known results			Milestone 2016	Target 2020
No baseline			220 000*	714 000*
2014	2015	2016		
6 527	30 331	132 474		

**Result indicator (YEI): Inactive participants not in education or training in education/training, gaining a qualification or in employment, including self-employment, upon leaving the YEI supported intervention**

*Definition: This indicator shows a change in the labour market and/or educational status of the participants. It provides an indication of ESF achievements in terms of results on the ground for that specific objective.*

Source: European Commission\_ EMPL units F1-G4

Baseline and latest known results			Milestone 2016	Target 2020
No baseline			107 000*	345 000*
2014	2015	2016		
2 395	23 439	79 320		

**Result indicator (EGF): Proportion of redundant workers reintegrated into employment following EGF supported measures**

*Definition: Percentage of the workers participating in the measures who are in employment six months after the end of the implementation period.*

Source: European Commission\_ EGF Annual Report(biennial as from 2015) - EMPL unit F2

Baseline (2012) and latest known results					Milestone (2017)	Target (2020)
<b>2012</b>	2014 <sup>34</sup>	2015	2016	2017	49%	>50 %
<b>47%</b> <sup>35</sup>	49 %	46%	47%	57%		

**Planned evaluations:**

Commission report on the PES Network EP Decision 573/2014/EU, 2017, EaSI  
 EaSI mid-term evaluation, expected to be finalised in 2018  
 FEAD – mid-term evaluation, expected to be finalised in 2018  
 EGF - Mid-term evaluation, pending publication in 2018

\* Note: Initial targets and milestones were calculated based on initial allocation. They have been reviewed following the increase of the YEI in 2017.

Implementation on the ground has faced some delays. A major problem identified was the lack of public funding to advance YEI activities. This was tackled by the increase of the YEI initial pre-financing in 2015. Other reasons behind delays in implementation include the insufficient administrative capacity of national authorities responsible for designing and implementing YEI actions; national rules on eligibility imposing stricter requirements than the ones set out at EU level, thereby reducing the pool of young people that may have access to YEI and thus hindering its implementation and significant improvement of the economic and social context resulting in fewer NEETs to target.

<sup>34</sup> Reports are biannual as from 2015.

<sup>35</sup> Percentage of workers targeted that were re-employed at final reporting time. This is an average figure based on the five annual reports available (2008 to 2012). These results were heavily influenced by the global financial and economic crisis.

## Specific objective 1.4: Decent and safe working conditions for all<sup>36</sup>

Specific objective 1.4: Decent and safe working conditions for all												Related to programme EaSI-PROGRESS	
<b>Result indicator: Percentage of Complaints, EU PILOT and Infringement procedures handled within Commission benchmarks</b>													
<i>Definition: The indicator consists of three sub-indicators which reflect the effectiveness of the Commission's services in relation to both monitoring of the transposition and application of the EU law.</i>													
<i>Sub-Indicator 1: Percentage of complaints registered in CHAP system successfully handled by the Commission within the benchmark set by the Secretariat General (1 year)</i>													
<i>Any person or organisation may submit a complaint about any measure (law, regulation or administrative action), absence of measure or practice by a Member State which they consider incompatible with respective Union law. As a general rule, the Commission will investigate complaints with a view to arriving at a decision to issue a formal notice or to close the case within not more than one year from the date of registration of the complaint. After investigating the complaint, which may include a consultation of the national authorities in the EU Pilot system, the Commission may either issue a formal notice opening proceedings against the Member State in question, or close the case definitively.</i>													
<i>Sub-Indicator 2: Percentage of complaints registered in EU Pilot successfully handled within the benchmark set by the Secretariat General (70 days)</i>													
<i>EU Pilot is the main tool for the Commission to communicate with the participating Member States on issues raising a question concerning the correct application of EU law or the conformity of the law in a Member State with EU law at an early stage (i.e. before an infringement procedure is launched under Article 258 TFEU, but after the preliminary analysis of the complaint in CHAP). If no solution compatible with EU law is found in a communication with EU Member State, an infringement proceeding under Article 258 TFEU may be launched. The objective of EU Pilot is to achieve speedier results and to find solutions compatible with EU law for citizens and business through better cooperation between the Member States and the Commission without the need to launch infringement procedures under Article 258 TFEU. The benchmark for the Commission is to reply to the Member State (either rejecting the reply or accepting it) within 70 days of receipt of their observations on the issue raised by the Commission.</i>													
<i>Sub-Indicator 3: Percentage of non-compliance procedures registered in NIF system successfully handled within the benchmark set by the Secretariat General (3 years). The NIF system is the IT tool for the Commission's infringements (letters of formal notice, reasoned opinions, referrals and closures). The benchmark is to conclude a case in NIF within 3 years of registration.</i>													
<i>Source : European Commission_Semestrial coherence exercise_EMPL units B2/B3</i>													
<b>Baseline (2012) and latest known results<sup>37</sup></b>												<b>Target (2020)</b>	
	<b>2012</b>		2013		2014		2015		2016		2017		100% of cases concluded within the benchmark set by the Secretariat General
	<b>(01)</b>	<b>(02)</b>	(01)	(02)	(01)	(02)	(01)	(02)	(01)	(02)	(01)*	(02)**	
Complaints	<b>82%</b>	<b>95%</b>	62%	100%	90%	97%	95.8%	100%	86.7%	97%	97%	87,8%	
EU-Pilot	<b>22.2%</b>	<b>20%</b>	84.4%	33%	58.3%	57%	42.8%	28%	32%	41%	0%	61%	
Infringements	<b>84.3%</b>	<b>100%</b>	81%	88%	81.3%	75%	83.7%	90%	76%	100%	75%	100%	
(01) Labour Law													
(02) Health and Safety													
<b>Planned evaluations:</b>													
-Evaluation of the Directive 2014/67/EU on the enforcement of Directive 96/71/EC concerning the posting of workers in the framework of the provision of services, 2019													

\* Labour Law:

Complaints: based on the complaints received in 2017- 133 CHAP (2017), 129 have been handled within the benchmark.

EU-Pilot: in 2017 13 cases out of which one was finally closed in January 2018. The rules on the management of EU-Pilots have recently been modified, Cabinet approval is now required at all stages, including to close a case. In this context, several cases have been recognised as politically sensitive and require further analysis.

Infringements: out of 8 infringements opened before 2015, 6 were closed.

\*\*Occupational Health and Safety

The closure rate for complaints is slightly lower than last year partly due to the priority to address the third action point of the OSH Communication – revision and updating of six OSH directives.

The EU Pilot result is better than last year, which reflects efforts in order to obtain swifter feedback from Member States. As for infringements, the results remain satisfactory.

<sup>37</sup> Please note that the complaints depend on their nature as well as complex or simple.

## Specific objective 1.5: A skilled and more entrepreneurial workforce<sup>38</sup>

<b>Specific objective 1.5: A skilled and more entrepreneurial workforce</b>	Related to programmes EaSI-PROGRESS, Erasmus+, ESF							
<b>Result indicator (ESF): Participants gaining a qualification upon leaving</b>								
<i>Definition: This indicator shows a change in the educational status of the participants. It provides an indication of ESF achievements in terms of results on the ground for that specific objective.</i>								
<i>Source: European Commission_ EMPL F1-G4</i>								
<i>Baseline and latest known results</i>	<i>Milestone 2018</i>	<i>Target 2023</i>						
<i>No baseline<sup>39</sup></i>	48%	48%						
<table border="1"> <thead> <tr> <th>2014</th> <th>2015</th> <th>2016</th> </tr> </thead> <tbody> <tr> <td>18.8%</td> <td>20.4%</td> <td>21.1%</td> </tr> </tbody> </table>	2014	2015	2016	18.8%	20.4%	21.1%		
2014	2015	2016						
18.8%	20.4%	21.1%						
Note1: EMPL will revise the planned outputs foreseen till the end of the period following the performance review.								

<b>Result indicator (EaSI-Microfinance): Number of business created or consolidated that have benefitted from EU support<sup>40</sup> (cumulative figures)</b>													
<i>Definition: Lack of access to finance is often a difficult obstacle for a micro-enterprise or a social enterprise to face when being created or consolidated. The Commission considers the provision of microloans and social enterprise investments an important factor in achieving the specific objectives of increasing the access to, and the availability of, microfinance for micro-enterprises and facilitating the access to finance for social enterprises.</i>													
<i>Source: European Commission_Progress Microfinance implementation reports - EMPL E1</i>													
<b>Baseline (2012) and latest know results</b>				<b>Milestone (2017)</b>		<b>Target (2020)</b>							
	<b>2012</b>	2013	2014	2015	2016	2017							
Progress Microfinance <sup>41</sup>	<b>6.089</b>	12.690	30.473	45.987	56.221	59.778	<table border="1"> <tbody> <tr> <td>Progress Microfinance</td> <td>40.000<sup>42</sup></td> <td>46.000</td> </tr> <tr> <td>EaSI</td> <td>21.000</td> <td>41.000<sup>43</sup></td> </tr> </tbody> </table>	Progress Microfinance	40.000 <sup>42</sup>	46.000	EaSI	21.000	41.000 <sup>43</sup>
Progress Microfinance	40.000 <sup>42</sup>	46.000											
EaSI	21.000	41.000 <sup>43</sup>											
EaSI	<b>NA</b>	NA	0	421	13.021	25830							
<b>Social Enterprises:</b>													
	<b>2012</b>	2013	2014	2015	2016	2017							
Social enterprises	<b>0<sup>44</sup></b>	0	0	0 <sup>45</sup>	63	250	<table border="1"> <tbody> <tr> <td>EaSI (in final recipients) 500 social enterprises</td> <td>EaSI (in final recipients) 1350 social enterprises<sup>46</sup></td> </tr> </tbody> </table>	EaSI (in final recipients) 500 social enterprises	EaSI (in final recipients) 1350 social enterprises <sup>46</sup>				
EaSI (in final recipients) 500 social enterprises	EaSI (in final recipients) 1350 social enterprises <sup>46</sup>												

<sup>38</sup> All baselines under specific objectives are those set when the objectives were first established

<sup>39</sup> ESF/YEI indicators are part of the common result indicators for the new programming periods, hence no baseline.

<sup>40</sup> The EaSI Regulation 1296/2013 defines the type of support that can be made available under EaSI i.e. a microcredit as well as social enterprise investments and the type of final recipients (cf. definition of micro-enterprises social enterprises) that can benefit from it.

<sup>41</sup> For Progress Microfinance, the target is in microloans, not final recipients.

<sup>42</sup> 46.000 is the official target for Progress Microfinance by 2020, i.e. when the facility closes. The milestone of 40.000 is an estimate which is not officially established.

<sup>43</sup> The target has been based on the past experience with Progress Microfinance. Milestone and target are both subject to change, as the final budget, the required leverage and the potential co-investments are unknown at this stage.

<sup>44</sup> There was no such support offered by the European Commission to social enterprises in the past.

<sup>45</sup> The EaSI delegation agreement with the EIF was signed on 22/06/2015. It is estimated that the milestone and target may still be reached.

<sup>46</sup> This calculation is based on the total volume of the guarantees and funded instruments funds, multiplied by the expected leverage and divided by an average investment size of 200.000 euros per social enterprise. For the funded instruments, an expected co-investment of 20 million euros was taken into account. In addition, this target is set taking into account a slower take-off of the instruments and a more accelerated disbursement after the first three years. Please note that the target is subject to change, as the final budget, the required leverage and potential co-investments are unknown at this stage.

**Result indicator (EaSI-Microfinance): Proportion of beneficiaries that have created or further developed a business with EU microfinance that are unemployed or belonging to disadvantaged groups**

*Definition: Vulnerable persons, such as unemployed or members of a disadvantaged group often have a more difficult access to the conventional credit market. The provision of microloans to these groups helps to increase their access to microfinance and their ability to start up or develop their own micro-enterprise.*

*Source: European Commission\_Progress Microfinance implementation reports - EaSI Regulation - EMPL E1*

Baseline (2011) and latest know results							Milestone (2017)	Target (2020)
<b>2011</b>	2012	2013	2014	2015	2016	2017	45%	50%
<b>27%</b>	32%	52%	61.2%	48.7%	48.8%	47.7%		

**Result indicator (Erasmus+): Implementation of European Transparency tools in vocational education and training (ECVET and EQAVET)**

*Definition: (1) ECVET: Number of countries having introduced units in all or part of their VET qualifications, as promoted by the European Credits for Vocational Education and Training (ECVET); (2) EQAVET: Number of countries having established a national approach to quality Assurance in line with the European Quality Assurance for Vocational Education and Training*

*Source: ECVET: Cedefop monitoring survey – EQAVET: secretariat survey*

Baseline (2013) and latest known results					Milestone(2017)	Target (2020)
	<b>2013</b>	2015	2016	2017	ECVET: 24 EQAVET: 27	ECVET: All MS EQAVET: All MS
ECVET	<b>10</b>	22	23	24		
EQAVET	<b>23</b>	26	26	28		

**Planned evaluations:**



## Specific objective 1.6: Greater social inclusion and effective social protection<sup>47</sup>

<b>Specific objective 1.6: Greater social inclusion and effective social protection</b> <sup>48</sup>				Related to programmes EaSI-PROGRESS, ESF, FEAD)	
<b>Result indicator (ESF): Participants considered as part of disadvantaged groups that are reached by the ESF<sup>49</sup></b>					
<i>Definition: This indicator provides an indication of the importance of this specific objective in the ESF programming. The ESF shall benefit people, including disadvantaged people. Engaging these categories of participants in ESF actions is an important achievement per se as it is often a first step towards (re-) integration on the labour market. The participation in the underlying projects will contribute to achieving the Europe 2020 poverty target.</i>					
<i>Source: European Commission_ EMPL units F1/G4</i>					
Baseline (Average programming period 2007-2013) <sup>50</sup> and latest known results				Milestone 2018	Target 2023 <sup>51</sup>
2007-2013	2014	2015	2016	40%	40%
20.1%	39.8%	43.1%	40.4%		
<b>Result indicator (ESF): Inactive participants engaged in job searching upon leaving</b> <sup>52</sup>					
<i>Definition: This indicator shows a change in the labour market status of the participants It provides an indication of ESF achievements in terms of results on the ground for that specific objective.</i>					
<i>Source: European Commission_ EMPL units F1-G4</i>					
Baseline and latest known results				Milestone 2018	Target 2023
No baseline <sup>53</sup>				27%	27%
2014	2015	2016			
1.4%	5.5%	6.8%			

<sup>47</sup> All baselines under specific objectives are those set when the objectives were first established

<sup>48</sup> It should be noted that these indicators cover all actions under all thematic objectives.

<sup>49</sup> Migrants, participants with a foreign background, minorities (including marginalised communities such as the Roma); Participants with disabilities; Participants who live in a single adult household with dependent children; Participants who live in jobless households; Other disadvantaged. Persons may cumulate several disadvantages.

<sup>50</sup> Annual Implementation Reports

<sup>51</sup> Note 1: Only a very limited number of OPs have targets set specifically for these categories of disadvantaged groups, although the actual number of supported disadvantaged people is likely to be larger given the range of ESF interventions. Considering the ratio of all disadvantaged groups over total participants (9.2%), the ratio of participants to the thematic objective (TO9) that addresses issues of social exclusion, poverty and discrimination (24.2%) and based on previous results from the 2007-2013 programming period, EMPL had initially put 20% as the target for 2023, but reviewed the target upwards based on the first reporting by all MS on common indicators (2016).

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

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

<sup>52</sup> Note 1: rates of participants engaged in job searching upon leaving are affected by the slow start of implementation. Given the length of the operations results might only become available at a later stage. Based on the first reporting by all MS on common indicators (2016), the initial milestone and target are maintained. The target will be reviewed following the performance review.

<sup>53</sup> ESF/YEI indicators are part of the common result indicators for the new programming periods, hence no baseline.

**Result indicator: Participants above 54 years of age**

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

*Source:* European Commission\_ EMPL units F1-G4

Baseline (Average programming period 2007-2013) and latest known results				Milestone 2018	Target 2023
2007-2013	2014	2015	2016	6% of all ESF participants	6% of all ESF participants
6.2% of all ESF participants	4.8%	5.5%	5.9%		

Only a very limited number of OPs have targets set specifically for this category. The target set for 2023 is therefore based on the results of the indicator "Older people (55-64 years)" from the 2007-2013 programming period. The related figures on targets and milestones had been updated on the basis of the first reporting by all MS on common indicators (2016). EMPL will revise the target again following the performance review.

**Indicator (FEAD): Alleviating the worst forms of poverty in the Union by providing non-financial assistance to the most deprived persons<sup>54</sup>**

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

*Source:* annual implementation reports - EMPL units F1/G4

Baseline and latest known results			Milestone (2017) <sup>55</sup>	Target (2020)
0 <sup>56</sup>			15 million	98 million <sup>59</sup>
2014 <sup>57</sup>	2015	2016		
8.19 million	13,76million	15.92 <sup>58</sup> million		

**Result 2:** Number of persons receiving social inclusion assistance

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

*Source:* annual implementation reports - EMPL units F1/G4

Baseline and latest known results			Milestone (2017) <sup>60</sup>	Target (2020)
0 <sup>61</sup>			17 thousand	86 thousand <sup>62</sup>
2014	2015	2016		
0	0	23 000		

<sup>54</sup> The result indicator "Number of persons receiving assistance from the fund" has been replaced by the indicator "Alleviating the worst forms of poverty in the Union by providing non-financial assistance to the most persons" for the Programme Statements 2018 following the first submission of data by Member States.

<sup>55</sup> Annual value, forecast calculated based on the performance and will be revised if necessary based on cumulative achievements

<sup>56</sup> Note 1: The FEAD is a new Fund, hence with a baseline at 0. The figures used in the framework of the existing Food assistance programme are established through a methodology which does not yield figures that could be comparable to the one of the new FEAD, thus they cannot be used as a baseline.

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

<sup>57</sup> The data has been updated compared to the AAR 2015, as some MS corrected their reported previous information.

<sup>58</sup> It is estimated that cumulatively until end of 2016 50% of end-recipients were women, 30% of end-recipients were children, 10% of end-recipients were persons aged 65 years or above, 11% of end-recipients were migrants, participants with a foreign background, minorities (including marginalised communities such as the Roma), 5% of end-recipients were persons with disabilities and 4% of end-recipients were homeless persons.

<sup>59</sup> Cumulative value, the 2020 target will be revised based on cumulated achievements till 2017

<sup>60</sup> Annual value, calculated pro rate based on the 2020 target and actual performance in 2014, 2015

<sup>61</sup> Note 1: The FEAD is a new Fund, hence with a baseline at 0. The figures used in the framework of the existing Food assistance programme are established through a methodology which does not yield figures that could be comparable to the one of the new FEAD, thus they cannot be used as a baseline.

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

<sup>62</sup> Cumulative value

**Result 3:** Total quantity of food support distributed in tons

*Source: annual implementation reports - EMPL units F1/G4*

Baseline and latest known results			Milestone (2017)	Target (2020)
0 <sup>63</sup>			N/A <sup>64</sup>	N/A <sup>65</sup>
2014	2015	2016		
154.437 tons	408.770 tons	377.000 tons		

<sup>63</sup> Note 1: The FEAD is a new Fund, hence with a baseline at 0. The figures used in the framework of the existing Food assistance programme are established through a methodology which does not yield figures that could be comparable to the one of the new FEAD, thus they cannot be used as a baseline.

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

<sup>64</sup> <sup>63</sup> Although this is a good indicator to follow the evolution of the support provided, setting targets for this indicator would be misleading as the quantity of support provided is not a reflection of its quality (e.g. the weight and usefulness will vary according to the type of food).

## General objective 2, associated specific objectives and indicators

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

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

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

*Source:* Eurostat, EU-LFS (Ifsa\_pganws). Mobile EU citizens defined as EU foreigners being economically active

Baseline (2014)			Target (2020)
2014	2015	2016	Increase
3.4%	3.6%	3.9%	

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

### Specific objective 2.1: Improved conditions for geographic and professional mobility whilst tackling risks of distortions and abuses<sup>66</sup>

#### Specific objective 2.1: Improved conditions for geographic and professional mobility whilst tackling risks of distortions and abuses<sup>67</sup>

Related to programmes ESF, EaSI-EURES

#### Result indicator (EaSI-EURES): Number of visits of the EURES platform (monthly average in million)<sup>68</sup>

*Definition:* The indicator reflects the number of visits to the platform, the "first port of call" at European level, by jobseekers and, to a lesser extent, of employers. Alterations in the number of visits allow measuring the demand for information on labour mobility.

*Source:* European Commission EMPL unit D1\_Indicator measured by AWSTAT

Baseline (2013) and latest known results					Milestone (2017)	Target (2020)
2013	2014	2015	2016	2017	0.8 million	1 million
0.85	0.7	0.7	0.7	0.6		

Note: Aiming to give the best possible follow-up of the indicator during the whole 2013-2020 period, the analysis of this indicator has changed as the indicator presented last year was measured with the web instrument 'Google Analytics'. However, the indicator is very sensitive to the IT environment, notably if new servers are used. Consequently, the complete time serie has been revised changing the data source to 'AWSTAT', an alternative web instrument providing more stable information. Compared to last years there has been a slight decrease in the number of visits in 2017 which is likely to be due to the improved labour market context in Member States.

#### Result indicator (EaSI-EURES): Number of youth job placements achieved or supported under the Preparatory Action Your First EURES Job (Yfej) as well as under Targeted Mobility Schemes (cumulative figure)

*Definition:* This indicator reflects the contribution of the EURES axis in terms of job placements and serves as a key performance indicator and reflects the results of EMPL's support and guidance activities.

*Source:* Preparatory action monitoring - EMPL unit D1

Baseline (2013) and latest know results <sup>69</sup>					Milestone (2016)	Target (2020)
2013	2014 (Q3)	2015	2016	2017	7.000	15.000
1844	3433	5053	5720	7349		

<sup>66</sup> Baselines under specific objectives are those set when the objectives were first established

<sup>67</sup> The indicator " Percentage of Complaints, EU PILOT and Infringement procedures handled within Commission benchmarks" is no longer displayed due to data collection issues

<sup>68</sup> Aiming to give the best possible follow-up of the indicator during the whole 2013-2020 period, the analysis of this indicator has changed as the indicator presented in the 2015 AAR was measured with the web instrument 'Google Analytics'. However, the indicator is very sensitive to the IT environment, notably if new servers are used. Consequently, the complete time series has been revised changing the data source to 'AWSTAT', an alternative web instrument providing more stable information.

<sup>69</sup> Data on 2013 and 2014 refer to results achieved under the Your first EURES job (YFEJ) preparatory action. Data on 2015 covers both the preparatory action and part of the activities under the YFEJ Targeted Mobility Scheme (transitional period). As from the end of 2015, the indicators show a steady increase due to: a) the large size and long duration of the YFEJ projects and, b) the experience and increased delivery capacity of the implementing organisations. The reporting period for the 2017 indicator ends on 30.06.2017. Data to complete the year will only be available at the end of April 2018. The scheme is expected to achieve the 2020 target.

**Result indicator: Number of individual personal contacts of EURES advisers with jobseekers, job changers and employers**

*Definition* The figure presents the performance of staff working within the different actors (e.g. public employment services, trade unions, etc.) in the EURES network, in particular presenting contacts with jobseekers as well as employers. Variations in the number of contacts reflect changes in the outreach of the network which notably results from EMPL's support and guidance activities.

*Source: European Commission EMPL unit D1\_Eures Advisors' Monthly Reports*

Baseline (2013) and latest know results					Milestone (2016)	Target (2020)
<b>2013</b>	2014	2015	2016	2017	1.200.000	1.400.000 <sup>70</sup>
<b>1.055.936</b>	947.489	1.058.874	1.131.002	1.524.280		

**Note:** this number corresponds to the total of number of individual contacts (including number of individuals in group contacts) reported in the EURES monthly reports filed in by the EURES advisers. The response rate is on average 60% and data are often based on estimates. Therefore it is likely that the actual figures are much higher than the reported 1.131.002 figure confirming that the 2020 target could be reached. In the coming years, efforts will be made to improve the reporting mechanism and this may have a positive impact on the response rate and increase the scope with data from other staff than EURES advisers.

**Planned evaluations:**

Ex post evaluation of EURES, 2020

### General objective 3, associated specific objectives and indicators

**General objective: A deeper and fairer Economic and Monetary Union**

**Impact indicator: Dispersion of GDP per capita (Euro area MSs)**

*Source: Eurostat. Code – "Main GDP aggregates per capita [nama\_10\_pc]"*

Baseline (2014) and latest known results			Target (2020)
2014	2015	2016	Reduce
41.9%	43%	42.1% (EU-28)	

**Impact indicator: Income quintile share ratio**

*Source: Eurostat. Eurostat (ilc\_di11)*

Baseline (2014) and latest known results			Target (2020)
2014	2015	2016	Reduce
5.2	5.2	5.2	

[Bookmark](#)

As this objective is achieved mainly through interventions under EMPL's other objectives, the underlying performance framework has been limited to the delivery and implementation of the key deliverable under this priority.

<sup>70</sup> Strategic goal of the Commission – target set on the assumption that the 2012 EURES Decision is properly implemented as from 01/01/2014)